

RESOLUTION NUMBER R- 315730

DATE OF FINAL PASSAGE AUG 01 2024

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE LOAN AGREEMENT FOR THE TERRASINI SENIOR APARTMENTS AFFORDABLE HOUSING PROJECT WITHIN CLAIREMONT MESA COMMUNITY PLAN AREA AND AUTHORIZING A RELATED LOAN IN AN AMOUNT NOT TO EXCEED \$825,000 TO THE PROJECT DEVELOPER, TERRASINI CIC, 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, the City of San Diego’s third round affordable housing NOFA will allocate approximately \$20,200,00 in total funding comprised of Low and Moderate Income Housing Asset Funds (LMIHAF), Permanent Local Allocation Funds (PLHA), HOME Investment Partnership Program (HOME) funds, and Community Development Block Grants (CDBG); and

WHEREAS, on May 22, 2024, City staff recommend five projects for NOFA funding, and informed the EDIR Committee that next steps include bringing each recommended project forward for the City Council’s consideration through the approval of Loan Agreements; and

WHEREAS, one of the five recommended projects is the Terrasini Senior Apartments affordable housing project (Project), located at 5255 Mt. Etna Drive in the Clairemont Mesa Community Plan Area (Property); and

WHEREAS, the Project will include 95 residential units, with 94 of those units affordable on a long-term basis to extremely low- and low-income households, and one on-site manager's unit not subject to affordability restrictions; and

WHEREAS, the Project will also include amenities such as: include tot lots for children, BBQs and picnic areas, community and computer rooms, laundry room, courtyard, and a public senior center available to those 60 years and over; and

WHEREAS, the Project will be designed and constructed to achieve, at a minimum, a GreenPoint Rated – Gold level or substantial equivalent, including sustainable features such as all-electric energy-efficient appliances, LED lighting, high-efficiency HVAC systems, low-flow water fixtures, rooftop photovoltaic panels, and landscape planting areas to collect and mitigate stormwater runoff; and

WHEREAS, the City has negotiated the terms of a proposed Loan Agreement (Agreement) with Terrasini CIC, LP, a California limited partnership (Developer), to provide a loan to Developer in an amount not to exceed \$825,000 (City Loan) 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 11 units for occupancy by households earning between 30 to 60 percent AMI or less; and

WHEREAS, the source of the City Loan is the federal HOME Investment Partnerships Program grant administered by the City; and

WHEREAS, the City Loan for construction of the Project is an eligible use of monies from the HOME Investment Partnerships Program; and

WHEREAS, Developer's repayment of the City 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 of the City of San Diego Five-year Consolidated Plan for Fiscal Years 2025- 2029 for the expenditure of HOME funds to benefit low- and moderate-income households and increase affordable rental housing opportunities; 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 Developer has already received an award of state low-income housing tax credits with an escrow closing and construction start anticipated in November or December 2024; and

WHEREAS, the Office of the City Attorney has drafted this Resolution based on the information provided 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 Loan Agreement, including all attachments and exhibits to the Agreement.
2. The Mayor, or their 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

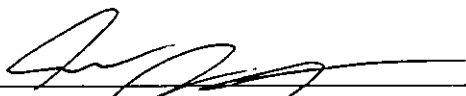
requiring the City's signature, and take all other reasonable actions that are necessary or appropriate to perform the City's obligations under the Agreement. A copy of the Agreement, when fully executed, shall be placed on file with the City Clerk as Document No.

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3. The Chief Financial Officer, or their designee, is authorized to appropriate and expend an amount not to exceed \$825,000 from the City's federal HOME Investment Partnership (HOME) Fund, Fund Number 600000, Grant 1000432-2024, in the form of a loan 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, or their designee, is authorized to accept, appropriate and expend the \$25,000 non-refundable Developer deposit into the City's Low and Moderate Income Housing Asset Fund, Fund Number 200708, for administrative costs, and any Developer repayments of the City Loan into City's HOME Program Income Fund, Fund Number 600103, to be reprogrammed for eligible HOME uses, consistent with applicable law.

APPROVED: MARA W. ELLIOTT, City Attorney

By 
Andrew John Alfonse
Deputy City Attorney

AJA:nja
07/15/2024
Or. Dept: Civic San Diego
Doc. No. 3719862

I 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 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"/>
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 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"/>

AUG 01 2024

Date of final passage _____.

(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)

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

By *Kristell Medina*, Deputy
for connie patterson

Office of the City Clerk, San Diego, California

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