

Item 203
Nov 17, 2014
(R-2015-249)

RESOLUTION NUMBER R- 309311

DATE OF FINAL PASSAGE NOV 25 2014

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING VARIOUS ACTIONS RELATED TO THE
PROPOSED HOTEL CHURCHILL AFFORDABLE HOUSING
PROJECT WITHIN THE CENTRE CITY REDEVELOPMENT
PROJECT AREA

WHEREAS, from its formation in 1958 until its elimination on February 1, 2012, the
Redevelopment Agency of the City of San Diego (Former RDA) administered the
implementation of various redevelopment projects, programs, and activities within designated
redevelopment project areas throughout the City of San Diego (City), and there are presently
fourteen such project areas; and

WHEREAS, the Former RDA dissolved as of February 1, 2012, in accordance with a
deadline for elimination of all redevelopment agencies throughout California set forth in
Assembly Bill x1 26 (AB 26), as modified by the California Supreme Court in a final opinion
issued on December 29, 2011, in litigation designated as Case No. S194861; and

WHEREAS, before the Former RDA's dissolution, the City Council adopted Resolution
No. R-307238 effective January 12, 2012, designating the City to serve as the successor agency
to the Former RDA (Successor Agency) pursuant to California Health and Safety Code (Code)
section 34173(d)(1), and further designating the City to serve as the Housing Successor to the
Former RDA (Housing Successor) for purposes of performing the Former RDA's housing
functions pursuant to Code section 34176(a)(1); and

WHEREAS, upon the Former RDA's dissolution on February 1, 2012, the Successor
Agency became vested with all of the Former RDA's authority, rights, powers, duties, and

obligations under the California Community Redevelopment Law and, by operation of law, received all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former RDA; and

WHEREAS, the Successor Agency is winding down the Former RDA's affairs in accordance with AB 26, enacted on June 28, 2011, and Assembly Bill 1484 (AB 1484), enacted on June 27, 2012 and subsequent legislation; and

WHEREAS, pursuant to Code section 34181(c), the seven-member Oversight Board directed the Successor Agency to transfer the Former RDA's affordable housing assets (Housing Assets) to the City as Housing Successor, and the California Department of Finance (DOF) approved the Oversight Board's decision; and

WHEREAS, the Successor Agency transferred the Housing Assets to the Housing Successor on or about January 28, 2013; and

WHEREAS, pursuant to Code section 34176(d), the Successor Housing Entity has created a new, separate fund, known as the Low and Moderate Income Housing Asset Fund (Housing Asset Fund), for purposes of depositing any encumbered funds related to the Housing Assets and retaining any revenues generated from the Housing Assets in the future; and

WHEREAS, Code section 34176.1 requires all monies in the Housing Asset Fund to be used for specified affordable housing purposes; and

WHEREAS, Civic San Diego (Civic SD) administers affordable housing projects and implements housing functions on behalf of the Housing Successor pursuant to a written consultant agreement, as amended; and

WHEREAS, Civic SD, acting on behalf of the City, has negotiated an Owner Participation Agreement included as Attachment C to Staff Report No. CSD-14-16 (Agreement)

with HDP Churchill, LLC, a California limited liability corporation (Developer), wherein Developer has agreed to construct a 73-unit multi-family housing project (Project) within the Hotel Churchill, a vacant 94-unit Single Room Occupancy (SRO) hotel owned by the San Diego Housing Commission and located at 827 C Street between Ninth and Tenth streets in the East Village neighborhood of the Centre City Redevelopment Project Area (Property); and

WHEREAS, the Agreement requires the Developer to operate the Project, upon completion of rehabilitation and with the exception of one manager's unit, as rental housing that is affordable to Extremely Low Income, Very Low Income, and Low Income households, as defined and provided for in the Agreement; and

WHEREAS, pursuant to Resolution No. R-04001 adopted effective March 14, 2006, the Former RDA, acting as the designated "lead agency" for purposes of the California Environmental Quality Act (CEQA), has previously certified the Final Environmental Impact Report for the San Diego Downtown Community Plan, Centre City Planned District Ordinance and Tenth Amendment to the Redevelopment Plan for the Centre City Redevelopment Project (2006 Final EIR), on file with the City Clerk as Document No. D-04001a; and

WHEREAS, the Former RDA also certified subsequent addenda to the 2006 Final EIR effective August 3, 2007 (Resolution No. R-04193), April 21, 2010 (Resolution Nos. R-04508 and R-04510), and August 3, 2010 (Resolution No. R-04544) (collectively, Addenda); and

WHEREAS, the Project is within the scope of the development program described in the 2006 Final EIR and Addenda, and the environmental impacts were adequately addressed in the 2006 Final EIR and Addenda; therefore, no further environmental documentation is required under CEQA; and

