

RESOLUTION NUMBER R- 313506

DATE OF FINAL PASSAGE MAY 05 2021

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING AN OWNER PARTICIPATION AGREEMENT, THE CITY'S LOAN OF UP TO \$4,480,000, AND OTHER RELATED ACTIONS FOR THE CEDAR AND KETTNER SENIOR APARTMENTS AFFORDABLE RENTAL HOUSING PROJECT WITHIN THE DOWNTOWN SAN DIEGO COMMUNITY PLAN 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, pursuant to Assembly Bill x1 26 enacted June 28, 2011, the California Supreme Court opinion in *California Redevelopment Assn v. Matosantos*, 53 Cal. 4th 231 (2011), and subsequent related legislation (collectively, Dissolution Laws), the Former RDA dissolved as of February 1, 2012; and

WHEREAS, pursuant to Resolution R-307238 adopted by the City Council effective January 12, 2012, the City elected 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 as the housing successor to the Former RDA 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 (Redevelopment Law) and, by

operation of the Dissolution Laws, 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 the Dissolution Laws; and

WHEREAS, pursuant to Code section 34181(c), the Oversight Board directed the Successor Agency to transfer the Former RDA's affordable housing assets (Housing Assets) to the City, 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 created a new, 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 in the future; and

WHEREAS, Code section 34176.1 provides that all monies in the Housing Asset Fund are subject to the low- and moderate-income housing provisions of the Redevelopment Law, except as otherwise provided in Code section 34176.1; and

WHEREAS, Civic San Diego (Civic SD) administers affordable housing projects and implements housing functions financed from the Housing Asset Fund on behalf of the City pursuant to a written operating agreement; and

WHEREAS, the County of San Diego and BRIDGE Housing Corporation, a California nonprofit public benefit corporation (BRIDGE) entered into an Option to Lease that certain real property identified as County Parcel No. 2014-0210-B in the Little Italy Neighborhood of the City of San Diego (Property); and

WHEREAS, Civic SD, on behalf of the City, has negotiated an Owner Participation Agreement (Agreement) with Cedar Kettner LLC, a California limited liability company partnership (Developer), an affiliate of BRIDGE, a copy of which is included as Attachment B to the Staff Report (Report); and

WHEREAS, the Agreement requires Developer to develop 63 residential rental units for very-low and low-income individuals ages 62 and older, one manager's unit, and other amenities such as below-grade parking, a community room, and laundry facilities (Project); and

WHEREAS, the Agreement requires the Developer, for at least 55 years, to restrict 63 residential units for occupancy by senior citizen households with incomes equal ranging from 30 percent to 80 percent of the area median income for the County of San Diego (AMI); and

WHEREAS, the Agreement requires Developer or its affiliate to contribute \$837,000 in equity toward the Project; and

WHEREAS, the Agreement also provides for a City loan up to \$4,480,000 in Housing Asset Funds for Developer's Project costs, which includes a disbursement of up to \$750,000 as a Predevelopment Loan, and excludes Project costs related to the 1 to 2 units that will be rented to households at or above 60 percent AMI; and

WHEREAS, the City's loan to the Developer will be secured by a deed of trust recorded against Developer's leasehold interest in the Property in accordance with the Agreement; and

WHEREAS, the Developer's obligation to develop and use the Project under the Agreement will be set forth in a regulatory agreement and declaration of conditions, covenants and restrictions to be recorded against Developer's Leasehold interest in the Property for the benefit of the City; and

WHEREAS, the City Council believes that the Agreement is in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable law; NOW, THEREFORE,

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

1. The Council approves the Agreement, including all attachments and exhibits to the Agreement.
2. The Mayor or designee is authorized and directed, on behalf of the City, to sign and enter into the Agreement, including all attachments and exhibits to the Agreement requiring the City's signature, and take all other reasonable actions that are necessary or desirable to perform the City's obligations under the Agreement. A copy of the Agreement, when fully executed, shall be placed on file with the City Clerk as Document No. RR- 313506.
3. The Chief Financial Officer, as delegated, is authorized to encumber and expend an amount not to exceed \$4,480,000 from the Housing Asset Fund as proceeds of a loan from the City to the Developer for development of the Project pursuant to the terms and conditions of the Agreement, contingent upon the Chief Financial Officer certifying that the funds are available.

4. The Chief Financial Officer, as delegated, is authorized to accept all funds constituting repayment of the loan from the Developer into the Housing Asset Fund.

APPROVED: MARA W. ELLIOTT, City Attorney

By: Daphne Skogen
Daphne Z. Skogen
Deputy City Attorney

DZS:soc
04/16/21
04/22/21 Cor. Copy
Or. Dept: Economic Development
Doc. No.: 2642027

I hereby 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
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.

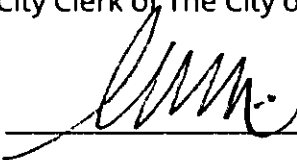
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

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

Office of the City Clerk, San Diego, California
Resolution Number R- 313506