

333
11-15-2022

(R-2023-248)
(COR. COPY)

RESOLUTION NUMBER R- 314468

DATE OF FINAL PASSAGE NOV 28 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO DECLARING THAT 1320 BROADWAY IN
SAN DIEGO, CALIFORNIA IS EXEMPT SURPLUS LAND
AND APPROVING A RELATED WAIVER OF COUNCIL
POLICY 700-10.

WHEREAS, the City of San Diego (City) owns certain land located at 1320 Broadway and commonly identified as 13th & Broadway, San Diego, CA 92101 (APN: 534-205-08) consisting of approximately 19,000 square feet (Property), which the City acquired as the designated redevelopment housing successor under California Health and Safety Code section 34176 in accordance with a list of housing assets approved by the California Department of Finance (State DOF) in January 2013; and

WHEREAS, the Council of the City of San Diego (City Council) approved a Disposition and Development Agreement (Original Agreement), dated February 11, 2019, with Chelsea Investment Corporation, a California corporation (Developer), regarding the development of an affordable housing project for low and very-low income families (Project); and

WHEREAS, the City Council approved an amendment to the Original Agreement (First Implementation Agreement) on June 27, 2022, to advance \$1,250,000 of the City loan for predevelopment activities, such as, completing Project permitting documents and Property due diligence; and

WHEREAS, the City currently holds all right and title in the Property until the City and Developer close escrow on the Property under the terms of the Original Agreement, as amended by the First Implementation Agreement (Agreement); and

WHEREAS, the Property is no longer needed for City use, and the City will not retain the Property for the use of any individual City departments because the State DOF approved the City's acquisition of the Property as a housing asset under the redevelopment dissolution laws; and

WHEREAS, the Agreement will assure that the Property continues to be used for affordable housing purposes in accordance with the redevelopment dissolution laws; and

WHEREAS, the Surplus Land Act set forth at California Government Code (Government Code) sections 54220 through 54234 is generally intended to make a local agency's surplus land (i.e., land not needed for the local agency's use) available for potential acquisition by affordable housing sponsors or other local public entities; and

WHEREAS, Government Code section 54221(b)(1) requires the City Council to take formal action at a regular public meeting to declare the Property surplus land or exempt surplus land, as supported by written findings, before the City may take any action to dispose of the Property; and

WHEREAS, the written findings supporting an exempt surplus land declaration must be provided to the California Department of Housing and Community Development (HCD) for review at least thirty days before the City's disposition of the land under section 400(e) of HCD's Surplus Land Act Guidelines (SLA Guidelines); and

WHEREAS, under Governmental Code section 54221(f)(1)(A), the City Council may declare property to be exempt surplus property when its disposition will satisfy the requirements of Government Code section 37364; and

WHEREAS, Government Code section 54221(f)(2) identifies several narrow circumstances in which, notwithstanding an exempt surplus land declaration under Government Code section 54221(f)(1), a local agency must issue a notice of availability of the land (with the exception of certain land granted by the State of California to a local agency in trust) solely for open-space purposes if the land is any of the following: (a) within a coastal zone; (b) adjacent to a historical unit of the State Parks System; (c) listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historic Places; or (d) within the Lake Tahoe region as defined in Government Code section 66905.5; and

WHEREAS, the City's disposition of the Property to Developer under the Agreement does not involve any of the circumstances identified in Government Code section 54221(f)(2), and therefore, the City is not required to issue a notice of availability of the Property for open-space purposes if the Property is declared exempt surplus land; and

WHEREAS, the City's disposition of the Property to Developer under the Agreement meets or exceeds the requirements of Government Code section 37364, which requires that: at least 80 percent of the area of a parcel be used for an affordable housing development (here, the Property disposition will result in 100 percent of the Property being so used); at least 40 percent of the total number of housing units on a parcel be reserved, at an affordable housing cost, for households whose incomes are not more than 75 percent of the maximum income of lower income households (the Property disposition will result in all but three of the 273 residential units on the Property being so reserved); at least 20 percent of the total number of housing units on a parcel be reserved for very low income households at an affordable housing price (the Agreement will result in at least 79 percent of the 270 residential units on the Property being so reserved); the affordability covenants bind a parcel for at least 30 years (the Property disposition

will cause the affordability covenants to bind the Property for 55 years); and the affordability covenants be appropriately recorded so the covenants bind the housing sponsor and its successors in interest (the Agreement requires a Regulatory Agreement to be recorded in the official records with the County of San Diego, with provisions that will bind Developer and its successors in interest); and

WHEREAS, the City Council's declaration that the Property is exempt surplus land is contingent upon the City's disposition of the Property to Developer under the Agreement, and if for any reason the closing for the City's disposition of the Property to Developer does not occur, the City Council does not intend for this declaration to have any force or effect; and

WHEREAS, the City Council intends to waive the requirement in Council Policy 700-10 that the Property be circulated to City departments for review to determine if there is a municipal use for the Property before the City disposes of the Property because the Property has been owned by the former Redevelopment Agency of the City of San Diego and is now subject to disposition consistent with the Agreement as approved by the City Council; and

WHEREAS, the Office of the City Attorney has drafted this Resolution based on the information provided by City staff, including information provided by affected third parties and verified by City staff, with the understanding that this information is complete, true, and accurate; NOW, THEREFORE,

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

1. The Property is exempt surplus land under Government Code section 54221(f)(1)(A), based on the facts and reasons set forth in this Resolution and contingent upon completed disposition of the Property under the Agreement.

2. The requirement in Council Policy 700-10 that the Property be circulated to City departments for review to determine if there is a municipal use for the Property before the City disposes of the Property is waived for disposition of the Property in accordance with this Resolution.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ Katherine A. Malcolm
Katherine A. Malcolm
Deputy City Attorney

KAM:cc
10/12/22
11/7/22 COR. COPY
Or.Dept: Economic Dev.
Doc. No. 3114712_2

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego at this meeting of NOV 15 2022.

ELIZABETH S. MALAND
City Clerk

By Connie Patterson
Deputy City Clerk

Approved: 11/21/22
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on NOV 15 2022, 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 NOV 28 2022.

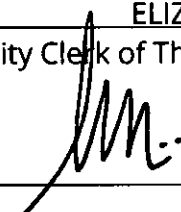
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

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 , Deputy
for Connie Patterson

Office of the City Clerk, San Diego, California

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