

HASLO (HOUSING AUTHORITY OF SAN LUIS OBISPO) AGENDA OF JULY 31, 2023

LOCATION: 1150 Laurel Lane, Suite 190, San Luis Obispo

TIME: 12:00 P.M.

Join Zoom Meeting

<https://us06web.zoom.us/j/98057177103?pwd=TXljeW5UMVMYTS8rcS81Y0hiUjNOUT09>

Meeting ID: 980 5717 7103

Passcode: 975423

Dial by phone: (253) 215-8782

12:00 P.M.

SPECIAL MEETING

1150 Laurel Lane, Suite 190

CALL TO ORDER: Chairman Ashlea Boyer

ROLL CALL: Commissioners Boyer, Crotser, Jeffries, Odenthal, Shower, Souza, Steinberg

PUBLIC COMMENT PERIOD FOR ITEMS NOT ON THE AGENDA (not to exceed 15 minutes total)

The Board welcomes your input. You may address the Board by completing a speaker slip and giving it to the staff clerk prior to the meeting. At this time, you may address the Board on items that are not on the agenda. Time limit is three minutes. State law does not allow the Board to discuss or take action on issues not on the agenda, except that members of the Board or staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights (Gov. Code Sec. 54954.2). Staff may be asked to follow up on such items.

DISCUSSION ITEM:

AUTHORIZATION for ACQUISITION OF LAND MESA TRAILS APARTMENT COMMUNITY

Staff report attached.

RECOMMENDED ACTION: Adopt Resolution No. 15 (2023 Series) Authorizing HASLO Acquisition of Land Mesa Trails Apartment Community

ADJOURNMENT

The next Regular Meeting will be held on August 17, at 12:00 p.m.

REQUIREMENTS OF THE BROWN ACT HAVE BEEN SATISFIED AS THIS NOTICE WAS POSTED AT 3:00 P.M. ON JULY 28, 2023, PRIOR TO THE 24-HOUR NOTICING REQUIREMENT FOR SPECIAL MEETINGS.



Request for Authorization to Purchase 10 parcels located at 222 N. Frontage Road, Nipomo, CA

Background

In early 2022, Abbott|Reed presented an intriguing concept to HASLO. Abbott|Reed is a for profit developer and contractor. Abbott|Reed proposed to co-develop a 10-acre site in Nipomo with HASLO. Two of the acres would be dedicated to affordable housing with the remainder being market housing. Abbott|Reed's concept was to entitle the affordable and market housing as one application to the San Luis Obispo County (County). Abbott|Reed also agreed to staff and manage the entitlement process.

The primary benefits to Abbott|Reed are concessions in the entitlement process for providing affordable housing and priority processing from the County. They also benefit from HASLO sharing in the entitlement process expenses. From HASLO's perspective, we gain sites for 2 affordable housing projects totaling 70+ units, and benefit from Abbott|Reed's staffing capacity in the entitlement process.

In September of 2022, the HASLO Board of Commission (Commission) provided direction to staff to proceed with negotiations and enter into a Letter of Intent with Abbott Reed. In January 2023, the Commission authorized staff to proceed with signing a Purchase & Sale Agreement for the 2 acres.

Abbott|Reed's purchase agreement must close by July 31st, 2023, and had included approximately \$3 million in seller financing. Just shortly before closing, the seller withdrew the seller financing throwing the entire project into jeopardy.

HASLO asked the Housing Trust Fund (HTF) to evaluate the project to see if they had the interest/capacity to provide the needed financing. The HTF Commission expressed a strong interest in partnering to develop additional affordable and market housing. However, the Housing Trust Fund specified that HASLO would need to be the purchaser of the entire site, and HASLO would need to be the borrower.

After intensive discussion and analysis, staff is recommending that HASLO purchase the 10-acre site located at 222 N. Frontage Road, Nipomo. Abbott|Reed will purchase approximately 8 acres from HASLO in early 2024 to develop market rate housing.

RESOLUTION NO. 15 (2023 SERIES)

**HOUSING AUTHORITY OF THE CITY OF SAN LUIS OBISPO
AUTHORIZING RESOLUTIONS
RE: ACQUISITION OF LAND
MESA TRAILS APARTMENT COMMUNITY**

At a duly constituted meeting of the Board of Commissioners of the Housing Authority of the City of San Luis Obispo, a public body, corporate and politic (the “Authority”) held on July 31, 2023, the following resolutions were adopted:

WHEREAS, Abbott|Reed, a for-profit developer and contractor, has site control on a 10-acre site located at 222 N. Frontage Road, Nipomo, CA (Land) with a purchase price of \$6,000,000, and has proposed co-developing this site with HASLO with two acres being purchased by HASLO to be dedicated for affordable housing; and

WHEREAS, the Board of Commissioners previously authorized HASLO Staff to enter into a Letter of Intent, Purchase and Sale, and Development Agreement with Abbott|Reed, and staff have executed these agreements to develop two acres for affordable housing; and

WHEREAS, seller financing that had been offered as part of the Land purchase has been withdrawn by the seller jeopardizing the project; and

WHEREAS, the San Luis Obispo Housing Trust Fund (“HTF”) has approved an interest acquisition funding for this project in an amount not to exceed \$2,300,000 (the “HTF Loan”), but the entire site must be purchased by HASLO and the loan of funds must be made to HASLO; and

WHEREAS, Abbott|Reed has agreed to assign their Purchase Agreement to HASLO to allow HASLO to purchase the Land and to utilize the HTF funding; and

WHEREAS, Abbott|Reed will sign a Purchase Agreement to purchase approximately 8 acres of the Land from HASLO, and will make a minimum deposit of \$1.7 million as part of the Land purchase; and

NOW, THEREFORE, BE IT RESOLVED: That the HASLO Board of Commissioners authorizes:

1. HASLO to purchase the Land and shall enter into any and all documents necessary to complete the closing; and
2. HASLO to borrow up to \$2.3 million from the HTF, and to execute all related documents; and
3. HASLO staff to execute a Purchase Agreement with Abbott|Reed for approximately 8 acres, and accept the initial deposit; and

FURTHER RESOLVED: That Scott Collins, Executive Director, Ken Litzinger, Director of Finance, or Michelle Pedigo, Deputy Director of Finance, shall be authorized and directed to enter into any and all agreements necessary to accomplish the above resolved measures and shall take any and all further actions necessary provided such actions are consistent with the Board action.

On motion of Commissioner _____, seconded by Commissioner _____,
and on the following roll call votes:

AYES:
NOES:
ABSENT:
ABSTAINED:

The foregoing Resolution was duly adopted and passed this 31st day of July 2023.

ASHLEA BOYER, CHAIRMAN

SEAL:

ATTEST:

SCOTT COLLINS, SECRETARY