



DALY CITY HOUSING DEVELOPMENT FINANCE AGENCY

AGENDA

SPECIAL MEETING

COUNCIL CHAMBERS – 333 90TH STREET

MONDAY, OCTOBER 26, 2020 – 7:00 PM

COVID-19 ANNOUNCEMENT - PUBLIC MEETINGS

Pursuant to Governor Newsom’s Executive Order N-25-20, members of the Daly City Council and staff will participate in this meeting via a teleconference. Members of the public are encouraged to watch the meeting via Livestream (City Council Meeting Livestream) at <https://bit.ly/dalycityoct26> and to submit comments through the livestream website and/or submit public comments via email to cityclerk@dalycity.org prior to the public meeting.

To submit a comment in writing, please email cityclerk@dalycity.org and write “Public Comment” in the subject line. In the body of the email, include the item number and/or title of the item as well as your comments. All comments received by 4:00 pm will be emailed to the City Council members and included as an “Add to Packet” on the City’s website prior to the meeting. Those comments received after 4:00 pm will be added to the record and shared with the City Council members for the public meeting.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City Clerk at 991-8078 as soon as possible.

CALL TO ORDER

ROLL CALL

APPROVAL OF MINUTES

July 27, 2020

RESOLUTIONS

- 1. Extend Timeframe for Loan Agreement between Daly City Housing Development Finance Agency and SHP Foundation for Property Located at 115 – 131 E. Moltke Street and 260 Abbot.**

PUBLIC APPEARANCE – ORAL COMMUNICATIONS

NOTE: Speakers are limited to two minutes, unless modified by the Chair. The Board cannot take action on any matter raised under this item.

ADJOURNMENT

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The virtual meeting was called to order by Chairperson Sylvester at 11:36 P.M. by livestream/teleconference pursuant to Governor Newsom's Executive Order N-25-20.

ROLL CALL: Commissioners Present:

Glenn Sylvester, Chairperson
Juslyn Manalo, Vice-Chairperson
Ray Buenaventura
Rod Daus-Magbual
Pamela DiGiovanni

Staff Present:

Shawna Maltbie, Executive Secretary/Director
Rose Zimmerman, General Counsel
K. Annette Hipona, Assistant Secretary

MINUTES

Special Meeting of April 27, 2020

It was moved by Vice-Chairperson Manalo, seconded by Commissioner DiGiovanni and carried to approve the Special Meeting minutes of April 27, 2020.

RESOLUTIONS

Extend Timeframe for Loan Agreement between Daly City Housing Development Finance Agency and SHP Foundation for Property Located at 115 – 131 E. Moltke Street and 260 Abbot

Housing and Community Development Supervisor Betsy Zobel discussed the agenda report with the Commissioners.

It was moved by Vice-Chairperson Manalo, seconded by Chairperson Sylvester and carried by unanimous roll call vote adopt the following resolution:

HFA-52, Approving a Second Extension to the Conditional Housing Trust Fund Loan Agreement to Sand Hill Properties Foundation Acquisition and Rehabilitation of 115-131 E. Moltke Street and 260 Abbot Avenue

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ADJOURNMENT

The meeting was adjourned at 11:46 P.M.

Assistant Secretary

Approved this 26th day
of October 2020.

Chairperson



Agency Agenda Report

Item # _____

Meeting Date: October 26, 2020

Subject: Extend Timeframe for Loan Agreement between Daly City Housing Development Finance Agency and SHP Foundation for Property Located at 115 – 131 E. Moltke Street and 260 Abbot

Recommended Action

Approve a third extension to the Conditional Loan Agreement between the Daly City Housing Development Finance Agency (DCHDFA) and SHP Foundation for Property located at 115-131 E. Moltke and 260 Abbot and authorize the City Manager or her designee to execute said Agreement.

Background

In 2018 the Agency appropriated up to \$2.9 million from the Housing Trust Fund to Sand Hill Property Foundation (SHP Foundation) for acquisition and rehabilitation of 16 units located at 115 -131 E. Moltke Street. At the time of the Agency action, Agency Board members recognized the critical need to preserve affordability in housing units occupied by lower income households and that acquisition of these buildings without Agency and/or philanthropic assistance would likely lead to displacement of 16 low income households. The Agency Board also concurred with staff that transfer of 260 Abbot, a five-unit building in close proximity to the E. Moltke apartments, to SHP Foundation would ensure the long-term affordability and professional management of the Abbot units.

A conditional loan commitment was executed at that time in order to give SHP Foundation time to complete various due diligence tasks such as confirmation of existing tenant incomes, a physical needs assessment and determination of rehabilitation needs.

SHP Foundation completed their purchase of the apartments in 2018 investing \$4.6 million of their own funds and intends to rehabilitate the buildings and preserve the housing units for lower income households who might otherwise be displaced if the property were acquired by a market rate property owner.

The Conditional Loan Commitment was extended in January 2020 and July 2020 to provide more time for due diligence activities.

Discussion

Since January 2020 SHP Foundation and staff have made significant progress in bringing forward a permanent affordable housing concept for the subject property. All of the due diligence activities described in the original Conditional Loan Agreement have been completed including a physical needs assessment, development of a rehabilitation scope of work and budget, verification of existing household incomes. In addition, SHP Foundation has developed pro forma financial

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information with a general agreement regarding income targeting and conditions for existing residents.

At this point, the only remaining task prior to closing the loan with SHP Foundation is to finalize loan documents and a development and disposition agreement relating to the transfer of 260 Abbot. As a former Daly City Redevelopment Agency asset, the transfer of 260 Abbot to SHP Foundation is subject to legal requirements associated with redevelopment agency property disposition. SHP Foundation and staff are requesting additional time to confer with consultants and outside counsel in order to ensure the transfer meets all regulatory requirements.

The terms of the transfer as well as finalized loan documents should be completed and ready for review by the Affordable Housing Committee in early 2021. Therefore, staff recommends extension of the Conditional Loan Agreement by four months, until February 28, 2021 to provide sufficient time for all parties to review and approve final documents thus ensuring the security and effectiveness of the Housing Trust Investment. It is also recommended that the City Manager is authorized to approve two additional extensions of 90 days each in the event of unforeseen administrative delays.

Summary/Conclusion

Staff recommends that the Agency extend the Conditional Loan Agreement with SHP Foundation for an additional four months, until February 28, 2021, providing the Agency with additional time to develop and review final documents relating to the acquisition, rehabilitation and ongoing operation of the E. Moltke and Abbot apartments.

Staff is available to provide any additional information desired by the Chair and Board members.

Respectfully submitted,



Betsy ZoBell
Housing and Community
Supervisor



Tatum Mothershead
Economic and Community
Development Director