

RESOLUTION NUMBER R- 314757DATE OF FINAL PASSAGE APR 14 2023

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE LOAN AGREEMENT FOR THE 17TH & COMMERCIAL AFFORDABLE HOUSING PROJECT WITHIN THE DOWNTOWN SAN DIEGO COMMUNITY PLAN AREA AND AUTHORIZING A RELATED LOAN IN AN AMOUNT NOT TO EXCEED \$4,000,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS TO THE PROJECT DEVELOPER, 17TH & COMMERCIAL, L.P.

WHEREAS, on November 17, 2021, the Economic Development and Intergovernmental Relations Committee (EDIR Committee) of the Council of the City of San Diego (Council) received an informational staff presentation regarding the completion of 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 of San Diego's first round affordable housing NOFA includes \$33,000,000 in total funding from sale proceeds of housing assets formerly owned by the Redevelopment Agency of the City of San Diego, Permanent Local Housing Allocation funds, and U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds; and

WHEREAS, City staff recommended seven projects for NOFA funding in round one and informed the EDIR Committee that next steps include bringing each recommended project forward for the Council's consideration through the approval of an Owner Participation Agreement or a Loan Agreement; and

WHEREAS, one of the seven recommended projects is the 17th & Commercial affordable housing project (Project), located at 9 and 19 17th Street in the Downtown San Diego Community Plan Area (Property); and

WHEREAS, the Project will include 108 residential units, with 107 of those units affordable on a long-term basis to extremely low and low income households (up to 30 percent and 60 percent AMI), and one on-site manager's unit not subject to affordability restrictions; and

WHEREAS, the Project will also include amenities such as: a community room with full kitchen; dining area; computer station; adjoining outdoor courtyard with barbeque, seating and a rooftop deck; parking spaces; and the provision of supportive services for all residents; and

WHEREAS, the Project will be designed and constructed to achieve California Green Building Standards, including sustainable features such as water saving measures, energy efficient lighting and appliances and HVAC systems, ceiling fans, storm water filtration strategies, drought resistant landscaping and photovoltaic systems; and

WHEREAS, the City negotiated the terms of a proposed Loan Agreement (Agreement) with 17th & Commercial, L.P., a California limited partnership (Developer), to provide a loan to Developer in an amount not to exceed \$4,000,000 in CDBG funds to be used for the acquisition of the Property, 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 107 units in the Project for occupancy by households up to 60 percent AMI; and

WHEREAS, the City's loan to Developer for acquisition of the Property is an eligible use of CDBG funds; 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 consistent with, and advances the goals and objectives of, the City's NOFA and the guiding principles in the City's Affordable Housing Master Plan; and

WHEREAS, the 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- 314757.

3. The Chief Financial Officer, or designee, is authorized to transfer an amount not to exceed \$4,000,000 from CDBG Grant 1000003-2022 to 17th & Commercial Program in Fund 600000, Grant 1000003-2023, contingent on 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, or designee, is authorized to appropriate and expend an amount not to exceed \$4,000,000 from Fund 600000, CDBG Grant 1000003-2023 17th & Commercial Program to Developer for the Property acquisition costs, contingent on the Chief Financial Officer furnishing a certificate certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

5. The Chief Financial Officer, or designee, is authorized to accept and transfer any Developer repayments of the City's CDBG loan, into the Federal Grant CDBG Program Income Fund 600100 to be reprogrammed for eligible CDBG uses, consistent with applicable law, and the \$25,000 nonrefundable Developer deposit into the City's Low and Moderate Income Housing Asset Fund, 200708, for the creation of affordable housing, consistent with applicable law.

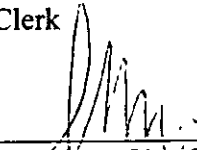
APPROVED: MARA W. ELLIOTT, City Attorney

By: Kevin Reisch / for
Marguerite E. Middaugh
Deputy City Attorney

MEM:jdf
04/06/2023
Or.Dept: Econ.Dev.
Doc. No.: 3271507

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 11 2023.

DIANA J.S. FUENTES
City Clerk

By: 
Deputy City Clerk

Approved: 4/14/23
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on APR 11 2023, 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"/>
Kent Lee	<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 APR 14 2023.

(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.)

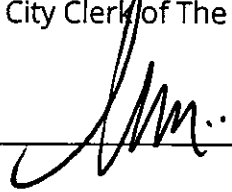
AUTHENTICATED BY:

TODD GLORIA

Mayor of The City of San Diego, California.

DIANA J.S. FUENTES

Interim City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

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