

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

**Minutes of Thursday, January 12, 2006 Meeting
8:00 – 10:00 a.m.
600 B Street, 4th Floor
Large Conference Room
San Diego, California 92101**

Members present: Kurt Chilcott, Debra Fischle-Faulk, Robert McNeely, and Sal Salas, Chair (after call to order).

1. Public Comment

None

2. Approval of Minutes

The minutes of December 16, 2005 were approved by the Committee, with a revision to include the confirmation of Sal Salas as the chair of the Committee. (McNeely/Fischle-Faulk, 3-0-0).

3. Update on Auburn Park (RA)

Redevelopment Division Project Manager, Bob Kennedy, presented the Team with an update on the Auburn Park development project. In September 2005, Affirmed Housing Group was awarded the nine-percent Tax Credits for the Auburn park project. The Agency was informed on December 15, 2005 that it will be able to proceed with construction of the Auburn Park Family Housing Project using the nine-percent gap funding scenario of \$6,472,355 that was approved in the DDA. This will release \$2,038,823 back to the Affordable Housing Collaborative NOFA Program for use in other projects.

4. Funding for City Heights Square Senior Housing Project (RA)

Redevelopment Division Project Manager, Bob Kennedy, presented a request for an additional allocation of NOFA funds for the City Heights Square Senior Housing Project due to the increase in material and labor costs. Agency staff recommends an increase in the NOFA allocation of \$2,000,000 and a commitment of 50% of any AHP grant funds that may be received for this project.

A letter from Councilmember Toni Atkins in support of the City Heights Square Senior Housing Project was distributed to the Committee. The letter supports an additional allocation of \$2,000,000 and retention of 100% of any AHP grant funds that may be received for this project to fund construction costs – with the understanding that any excess proceeds be returned to the Redevelopment Agency.

The Committee was informed of the CRT's motion that there be an additional allocation of \$2,000,000 of low and moderate income housing set-aside funds and retention of 100% of any Federal Home Loan Bank's Affordable Housing Program (AHP) received for the City Heights Square Senior Housing Project to ensure the project has adequate funds to meet unanticipated construction cost increases.

The Committee expressed concern that this allocation would set a precedent of using NOFA funds as "grants" rather than "loans", but was willing to make an exception to their general lending principles due to the level of affordability on this project and the high level of resident services offered for the project.

The ELC recommended the following motion: Accept the staff recommendation for an additional allocation of \$2,000,000 of low and moderate income housing set-aside funds and 100% of any Federal

Home Loan Bank's Affordable Housing Program (AHP) revenues received for the City Heights Square Senior Housing Project to ensure the project has adequate funds to meet unanticipated construction cost increases, with the condition that a letter from the ELC be included in the staff report to the Agency in order to explain why this project is an exception to the general NOFA lending principles. (Chilcott/McNeely, 4-0-0)

Staff will draft the letter/memo on behalf of the ELC and submit it to Chair Salas for review and signature.

5. Preliminary Review Projects

None

6. General Discussion

Debra Fischle-Faulk announced she and Betsy Morris would be meeting with the Mayor in the near future to discuss affordable housing issues. Chair Salas expressed an interest in participating in the meeting.

There was a brief discussion on the future funding options for additional Affordable Housing Collaborative NOFA projects.

There was a question as to how affordable housing production units are credited. Does CCDC get 50% credit for units outside of their project areas or is it an Agency-wide 100% as long as the units are in a designated redevelopment area. From Agency staff discussions with the HCD during this year's annual report process, verbal confirmation was received that the state considers production of units "Agency-wide". 100% credit is given for units provided they are within a redevelopment area, regardless of the origin of funds (CCDC/SEDC/RD), 50% credit is given for units if they fall outside any designated redevelopment area.

Michele St. Bernard asked the Committee members to verify their availability for the March 23, April 27 and October 26 meetings in order to confirm there will be a quorum present, as Robert McNeely will be unable to attend these dates.

7. Meeting Adjourned

Draft Prepared: 01/13/06 ms

Final Approved:
Motion by:
Committee Vote:

Revisions to Draft: *Double Underlined and Italic*
Revisions Prepared: