

LOMA LINDA HOUSING AUTHORITY

AGENDA

REGULAR MEETING OF OCTOBER 9, 2012

A regular meeting of the Housing Authority of the City of Loma Linda is scheduled to be held at 7:00 p.m. or as soon thereafter as possible, Tuesday, October 9, 2012 in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Reports and Documents relating to each agenda item are on file in the Office of the City Clerk and are available for public inspection during normal business hours. The Loma Linda Branch Library is also provided an agenda packet for your convenience. The agenda and reports are also located on the City's Website at [www.lomalinda-ca.gov](http://www.lomalinda-ca.gov).

*Materials related to an item on this Agenda submitted to the Housing Authority Board after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 25541 Barton Road, Loma Linda, CA during normal business hours. Such documents are also available on the City's website at [www.lomalinda-ca.gov](http://www.lomalinda-ca.gov) subject to staff's ability to post the documents before the meeting.*

Persons wishing to speak on an agenda item are asked to complete an information card and present it to the City Clerk prior to consideration of the item. When the item is to be considered, please step forward to the podium, the Chair will recognize you and you may offer your comments. The Housing Authority meeting is recorded to assist in the preparation of the Minutes, and you are therefore asked to give your name and address prior to offering testimony.

The Oral Reports/Public Participation portion of the agenda pertains to items NOT on the agenda and is limited to 30 minutes; 3 minutes allotted for each speaker. Pursuant to the Brown Act, no action may be taken by the Housing Authority at this time; however, the Housing Authority Board may refer your comments/concerns to staff or request that the item be placed on a future agenda.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (909) 799-2819. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible.

**Agenda item requests for the NOVEMBER 13, 2012 meeting must be submitted in writing to the City Clerk no later than NOON, MONDAY, OCTOBER 29, 2012**

**A. Call To Order**

**B. Roll Call**

**C. Items To Be Added Or Deleted**

**D. Oral Reports/Public Participation - Non-Agenda Items (Limited to 30 minutes; 3 minutes allotted for each speaker)**

**E. Conflict of Interest Disclosure** - Note agenda item that may require member abstentions due to possible conflicts of interest

**F. Scheduled Items**

**G.**     **Consent Calendar**

1.     Demands Register
2.     Minutes of August 28 and September 11, 2012

**H.**     **Old Business**

**I.**     **New Business**

**J.**     **Chair and Member Reports**

**K.**     **Reports of Officers**

**L.**     **Adjournment**



# City of Loma Linda Official Report

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Rhodes Rigsby, Chairman  
Ovidiu Popescu, Vice-Chairman  
Ronald Dailey, Member  
Phillip Dupper, Member  
John Lenart, Member

HOUSING AUTHORITY AGENDA: October 9, 2012  
TO: Housing Authority Members  
VIA: T. Jarb Thaipejr, Executive Director  
FROM: Pamela Byrnes-O'Camb, Secretary  
SUBJECT: Minutes of August 28 and September 11, 2012

Approved/Continued/Denied By: Housing Authority Date _____
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## RECOMMENDATION

It is recommended that the Housing Authority Board approve the Minutes of August 28 and September 11, 2012.

Loma Linda Housing Authority

Minutes

Regular Meeting of August 28, 2012

A regular meeting of the Loma Linda Housing Authority was called to order by Chairman Rigsby at 7:08 p.m., Tuesday, August 28, 2012, in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Board Members Present:	Chairman Rhodes Rigsby Vice-Chairman Ovidiu Popescu Ron Dailey Phill Dupper
Board Members Absent:	John Lenart
Others Present:	Executive Director T. Jarb Thaipejr General Counsel Richard E. Holdaway

CC-2012-061

HA-2012-15 - Joint Public Hearing of the City Council and Housing Authority pertaining to the sale of property and approving Housing Disposition Agreement between Monica Leal and the City/Authority regarding 25438 Sonora Loop

- a. LLHA Bill #R-2012-11 - Authorizing the sale of 25438 Sonora Loop to Monica Leal and approving the Housing Disposition Agreement
- b. Council Bill #R-2012-37 – Consenting to the sale of 25438 Sonora Loop to Monica Leal

The Housing Authority Board was called to order and the public hearing was opened. The Housing Authority Secretary presented the report into evidence, stating that sale of residential units was negatively impacted by the enactment of ABx1 26, the 2011 Dissolution Act, which dissolved all redevelopment agencies in the State of California. Under the 2011 Dissolution Act, the City Council created a Housing Authority and transferred the housing assets of the Redevelopment Agency to the Housing Authority.

The subject property was purchased by the former Redevelopment Agency from a lending institution through a foreclosure proceeding; a buyer has qualified to purchase the house and as previously authorized the Housing Authority would carry back a mortgage for the amount of the purchase price less any cash down payment by the buyer. The long-term affordability covenant of 45 years ran with the land.

She then recommended that the Housing Authority Board and the City Council adopt the proposed resolutions to allow the sale.

No other public testimony was offered and the public hearing was closed.

