

RESOLUTION NUMBER R- 311584

DATE OF FINAL PASSAGE MAR 19 2018

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR OR HIS DESIGNEE TO SELL CERTAIN EXCESS CITY PROPERTY LOCATED AT 910 C STREET AND BORDERED BY NINTH AVENUE, TENTH AVENUE, C STREET, AND BROADWAY TO THE SAN DIEGO HOUSING COMMISSION FOR ONE HUNDRED DOLLARS, AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO AGREEMENTS TO CONSUMMATE THE SALE, AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ACCEPT AND DEPOSIT THE INDEPENDENT CONSIDERATION AND THE PROCEEDS OF THE SALE.

WHEREAS, the City of San Diego (City) owns that certain real property located at 910 C Street, San Diego, California 92101 (also known as 1055 9th Avenue), consisting of approximately 60,000 square feet of land bound by 9th Avenue, 10th Avenue, Broadway, and C Street, and identified as Assessor's Parcel Number 534-196-05 (Property), that is improved with a 12-story apartment building commonly known as "San Diego Square;" and

WHEREAS, the City has no current foreseeable use for the Property and has determined the Property to be in excess of the City's needs; and

WHEREAS, the value of the Property as disclosed by an appraisal made by a qualified real estate appraiser within the past six (6) months is \$8,660,000; and

WHEREAS, in 2013, the City and HDP Broadway, L.P., a California limited partnership (HDP), entered into a 65-year ground lease (Ground Lease) concerning the Property; and

WHEREAS, under the terms of the Ground Lease, HDP provides 155 subsidized, low-cost, age-restricted housing units and operates a multi-service center with support facilities for elderly residents of the Property at minimal cost to those residents. HDP owns the 12-story

senior apartment building and associated improvements on the Property for the duration of the Ground Lease term; and

WHEREAS, the City receives approximately \$160,000 per year in rent revenue under the Ground Lease that is deposited into the Low Income Housing Lease Revenue Fund 200398. The San Diego Housing Commission (SDHC) approves expenditures from this fund in accordance with Resolution R-224179, adopted August 6, 1979; and

WHEREAS, the SDHC is a public housing agency created by the City under state law and governed by the San Diego Housing Authority to provide rental assistance, address homelessness, and create and preserve affordable housing; and

WHEREAS, in a joint effort between the City and the SDHC to reduce the City's administrative costs and ensure affordable housing on the Property in perpetuity, the SDHC has offered to purchase the Property for \$100; and

WHEREAS, the nominal sale price of \$100 to the SDHC is fair and equitable because the Property sale furthers the public purposes of providing low-income rental housing, alleviating the persistent shortage of affordable housing in the City, and relieving the City of administrative costs and potential liability associated with managing and maintaining the Property; and

WHEREAS, if the Council of the City of San Diego authorizes the Mayor to sell the Property to the SDHC, the Mayor or his designee will be authorized to execute and deliver on behalf of the City, a purchase and sale agreement, grant deed, and all other agreements and documents necessary to complete the sale transaction and transfer the Property to the SDHC on terms and conditions that the Mayor or his designee determine to be reasonable and in the best interests of the City; and

WHEREAS, under the terms of the proposed sale, the grant deed will restrict the Property's allowed use to providing low-income rental housing for seniors pursuant to the United States Department of Housing and Urban Development program for the elderly under Section 8 of the United States Housing Act of 1937, or other federal, state, or local-assisted, low-income rental housing program approved by the City, and a multi-service center with support facilities; and

WHEREAS, if the SDHC breaches a condition or covenant in the grant deed, the City will have the right to re-take possession of the Property and exercise the City's reversionary interest in the Property; and

WHEREAS, the purchase and sale agreement may require the SDHC to pay the City \$100 in consideration for City's execution and delivery of the purchase and sale agreement into escrow (Independent Consideration), which shall be immediately released by the Escrow Agent to the City, and is non-refundable regardless of whether the sale is completed;

WHEREAS, San Diego Charter section 77 requires all proceeds from the sale of City real property be deposited into the City's Capital Outlay Fund; NOW, THEREFORE,

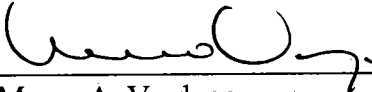
BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor or his designee is authorized to execute and deliver a purchase and sale agreement to sell that certain City-owned land located at 910 C Street, San Diego, California 92101 (also known as 1055 9th Avenue), consisting of approximately 60,000 square feet of land bound by 9th Avenue, 10th Avenue, Broadway, and C Street, and identified as Assessor's Parcel Number 534-196-05, to the San Diego Housing Commission for One Hundred Dollars (\$100), execute and deliver a grant deed containing the restrictions, covenants, and conditions described in the recitals herein, and execute and deliver any other agreements and documents required to complete the sale and

transfer of the Property on terms and conditions deemed reasonable and in the City's best interest by the Mayor or his designee.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized and directed to accept and deposit the proceeds of the sale of the Property, net costs related to the sale, into the Capital Outlay -- Low Income Unit Purchase Fund 400008.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized and directed to accept and deposit the Independent Consideration into the General Fund Number 100000.

APPROVED: MARA W. ELLIOTT, City Attorney

By 
Marco A. Verdugo
Deputy City Attorney

MAV:nja
02/06/18
Or.Dept: READ
Doc. No.: 1683008

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAR 06 2018.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 3/19/18
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on MAR 06 2018, 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 MAR 19 2018

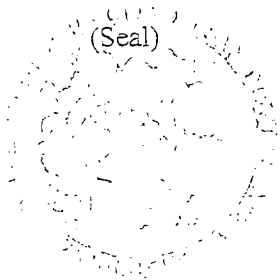
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

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.

By Linda Drwin, Deputy



Office of the City Clerk, San Diego, California

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