



MINUTES

**SAN DIEGO HOUSING COMMISSION
MINUTES OF THE SPECIAL MEETING
OCTOBER 13, 2022
VIDEO CONFERENCE PURSUANT TO
CALIFORNIA GOVERNMENT CODE SECTION 54953(e)**

ATTENDANCE

Present:

Chair Eugene “Mitch” Mitchell
Vice Chair Ryan Clumpner
Commissioner Stefanie Benvenuto
Commissioner Johanna Hester
Interim President & CEO Jeff Davis
General Counsel Charles Christensen

Not present:

Commissioner Kellee Hubbard
Commissioner Melinda K. Vásquez

10 CALL TO ORDER

Chair Mitchell called the Special Meeting to order at 9:03 a.m.

20 NON-AGENDA PUBLIC COMMENT

There were no non-agenda public comments.

30 COMMISSIONER COMMENTS

There were no Commissioner comments.

40 REPORT BY THE INTERIM PRESIDENT & CHIEF EXECUTIVE OFFICER

Wells Fargo Foundation Grant

A \$7.5 million grant was awarded to the San Diego Housing Commission (Housing Commission) to support collaborative efforts to help more people of color become homeowners in the San Diego region. Chair Mitchell spoke for the Housing Commission at a news conference on September 21, 2022, to announce the grant. The news conference also included Mayor Todd Gloria, City Council President Monica Montgomery Steppe, County of San Diego Supervisor Joel Anderson, Wells Fargo Chief Financial Officer Mike Santomassimo and representatives from community organizations that make up the San Diego Homeownership Equity Collaborative. The San Diego City-County Reinvestment Task Force will lead the implementation of the Collaborative’s strategies throughout the San Diego region. The Housing Commission and Reinvestment Task Force are among the organizations on the Collaborative's Executive Committee. This grant will support strategies to create 5,000 new homeowners of color in San Diego County by the end of 2025. More information and links to available resources are on the Housing Commission’s website at www.sdhc.org/homebuyerequity.



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National Association of Housing and Redevelopment Officials (NAHRO) Awards

The National Association of Housing and Redevelopment Officials (NAHRO) conference occurred in San Diego September 22 through 24. The evening before the conference started, NAHRO announced its national Awards of Merit honorees. The Housing Commission received Awards of Merit for its Accessory Dwelling Unit (ADU) Development Pilot Program, the COVID-19 Housing Stability Assistance Program, and Online Dashboards for Homelessness Programs and Affordable Housing. The COVID-19 Housing Stability Assistance Program and ADU Development Pilot Program are also being considered for NAHRO’s Awards of Excellence. Those awards are expected to be announced at a later date.

Ventana al Sur Groundbreaking

On October 3, 2022, Senior Vice President of Housing Finance and Property Management Colin Miller participated in the groundbreaking for the Ventana al Sur development in San Ysidro. He joined Mayor Todd Gloria, the developers—MAAC and Kingdom Development—and additional organizations for this event. Ventana al Sur will provide 100 affordable rental apartments for seniors with very low income. The Housing Commission Board of Commissioners (Board) approved a \$4.4 million loan to support this development. The Housing Commission also awarded 25 rental housing vouchers to help pay rent for residents at this development who previously experienced homelessness.

Post 310 Groundbreaking

Developers broke ground in Chollas View for the Tranquility at Post 310 development on October 13, 2022. This project will provide 42 affordable rental homes for veterans with very low income or experiencing homelessness. The Housing Commission awarded 20 federal rental vouchers to help pay rent for Post 310 residents who previously experienced homelessness. The Housing Commission Board also authorized a loan of up to \$2.8 million for the development. Hitzke Development Corporation and Housing Innovation Partners are the developers for this property.

Commissioner Benvenuto joined the meeting at 9:53 a.m.

50 APPROVAL OF THE MINUTES

The minutes of the Special Meetings of September 16, 2022, and September 20, 2022, were approved on a motion by Vice Chair Clumpner, seconded by Commissioner Hester, and passed by a vote of 4 -0.

CONSENT AGENDA

Motion by Vice Chair Clumpner to approve Item 100 on consent. Seconded by Commissioner Hester and passed by a vote of 4-0.



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ITEM 100 HCR22-110 Lease Approval for Latinos y Latinas en Accion, a 501(c)(3) nonprofit, at Courtyard Apartments

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the follow actions:

- 1) Approve a lease agreement extension option with Latinos y Latinas en Accion (Latinos y Latinas) for a period of three years under the original terms of the lease executed August 1, 2022, to occupy the commercial space located at 4389 El Cajon Blvd., San Diego, CA 92105.
- 2) Authorize the President and Chief Executive Officer (President & CEO), or designee, to execute all lease documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.

