

MINUTES
REGULAR MEETING
OF THE
PROJECTS AND DEVELOPMENT COMMITTEE
JANUARY 13, 2010



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Economic
Development
Corporation

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Present Chair Champion-Cain, Committee Members Geisler, Williams, and Ayala.

Absent None

Item 1 **Call to Order**

Chair Champion-Cain called the meeting to order at 6:03 p.m.

Item 2 **Approval of the Minutes from the Agenda of November 10, 2009**

MOTION BY COMMITTEE MEMBER WILLIAMS TO APPROVE THE MINUTES OF NOVEMBER 10, 2009, AS SUBMITTED.

Seconded by Committee Member Geisler.

Motion carried with Jimmy Ayala abstaining.

Item 3 **Communications**

None.

Item 4 **Request for Continuance**

None.

Item 5 **Consent Agenda Item(s)**

None.

Item 6a **Valencia Business Park: Reconsideration of Direction to Issue a Request For Proposal and Request By St. Stephen's to Enter into Direct Negotiations (Action)**

Staff member Nancy Lytle presented the staff report as submitted noting the previous action of the SEDC Board of Directors to reissue a Request for Proposal seeking a developer for Lots 2-7 in Valencia Business Park. She informed the Committee that staff spoke with the U.S. Department of Housing and Urban Development (HUD) and they are opposed to a direct negotiation as requested by St. Stephen's COGIC.

Mr. Trotier explained the terms of the Section 108 Loan specifically that the loan prohibited repayment prior to 2019, and the restrictive terms with the loan must stay in existence.

Furthermore, Mrs. Lytle explained that HUD notified staff that a default on the Section 108 Loan obligation would be considered a breach of the new payment agreement being negotiated for the entire city's CDBG portfolio.

Bishop George McKinney distributed a correspondence noting two particular areas of concern: (1) the current zoning and (2) the property taxes.

Matt Peterson, representative of St. Stephens expressed concern regarding: (1) language within the RFP and staff report as it relates to zoning issues; (2) HUD early repayment; and (3) the prohibition of non-profit usage.

Detailed discussion followed.

MOTION BY COMMITTEE MEMBER GEISLER TO RECOMMEND TO THE BOARD OF DIRECTORS APPROVAL OF REISSUING THE VALENCIA BUSINESS PARK REQUEST FOR PROPOSAL.

Seconded by Committee Member Williams

Motion carried unanimously.

Item 6b

Approve Agreement with Housing Commission for Lead Safe San Diego Program

Staff member Sherry Brooks presented the staff report as submitted informing the Committee that staff was seeking approval to provide matching funds in the amount of \$150,000 to the San Diego Housing Commission for the Lead Safe San Diego Program. She noted that the program targeted existing affordable low-income residents in the SEDC Area of Influence with the majority in the Dells Imperial Area. She also noted that the Housing Commission would administer the program over the next three years.

Additional discussion followed.

MOTION BY COMMITTEE MEMBER GEISLER TO RECOMMEND TO THE SEDC BOARD OF DIRECTORS APPROVAL OF AN AGREEMENT WITH HOUSING COMMISSION FOR LEAD SAFE SAN DIEGO PROGRAM.

Seconded by Committee member Williams

Motion carried unanimously.

Item 6c **Vista Grande Apartments, Rehabilitation (54th and Margarita Streets) – Owner Participation Agreement with Wakeland Housing & Development Corp., for the Rehabilitation of the Vista Grande- Southeastern San Diego, Valencia Park Neighborhood**

Ms. Brooks presented the staff report as submitted recalling previous Board of Directors action approving a subsidy amount of \$600,000. She informed the Committee that staff is requesting an additional \$240,000 for a total amount of \$840,000. She pointed out that the development would help the corporation meet its very-low income unit obligation for all its Redevelopment Project Areas.

Additional discussion followed.

MOTION BY COMMITTEE MEMBER WILLIAMS TO RECOMMEND TO THE SEDC BOARD OF DIRECTORS APPROVAL OF VISTA GRANDE REHABILITATION (54TH AND MARGARITA STREETS) – OWNER PARTICIPATION AGREEMENT WITH WAKELAND HOUSING & DEVELOPMENT CORP., FOR THE REHABILITATION OF THE VISTA GRANDE APARTMENTS, SOUTHEASTERN SAN DIEGO, VALENCIA PARK NEIGHBORHOOD.

Seconded by Committee member Geisler

Motion carried unanimously.

Item 6d **Informational Presentation by Developer for Proposed Southcrest Villas on Keeler Court**

Ms. Sylvia Martinez gave a brief presentation informing the Committee that the proposed project has a \$6.5 million gap, of which the Developer was requesting that the corporation and the San Diego Housing Commission share in the gap financing. She added that the project was currently in escrow and it was anticipated that project would take approximately 12 -18 months in planning and completion.

Additional discussion followed.

This being an informational item no action was necessary.

Item 7 **Acting President/CEO Report**

None.

Item 8 **Chair's Report**

None.

Item 9 **Committee Announcements, Reports or Referrals**

None.

Item 10 **Adjournment**

There being no further business, the meeting adjourned at 1:21 p.m.