

**AFFORDABLE HOUSING
NOTICE OF FUNDING AVAILABILITY (NOFA)
EXECUTIVE LOAN COMMITTEE**

**Minutes of July 22, 2004 Special Meeting
3 p.m.
City Administration Building
202 C Street, 12th Floor, Room 12 B
San Diego, CA 92101**

Members present: Cunningham, LeSar (by speaker phone) and Salas.

1. **Public Comment**

None.

2. **Approval of Minutes**

The Committee approved Amended Minutes of the November 20, 2003 and Minutes of the March 25, 2004 Meetings (LeSar/Salas, 3-0).

3. **Island-Market Centre Project (CCDC)**

Senior Project Manager Dale Royal (CCDC) presented the proposed project, which includes 33 moderate-income and 131 market-rate for-sale condominiums in a 13-story tower and 4-story buildings covering the northern 2/3 of the block bounded by Market Street and Island Avenue between 13th and 14th Streets. The developer, Oak Shelter Systems, LLC, is requesting \$3,600,000 in NOFA subsidy, to compliment \$2,300,000 in Agency low/mod funds already spent on land acquisition, for a total Agency subsidy of \$5,900,000 (\$178,788 per unit). Oak Shelter is also building 9 low-income rental units (restricted for 55 years) at no cost to the Agency as part of its 57-unit rental development on the southern part of the same block. Including these units, Agency subsidy is \$140,476/unit.

Funds would come from Centre City bonds and would go towards land acquisition and relocation expenses, estimated at \$8.9 million in total, including \$3 million to be paid by the developer. If necessary, Polanco would be employed to assist in clean up of the site. The CCDC Projects Board and the Centre City Advisory Committee (CCAC) both gave unanimous support of the project.

After discussion, the ELC moved 1.) to approve the Disposition and Development Agreement with Oak Shelter Systems, LLC, for the mixed-use retail and condominium development on the 'north block' site and 2.) to approve the terms and conditions of the Owner Participation Agreement with the same developer on the 'south block' site for a mixed-use apartment and church development (Salas/LeSar, 3-0).

4. **General Discussion**

- a. Staff confirmed that the Centre City bond issuance had been completed, including \$32 million designated for NOFA projects.
- b. Staff updated the Committee that at the September 15, 2004 LU&H meeting, the Manager's Report would recommend raising the low/mod set-aside percentage in the Division's 10 project areas to 25%. There would also be discussion of non-monetary measures such as administrative restructuring and amending select Implementation Plans with general Findings of Benefit for the provision of affordable housing outside of those project areas in order to facilitate more housing production.
- c. Staff updated the ELC on current and upcoming NOFA projects.

5. **Meeting adjourned**