DISCUSSION AGENDA

ITEM 101 HCR22-100 Loan Recommendation, Preliminary Bond Authorization, and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for 13th & Broadway

Jennifer Kreutter, Vice President, Multifamily Housing Finance, Real Estate Division, presented the request for approval.

Motion by Vice Chair Clumpner to take the staff-recommended actions. Seconded by Commissioner Hester and passed by a vote of 4-0.

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions as described in this report:

- 1) Approve a Housing Commission residual receipts loan in an amount not to exceed \$8,000,000 to 13th & Broadway CIC, LP, a California limited partnership created to finance the proposed acquisition and new construction of 13th & Broadway at 1320 Broadway, which will provide 270 rental housing units that will remain affordable for 55 years for individuals experiencing literal and chronic homelessness, veterans experiencing homelessness, and individuals with income of 25 percent to 50 percent of San Diego's Area Median Income (AMI), and three unrestricted manager's units.

The Housing Commission's proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to the Housing Commission's General Counsel's approval.



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- 2) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or designee, to:
 - a. Execute all necessary documents and instruments 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, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner;
 - b. Adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$8,000,000 maximum Housing Commission loan amount may not increase; and
 - c. 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.

- 3) Approve the following steps to issue up to \$73,000,000 of Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and \$14,944,270 of taxable bonds for 13th and Broadway:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$73,000,000 in tax-exempt Multifamily Housing Revenue Bonds for the acquisition and new construction of 13th & Broadway by 13th & Broadway 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 \$73,000,000 for 13th & Broadway; and
 - c. Approve the bond financing team of Orrick, Herrington & Sutcliffe LLP as Bond Counsel and Ross Financial as Bond Financial Advisor.

- 4) Authorize the Housing Commission's 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 the General Counsel and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel.

- 5) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$73,000,000 to facilitate acquisition and new construction of 13th & Broadway.



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ITEM 102 HCR22-111 Cortez Hill Apartments Final Bond Authorization and Tax, Equity and Fiscal Responsibility Act (TEFRA) Hearing and Resolution

Jennifer Kreutter, Vice President, Multifamily Housing Finance, Real Estate Division, presented the request for approval.

Motion by Vice Chair Clumpner to take the staff-recommended actions. Seconded by Commissioner Hester and passed by a vote of 4-0.

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions and recommend that the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions:

Housing Commission Board

- 1) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing approving the Housing Authority's issuance of a tax-exempt Multifamily Housing Revenue Bond in an amount not to exceed \$19,305,000 to fund Beech Street Housing Associates LP's construction of Cortez Hill, a new affordable rental housing development at 915 Beech Street, which will consist of 87 units that will remain affordable for 55 years for people with low income, selected from the Housing Commission's Project-Based Housing Vouchers (PBV) waiting list for those earning between 30 percent to 40 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.

Housing Authority

- 1) Authorize the issuance of a tax-exempt Multifamily Housing Revenue Bond in an aggregate amount not to exceed \$19,305,000 of a tax-exempt bond and a taxable bond in an amount not to exceed \$13,000,000 to fund Beech Street Housing Associates LP's acquisition and construction of the Cortez Hill Apartments (Cortez Hill), a new affordable rental housing development at 915 Beech Street in the Cortez Hill neighborhood in downtown San Diego, which will consist of 87 units that will remain affordable for 55 years for people experiencing chronic homelessness or with low income and selected from the Housing Commission's Project-Based Housing Vouchers (PBV) waiting list, with income between 30 percent to 40 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.
- 2) Authorize the Housing Commission 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 the General Counsel of the Housing Authority and of the Housing Commission and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel. Housing Commission staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the transaction, and other required documents, including amendments to any documents.



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City Council

- 1) Adopt a TEFRA resolution approving the issuance of a tax-exempt Multifamily Housing Revenue Bond in an amount not to exceed \$19,305,000 to facilitate the development of Cortez Hill.

ITEM 103 HCR22-115 Workshop & Discussion: Project-Based Housing Vouchers Overview

Azucena Valladolid, Executive Vice President of Rental Assistance & Workforce Development, and Emily S. Jacobs, Executive Vice President of Real Estate, San Diego Housing Commission, presented an informational workshop about the process for determining the availability of Project-Based Housing Vouchers (PBVs), project requirements and the competitive process for awarding these vouchers. PBVs are awarded to specific affordable rental housing developments to provide rental assistance linked to their units. When a tenant moves on, the rental housing voucher remains with the affordable housing unit to help another household with low income or experiencing homelessness.

ADJOURNMENT

Chair Mitchell adjourned the Special Meeting at 9:59 a.m.

Respectfully submitted,

Scott Marshall

Scott Marshall
Vice President
Communications and Government Relations
San Diego Housing Commission

Approved by,

Jeff Davis

Jeff Davis
Interim President & Chief Executive Officer
San Diego Housing Commission