

RESOLUTION NUMBER R- 286739

ADOPTED ON DEC 05 1995

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO DETERMINING THAT THE USE OF FUNDS FROM THE HORTON PLAZA REDEVELOPMENT PROJECT LOW AND MODERATE INCOME HOUSING FUND TO PAY PART OF THE COST OF ACQUISITION OF HOUSING UNDER AN ACQUISITION LOAN AGREEMENT TO BE NEGOTIATED BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO AND ECUMENICAL COUNCIL OF SAN DIEGO COUNTY, INC. WILL BE OF BENEFIT TO THE HORTON PLAZA REDEVELOPMENT PROJECT.

WHEREAS, the Redevelopment Agency of The City of San Diego (the "Agency") is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Horton Plaza Redevelopment Project (the "Project"); and

WHEREAS, on January 26, 1993 the Agency adopted the Social Issues Policies Working Strategy (the "Strategy") which calls for the creation of 1,483 beds for transitional housing both within and outside the Project Area to serve specified homeless target populations; and

WHEREAS, on March 22, 1993 a Request for Proposals was issued to implement the goals set forth in the Strategy; and

WHEREAS, the Ecumenical Council of San Diego County, Inc. has submitted a request for an Acquisition Loan for the purchase of an apartment complex to house battered women with children; and

WHEREAS, the Agency proposed to provide financial assistance from the Horton Plaza Redevelopment Project Low and Moderate Income Housing Fund for the acquisition of certain real property

within the City of San Diego to provide housing for very low income households that is of benefit to the Horton Plaza Redevelopment Project area pursuant to the terms and provisions of the Acquisition Loan Agreement to be negotiated between the Agency and the Ecumenical Council of San Diego County, Inc.; and

WHEREAS, the Centre City Development Corporation, Inc., has reviewed and discussed the Negotiation Agreement between the Agency and the Ecumenical Council of San Diego County, Inc. and has recommended that the Agency enter into the Agreement; and

WHEREAS, the City Council believes the proposed Agreement is in the best interest of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local laws and requirements; and


WHEREAS, as part of carrying out the Project, the Agency has established the Horton Plaza Low and Moderate Income Housing Fund, and has and will deposit funds therein as provided by the California Community Redevelopment Law (Health and Safety Code section 33000 et seq.); and

WHEREAS, the Agency desires to use funds from the Horton Plaza Low and Moderate Income Housing Fund to pay part of the cost of acquisition of housing under the Acquisition Loan Agreement, such housing shall be located in the City of San Diego; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that the Council finds and determines that, based upon the findings set forth in Attachment No. 1 (attached hereto and incorporated herein by this reference), the use of funds from the

Horton Plaza Low and Moderate Income Housing Fund to implement the Acquisition Loan Agreement, as authorized by this resolution, will be of benefit to the Horton Plaza Redevelopment Project.

APPROVED: JOHN W. WITT, City Attorney

By 
Allisyn D. Thomas
Deputy City Attorney

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ATTACHMENT NO. 1

Benefit to the Project Area

The use of funds from the Horton Plaza Low and Moderate Income Housing Fund to acquire and rehabilitate property located outside the Project Area to provide very-low income housing for battered women with children, will be of benefit to the Horton Plaza Redevelopment Project in that:

- Acquisition and/or rehabilitation of an 11-unit apartment complex will provide up to 35 beds to house battered women with children. There exists a need for this type of housing to relieve existing emergency services in Centre City.
- The development will be located within the corporate boundaries of the City of San Diego. Linkages to counseling services and case management will be provided at local churches and other existing facilities outside Centre City. The caseload of existing shelter services in Centre City will thereby be reduced.
- Persons living in the proposed development will be referred directly from emergency shelters and housing resources presently located near the Horton Plaza Redevelopment Project Area.
- The project partially satisfies a need of 130 beds identified in the Social Issues Policies Working Strategy, approved by the Redevelopment Agency in January of 1993. The project will be a necessary segment of the housing continuum for battered women. By moving persons out of more intensive services in the Centre City area, existing shelter beds become available for those presently on the street.
- Funds from the Horton Plaza Redevelopment Project Low and Moderate Income Housing Fund will enable the Redevelopment Agency to assist the Ecumenical Council of San Diego County in providing aid and services to an underserved population. The Horton Plaza Redevelopment Project will benefit by providing low and moderate income housing to a population that would otherwise remain in shelters in the Centre City area.

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PROJECT SYNOPSIS

SUBJECT: Proposed Acquisition Loan Agreement for acquisition and reuse of an 11-unit apartment complex to provide very-low-income housing to women and children leaving emergency and transitional housing in Centre City.

LOCATION: Due to safety considerations for the proposed residents, the address of the property will not be disclosed in public documents. The property is, however, located in District 3, and the Council office is aware of the location. The legal description appears in the Loan Documents.

COMMUNITY

PLANNING AREA: The apartment complex is located in the Mid-City Community Planning Area, Council District 3.

DEVELOPMENT

ENTITY: Borrower is a California non-profit corporation as set forth on the signature page of the Acquisition Loan Agreement, doing business as Ecumenical Council of San Diego County, Inc. (ECSD). President Nancy McMaster and Vice President and Edward Starkey are the principals of the organization. Mary Niez and Rev. Glenn Allison are the contacts. The Ecumenical Council's corporate office is at 4085 Park Blvd., San Diego, CA 92103. Its program office is at 3435 Camino del Rio South, #102, San Diego, CA 92108.

