

**HOUSING AUTHORITY OF THE CITY OF SAN DIEGO  
SPECIAL MEETING MINUTES  
TUESDAY, DECEMBER 15, 2020  
CITY COUNCIL CHAMBERS – 12<sup>TH</sup> FLOOR**

The Meeting of the Housing Authority of the City of San Diego was called to order at 3:50 p.m.

**ATTENDANCE**

Present:

Council President Jennifer Campbell, District 2  
Councilmember Joe LaCava, District 1  
Council President Pro Tem Stephen Whitburn, District 3  
Councilmember Monica Montgomery Steppe, District 4  
Councilmember Marni von Wilpert, District 5  
Councilmember Chris Cate, District 6  
Councilmember Raul Campillo, District 7  
Councilmember Vivian Moreno, District 8  
Councilmember Sean Elo-Rivera, District 9

**DISCUSSION AGENDA:**

**ITEM 1: HAR20-043 Multifamily Mortgage Revenue Bond Program Policy Amendments**

*City Council companion item*

**This items was returned to staff.**

That the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions, as described in this report.

**Housing Authority:**

- 1) Approve the proposed amendments to the San Diego Housing Commission's (Housing Commission) Multifamily Mortgage Revenue Bond Policy PO300.301, as described in this report and shown in Attachments 1 and 2, to update the policy to reflect a change in the IRS regulations regarding posting of notices, to streamline the approval process, and to bring the policy into conformance with similar agencies' Bond Programs. Changes to the policy will apply only to bond issuances in progress and new bond applications received after the Housing Authority's proposed approval; and
- 2) Authorize Housing Commission's (Housing Commission) President and Chief Executive Officer (President & CEO), or designee, to perform such acts as necessary or appropriate to implement this approval and administer the Housing Commission's Bond Program, upon the advice of General Counsel.

**City Council:**

Authorize the Housing Commission's President & CEO, or designee, to hold Tax Equity and Fiscal Responsibility Act (TEFRA) public hearings on behalf of the City Council. The City's approval, by its applicable elected representative, shall remain required for completion of the TEFRA process, and the Housing Authority's approval shall remain required for final bond authorization.

**ITEM 2: HAR20-046 Authorization to Execute an Amended Memorandum of Understanding between the San Diego Housing Commission (Housing Commission) and the City of San Diego (City) to Continue the Oversight and Administration of the City's COVID-19 Emergency Rental Assistance Program; Authorization for the Housing Commission to Expend Additional Federal CARES Act Community Development Block Grant Funds and CARES Act Housing Choice Voucher Administration funds to Support the Continuing Operations of the Program; and Authorization for the Housing Commission to Enter into Contract Extensions to Support Continuing Operations of the Program**

*City Council companion item*

**This item was returned to staff.**

That the Housing Authority of the City of San Diego (Housing Authority) and San Diego City Council (City Council) take the following actions:

**Housing Authority:**

- 1) Authorize the San Diego Housing Commission (Housing Commission) to execute an amendment to the Memorandum of Understanding (MOU) between the Housing Commission and the City of San Diego for the oversight and administration of the City of San Diego's COVID-19 Emergency Rental Assistance Program to allow the Housing Commission to continue to oversee and administer the program with an additional \$5,000,000 allocated by the City of San Diego from federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Community Development Block Grant (CDBG) funds to carry out a second phase of the program, and to allow the Housing Commission to use any unexpended funds from the first phase of the program toward administrative and/or rental assistance payment expenses in the new second phase of the program. If administrative expenses exceed the available program funds, the Housing Commission will utilize federal CARES Act Housing Choice Voucher Administration funds awarded directly to the Housing Commission to pay these expenses, up to the maximum budgetary authority previously delegated to the Housing Commission;
- 2) Authorize the Housing Commission to amend its Fiscal Year 2021 budget in the amount of \$5,500,000 (\$5,000,000 from federal CARES Act CDBG funds from the City of San Diego and \$500,000 from federal CARES Act Housing Choice Voucher Administration funds awarded directly to the Housing Commission) to provide continuing oversight and administration of the City of San Diego's COVID-19 Emergency Rental Assistance Program; and accept the transfer of \$5,000,000 of federal CARES Act CDBG funds from the City of San Diego (the \$5,500,000 budget amendment includes the expenses for extensions of agreements described in Staff Recommendations Nos. 4 and 5);
- 3) Authorize the Housing Commission's President & Chief Executive Officer (President & CEO), or designee, to expend the additional federal CARES Act CDBG funds from the City of San Diego to provide one-time rental assistance of up to \$4,000 per qualifying household to households that qualified in the first phase of the City's COVID-19 Emergency Rental Assistance Program, if the first phase of the program is oversubscribed; however, if any funds allocated to the first phase of the program remain unused, authorize the Housing Commission's President & CEO, or designee, to expend those funds in subsequent phases of the program to provide one-time rental assistance of up to \$4,000 to qualifying households;

- 4) Authorize the Housing Commission's President & CEO, or designee, to modify the program, if necessary, without further action by the Housing Commission's Board of Commissioners (Board) or the Housing Authority, but only if and to the extent that such changes comply with the terms of the executed MOU, as amended; are necessary to fulfill funding requirements; and comply with U.S. Department of Housing and Urban Development requirements;
- 5) Authorize the Housing Commission's President & CEO, or designee, to execute an extension of the agreement, in a form and format approved by General Counsel, with BASC LLC in an amount not to exceed \$175,000 for the continuing operations and technical support for the web-based application portal for the City's COVID-19 Emergency Rental Assistance Program;
- 6) Authorize the Housing Commission's President & CEO, or designee, to execute an amendment to the agreement, in a form and format approved by General Counsel, with RemX in an amount not to exceed an additional \$250,000 to provide temporary staff for the continuing operations of the City's COVID-19 Emergency Rental Assistance Program and additional Housing Commission temporary staff needs; and
- 7) Authorize the Housing Commission's President & CEO, or designee, to substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of the General Counsel.
- 8) Authorize the Housing Commission's President & CEO, or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals.

