

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 1029

ADOPTED ON NOVEMBER 9, 1999

A RESOLUTION AUTHORIZING \$120,000 INCREASE OF LOAN TO URBAN COUNCIL DEVELOPMENT, INCORPORATED, FOR COSTS ASSOCIATED WITH DEVELOPMENT OF "VILLA ALTA," A 70-UNIT RENTAL COMPLEX FOR SENIORS.

WHEREAS, the San Diego Housing Commission has previously approved and the Housing Authority ratified a loan and grant, for a combined total of \$800,000, to Urban Council Development, Inc., for development of a 70-unit seniors affordable housing complex known as "Villa Alta," which development was completed in January, 1999; and

WHEREAS, the cost of approved change orders during construction exceeded the funds HUD, through its Section 202 program, and the Housing Commission had committed to the development; and

WHEREAS, Roel Construction, the General Contractor, having not received either final payment (retention) from HUD under its original contract or payment for change orders several months after construction was completed, initiated litigation for payment of the amounts owed plus interest and attorney fees; and

WHEREAS, HUD, Urban Council Development, Inc., and the Housing Commission were named as respondents in the litigation; and

WHEREAS, Roel has agreed to execute a settlement agreement, releasing its lien and dismissing the legal action, upon payment of the amount owed pursuant to its contract (which

HUD has since paid) and the approved change orders, plus an amount of interest and costs negotiated by the Housing Commission's General Counsel; NOW, THEREFORE,

BE IT RESOLVED, by the Housing Authority of The City of San Diego, that the Housing Commission is authorized to increase its loan to Urban Council Development, Inc., by up to \$120,000 to settle the litigation instigated by Roel Construction and to pay amounts owed to others as a result of approved change orders during construction of Villa Alta, while efforts to persuade HUD to increase its commitment continue.

APPROVED: CASEY GWINN, General Counsel

By
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Deputy Counsel

PD:cdk
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