



DALY CITY HOUSING DEVELOPMENT FINANCE AGENCY AGENDA

SPECIAL MEETING

MAY 10, 2021

7:00 P.M.

Visit Daly City's virtual meeting website to watch the livestream of the Daly City Housing Development Finance Agency meeting and submit comment on agenda items, all in one place online:

<https://bit.ly/dalycitymay10>

Please note, the virtual meeting website will only be available during the meeting on May 10, 2021.

COVID-19 ANNOUNCEMENT - PUBLIC MEETINGS

Pursuant to Governor Newsom's Executive Order N-25-20, members of the Board and staff will participate in this meeting via a teleconference. Members of the public are encouraged to watch the meeting via Livestream at <https://bit.ly/dalycitymay10> 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 Board 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 Boardmembers 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

December 14, 2020

CONSENT AGENDA

All items listed on the Consent Agenda are considered to be routine and may be approved by one roll call vote of the City Council. There shall be no separate discussion of the matters on the Consent Agenda unless requested by a member of the City Council. If discussion is required, that item will be removed from the Consent Agenda and will be considered separately at the end of the Agenda.

RESOLUTIONS

1. Authorizing City Manager to sign the Consent of the Assignment and Assumption Agreement for Serramonte Ridge Apartments

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

DALY CITY HOUSING DEVELOPMENT FINANCE AGENCY
MEETING MINUTES
December 14, 2020

The meeting was called to order by Chairperson at 11:11 P.M.

ROLL CALL: Commissioners Present:

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

Staff Present:

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

MINUTES:

Special Meeting of October 26, 2020

It was moved by Commissioner Sylvester, seconded by Vice Chairperson Daus-Magbual and carried to approve the Special Meeting minutes of October 26, 2020.

CHANGE OF OFFICERS

The Mayor of the City of Daly City is hereby designated as Chairperson and the Vice-Mayor is hereby designated as Vice Chairperson.

ADJOURNMENT:

It was moved by Commissioner Sylvester, seconded by Commissioner Buenaventura, and carried to adjourn the meeting of the Daly City Housing Development Finance Agency at 11:12 P.M.

Assistant Secretary

Approved this 10th day
of May 2020.

Chairperson

**May 10, 2021**

SUBJECT: Authorizing City Manager to sign the Consent of the Assignment and Assumption Agreement for Serramonte Ridge Apartments

Recommended Action

The Housing Development Finance Agency “(Agency”) authorize the City Manager to sign the Consent of the Assignment and Assumption Agreement for the Serramonte Ridge Apartment Project.

BACKGROUND

On December 1, 1985, the Daly City Housing Development Finance Agency issued tax-exempt Multifamily Housing Revenue Bonds totaling \$29,300,000 to make a loan to FSW Associates Ltd., a California Limited Liability partnership, to finance construction of the Serramonte Ridge apartment. In 1995, Lavaca Portfolio purchased the project; and a related entity, Lampasas Asset Investors purchased the bonds. In September 1996, the Agency approved the issuance of the refunding Agency’s Multifamily Housing Revenue Bonds for refinancing the Serramonte Ridge Apartments for the purpose of facilitating the sale of the property to Serramonte Ridge, LLC (Owner).

In 1999, the Agency authorized the refinancing of the bonds in order to secure a lower interest rate for the owner. At that time the Agency and Owner entered into a Second Amended and Restated Regulatory Agreement, which guarantees 79 affordable units until September 2021 and governs the operation of the Project and compliance monitoring by the City.

DISCUSSION

In connection with an internal restructuring, the Owner will be transferring the Property from the current Owner, Serramonte Ridge LLC, to six separate entities. The ownership is staying the same, but each of the individuals who currently own Serramonte Ridge LLC will now have their own Tenancies In Common holding ownership directly in the property (as opposed to holding indirect ownership interest through the current owner entity). The purpose of this internal reorganization is for estate planning purposes only and will not actually transfer the Property to a new entity. The Property will continue to be under the control of the same individuals who currently own the Property.

Under the Regulatory Agreement, any sale or transfer of the Property requires consent from the Agency, which shall be granted if all conditions under Section 1 of the Regulatory Agreement have been met. Staff has reviewed the Assignment and Assumption Agreement, as well as the Opinion Letter provided by Serramonte Ridge’s legal counsel, and Staff has confirmed that the legal requirements under the Section 11 of the Regulatory Agreement have been met. The transferee will continue to operate the Project in accordance with the Regulatory Agreement and the City will continue to monitor and provide oversight of the Project.

Authorizing City Manager to sign the Consent of the Assignment and Assumption Agreement for Serramonte Ridge Apartments

Page 2 of 2

As part of the restructure, the Owners will also be paying off the bonds issued by Agency. The Agency's bond counsel has opined that all the indenture requirements have been met, and the Agency does not need to take any action regarding the bond redemption. The Regulatory Agreement will remain in effect until September 2021, and the Project will continue to be subject to all of the requirements even after the bonds have been redeemed.

RECOMMENDATION

Staff recommends that the Agency authorize the City Manager to sign the Consent of the Assignment and Assumption Agreement for the Serramonte Ridge Apartment Project.

Respectfully submitted,



Rose Zimmerman
City Attorney



Betsy ZoBell
HCD
Supervisor