

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

**Minutes of Thursday, May 26, 2005 Meeting
3 – 5 p.m.**

**600 B Street, 4th Floor
Large Conference Room
San Diego, California 92101**

Members present: Chair Hank Cunningham, Kurt Chilcott and Sal Salas.

1. **Public Comment**

None

2. **Approval of Minutes**

Executive Loan Committee Minutes of May 10, 2005 were approved (Salas/Chilcott, 3-0).

3. **Auburn Park (RA) – Developer Fee Issue**

Redevelopment Division Project Manager Bob Kennedy gave a report on the previously approved Auburn Park project. Developer Jim Silverwood of Affirmed Housing Group and CSG financial advisor John Hamilton also contributed. Three issues were outlined: 1) a clarification of how many rounds of 9% and 4% tax credits would be recommended; 2) a clarification of how the land acquisition should be structured; and 3) a recommendation regarding the request for a higher developer fee.

After discussion, the ELC approved a motion to recommend three rounds of tax credit applications as follows: the developer would apply for 9% tax credits in summer 2005, and if not awarded the 9% at that time, the developer would apply for 4% and bonds in autumn 2005, followed by another round of 9% in spring 2006 (Salas/Chilcott, 3-0).

The ELC also moved to recommend that the Agency and the developer enter a dual escrow to enable a concurrent land purchase by the developer and then by the Agency for immediate transfer of ownership (Chilcott/Salas, 3-0).

After much input and discussion, the ELC recommended a compromise on the developer's request for a higher fee than allowed by TCAC in eligible basis. The ELC suggested an increase of \$280,000 in developer fee, which would be deferred so that there is not a higher outlay of NOFA funds up front. If a higher premium is received on 9% tax credits than expected, the developer could also realize that additional profit up to \$1,975,000 (Salas/Cunningham, 2-0-1).

4. **General Discussion**

ELC Chair Cunningham informed the Committee of his resignation from employment at the City of San Diego effective July 1, 2005. He anticipated the City Redevelopment Division would nominate a replacement and that a new Chair would need to be selected.

5. **Meeting adjourned**