

MINUTES  
REGULAR MEETING  
OF THE  
PROJECTS AND DEVELOPMENT COMMITTEE  
NOVEMBER 10, 2009



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

Absent None

Item 1 **Call to Order**

Chair Champion-Cain called the meeting to order at 5:07 p.m.

Item 2 **Approval of the Minutes from the Agenda of September 9, 2009**

MOTION BY COMMITTEE MEMBER WILLIAMS TO APPROVE THE MINUTES OF SEPTEMBER 9, 2009, NOTING THAT THE SECOND AND THIRD PAGE HEADERS WHICH REFLECT THE MEETING DATE OF OCTOBER 14, 2009, IS INCORRECT AND THE CHANGE SHOULD READ "...NOVEMBER 10, 2009".

Seconded by Committee Member Geisler.

Motion carried unanimously.

Item 3 **Communications**

None.

Item 4 **Request for Continuance**

None.

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

None.

Item 6a **Vista Grande Apartments Rehabilitation Loan Agreement (Action)**

Staff member Sherry Brooks presented the staff report in detail, noting the project is located adjacent to the Central Imperial Redevelopment Project Area at 54<sup>th</sup> and Santa Margarita Streets, and proposes to provide currently market-rate units to extremely-low and very-low income families. Ms. Brooks also noted that while the units are located outside the adopted redevelopment projects areas, the Agency could count the units at a ratio of 2:1 for production of affordable units therefore 24 units could potentially meet SEDC's obligation for affordable housing, which would be above the 20-unit obligation for the corporation's area of influence. She reminded the Committee that the applicant Wakeland Housing Development Corporation already has funding approval from the San Diego Housing Commission; however, the developer has requested an additional \$600,000 subsidy from the Redevelopment Agency, which could provide a better tax credit score for the local funding criteria.

She recalled that at the time this item was presented on September 9<sup>th</sup> to the Committee as an informational item, staff was waiting for the outcome of the Strategic Plan, so that staff could determine how to focus their time and effort. She noted the Strategic Plan recommendations include the need to focus more time on market rate units that produce tax increment and create change for the area in addition to the removal of blight.

She noted that staff is recommending that the Committee recommend to the Board of Directors approval of the Rehabilitation Loan Agreement with Wakeland Housing Development Corporation for the 49 unit Vista Grande Apartments for an amount not to exceed \$600,000. In addition, the corporation would need the Agency and Council to make a finding that the use of housing set-aside funds would be of benefit to the project area. She noted that a determination of findings could be made based on preliminary discussion with the City Attorney.

Further discussion followed regarding working on finalizing a draft agreement to the Board of Directors or a summary of terms regarding the rehabilitation loan agreement such as, the terms of the agreement with residual receipts loan at 3% simple interest, and forgivable after 55 years. In exchange, the Redevelopment Agency will receive all 48 units with affordability covenants for the 55 years.

She added that the San Diego Housing Commission (Housing Commission) would own the land and lease to the property owner, with an option to purchase the buildings after 15 years. The Agency's loan would be subordinate to the private lender, and the Housing Commission Loan, and the 55-year affordability covenants would continue if the Housing Commission exercises the option to purchase the improvements. Should the Housing Commission exercise the option the Agency loan re-payment obligation would continue as well.

In addition, she noted that the Housing Commission would monitor and enforce the Agency's affordability covenants, and monitor and manage the rehabilitation of project.

Additional discussion followed.

MOTION BY COMMITTEE MEMBER GEISLER TO RECOMMEND TO THE SEDC BOARD OF DIRECTORS APPROVAL OF A REHABILITATION LOAN AGREEMENT FOR THE VISTA GRANDE APARTMENTS FOR AN AMOUNT NOT TO EXCEED \$600,000.

Seconded by Williams

Motion carried unanimously.

Item 6b

**Jacobs / Trolley Residential, Review and Comments on Project Design**

Charles Davis with Jacobs Center for Neighborhood Innovation gave a brief presentation on the exterior site plans and elevations for the Trolley Residential and a video simulation of the development viewed from the streets and viewed as walking through the development. The proposed project site is located within the Central Imperial Redevelopment Project Area, and the Village at Euclid and Market Creek. He noted that the 52 unit multi-family housing project would

have subterranean parking with 3-4 stories above and 1, 2 and 3 bedrooms. In addition, he noted that the housing would serve a population of 30-60% AMI; this is approximately \$16,000-\$55,000 annual income per year.

Following additional discussion regarding the Chollas Creek Enhancement Plan, Ms. Brooks noted that staff is working with the City of San Diego's Planning Department to assist in developing the final scope with SANDAG for the \$440,000 Euclid and Market Village Master Plan Smart Growth Incentive Program grant they received.

She also noted that staff is assisting the City with their scope to define the boundaries of the study area. In addition, she noted that there is a timeline of three years total process once funds are received from SANDAG.

Additional discussion followed.

No Committee action was required with this item.

Item 7 **Acting President/CEO Report**

None.

Item 8 **Chair's Report**

None.

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

Committee member Geisler requested a status report on the Enterprise Zone.

Item 10 **Adjournment**

There being no further business, the meeting adjourned at 6:00 p.m.