**Motion by Dailey, seconded by Popescu and carried to adopt LLHA Bill #R-2012-11 and Council Bill #R-2012-37. Councilman Lenart absent.**

**Resolution No. 11**

A Resolution of the Loma Linda Housing Authority approving an Agreement for the disposition of property for affordable housing use with Monica Leal (25438 Sonora Loop)

**Resolution No. 2755**

A Resolution of the City Council of the City of Loma Linda consenting to the approval by the Loma Linda Housing Authority of an Agreement for the disposition of property for affordable housing use with Monica Leal and authorizing certain actions in connection therewith (25438 Sonora Loop)

The Housing Authority Board recessed at 7:12 p.m. to allow completion of the City Council Agenda and reconvened at 7:59 p.m. with all members present except Board Member Lenart.

No items were added or deleted and no conflict of interest were noted.

**Oral Reports/Public Participation**

Mary Baxter, Newport Avenue voiced several complaints. Chairman Rigsby requested that she make an appointment with the City Manager/Public Works Director Thaipejr.

**LLHA-2012-16 – Consent Calendar**

**Motion by Popescu, seconded by Dailey and carried to approve the following items.  
Board Member Lenart absent.**

The Demands Register dated August 28, 2012 for fiscal year 2013 with commercial demands totaling \$10,150.27.

The Demands Register dated August 28, 2012 for fiscal year 2012 with commercial demands totaling \$1,981.19.

The Demands Register dated August 14, 2012 for fiscal year 2013 with commercial demands totaling \$4,744.52.

The Demands Register dated August 14, 2012 for fiscal year 2012 with commercial demands totaling \$5,582.27.

The Demands Register dated July 31, 2012 for fiscal year 2013 with commercial demands totaling \$865.00.

The Demands Register dated July 31, 2012 for fiscal year 2012 with commercial demands totaling \$849.00.

The Demands Register dated July 24, 2012 for fiscal year 2013 with commercial demands totaling \$616.00.

The Demands Register dated July 24, 2012 for fiscal year 2012 with commercial demands totaling \$8,307.11.

The Minutes of July 10, 2012 as presented.

The meeting adjourned at 8:08 p.m.

Approved at the meeting of

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Secretary

Loma Linda Housing Authority

Minutes

Regular Meeting of September 11, 2012

A regular meeting of the Loma Linda Housing Authority was called to order by Chairman Rigsby at 7:28 p.m., Tuesday, September 11, 2012, in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Board Members Present:	Chairman Rhodes Rigsby Vice-Chairman Ovidiu Popescu Ron Dailey Phill Dupper John Lenart
Board Members Absent:	None
Others Present:	Executive Director T. Jarb Thaipejr General Counsel Richard E. Holdaway

**Scheduled Items**

CC-2012-068

**LLHA-2012-17 - Joint meeting of the City Council and Housing Authority regarding Loma Linda Terrace (West Side of Poplar Street, north of Van Leuven Street, south of San Timoteo Creek)**

- a. LLHA Bill #R-2012-12 – Approving Subordination Agreements between (1) the Housing Authority and County of San Bernardino; 2) the Housing Authority and Pacific Western Bank
- b. Council Bill #R-2012-42 – Authorizing issuance of Multifamily Housing Bonds in an aggregate amount not to exceed \$9,000,000 and approving: 1) Master Pledge and Assignment Agreement; 2) Master Agency Agreement; and 3) Regulatory Agreement between City and Pacific Western Bank

Mark Huebsch of Stradling Yocca Carlson & Rauth presented the items, stating that the Subordination Agreements memorialized the Agreement among the parties that the City's covenants, then the Housing Authority covenants and then the County's covenants would be subordinated to the bank loans.

The second item dealt with the issuance of multi-family housing bonds for which \$9 million was authorized by the State's CDLAC (California Debt Limit Allocation Committee). The actual amount would be approximately \$7.5 million.

He went on to say that the issuance of the bonds was contemplated when the DDA (Disposition Development Agreement) was approved in May 2012. The Development received an allocation of tax credits and approval from the County of San Bernardino for \$3.5 million of HOME Funds in the form of a residual receipts loan.

Mr. Huebsch noted that the bonds would be a conduit issue in that the City agrees that any monies that are paid by the borrower to the City are assigned to the agent which is the bank. Funds flow from the borrower to the bank and the collateral for the bond issue is the project revenues supported by the guarantee of a related party to the developer. The City is not liable for payment of the bonds. The bond form itself has exclusions for the City's liability in the event that borrower does not make payment. The County has approved the document and the level of work would be detailed as the transaction moves closer to recording the real estate documents.

Mayor pro tempore Popescu asked about a payment schedule and the Housing Authority's \$300,000 loan. Mr. Huebsch responded that the bonds were variable rate bonds; repayment was a matter between the Pacific Western Bank and the borrower, which is supported by a guarantee of a principal of the developer. The bank is the only bond holder. Payments were in minimum increments of \$100,000.00. The expectation was that the bank would retain the issue and at completion of construction, the construction loan would convert to a permanent loan so the amount owed to the bank would be reduced because a significant share of tax credits would be applied.

