

RESOLUTION NUMBER R- 311798

DATE OF FINAL PASSAGE JUN 14 2018

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO MAKING CERTAIN FINDINGS, APPROVING THE OWNER PARTICIPATION AGREEMENT AND THE CITY'S LOAN FOR THE LINK 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

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 *California Redevelopment Assn. v. Matosantos*, 53 Cal. 4th 231 (2011); and

WHEREAS, before the Former RDA's dissolution, the City Council adopted Resolution 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, Assembly Bill 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 on January 4, 2013; and

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

WHEREAS, pursuant to Code section 34176(d), the City has created a 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; and

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

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

WHEREAS, Civic SD, in accordance with the Affordable Housing Master Plan, as adopted by the City, publicly announced the availability of \$25 million dollars from the Housing Asset Fund for affordable housing projects (Notice of Funding Availability or NOFA); and

WHEREAS, in response to the NOFA, East Village PSH, L.P., a California limited partnership (Developer), submitted a funding application for construction of 86 affordable rental housing units and two unrestricted manager's units (Project), located at 707 – 723 G Street in the City of San Diego, California (Property); and

WHEREAS, Civic SD accepted Developer's application and has negotiated the terms of an Owner Participation Agreement (Agreement) with Developer regarding the Project, included as Attachment B to Staff Report No. CSD-18-09 (Staff Report); and

WHEREAS, the Agreement provides for the City to loan from the Housing Asset Fund an amount not to exceed \$10,350,000 to the Developer towards construction costs associated with the Project; and

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

WHEREAS, the Developer's obligation to develop the Project and rent the 86 affordable housing units to low-income families at affordable rents will be set forth in a regulatory agreement; and

WHEREAS, the conditions, covenants, and restrictions in the regulatory agreement will be recorded against the Property for 55 years, for the benefit of the City; and

WHEREAS, the Agreement is in the best interests of the City and the health, safety, morals and welfare of its residents, and is in accord with the public purposes and provisions of applicable state and local law and requirements;

WHEREAS, consistent with the California Environmental Quality Act (CEQA), the environmental impacts related to development projects in the San Diego Downtown Community Plan area have been evaluated in 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 (Downtown FEIR), certified by the Former RDA and the City Council on March 14, 2006 (Resolutions R-04001 and R-301265, respectively), and subsequent addenda to the Downtown FEIR certified by the Former RDA on August 3, 2007 (Resolution R-04193), April 21, 2010 (Resolution R-04510), and August 3, 2010 (Resolution R-04544), and by the City Council on February 12, 2014 (Resolution R-308724) and July 14, 2014 (Resolution R-309115); and

WHEREAS, certain environmental effects related to development projects in the San Diego Downtown Community Plan area also have been evaluated in the Final Supplemental Environmental Impact Report for the Downtown San Diego Mobility Plan certified by the City Council on June 21, 2016 (Resolution R-310561), and in the Final Environmental Impact Report for the City's Climate Action Plan (CAP FEIR) certified by the City Council on December 15, 2015 (Resolution R-310176), and the addendum to the CAP FEIR certified by the City Council on July 12, 2016 (Resolution R-310595); and

WHEREAS, the Downtown FEIR, the CAP FEIR, and the related environmental documents described above (collectively, Certified CEQA Documents) are the most recent and comprehensive environmental documents pertaining to the Project, and the Downtown FEIR and the CAP FEIR are Program Environmental Impact Reports prepared in accordance with CEQA Guidelines section 15168; and

WHEREAS, Civic SD, on behalf of the City, has prepared the Downtown 15168 Consistency Evaluation for the Project dated May 2018 (Consistency Evaluation), in accordance with CEQA and related state and local guidelines, and a copy of the Consistency Evaluation is

included as Attachment D to the Staff Report and is incorporated fully into this Resolution by this reference; and

WHEREAS, the Consistency Evaluation sets forth findings that the Project is within the scope of the development program analyzed in the Certified CEQA Documents and will not result in new or increased environmental effects compared to what already has been evaluated in the Certified CEQA Documents; NOW, THEREFORE,

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

1. The Council finds and determines that all recitals set forth in this Resolution are true and correct and fully incorporated herein by this reference.

2. Consistent with the analysis contained in the Consistency Evaluation, the environmental effects of the Project were adequately addressed in the Certified CEQA Documents, and the Project is within the scope of the development program described therein.

3. The Council adopts the following findings, as set forth at pages 5 and 6 of the Consistency Evaluation, 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 Certified CEQA Documents; and

(b) No new information of 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 Certified CEQA Documents were certified as complete, and which shows that the Project will have any significant effects not discussed previously in the Certified CEQA Documents, or that any significant effects previously examined will be substantially more severe

than shown in the Certified CEQA Documents, 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 Downtown FEIR or the CAP FEIR is necessary or required; and

(d) The development of the Project will have no significant effect on the environment, except as identified and considered in the Certified CEQA Documents, and no new or additional project-specific mitigation measures are required in connection with development of the Project; and

(e) The Project will not have any new effects that were not adequately covered in the Certified CEQA Documents, and therefore, the Project is within the scope of the development program approved under the Certified CEQA Documents.

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 City Clerk, or designee, is directed to file a Notice of Determination with the Clerk of the Board of Supervisors for the County of San Diego regarding the Project.

6. The Agreement, a copy of which is on file in the Office of the City Clerk as Document No. RR- 311798, is approved.

7. The Mayor, or designee, is authorized to execute the Agreement and sign all documents necessary and appropriate to carry out and implement the Agreement.

8. The Chief Financial Officer, as delegated, is authorized to appropriate and expend an amount not to exceed \$10,350,000 from Fund 200708, Low and Moderate Income Housing Asset Fund (Housing Asset Fund), in accordance with the Agreement, contingent on certification by the Chief Financial Officer that funds necessary for expenditure are available.

9. The Chief Financial Officer, as delegated, is authorized to accept and deposit any Developer repayments of the City's loan into the Housing Asset Fund for future affordable housing expenditures consistent with applicable law, including Code section 34176.1(a).

APPROVED: MARA W. ELLIOTT, City Attorney

By:



Katherine A. Malcolm
Deputy City Attorney


KAM:nja
05/24/2018
Or.Dept: Civic San Diego
Doc. No.: 1758333

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 12 2018.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 6/14/18
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUN 12 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 JUN 14 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.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Ginda Iruen, Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- 311798