

RESOLUTION NUMBER R- 314518

DATE OF FINAL PASSAGE DEC 09 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE LOAN AGREEMENT FOR THE PATH VILLAS EL CERRITO PHASE I AFFORDABLE HOUSING PROJECT WITHIN THE COLLEGE AREA COMMUNITY PLAN AREA AND AUTHORIZING A RELATED LOAN IN AN AMOUNT NOT TO EXCEED \$2,050,000 TO THE PROJECT DEVELOPER, PATH VILLAS EL CERRITO 1, L.P.

WHEREAS, in 2020, the City of San Diego initiated a Request for Qualification and Notice of Funding Availability (NOFA) round one process to increase the new construction, acquisition, or rehabilitation of housing that will provide long-term affordability (55 years or longer) to individuals and families at or below 80 percent of area median income (AMI); and

WHEREAS, the City's round one affordable housing NOFA included \$33 million in total funding from sale proceeds of former City Redevelopment Agency owned housing assets, Permanent Local Housing Allocation (PLHA) funds, and Community Development Block Grant funds for the creation of 662 affordable housing units; and

WHEREAS, in May 2021, the City issued a round two affordable housing NOFA for an additional \$20 million in funding; and

WHEREAS, in July 2021, the State of California allocated \$2.75 billion to the Department of Housing and Community Development (HCD) for the Homekey program (Homekey) to expand housing for persons experiencing or at risk of homelessness; and

WHEREAS, in March 2022, the San Diego Housing Commission (SDHC) and the City notified affordable housing developers who previously qualified under the City's affordable housing NOFAs about the Homekey funding opportunities; and

WHEREAS, PATH Villas El Cerrito 1, L.P., a California limited partnership (Developer), proposes the PATH Villas El Cerrito Phase I affordable housing project (Project), on property generally located at 5476 El Cajon Boulevard in the College Area Community Plan Area (Property); and

WHEREAS, Developer will lease the Property from the current private landowner under a long-term lease that grants Developer a right to acquire fee title ownership of the Property in the future; and

WHEREAS, the Project will consist of five levels of prefabricated container-based structures with 41 total units; and

WHEREAS, 40 of these units will be studios and one- and two-bedroom permanent supportive housing units restricted to extremely low income (30 percent AMI) households for individuals and families experiencing homelessness, and one unit will be an unrestricted two-bedroom manager's unit; and

WHEREAS, the Project will include amenities such as a rooftop residents' garden, dog park, and an adjoining health and physical rehabilitation clinic operated by Family Health Centers of San Diego; and

WHEREAS, the Project will be designed and constructed to achieve, at a minimum, a Green Point Gold Rating or substantial equivalent, and include sustainable features such as low flow water fixtures and energy saving lighting and appliances; and

WHEREAS, SDHC and the County of San Diego (County) applied to HCD for Homekey funding for the development of the Project, and in July 2022, HCD awarded \$11.825 million for the Project; and

WHEREAS, the County will provide an additional \$6.47 million for development of the Project; and

WHEREAS, the City has negotiated the terms of a proposed Loan Agreement (Agreement) with Developer, to provide a loan to Developer in an amount not to exceed \$2,050,000 to be used for construction of the Project, and a copy of the Agreement is included in the docket materials accompanying this Resolution; and

WHEREAS, the Agreement requires Developer, for at least 55 years, to restrict 40 units for occupancy by households earning 30 percent AMI or less; and

WHEREAS, the source of the City's loan to Developer will be PLHA funds awarded to the City by HCD; and

WHEREAS, the PLHA program provides a permanent source of funding to cities to help meet the unmet affordable housing need, increase the supply of affordable housing units, and produce permanent housing for persons experiencing or at risk of homelessness; and

WHEREAS, Developer's repayment of the City's loan from a portion of the Project's residual receipts will be secured by a deed of trust recorded against the Property; and

WHEREAS, Developer's obligation to develop the Project and adhere to the long-term affordability restrictions will be set forth in a regulatory agreement and declaration of covenants, conditions, and restrictions to be recorded against the Property for the benefit of the City; and

WHEREAS, the Project is in conformance with and advances the goals and objectives of the City's NOFA as well as the PLHA program; 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; 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 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 appropriate 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 **314518**
3. The Chief Financial Officer, as delegated, is authorized to appropriate and expend an amount not to exceed \$2,050,000 in the City's PLHA funds from Fund 600001, Grant 1000627-2021 to Developer for the Project, contingent upon the Chief Financial Officer furnishing a certificate certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

4. The Chief Financial Officer, as delegated, is authorized to deposit a \$25,000 non-refundable Developer deposit required by the Agreement to cover costs incurred by the City and any Developer repayments of the City's loan into the PLHA fund for future affordable housing expenditures consistent with applicable law.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/ William Witt  
William Witt  
Deputy City Attorney

WWW:jdf  
11/28/22  
Or.Dept: Econ.Dev.  
Doc. No. 3136381

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of DEC 06 2022

ELIZABETH S. MALAND  
City Clerk

By Carrie Patterson  
Deputy City Clerk

Approved: 12/9/22  
(date)

Todd Gloria  
TODD GLORIA, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on DEC 06 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 DEC 09 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  
Resolution Number R- 314518