PROPOSED

CONSULTANTS: Architect - To be determined
Development - Yakota/Starr and Associates
Contractor - To be determined
Relocation - San Diego Housing Commission

BACKGROUND: The first Social Issues Strategy Implementation Request for Proposals (RFP) was issued March 22, 1993. ECSD (then the San Diego County Ecumenical Conference) submitted a proposal to house abused women with children. ECSD provides similar services at five scattered site locations throughout the City of San Diego. The Social Issues Strategy identifies a need of 130 additional beds for this population. ECSD has a 10-year history in providing services to abused women with children.

The Redevelopment Agency entered into a Negotiation Agreement with ECSD on April 30, 1993. The original Negotiation Agreement provided for a 180-day period of negotiations with the Borrower to secure federal funding through the Department of Housing and Urban Development

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(HUD) and find a suitable property to house battered women with children. The First Amendment to the Negotiation Agreement extended the period of negotiations an additional 180-day period. The First Amendment expired April 14, 1994. The Second Amendment to the Negotiation Agreement extended the Agency's negotiation period an additional one-year period. This year, ECSD has finally secured HUD funding in the 1995 funding round. HUD is expected to fund the Supportive Housing grant sometime in January 1996.

BASIC CONCEPT: Borrower proposes to purchase and rehabilitate an 11-unit apartment complex in the Mid-City area for the purpose of housing abused women with children. Existing tenants at the site will be relocated at HUD and Housing Commission cost. The building is structurally sound and requires only minor rehabilitation. Improvements are largely cosmetic and include patching and repairing interior and exterior paint, landscaping and irrigation, new carpet and vinyl, and kitchen appliances where necessary. The apartments are configured as follows:

<u>#</u>	<u>BR</u>	<u>BA</u>	<u>SQ FT</u>
4	1	1	645
6	2	1	744
1	2	2	1022

The proposed rents will range from \$180 to \$450 per month.

**NEGOTIATION
ASSUMPTIONS:**

The proposed project to be acquired shall be an 11-unit apartment complex for use as transitional housing for abused women with children.

The Agency loan commitment for acquisition of the site will be in an amount up to \$171,500.

Borrower will acquire and own all property on the site as is appropriate to operate the project.

The Borrower will rehabilitate the site and operate the development on the site at its own cost and expense.

The Borrower shall secure sufficient funding commitments from other funding sources necessary to complete the acquisition, rehabilitation, and operation of the development. Such funding commitments may include

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but not be limited to commitments from HUD, Community Development Block Grant (CDBG) Funds, HOME rehabilitation funds, and Housing Trust Funds. Borrower will develop and manage the development on the site consistent with the Supportive Housing grant proposal submitted to HUD as part of a continuum of care approach to providing transitional housing to abused women and children.

Borrower will provide furniture, fixtures, and equipment and will remain responsible for the timely repair of major building systems. Such systems may include but not be limited to roof, major plumbing, and major electrical and heating.

Borrower will ensure that all units are occupied by abused women with or without children referred to the Borrower directly from emergency shelters and housing resources presently located within the Centre City area.

The acquisition price of the apartment complex is \$450,000. The appraised value of the property is \$495,000 in its proposed use, and \$435,000 as is. The "use" value is based on the advantages afforded to ECSD in the sale of the building. Those include an extended escrow, adjacency to schools, public transportation, shopping, and public facilities and provisions for filling vacancies with program participants prior to close of escrow.

Redevelopment Agency financial assistance would help house 30-35 women and children who have been victims of domestic violence and abuse. All eleven units dedicated to the transitional housing program are proposed to be rent-restricted to very-low-income households for a minimum of 30 years.

BASIC TERMS OF
ACQUISITION
LOAN:

Sources and Uses

Uses

Acquisition and Closing Costs	\$455,000
Rehabilitation	90,000
Relocation	120,000
Consultant Fees	<u>7,500</u>
	\$672,500

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Sources

HUD SHP Acquisition	\$ 96,756
HUD SHP Operating/Relocation	59,244
HOME Rehabilitation	39,850
CDBG Acquisition/Relocation	280,000
Housing Trust Fund Match for SHP	25,150
CCDC Acquisition	<u>171,500</u>
	\$672,500

Agency Loan Terms and Conditions

Total Agency Loan	\$171,500
Interest Rate	3% deferred
Term	30 Years
Payments	None


Security: An Agreement affecting real property protecting the Agency's covenants on the property for the term of the restrictions. The Agreement affecting real property is subordinate to HUD covenants. HUD may not allow recording of additional trust deeds.

Restrictions: All units restricted to very-low-income occupancy for 30 years.

Future Refinance: Limited to aggregate loan-to-value of 90%.

SUMMARY:

The Social Issues Strategy was adopted in 1993 to provide housing for persons leaving emergency and transitional housing in Centre City. ECSD's program for providing safe, secure, and decent housing to abused women and children fits well within the original parameters of the strategy. The Agency's dollars are leveraged by federal and other funds at a ratio of nearly 1 to 4 (Agency dollars to other dollars).

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