**City Council:**

Authorize the City of San Diego to execute an amendment to the Memorandum of Understanding (MOU) between the Housing Commission and the City of San Diego for the oversight and administration of the City of San Diego's COVID-19 Emergency Rental Assistance Program to allow the Housing Commission to continue to oversee and administer the program with an additional \$5,000,000 allocated by the City of San Diego from federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Community Development Block Grant (CDBG) funds to carry out a second phase of the program, and to allow the Housing Commission to use any unexpended funds from the first phase of the program toward administrative and/or rental assistance payment expenses in the new second phase of the program.

**ITEM 3: HAR20-042 Preliminary Bond Authorization for The Post 310 Apartments**

***City Council companion item***

Colin Miller, Vice President, Multifamily Housing Finance, Real Estate Division, San Diego Housing Commission, presented the request for approval.

Motion by Councilmember Montgomery Steppe to approve the staff-recommended actions. Seconded by Councilmember LaCava and passed by a vote of 9-0.

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions as described in this report:

- 1) Approve the following steps to issue tax-exempt and taxable Multifamily Housing Revenue Bonds for The Post 310 Apartments, a 43-unit affordable rental housing development to be located at 465 47th Street, San Diego, CA 92012, which will include 42 units that will remain affordable for 55 years and one manager's unit:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$17,700,000 in tax-exempt Multifamily Housing Revenue Bonds and up to \$5,000,000 in taxable Multifamily Housing Revenue Bonds for the acquisition and new construction of The Post 310 Apartments by Post 310 Housing San Diego L.P.;
  - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$17,700,000 for The Post 310 Apartments. Issuance of the bonds will require Housing Authority approval at a later date; and
  - c. Approve the bond financing team of Kutak Rock as Bond Counsel and Public Financial Management, Inc. (PFM) as Financial Advisor.
  
- 2) Authorize the San Diego Housing Commission's (Housing Commission) President & CEO, or his designee, to execute any and all documents necessary to effectuate the transaction and implement the project in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel.

**Council President Campbell adjourned the Housing Authority meeting at 3:58 p.m. to reconvene as City Council.**

**Council President Campbell reconvened the Housing Authority at 4:01 p.m.**

**ITEM 4: HAR20-045      Preliminary Bond Authorization for The Junipers**

*City Council companion item*

Colin Miller, Vice President, Multifamily Housing Finance, Real Estate Division, San Diego Housing Commission, presented the request for approval.

Martha Welch commented on opposition.

Motion by Council Councilmember von Wilpert to approve the staff-recommended actions. Seconded by Councilmember LaCava and passed by a vote of 9-0.

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions, as described in this report.

- 1) Approve the following preliminary steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds to facilitate the development of The Junipers at the northwest corner of Interstate 15 and Carmel Mountain Road in the Rancho Peñasquitos neighborhood, which will consist of 80 units affordable for 55 years for seniors aged 55 and older earning between 50 percent and 60 percent of the San Diego Area Median Income (AMI) and one unrestricted manager's unit:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$19,500,000 in Multifamily Housing Revenue Bonds supporting the development of The Junipers by a limited partnership formed by Chelsea Investment Corporation, Juniper CIC, LP;

- b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$19,500,000 for The Junipers; and
  - c. Approve the financing team of Kutak Rock as Bond Counsel and CSG Advisors as Financial Advisor; and
- 2) Authorize the San Diego Housing Commission's (Housing Commission) President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.

**Council President Campbell adjourned the Housing Authority meeting at 4:16 p.m. to reconvene as City Council.**

**Council President Campbell reconvened the Housing Authority at 4:19 p.m.**

**ITEM 5: HAR20-047 Exclusive Negotiating Agreement and Predevelopment Loan for Predevelopment Analysis for Property at Southeast Corner of Famosa and Nimitz Boulevards**

**This item was returned to staff.**

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Authorize the San Diego Housing Commission's (Housing Commission) President and Chief Executive Officer (President & CEO), or designee, to enter into an Exclusive Negotiating Agreement with Bridge Housing Corporation (Bridge), which will include a predevelopment loan to Bridge in the amount of \$910,000.00 (Loan) to be used for predevelopment activities. If Bridge acquires the Property from the Housing Authority, the predevelopment loan shall be repaid to the Housing Commission at closing. However, if Bridge does not acquire the Property from the Housing Commission, the predevelopment loan shall be deemed repaid in exchange for Bridge assigning all of its interest in all reports, studies and plans pertaining to the Property, subject to any applicable third-party rights in such materials so assigned.
- 2) Authorize the President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals.

**Adjournment**

Council President Campbell adjourned the meeting at 4:19 p.m.