

RESOLUTION NUMBER R- 314254

DATE OF FINAL PASSAGE JUL 28 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR OR DESIGNEE TO SELL CERTAIN CITY PROPERTY LOCATED AT 3890 SIPES LANE, SAN YSIDRO, CALIFORNIA IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 666-140-09, COMMONLY KNOWN AS RANCHO DEL RIO MOBILE HOME PARK, TO JSP RANCHO DEL RIO, LP, AUTHORIZING THE MAYOR TO ENTER INTO AGREEMENTS TO CONSUMMATE THE SALE, AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ACCEPT AND DEPOSIT THE INDEPENDENT CONSIDERATION AND THE PROCEEDS OF THE SALE, AND RELATED ACTIONS.

WHEREAS, the City of San Diego (City) owns that certain real property located at 3890 Sipes Lane, San Ysidro, California 92173, consisting of approximately 23 acres of real property identified as Assessor's Parcel Number 666-140-09 (Property), that is improved with a 130-space mobile home park commonly known as "Rancho Del Rio Mobile Home Park" and includes approximately 9.68 acres preserved as undevelopable open space; and

WHEREAS, the City has no current foreseeable use for the Property and has determined the Property to be in excess of the City's needs; and

WHEREAS, on July 17, 1984, the City and San Diego Housing Authority (SDHA) entered into a Master Ground Lease (Master Ground Lease) concerning a portion of the Property, granting SDHA the authority to enter into a Ground Lease with Rancho Del Rio, LP (Rancho Del Rio); and

WHEREAS, on August 3, 1984, SDHA and Rancho Del Rio entered into a 55-year Ground Lease for a portion of the Property (Lease) for the construction and operation of a mobile

home park. Rancho Del Rio subsequently assigned its interest in the Lease to Rancho Del Rio, Ltd., which in turn, assigned its interest in the Lease to JSP Rancho Del Rio, LP (JSP) on or about October 31, 2007; and

WHEREAS, under the terms of the Lease, JSP provides 39 mobile homes at affordable rents to qualifying low income households and provides 91 mobile home spaces at market rate to owners of mobile home coaches on a portion of the Property; and

WHEREAS, under the Lease JSP has a right of first refusal to purchase the Property and has elected to exercise its right the purchase the Property; and

WHEREAS, the City has exclusively negotiated the terms of the proposed sale with JSP in accordance with JSP's right of first refusal to purchase the Property; and

WHEREAS, if the Council of the City of San Diego authorizes the Mayor to sell the Property to the JSP, the Mayor or 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 JSP on terms and conditions that the Mayor or designee determine to be reasonable and in the best interests of the City; and

WHEREAS, under the terms of the proposed sale, City will reserve certain easements deemed necessary for open space, flowage, and the City's ongoing use, operation, maintenance, repair, and replacement of existing water, sewer, and storm water infrastructure; and

WHEREAS, under the terms of the proposed sale, the Property's allowed use will be restricted for the purpose of operating a mobile home park and the Property may not be redeveloped for any other use without the City's permission in accordance with the purchase and sale agreement, grant deed, and regulatory agreement; and

WHEREAS, under the terms of the proposed sale, at least 39 units on the Property will be restricted for 55 years to provide low-income rental housing 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 Property is a real property asset of the Water Utility Fund; and

WHEREAS, the City's Public Utilities Department has determined that the Property is not necessary for the proper operation of the City's water system and may be sold to JSP, and the sale contemplated by the purchase and sale agreement, which provides for City's reservation of certain easements and rights, including City's Pueblo water rights, will not negatively impact the net revenues of the City's water or sewer systems; and

WHEREAS, the value of the Property as disclosed by an appraisal made by a qualified real estate appraiser within the past six months is \$8,007,000; and

WHEREAS, the purchase and sale agreement requires JSP 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; and

WHEREAS, San Diego Charter section 53 requires that the City's Water Utility revenues be deposited into the Water Fund; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor or designee is authorized to execute and deliver a purchase and sale agreement to sell that certain City-owned real property located at 3890 Sipes Lane, San Ysidro, California 92173, consisting of approximately 23 acres of land and identified as Assessor's Parcel Number 666-140-09, to JSP Rancho Del Rio, LP at the appraised value of \$8,007,000, execute and deliver a grant deed

containing the easement reservations, affordability restrictions, covenants, and conditions described in the recitals herein, and execute and deliver any other agreements and documents required to impose affordability restrictions that will be binding for a period of 55 years and 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 designee.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized and directed to accept and deposit the proceeds of the sale of the Property, net costs related to the sale, into the San Ysidro Irrigation District Fund 700109, within the Water Fund.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized and directed to accept and deposit the Independent Consideration into the Water Fund 700011.

APPROVED: MARA W. ELLIOTT, City Attorney

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

MAV:sc
07/18/2022
Or.Dept: READ
CC No. N/A
Doc. No.: 3033380

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 25 2022.

ELIZABETH S. MALAND
City Clerk

By *Connie Patterson*
Deputy City Clerk

Approved: 7/26/22
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on JUL 25 2022, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 JUL 28 2022.

(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 Connie Patterson Deputy

Office of the City Clerk, San Diego, California

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