

RESOLUTION NUMBER R- 311198

DATE OF FINAL PASSAGE JUN 21 2017

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE OWNER PARTICIPATION AGREEMENT AND THE CITY'S LOAN FOR THE KEELER COURT AFFORDABLE RENTAL HOUSING PROJECT WITHIN THE SOUTHEASTERN SAN DIEGO COMMUNITY PLAN 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

WHEREAS, pursuant to Assembly Bill x1 26 enacted June 28, 2011, the California Supreme Court opinion in *California Redevelopment Assn v. Matosantos*, 53 Cal. 4th 231 (2011), and subsequent related legislation (collectively, Dissolution Laws), the Former RDA dissolved as of February 1, 2012; and

WHEREAS, pursuant to Resolution R-307238 adopted by the City Council effective January 12, 2012, the City elected 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 as the housing successor to the Former RDA 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 (Redevelopment Law) and, by

operation of the Dissolution Laws, 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 the Dissolution Laws; and

WHEREAS, pursuant to Code section 34181(c), the Oversight Board directed the Successor Agency to transfer the Former RDA's affordable housing assets (Housing Assets) to the City, and the California Department of Finance (DOF) approved the Oversight Board's decision on January 4, 2013; and

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

WHEREAS, Civic San Diego (Civic SD) administers affordable housing projects and implements housing functions financed from the Low and Moderate Income Housing Asset Fund (LMIHAF) on behalf of the City pursuant to a written operating agreement; and

WHEREAS, Civic SD, on behalf of the City, has negotiated the terms of an Owner Participation Agreement (Agreement) with Keeler Court Housing Associates, L.P. (Developer), for the construction of 71 residential units generally located at 1290-1294 Keeler Court in the City of San Diego, California (Property), and use of 70 residential units as affordable rental housing and one residential unit as an unrestricted on-site manager's unit (collectively, Project). A copy of the Agreement is Attachment C to Report to Council No. CSD-17-08, dated June 14, 2017 (Report); and

WHEREAS, the Agreement requires the Developer, for at least 55 years, to restrict:

(a) Two (2) one-bedroom Dwelling Units, two (2) two-bedroom Dwelling Units, and three (3) three-bedroom Dwelling Units to occupancy by persons with incomes equal to or less than 30 percent of the area median income for the County of San Diego (AMI);

(b) Three (3) studio Dwelling Units, four (4) one-bedroom Dwelling Units, four (4) two-bedroom Dwelling Units, and three (3) three-bedroom Dwelling Units to occupancy by persons with incomes equal to or less than 40 percent of AMI;

(c) Five (5) studio Dwelling Units, eight (8) one-bedroom Dwelling Units, six (6) two-bedroom Dwelling Units, and nine (9) three-bedroom Dwelling Units to occupancy by persons with incomes equal to or less than 50 percent of AMI; and

(d) Two (2) studio Dwelling Units, six (6) one-bedroom Dwelling Units, six (6) two-bedroom Dwelling Units, and seven (7) three-bedroom Dwelling Units to occupancy by persons with incomes equal to or less than 60 percent of AMI.

WHEREAS, the Agreement also provides for the City to loan up to \$3,000,000 to the Developer to be used for the Developer's development of the Project; and

WHEREAS, the City's loan to the Developer will be secured by a deed of trust recorded against the Property; and

WHEREAS, the Developer's obligation to develop the Project and rent 70 of the rehabilitated residential units in the Project to low-income persons at affordable rents will all be set forth in a regulatory agreement and declaration of conditions, covenants, and restrictions to be recorded against the Property for the benefit of the City; and

WHEREAS, for purposes of reporting LMIHAF expenditures in accordance with California Health and Safety Code section 34176.1(f), the City's loan will be allocated toward the production of seven units at the 30 percent AMI level and two units at the 40 percent AMI level; and

WHEREAS, the City Council believes that the Agreement is in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable law; NOW, THEREFORE,

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

1. The Council approves the Agreement, including all attachments and exhibits to the Agreement.

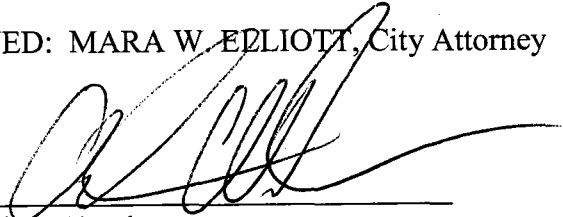
2. The Mayor or designee is authorized and directed, on behalf of the City, to sign and enter into the Agreement, including all attachments and exhibits to the Agreement requiring the City's signature, and take all other reasonable actions that are necessary or desirable to perform the City's obligations under the Agreement. A copy of the Agreement, when fully executed, shall be placed on file with the City Clerk as Document No. RR- 311198.

3. The Chief Financial Officer, as delegated, is authorized to appropriate and expend \$2,618,463 from Fund 400315, SC/Taxable TI Bonds 2007A, and \$381,537 from Fund 200708, Low and Moderate Income Housing Asset Fund-Properties (LMIHAF), for the purpose of a total \$3,000,000 loan to Developer for the Project, contingent upon the Chief Financial Officer furnishing a certificate certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

4. The Chief Financial Officer, as delegated, is authorized to deposit any Developer repayments of the City's loan into the LMIHAF for future affordable housing expenditures consistent with applicable law, including California Health and Safety Code section 34176.1(a).

APPROVED: MARA W. ELLIOTT, City Attorney

By:


Adam Wander
Deputy City Attorney

ARW:mm
June 6, 2017
Or.Dept: Civic San Diego
Doc. No.: 1517427

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 20 2017.

ELIZABETH S. MALAND
City Clerk

By: 
Deputy City Clerk

Approved: 6/21/17
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUN 20 2017, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<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"/>
Chris Cate	<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"/>
Georgette Gomez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 21 2017.

(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 *Hay Meady*, Deputy

Office of the City Clerk, San Diego, California
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