

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

**Amended Minutes of August 19, 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 and Salas.

1. **Public Comment**

None.

2. **Approval of Minutes**

The Committee approved Minutes of the July 22, 2004 Meeting (LeSar/Salas, 3-0).

3. **Talmadge Senior Village Cost Increase (Red. Div.)**

There was no quorum for this agenda item because Executive Loan Committee member Kurt Chilcott was absent and member Jennifer LeSar excused herself from voting on the project due to personal reasons. However, it was agreed by all three present members, and legally validated by the City Attorney's Office, that the project report would be heard, and at a later date, the three voting members (Chilcott, Cunningham and Salas) would convene a conference call to discuss the item and take a vote.

Community Development Coordinator Jim LoBue (Red. Div.) cited the recent inflation cost increases for building supplies such as lumber, concrete and steel as the reason for an additional funding request of \$1.49 million for the Talmadge Senior Village project. The project has already been approved for \$3.8 million of NOFA funds and has been granted 9% tax credits, for which the project would need to break ground by November. The developer will be required to apply for an Affordable Housing Program (AHP) grant of \$360,000, which if received, would reduce the amount of additional NOFA subsidy. The amount of tax credit money contributed to the project will also go up by \$675,000. The Collaborative Review Team approved this request on August 5, 2004.

Lillian Place Cost Increase (CCDC)

Chair of the Black Historical Society Karen Huff spoke from the public, asking that no additional funds be committed to the Lillian Place Project due to law suits that have been filed against it. She stated that the injunction against the project kept it 'on hold' and forbade the City to work on permitting until the litigation is resolved. Project Manager Jeff Zinner (CCDC) commented that his understanding is that the processing of permits, but not their issuance, can go forward in the meantime. He said he was confident that the matter will be resolved favorably for the project to proceed.

Project Manager Zinner cited the recent inflation cost increases for building supplies such as lumber, concrete and steel as the principal reason for an additional funding request of \$1.8 million for the Lillian Place project. The project has already been approved for \$5.45 million of NOFA funds and has been granted 9% tax credits, for which the project would need to break ground by November. To meet the new \$4 million gap, the developer will be required to re-apply for an Affordable Housing Program grant, which if received, would reduce the amount of additional NOFA subsidy. In addition, the amount of tax credit money contributed to the project will go up by \$93,000, the developer will defer an additional

\$160,000 of its fee and will increase the amount of its permanent loan by \$469,000. The Collaborative Review Team approved this request on August 5, 2004.

Request for additional funding approved (Salas/LeSar, 3-0).

4. **General Discussion**

- a. Staff updated the Committee on the Broadway Square Project and its 'cost increase' request. This project may not need extra funding due to potential changes in the previously agreed-upon loan terms with CCDC.
- b. Staff updated the Committee on current and upcoming NOFA projects.

5. **Meeting adjourned**

Addendum to Minutes

6. On September 1, 2004, ELC members Hank Cunningham, Sal Salas and Kurt Chilcott convened a telephone conference call to discuss and vote on the cost increase funding for Talmadge Senior Village Project. Project was recommended to the Redevelopment Agency, 3-0.