

RESOLUTION NUMBER R- 312206

DATE OF FINAL PASSAGE FEB 11 2019

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 BARRIO LOGAN, CITY HEIGHTS, COLLEGE COMMUNITY, CROSSROADS, NAVAL TRAINING CENTER, NORTH BAY, AND NORTH PARK REDEVELOPMENT PROJECT AREAS TOWARD THE 13TH & BROADWAY 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 (State 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 19,000 square feet of real property located on the north side of Broadway between 13th and 14th streets in San Diego within the Centre City Redevelopment Project Area (Property); 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 (Agreement) with Chelsea Investment Corporation, a California corporation (Developer), a copy of which is included as Attachment B to Staff Report No. CSD-19-05 dated February 6, 2019 (Staff Report); and

WHEREAS, the Agreement requires Developer to develop the Property with a 14-story, 273-unit residential rental project, including 270-rent and income restricted units serving households earning between 30 percent and 60 percent of the area median income (AMI), three manager's units with no affordability restrictions, 64 parking spaces, and approximately 3,200 square feet of retail space (Project); and

WHEREAS, the Agreement provides for the City's ground leasing of the Property to Developer for 65 years (Lease Term), subject to the terms of the Agreement and the proposed Ground Lease between the City and Developer (Ground Lease); and

WHEREAS, the Agreement provides for a residual receipts loan by the City to Developer in an amount not to exceed \$10,140,000 (City Loan), proposed to include funds from the Housing Asset Fund and the following pre-2011 housing bond proceeds (collectively, Bond Proceeds), with the following estimated amounts to be adjusted as needed to allow expenditure of the bond proceeds plus all accrued interest: (i) \$1,441,685.67 from Pooled Housing Bonds, Series 2010A, Fund No. 200635 (which includes housing bond proceeds from Barrio Logan, City Heights, College Community, Crossroads, and Naval Training Center); (ii) \$168,928.75 from North Park LM Bonds, Series 2003A, Fund No. 200567; (iii) \$1,888.23 from North Park LM TAB, Series 2000, Fund No. 200566; (iv) \$55,267.40 from North Park LM LOC, Series 2007, Fund No. 200551; and (v) \$119,090.68 from North Bay LM LOC, Series 2007, Fund No. 200558; 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; NOW, THEREFORE,

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

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

a) The provision of affordable housing is, in itself a fundamental purpose of redevelopment. Any production of housing for low- and moderate-income families 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 extremely-low, very-low, and/or low-income 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 by restricting the rental of the units to persons of extremely-low, very-low, and/or low-income for a period of 55 years.

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

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

a) The provision of affordable housing is, in itself a fundamental purpose of redevelopment. Any production of housing for low- and moderate-income families 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 extremely-low, very-low, and/or low-income 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 by restricting the rental of the units to persons of extremely-low, very-low, and/or low-income for a period of 55 years.

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

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

a) The provision of affordable housing is, in itself a fundamental purpose of redevelopment. Any production of housing for low- and moderate-income families 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 extremely-low, very-low, and/or low-income 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 by restricting the rental of the units to persons of extremely-low, very-low, and/or low-income for a period of 55 years.

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

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

a) The provision of affordable housing is, in itself a fundamental purpose of redevelopment. Any production of housing for low- and moderate-income families 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 extremely-low, very-low, and/or low-income 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 by restricting the rental of the units to persons of extremely-low, very-low, and/or low-income for a period of 55 years.

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

5. The Council finds that the proposed use of the Bond Proceeds from the Naval Training Center Redevelopment Project Area toward the Project, located outside of the Naval Training Center Redevelopment Project Area, will benefit the Naval Training Center Redevelopment Project Area, as follows:

a) The provision of affordable housing is, in itself a fundamental purpose of redevelopment. Any production of housing for low- and moderate-income families 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 extremely-low, very-low, and/or low-income 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 by restricting the rental of the units to persons of extremely-low, very-low, and/or low-income for a period of 55 years.

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

6. 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 housing for low- and moderate-income families 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 extremely-low, very-low, and/or low-income 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 by restricting the rental of the units to persons of extremely-low, very-low, and/or low-income for a period of 55 years.

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.

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

a) The provision of affordable housing is, in itself a fundamental purpose of redevelopment. Any production of housing for low- and moderate-income families 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.

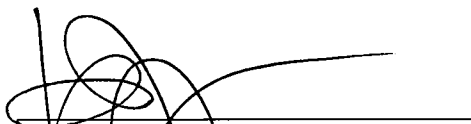
b) The use of the Bond Proceeds for the Project will enable the City to increase and improve the supply of extremely-low, very-low, and/or low-income housing within the City, particularly in a geographic area with a demonstrated need for a greater supply of affordable housing to serve the local population.

c) The use of the Bond Proceeds for the Project will enable the City to provide long-term affordability by restricting the rental of the units to persons of extremely-low, very-low, and/or low-income for a period of 55 years.

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

APPROVED: MARA W. ELLIOTT, City Attorney

By


Katherine A. Malcolm
Deputy City Attorney

KAM:jdf
02/04/19
Or.Dept: Civic San Diego
Doc. No.: 1922967

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 02-11-2019.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 2/11/19
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on FEB 11 2019, 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"/>
Jennifer Campbell	<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"/>
Monica Montgomery	<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"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage FEB 11 2019.

(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 Connie Patterson, Deputy
for Linda Dorn

Office of the City Clerk, San Diego, California

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