

Handwritten notes: #5 5015, 10/20/2020

RESOLUTION NUMBER R- **313266**

DATE OF FINAL PASSAGE **OCT 23 2020**

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR OR HIS DESIGNEE TO SELL CERTAIN SURPLUS CITY PROPERTY LOCATED AT 1449 NINTH AVENUE, SAN DIEGO, CALIFORNIA 92101 TO COMMUNITY HOUSINGWORKS FOR ELEVEN THOUSAND FIVE HUNDRED AND NINETY-THREE DOLLARS, AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO AGREEMENTS TO CONSUMMATE THE SALE, AUTHORIZING THE MAYOR OR HIS DESIGNEE TO REPLACE THE EXISTING AFFORDABILITY RESTRICTIONS WITH NEW FIFTY-FIVE YEAR AFFORDABILITY RESTRICTIONS, AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ACCEPT AND DEPOSIT THE INDEPENDENT CONSIDERATION.

WHEREAS, the City of San Diego (City) owns that certain real property located at 1449 Ninth Avenue, San Diego, California 92101, consisting of .405 acres of land, and identified as Assessor’s Parcel Number 534-042-11 (Property), that is improved with a forty-eight (48) unit, three-story housing shelter commonly referred to as “Cortez Hill Family Shelter;” and

WHEREAS, the City has no foreseeable use for the Property and declared the Property surplus land in accordance with the Surplus Land Act (Government Code Sections 54220 – 54234) on May 19, 2020 with Resolution No. R-313039; and

WHEREAS, the Property is subject to that certain Agreement Affecting Real Property between the City and the former Redevelopment Agency of the City of San Diego, filed in the Official Records of the San Diego County Recorder as Document No. 2001-0522564, which restricts 46 units on the Property at 50% of area median income (AMI) for thirty (30) years (AARP); and

WHEREAS, the Property is subject to that certain Deed of Trust between the City and the San Diego Housing Commission (SDHC), filed in the Official Records of the San Diego County

Recorder as Document No. 2004-0159013, which secures a promissory note in favor of the SDHC in the amount of \$11,593 (Promissory Note) and prohibits the removal of the improvements on the Property (Trust Deed); and

WHEREAS, the Property is subject to that certain Declaration of Covenants, Conditions, and Restrictions between the City and the SDHC, filed in the Official Records of the San Diego County Recorder as Document No. 2004-0159014, which restricts 44 units on the Property at 30% of AMI and requires repayment of the Promissory Note upon sale of the Property (Declaration); and

WHEREAS, the Community Housing Works (CHW) is a nonprofit organization that develops and operates affordable apartment communities throughout California; and

WHEREAS, CHW has offered to purchase the Property to develop an affordable housing complex consisting of between seventy-five (75) and one hundred and ten (110) affordable apartments including at least forty-four (44) units restricted at 30% of AMI, at least thirty (31) units restricted at up to 80% of AMI, and up to three (3) unrestricted manager units; 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 \$11,593; and

WHEREAS, the sale price of \$11,593 to CHW 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 CHW, 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 CHW 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 existing restrictions contained in the AARP, Trust Deed, and Declaration will be replaced and the Property's allowed use will be restricted for fifty-five (55) years to providing low-income rental housing consisting of at least forty-four (44) units restricted for eligible tenants whose income does not exceed 30% of AMI and at least thirty-one (31) units restricted for eligible tenants whose income does not exceed 80% of AMI in accordance with the purchase and sale agreement, grant deed, and regulatory agreement; and

WHEREAS, the proceeds from the sale shall be used to pay the sum of the Promissory Note secured by the Trust Deed; and

WHEREAS, the purchase and sale agreement requires CHW 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; 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 real property located at 1449 Ninth Avenue, San Diego, California 92101 consisting of approximately .405 acres of land, and identified as Assessor's Parcel Number 534-042-11, to Community Housing Works for Eleven Thousand Five Hundred and Ninety-Three Dollars (\$11,593), execute and deliver the grant deed, 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 Mayor or his designee is authorized to replace the existing affordability restrictions with new fifty-five (55) year affordability restrictions that restrict the use of the Property for affordable housing and related purposes in accordance with the restrictions, covenants, and conditions described in the recitals herein.

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

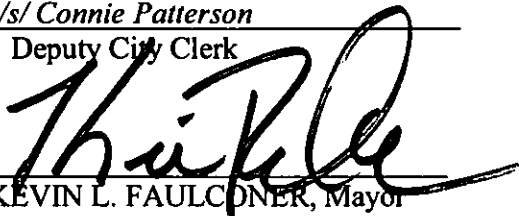
By /s/ Marco A. Verdugo
Marco A. Verdugo
Deputy City Attorney

MV:sc
10/16/2020
Or.Dept: READ
Doc. No.: 2505094

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 10/20/2020.

ELIZABETH S. MALAND
City Clerk

By /s/ Connie Patterson
Deputy City Clerk


KEVIN L. FAULCONER, Mayor

Approved: 10/23/20
(date)

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on OCT 20 2020, 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 OCT 23 2020.

(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 Peterson, Deputy

Office of the City Clerk, San Diego, California

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