Addressing the \$300,000 loan, Mr. Huebsch stated that it was not a cash transaction, but rather related to costs incurred when the then Redevelopment Agency acquired the land through purchase and sale negotiations over a period of about 8-10 years. Costs involved escrow fees, demolition, relocation, maintenance, attorneys, consultant, and staff time. The Housing Authority should be able to recover an amount over and above the value of the land that the Redevelopment Agency had invested in as it acquired

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September 11, 2012

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and maintained the parcels, and that number exceeded \$300,000.00. The \$300,000 is not a cash loan, but an amount to be recovered by way of residual receipts.

Mayor pro tempore Popescu indicated that he needed more information and assurance that the developer would be able to make the payments.

Mr. Huebsch noted that in the event the developer did not perform and the lender foreclosed on the project, the transaction is structured so that the Housing Authority's affordability covenants and those in favor of the City are senior to the bank loan. The only use allowed on the property is affordable housing.

Councilman Dupper questioned the affordability aspect. Mr. Huebsch responded that the pricing appears correct for the closing, especially if it is a variable rate issue. He again stated that the issuance of bonds by the City was a conduit issue, very similar to those of the Medical Center wherein the City was the issuer.

In response to questions, Mr. Huebsch noted that this is the same developer that completed the 44-unit and 120-unit affordable housing projects on the east side of Poplar Street. One of the bond issues for that project was a multi-family conduit financing where the costs and risk were on the developer. The other bond was a tax allocation bond and that was to generate a cash subsidy for that project.

He noted that there was no cash infusion for the project on the west side of Poplar because of the status of redevelopment. The only item provided by the Housing Authority is a lease of the land. The subject bonds are a conduit issue like the Hospital Revenue Bonds which the City has issued from time to time.

Mr. Huebsch reiterated that the housing bonds were being privately placed so if there were to be a credit issue, there would be one bond holder which is the bank.

Mayor pro tempore Popescu indicated that he had a number of concerns, some of which were that in his opinion the definition of senior housing was too lenient; he was also concerned about the size and cost of the units and he considered this project inferior to another project that was proposed for this site. He indicated that he would not support the items.

Councilman Dailey asked for comments from City Staff. City Manager Thaipr referred any comment to the City Clerk who was involved with the purchases, relocation, maintenance, and demolition related to the subject site.

The City Clerk indicated that the parcels were acquired over a period of approximately 8-10 years; many of the parcels were vacant at the time of purchase; others had numerous problems too costly to correct. Eventually the land was cleared for development of an affordable housing project. The current developer submitted a proposal which was approved. Another developer also submitted a proposal for the same property and received approval to move forward. That developer did not perform. The current developer is known to the City; has performed well; is recognized for the development of affordable family housing projects on the east side of Poplar Street which has upgraded the area tremendously. The subject development of approximately 5 acres was divided by way of a parcel map to accommodate two development phases. The first phase is a 50-unit senior housing project. The City Council held a TEFRA hearing earlier in the year at which time, the intent to issue bonds was approved. The request tonight is for approval of issuance of those bonds, for which the City acts as a conduit as it acts for the Medical Center bond issues. She added that maintenance of a development is the responsibility of the developer through its management company. The project on the east side is very well managed and it was expected that the west side project would be managed in a similar manner.

**Motion by Dailey to approve both items.**

Mayor pro tempore Popescu again reiterated his concerns.

Mayor Rigsby indicated that the City needs to follow through on its commitment and that senior housing is needed.

Councilman Dupper agreed with Mayor pro tempore Popescu. He also indicated that the City Council needs to properly plan the makeup of the community, but the resources are insufficient. He noted his opposition. He also stated that during workshops at a recent County/Cities meeting, it was noted that crime from the L.A. area has moved into the Inland Empire and cities are seeing an increase in crime.

**Motion by Dailey, seconded by Lenart and carried to adopt LLHA Bill #R-2012-12 and Council Bill #R-2012-42. Councilmen Popescu and Dupper opposed.**

**Resolution No. 12**

A Resolution of the Loma Linda Housing Authority approving and ratifying a Subordination Agreement by and among the Housing Authority, 10846 Poplar St., L.P. and Pacific Western Bank and an Intercreditor Agreement by and among the Housing Authority, 10846 Poplar St., L.P. and the County of San Bernardino

**Resolution No. 2760**

A Resolution of the City of Loma Linda, California authorizing the issuance of Multifamily Housing Bonds in an aggregate principal amount not to exceed \$9,000,000 for the purpose of financing the acquisition and construction of the Loma Linda Terrace Multifamily Rental Housing Project, approving and authorizing the execution and delivery of any and all documents necessary to issue the bonds and implement this resolution, and ratifying and approving any action heretofore taken in connection with the bonds

The Housing Authority Board recessed at 8:05 p.m. to allow completion of the City Council Agenda and reconvened at 8:32 p.m. with all members present. No items were added or deleted and no public participation comments were offered upon invitation of the Chair.

**HA-2012-18 - Consent Calendar**

**Motion by Dupper, seconded by Popescu and unanimously carried to approve the Demands Register dated August 30, 2012 with commercial demands totaling \$411.61.**

The meeting adjourned at 8:33 p.m.

Approved at the meeting of

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Secretary