

604
4/26/2021

(R-2021-426)

RESOLUTION NUMBER R- 313505

DATE OF FINAL PASSAGE MAY 05 2021

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING THE AMENDMENT TO
THE AGREEMENT AFFECTING REAL PROPERTY
BETWEEN THE CITY AND HACIENDA TOWNHOMES,
LTD., REGARDING PROJECT LOCATED AT 350 17TH
STREET IN THE EAST VILLAGE DISTRICT OF THE
CENTER CITY REDEVELOPMENT PROJECT AREA.

WHEREAS, Hacienda Townhomes is a 52-unit residential rental housing project
(Project) located at 350 17th Street between J and K Streets in the East Village neighborhood of
the City of San Diego (Property); and

WHEREAS, the Project is comprised of one-, two-, and three-bedroom townhomes,
including 51 rent and income restricted affordable units and one unrestricted manager's unit; and

WHEREAS, the Project was completed in 1994 in accordance with the Housing Loan
Agreement between the former Redevelopment Agency of the City of San Diego (Former
RDA) and Occupational Training Services, Inc. (OTS) dated as of October 16, 1992 and filed in
the Office of the Redevelopment Agency of the City of San Diego as Document No. 1959 (Loan
Agreement); and

WHEREAS, pursuant to the Loan Agreement, the Former RDA made a loan to OTS in
the original principal amount of \$713,196 (Agency Loan) and recorded against the Property an
Agreement Affecting Real Property (AARP) which imposes certain affordability restrictions for
use of the Project for a 55-year period expiring in 2048; and

WHEREAS, on July 7, 1993, Hacienda Townhomes LTD., a California limited
partnership (Developer), acquired from OTS all right, title, interest, and obligation in and to the
Loan Agreement by that certain Assignment and Assumption Agreement dated July 7, 1993; and

WHEREAS, as of February 1, 2012, the Former RDA dissolved by operation of State law, and the City of San Diego, solely in its capacity as the designated successor agency to the Redevelopment Agency of the City of San Diego, a former public body, corporate and politic (“Successor Agency”), became vested with all authority, rights, powers, duties, and obligations of the Former RDA under the California Community Redevelopment Law (CRL); and

WHEREAS, as of January 28, 2013, the Successor Agency transferred all its authority, rights, powers, duties and obligations in connection with the Loan Agreement and AARP, to the City, acting in its capacity as the successor housing entity to the Former RDA, and in accordance with California Health and Safety Code sections 34181(c) and 34176(e); and

WHEREAS, the Project requires repairs and renovations but has been operating in deficit caused by escalating operating costs that outpace the limited rent escalation allowed under the AARP, which utilizes a method to calculate income and rent under CRL and published by the State of California Department of Housing and Community Development; and

WHEREAS, City and Developer desire to enter into the Agreement to Amend Provisions of Agreement Affecting Real Property (Agreement), included as Attachment 1 to the Staff Report; and

WHEREAS, the Amendment will modify the terms of the AARP to utilize income and rent definitions used by the California State Tax Credit Allocation Committee and published by the U.S. Department of Housing and Urban Development, which will allow Developer to gradually increase rents up to a limit as described in the Agreement, while remaining subject to income and rent affordability restrictions; and

NOW, THEREFORE,

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

1. The Council approves the Agreement.
2. The Mayor, or designee, is authorized and directed to execute the Agreement on the City's behalf and to take any and all actions necessary to implement the Agreement.

A fully executed copy of the Agreement shall be placed on file in the Office of the City Clerk as Document No. RR- 313505.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Daphne Z. Skogen
 Daphne Z. Skogen
 Deputy City Attorney

DZS:soc
 04/19/2021
 Or.Dept: Eocn Dev
 Doc. No.: 2639068

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 4/26/2021

ELIZABETH S. MALAND
 City Clerk

By /s/ Matthew R. Hilario
 Deputy City Clerk

Approved: 5/4/21
 (date)


 TODD GLORIA, Mayor

Vetoed: _____
 (date)

 TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on APR 26 2021, by the following vote:

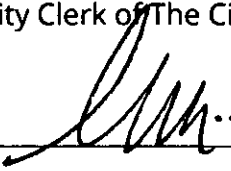
Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<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"/>
Raul A. Campillo	<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"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAY 05 2021.

(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: TODD GLORIA
Mayor of The City of San Diego, California.

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

By , Deputy

<p>Office of the City Clerk, San Diego, California</p> <p>Resolution Number R- <u>313505</u></p>
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