

RESOLUTION NUMBER R- 311799

DATE OF FINAL PASSAGE JUN 14 2018

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO MAKING CERTAIN FINDINGS OF BENEFIT RELATING TO THE USE OF BOND PROCEEDS OF THE CENTRE CITY, HORTON PLAZA, AND NORTH BAY REDEVELOPMENT PROJECT AREAS TOWARD THE HILLTOP & EUCLID AFFORDABLE HOUSING PROJECT, LOCATED OUTSIDE OF SUCH REDEVELOPMENT PROJECT AREAS.

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, pursuant to Resolution R-307238 adopted by the City Council effective January 12, 2012, the City, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), elected to serve as the successor agency to the Former RDA, and the City also elected to serve as housing successor to the Former RDA in order to retain housing assets and assume housing responsibilities; and

WHEREAS, at the time of 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 operations in accordance with AB 26, enacted on June 28, 2011, Assembly Bill 1484, enacted on June 27, 2012, and subsequent related legislation; and

WHEREAS, the Successor Agency transferred the Former RDA's affordable housing assets (Housing Assets) to the City as housing successor on or about January 28, 2013, based on the approval by the Oversight Board and the California Department of Finance (DOF) of the City's comprehensive list of housing assets in accordance with California Health and Safety Code (Code) section 34181(c); and

WHEREAS, one of the Housing Assets in the City's ownership consists of approximately 8.76 acres of real property located on the northwest intersection of Hilltop Drive and Euclid Avenue in the Chollas View neighborhood in the Encanto community in the City of San Diego (Site), within the Southeastern San Diego Merged Redevelopment Project Area; and

WHEREAS, the Oversight Board and the DOF approved the list of housing assets based on the express representation that the City would cause the Site (as well as other "mixed-use" assets) to be developed with a combination of affordable housing units and other potential uses, consistent with Code section 34176(f); and

WHEREAS, Civic San Diego (Civic SD) administers affordable housing projects and implements housing functions on behalf of the City as housing successor; and

WHEREAS, Civic SD, acting on behalf of the City, has negotiated a Disposition and Development Agreement (DDA) with Hilltop Family Housing, L.P., a California limited partnership (Developer), a copy of which is included as Attachment D to Staff Report No. CSD-17-15 dated November 8, 2017 (Staff Report); and

WHEREAS, the DDA requires the City to convey fee title ownership of an approximately 4.53-acre portion of the Site located north of Hilltop Drive and east of, and including, the arroyo that bisects the Site (Property) to Developer, and requires Developer to develop the Property with 113 residential rental units, commercial space, various site improvements, and parking (Project); and

WHEREAS, 111 of the 113 residential rental units (Affordable Units) in the Project will be restricted as housing that is affordable to extremely low-income, very low-income, or low-income households as specified in 55-year affordability covenants to be recorded against the Property in accordance with the DDA (Affordability Covenants); and

WHEREAS, the DDA provides for a residual receipts loan by the City to Developer in an amount not to exceed \$5,850,000 (City Loan), proposed to include, in part, the following pre-2011 housing bond proceeds (collectively, Bond Proceeds): (i) \$368,637.66 from Centre City Redevelopment Project Area Tax Allocation Bonds, Series 2004C, Fund No. 200571; (ii) \$0.08 from Centre City Redevelopment Project Area Tax Allocation Bonds, Series 2004D, Fund No. 200573; (iii) \$904.70 from Centre City Redevelopment Project Area Tax Allocation Bonds, Series 2006B, Fund No. 200571; (iv) \$1,104,801.01 from Centre City Redevelopment Project Area Tax Allocation Bonds, Series 2008, Fund No. 200586; (v) \$135.14 from Horton Plaza Redevelopment Project Area Tax Allocation Bonds, Series 2003C, Fund No. 200572; (vi) \$2,761.14 from North Bay Tax Allocation Bonds, Series 2000, Fund No. 200562; (vii) \$4.94 from Central Imperial Housing Set Aside Tax Allocation Bonds, Series 2007A, Fund No. 200553; (viii) \$1,003,149.25 from Central Imperial Housing Set Aside Tax Allocation Bonds, Series 2007B, Fund No. 200557; and

