

MINUTES

**HOUSING DEVELOPMENT PARTNERS
MINUTES OF THE BOARD MEETING OF
JUNE 24, 2022
VIDEO CONFERENCE PURSUANT TO
CALIFORNIA GOVERNMENT CODE SECTION 54953(e)**

ATTENDANCE

Board Members Present:

Chair Jeff Davis

Vice Chair Gary Gramling

Secretary Stefanie Benvenuto

Board Member Eugene “Mitch” Mitchell

Counsel Chuck Christensen

Counsel Irene Kuei

Not present: Board Member Justine Nielsen

10 CALL TO ORDER

Chair Davis called the Meeting to order at 9:01 a.m.

20 NON-AGENDA PUBLIC COMMENT

There were no public comments.

30 BOARD COMMENTS

There were no board member comments.

40 CHAIR COMMENTS

West Park Inn and Mariner’s Village

Housing Development Partners’ (HDP) West Park Inn and Mariner’s Village developments have achieved all of their property stabilization requirements. Stabilization requirements vary based on the lender, but generally involve an occupancy or lease-up threshold and a level of revenue relative to total expenses for a set period of time after construction is complete. West Park and Mariner’s Village are both awaiting final certification from the California Tax Credit Allocation Committee. West Park Inn is in the final stages of that process, and Mariner’s Village will be beginning that process in July. It takes about a year to complete the certification. After certification, staff will be able to request the final installment of the developer fee for the projects. West Park Inn consists of 46 permanent affordable housing units in Bankers Hill for people who experienced homelessness and one manager’s unit. Mariner’s Village provides 170 affordable housing units in the Skyline neighborhood for families with low income and two unrestricted managers’ units.

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Quality Inn

The Quality Inn development completed its property stabilization requirements in May. This will allow for the release of the lender's Rental Achievement Reserve. That is about \$2.3 million that will fund the installation of a solar system, the property's operating reserve, the property's security needs in the years ahead, and the final installment of the developer fee.

Casa Colina

For the Casa Colina property, HDP staff has procured M.W. Steele Group to serve as the rehabilitation project's architect and design team lead. M.W. Steele Group previously served as the architect for HDP's Island Village Apartments. The design team is working toward the creation of the as-built survey drawings and schematic scope development for the Casa Colina project. HDP staff also continues to work on the process to ask the U.S. Department of Housing and Urban Development (HUD) for an increase in the Project-Based Voucher rent subsidy for this property. At Casa Colina, the housing assistance payment contract is with HUD directly—not the San Diego Housing Commission. Casa Colina consists of 75 affordable rental apartments for seniors in the Colina del Sol neighborhood in the Mid-City area. The HDP Board approved the predevelopment budget for Casa Colina last October. HDP acquired and rehabilitated the property in 2004. In 2019, the property reached its 15-year mark. The tax-credit investor exited at that time, and HDP acquired their interest in the partnership.

ADU Development Program

HDP worked with the San Diego Housing Commission (Housing Commission) to construct detached accessory dwelling units (ADUs) in the available yard space at five single-family homes HDP owns in the Nestor community in South Bay. This development pilot program included the creation of permit-ready plan templates that would be made available for use by interested homeowners in the City of San Diego at no-cost to them. The permit-ready plan templates are undergoing final revisions for City approval and are anticipated to be approved for public use this summer. When they are ready, they will be posted on the Housing Commission's website at www.sdhc.org/adu, which also includes a report of "lessons learned" through the development pilot program to help other homeowners go through the process of building an ADU.

Staff Updates

Chair Davis congratulated Josh Hoffman, who has been promoted to Interim Vice President of Development. Mr. Hoffman has excelled in his previous position as a development director at HDP. In 2020, he was recognized with a Housing Commission CEO Award of Excellence for his great work. He will now take on more oversight of development activities in his new role.

In addition, HDP welcomed Alfonso Trujillo as HDP's new Director of Asset Management. Mr. Trujillo started at HDP in June 2022. His previous experience includes serving as the Director of Property Management for the Cesar Chavez Foundation; the Vice President of Property Management and Leasing for Cap Rate Commercial; and Director of Asset and Property Management for the Cherng Family Trust.

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50 APPROVAL OF THE MINUTES

The minutes of the December 10, 2021, Board of Directors Meeting, were approved on a motion by Board Member Benvenuto, Seconded by Board Member Gramling and passed by a vote of 3-0. Board Member Mitchell abstained.

Chair Davis noted two corrections to the minutes: The footer at the bottom of the pages for the minutes will be updated to reflect the meeting date of December 10, 2021. In addition, the signature page will reflect that Chair Jeff Davis will sign the final approved minutes as the President of the Board instead of Richard C. Gentry, whose name appears on the minutes distributed to the Board.

CONSENT AGENDA

Motion by Board Member Mitchell to approve Items 100, 101 and 102 on Consent. Seconded by Board Member Gramling and passed by a vote of 4-0.

100 HDP22-001 Approve Appointments of Board Members

That the Board of Directors approve the appointments of San Diego Housing Commission (Housing Commission) Chair Stefanie Benvenuto, Commissioner Mitch Mitchell, Gary Gramling and Justine Nielsen as members of the Board of Directors of Housing Development Partners (HDP).

101 HDP22-002 Election of Corporate Officer

That the Board of Directors elect San Diego Housing Commission Interim Chief Financial Officer Suket Dayal as Housing Development Partners' (HDP) Treasurer/Chief Financial Officer.

102 HDP22-003 Elect Audit Committee Members

That the Board of Directors elect Board Members Stefanie Benvenuto and Gary Gramling to serve on the Audit Committee.

DISCUSSION ITEMS

103 HDP22-004 Housing Development Partners Security Assessment

Emmanuel Arellano, Vice President of Asset Management, Housing Development Partners, presented the request for approval.

Motion by Board Member Mitchell, seconded by Board Member Benvenuto, and passed by the vote of 4-0.

That the Board of Directors (Board) take the following actions:

1. Authorize an agreement between Housing Development Partners (HDP) and Delta V Group in the amount of \$110,200 for the Security Assessment of 10 HDP-owned real estate properties, identified in Table 1 of this report.

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2. Authorize HDP's Executive Vice President, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by HDP's legal counsel, and take such actions as are necessary and/or appropriate to implement these approvals.
3. Find that the foregoing transaction is just and reasonable as to HDP for purposes of California Corporations Code Section 5234 to the extent they involve the San Diego Housing Commission.

104 HDP22-005 New Palace Hotel Tenant Improvements

Josh Hoffman, Interim Vice President of Development, Housing Development Partners, presented the request for approval.

Motion by Board Member Benvenuto, seconded by Board Member Mitchell and passed by a vote of 4-0.

That the Board of Directors (Board) take the following actions:

1. Authorize funding of up to \$627,600 from Housing Development Partners (HDP) reserves to HDP New Palace LP for the design and construction of the New Palace Hotel lease space tenant improvements.
2. Authorize the HDP's Executive Vice President, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by HDP's legal counsel, and take such actions as are necessary and/or appropriate to implement these approvals.
3. Approve the resolution prepared by HDP's legal counsel relating to the action items listed above. Housing Development Partners Meeting of June 24, 2022
4. Find that the foregoing transactions are just and reasonable as to HDP for purposes of California Corporations Code Section 5234 to the extent they involve the San Diego Housing Commission.

ADJOURNMENT

Chair Davis adjourned the Meeting at 9:42 a.m.

Respectfully submitted,

Approved by,

Jeff Davis
Interim President
Housing Development Partners

Stefanie Benvenuto
Secretary
Housing Development Partners