

RESOLUTION NUMBER R- 298524

ADOPTED ON OCT 21 2003

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO MAKING CERTAIN FINDINGS WITH RESPECT TO FUNDING CONSULTANTS AND OTHER ADMINISTRATIVE EXPENSES INCURRED DURING THE NOTICE OF FUNDING AVAILABILITY EVALUATION AND SELECTION PROCESS

WHEREAS, the Redevelopment Agency of the City of San Diego [Agency] is engaged in activities necessary to carry out and implement the redevelopment plans for the various redevelopment projects in the City of San Diego [City]; and

WHEREAS, on August 6, 2002, the Council of the City of San Diego, pursuant to Resolution No. R-296892, declared a local housing state of emergency due to the severe shortage of affordable housing in the City; and

WHEREAS, the Comprehensive Affordable Housing Strategy Collaborative [Collaborative], consisting of the Agency, Centre City Development Corporation, Southeastern Economic Development Corporation, and the San Diego Housing Commission, was formed to work together to make the best use of their combined resources to provide affordable housing in the City; and

WHEREAS, the Collaborative has prepared a Notice of Funding Availability [NOFA] to seek proposals from qualified developers to develop new affordable housing units in the City; and

WHEREAS, the process of selecting quality projects that meet the NOFA criteria involves preliminary costs including economic consultants and attorneys; and

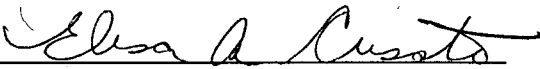
WHEREAS, these costs are incurred whether or not a proposed project ultimately receives approval for use of NOFA funds; and

WHEREAS, pursuant to Health and Safety Code section 33334.6(a), the California Legislature finds that the provision and improvement of affordable housing outside of redevelopment project areas can be of direct benefit to those projects in assisting the accomplishment of project objectives whether or not those redevelopment projects provide for housing within the project area; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego as follows:

1. That the Council finds and determines that Agency contributions of funds from the Low and Moderate Income Housing Fund from one project area for preliminary administrative costs including, but not limited to, economic consultants and attorneys for a potential NOFA project outside that project area are of direct benefit to that project area, as described in Attachment No. 1.

APPROVED: CASEY GWINN, City Attorney

By:   
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ATTACHMENT 1

**Findings of Benefit**

The proposed use of Low and Moderate Income Housing Funds (LMIHF) for consultant and other administrative expenses incurred citywide during the Affordable Housing Notice of Funding Availability (NOFA) evaluation and selection process will benefit the project area(s) that provide the funds in that:

- a. The provision of affordable housing is, in itself, a fundamental purpose of redevelopment. Any increase in the stock of available housing for low- and moderate-income persons benefits all the surrounding areas, including the project area that provides funds, by encouraging local accommodations for a diverse workforce and consumers at various income levels throughout the City.
- b. Careful review and selection of the highest quality affordable housing projects will ensure that Agency funds are used to their maximum potential. Because affordable housing projects are inherently complex, requiring the use of various sources of federal, state and private funding and often involving federal and state tax credit programs, they need to be evaluated thoroughly before any investment of funds from the LMIHF. Preliminary specialized analysis will enable project area funds to be well spent and leveraged as much as possible against other funding sources.
- c. The desired increase in the supply of affordable housing in San Diego through the NOFA process will be expedited by using outside consultants to analyze incoming proposals. The quicker the Agency addresses San Diego's housing shortage, the greater the benefit to not only the project area funding the analysis but also to the City, County and State as a whole.
- d. Consultant review of incoming NOFA proposals will facilitate more affordable housing units being built in the City of San Diego. It will increase the Agency's and each project area's capacity for preliminary analysis of a greater number and variety of projects at different income levels, including rental, for-sale, individual and family homes.
- e. Specialized legal services can focus on quickly determining whether a proposed deal structure is consistent with Redevelopment Law and adequately protects the Agency's interests during the negotiating process before an agreement is presented for final approval to the Redevelopment Agency.
- f. Consideration of affordable housing projects citywide, rather than merely within redevelopment project areas, better addresses the geographically diverse need for adequate housing all around the City and can help to avoid an over-concentration of low- and moderate-income units in any one area.
- g. The amount of funds from the LMIHF to be spent on consultant and other administrative expenses in reviewing potential NOFA proposals will not be disproportionate to the amount spent on affordable housing production.

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