

RESOLUTION NUMBER R- 311895

DATE OF FINAL PASSAGE JUL 23 2018

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO MAKING CERTAIN FINDINGS AND APPROVING THE OWNER PARTICIPATION AGREEMENT AND THE CITY'S LOAN UP TO \$5,500,000 FOR THE SAN YSIDRO SENIOR VILLAGE AFFORDABLE HOUSING PROJECT WITHIN THE SAN YSIDRO 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, NCRC SYSV, L.P., a California limited partnership (Developer), submitted a funding application for construction of 50 affordable rental housing units and one unrestricted manager's unit (Project), located at 517 West San Ysidro Boulevard 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-18-11 (Staff Report); and

WHEREAS, the Agreement provides for the City to loan from the Housing Asset Fund an amount not to exceed \$5,500,000 to the Developer towards development and 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; and

WHEREAS, the Developer's obligation to develop the Project and rent the 50 affordable housing units to low-income seniors 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; 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.

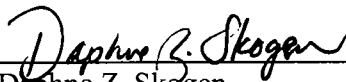
2. The Agreement, a copy of which is on file in the Office of the City Clerk as Document No. RR- 311895, is approved.

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

4. The Chief Financial Officer, as delegated, is authorized to expend an amount not to exceed \$5,500,000 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.

5. 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: 
Daphne Z. Skogen
Deputy City Attorney

DZS:jdf
06/12/2018
Or.Dept: Civic San Diego
Doc. No.: 1770955

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 7/17/18.

ELIZABETH S. MALAND
City Clerk

By: *[Signature]* For Stacy
Deputy City Clerk

Approved: 7/23/18
(date)

[Signature]
KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUL 17 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 JUL 23 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 *My Brady*, Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- 311895