WHEREAS, the Agreement contemplates that the City will issue to Developer a residual receipts loan in an amount not to exceed \$3,000,000 (City Loan), including \$769,484.34 of derived from excess housing bond proceeds issued before 2011(Housing Bond Proceeds) and \$2,230,515.66 derived from the Housing Asset Fund; and

WHEREAS, the Successor Agency, Oversight Board, and DOF have approved Recognized Payment Obligation Schedule (ROPS) 14-15B, covering the period of January through June 2015, which included an obligation to fund the Project on ROPS line item 617 from Housing Bond Proceeds; and

WHEREAS, repayment of the City Loan from residual receipts of the Project's operation will be secured by a deed of trust and related security instruments to be recorded in the City's favor against the leasehold interest held by Developer; and

WHEREAS, the Project will involve the production of 72 affordable housing units, which will be subject to 65-year affordability covenants; NOW, THEREFORE,

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

1. The Council finds and determines that all recitals set forth in this Resolution a true and correct and fully incorporated herein by this reference.
2. The environmental effects of the Project were adequately addressed in the 2006 Final EIR and the Addenda, and the Project is within the scope of the development program described therein.
3. The Council adopts the following findings and determinations with respect to the environmental effects of the Project:
 - (a) No substantial changes are proposed in the Centre City Redevelopment Project, or with respect to the circumstances under which the Centre City Redevelopment Project

is to be undertaken as a result of the Project, which will require important or major revisions in the 2006 Final EIR or the Addenda; and

(b) No new information or substantial importance to the Centre City Redevelopment Project has become available, which was not known or could not have been known at the time the 2006 Final EIR was certified as complete, and which shows that the Project will have any significant effects not discussed previously in the 2006 Final EIR or the Addenda, or that any significant effects previously examined will be substantially more severe than shown in the 2006 Final EIR or the Addenda, or that any mitigation measures or alternatives previously found not to be feasible or not previously considered would substantially reduce or lessen any significant effects on the environment; and

(c) No negative declaration, subsequent environmental impact report, or supplement or further addendum to the 2006 Final EIR is necessary or required; and

(d) The Project will have no significant effect on the environment, except as identified and considered in the 2006 Final EIR and the Addenda, and no new or additional project-specific mitigation measures are required in connection with the Project; and

(e) The Project would not have any new effects that were not adequately covered in the 2006 Final EIR or the Addenda, and therefore, the Project is within the scope of the development program approved under the 2006 Final EIR and the Addenda.

4. Pursuant to CEQA Guidelines sections 15162 and 15168, the Council determines that no further environmental documentation is required to address the potential environmental effects of the Project.

5. The Council approves the Agreement, including all attachments and exhibits thereto.

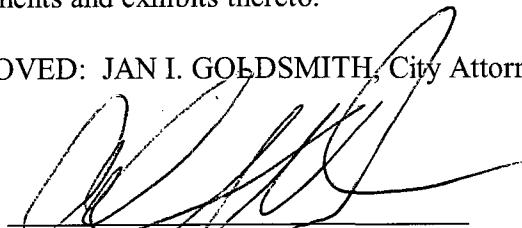
6. Contingent upon the Comptroller first issuing a certificate stating that the funds are available, the Council authorizes the Chief Financial Officer, as delegated, to encumber and expend an amount not to exceed \$3,000,000, including \$769,484.34 derived from Housing Bond Proceeds and \$2,230,515.66 derived from the Housing Asset Fund to provide the City Loan in accordance with the Agreement.

7. The Mayor, or designee, is authorized and directed to execute the Agreement, including all attachments and exhibits thereto requiring the City's signature. A copy of the Agreement, when fully executed, shall be placed on file with the City Clerk as Document No. RR- 309311.

8. The Mayor, or designee, is authorized and directed to sign all documents necessary and appropriate to carry out and implement the Agreement and to administer the City's obligations, responsibilities, and duties to be performed under the Agreement, including all attachments and exhibits thereto.

APPROVED: JAN I. GOLDSMITH, City Attorney

By

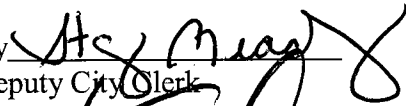


Adam R. Wander
Deputy City Attorney

ARW:mm
11/4/2014
Or.Dept: Civic San Diego
Doc. No. 897339

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of NOV 17 2014.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 11/24/14
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on NOV 17 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Harris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Date of final passage NOV 25 2014

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER

Mayor of The City of San Diego, California.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California.

(Seal)

By  , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- **309311**