

SS,00 7-30-24

(R-2025-25)

RESOLUTION NUMBER R- 315729  
DATE OF FINAL PASSAGE AUG 01 2024

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE LOAN AGREEMENT FOR THE ROSE CREEK VILLAGE AFFORDABLE HOUSING PROJECT WITHIN THE PACIFIC BEACH 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, ROSE CREEK VILLAGE LP.

WHEREAS, on January 10, 2024, the City Council's Economic Development and Intergovernmental Relations Committee (EDIR Committee) received an informational staff presentation regarding the completion of a Request for Qualification and Notice of Funding Availability (NOFA) round three 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, on May 24, 2024, EDIR Committee received an informational staff presentation to add one recommended project from the NOFA round three process; and

WHEREAS, the City of San Diego's third round affordable housing NOFA will include \$20,200,000 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, HOME Investment Partnership Program funds, and U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds; and

WHEREAS, City staff recommended six projects for third round NOFA funding for a total of 447 units, and informed the EDIR Committee that next steps include bringing each

recommended project forward for the City Council's consideration through the approval of an Owner Participation Agreement or a Loan Agreement; and

WHEREAS, one of the six recommended projects is the Rose Creek Village affordable housing project (Project), located at 2662 Garnet Street in the Balboa Avenue Station Area Specific Plan area of the Pacific Beach Community Plan Area (Property); and

WHEREAS, the Project will include 60 residential units, including 59 studio units affordable on a long-term basis to low income households (up to 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 space, kitchen, laundry, leasing and management offices, bike racks, EV chargers, rideshare pickup areas, on-site case management, and social programs and events; and

WHEREAS, the Project will be designed and constructed to achieve, at a minimum, LEED H Silver Certification or substantial equivalent, including sustainable features such as all electric energy efficient appliances, rooftop solar, LED lighting with occupancy sensors, high-efficiency HVAC systems, low-flow plumbing fixtures, and low impact landscape areas with drip irrigation; and

WHEREAS, the City negotiated the terms of a proposed Loan Agreement (Agreement) with Rose Creek Village LP, 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 59 units for occupancy by households at 60 percent AMI or less; 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 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 Office of the City Clerk as Document No.

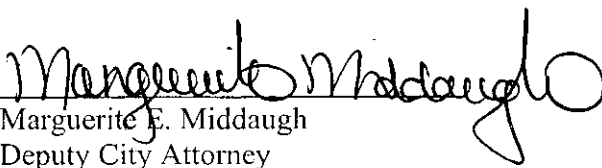
RR- 315729

3. The Chief Financial Officer, or designee, is authorized to transfer an amount not to exceed \$4,000,000 from Affordable Housing NOFA CDBG Grant 100003-2024, to Rose Creek Village Program in Fund 600000, CDBG Grant 1000003-2024, 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 1000003-2024 Rose Creek Village 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, appropriate and expend Developer's non-refundable deposit of \$25,000 for administrative costs into the Low and Moderate Income Housing Asset Fund and 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.

APPROVED: MARA W. ELLIOTT, City Attorney

By:   
Marguerite E. Middaugh  
Deputy City Attorney

MEM:jdf  
07/15/2024  
Or.Dept: Econ.Dev.  
Doc. No.: 3720839

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 30 2024.

DIANA J.S. FUENTES  
City Clerk

By: Connie Patterson  
Deputy City Clerk

Approved: 8/1/24  
(date)

Todd Gloria  
TODD GLORIA, Mayor

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

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

Passed by the Council of The City of San Diego on JUL 30 2024, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input type="checkbox"/>	<input checked="" 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"/>
Henry L. Foster III	<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 type="checkbox"/>	<input checked="" 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 AUG 01 2024.

**(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  
City Clerk of The City of San Diego, California.

(Seal)

By Kristell Medina, Deputy  
for Connie Patterson

Office of the City Clerk, San Diego, California  
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