WHEREAS, given that the City will use the Bond Proceeds for an affordable housing project located outside of the redevelopment project areas with which certain of the Bond

Proceeds are affiliated, Code section 33334.2(g)(1) requires the City Council to make findings that the proposed use of the Bond Proceeds will benefit such project areas; and

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

1. The Council finds that the proposed use of the Bond Proceeds from the Centre City Redevelopment Project Area toward the Project, located outside of the Centre City Redevelopment Project Area, will benefit the Centre City Redevelopment Project Area, as follows:

a) The provision of affordable housing is, in itself, a fundamental purpose of redevelopment. Any production of affordable housing will benefit the surrounding areas, including the redevelopment project area that provides the funds, by encouraging local accommodations for a diverse workforce and consumers at various income levels throughout the City.

b) The use of the Bond Proceeds for the Project will enable the City to increase and improve the supply of affordable housing within the City, particularly in a geographic area with a demonstrated need for a greater supply of affordable housing to serve the local population.

c) The use of the Bond Proceeds for the Project will enable the City to provide long-term affordability with the Affordability Covenants.

d) The Project is located within half a mile of a public transit stop that provides direct routes to and from the Centre City Redevelopment Project Area, which will provide means for residents of the Project to commute to jobs and schools in the Centre City Redevelopment Project Area.

2. The Council finds that the proposed use of Bond Proceeds from the Horton Plaza Redevelopment Project Area toward the Project, located outside of the Horton Plaza Redevelopment Project Area, will benefit the Horton Plaza Redevelopment Project Area, as follows:

a) The provision of affordable housing is, in itself, a fundamental purpose of redevelopment. Any production of affordable housing will benefit the surrounding areas, including the redevelopment project area that provides the funds, by encouraging local accommodations for a diverse workforce and consumers at various income levels throughout the City.

b) The use of the Bond Proceeds for the Project will enable the City to increase and improve the supply of affordable housing within the City of San Diego, particularly in a geographic area with a demonstrated need for a greater supply of affordable housing to serve the local population.

c) The use of the Bond Proceeds for the Project will enable the City to provide long-term affordability with the Affordability Covenants.

d) The Project is located within half a mile of a public transit stop that provides direct routes to and from the Horton Plaza Redevelopment Project Area, which will provide means for residents of the Project to commute to jobs and schools in the Horton Plaza Redevelopment Project Area.

3. The City finds that the proposed use of Bond Proceeds from the North Bay Redevelopment Project Area toward the Project, located outside of the North Bay Redevelopment Project Area, will benefit the North Bay Redevelopment Project Area, as follows:

a) The provision of affordable housing is, in itself, a fundamental purpose of redevelopment. Any production of affordable housing will benefit the surrounding areas, including the redevelopment project area that provides the funds, by encouraging local accommodations for a diverse workforce and consumers at various income levels throughout the City.

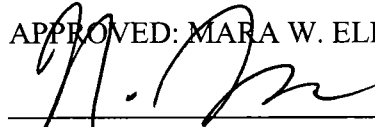
b) The use of the Bond Proceeds for the Project will enable the City to increase and improve the supply of affordable housing within the City, particularly in a geographic area with a demonstrated need for a greater supply of affordable housing to serve the local population.

c) The use of the Bond Proceeds for the Project will enable the City to provide long-term affordability with the Affordability Covenants.

d) The Project is located within half a mile of a public transit stop that provides connecting routes to and from the North Bay Redevelopment Project Area, which will provide means for residents of the Project to commute to jobs and schools in the North Bay Redevelopment Project Area.

APPROVED: MARA W. ELLIOTT, City Attorney

By



Nathan Slegers
Deputy City Attorney

NLJS:dkr
November 6, 2017
Or.Dept:Civic San Diego
Doc. No.: 1620839

I 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 *Dinda Bruin*
Deputy City Clerk

Approved: 6/14/18
(date)

Kevin L. Faulconer
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.

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

(Seal)

By Linda Drwin, Deputy

Office of the City Clerk, San Diego, California
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