

#702
12/10/24

(R-2025-216)
COR. COPY

RESOLUTION NUMBER R- 315937

DATE OF FINAL PASSAGE DEC 1 8 2024

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING A DISPOSITION AND
DEVELOPMENT AGREEMENT FOR THE 40TH AND ALPHA
SITE IN THE SOUTHEASTERN COMMUNITY PLAN AREA,
MAKING CERTAIN RELATED FINDINGS AND
DETERMINATIONS, AND APPROVING RELATED
ACTIONS.

RECITALS

The Council of the City of San Diego (Council) adopts this Resolution based on the following:

A. Under Assembly Bill x1 26 (AB 26), as modified by the California Supreme Court in *California Redevelopment Assn. v. Matosantos*, 53 Cal. 4th 231 (2011), and subsequent legislation (collectively, the Dissolution Laws), the Redevelopment Agency of the City of San Diego (Former RDA) dissolved as of February 1, 2012, and the Council adopted San Diego Resolution R-307238, effective January 12, 2012, designating the City to serve as the successor agency to the Former RDA (Successor Agency) under California Health and Safety Code (H&S Code) section 34173(d)(1), and further designating the City to serve as the housing successor to the Former RDA (Housing Successor) for purposes of performing the Former RDA's housing functions under H&S Code section 34176(a)(1).

B. Upon the Former RDA's dissolution on February 1, 2012, the Successor Agency became vested with the Former RDA's authority, rights, powers, duties, and obligations under the California Community Redevelopment Law (Redevelopment Law) and, by operation of law, received all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former RDA.

C. Under H&S Code section 34181(c), the seven-member Oversight Board directed the Successor Agency to transfer the Former RDA's affordable housing assets (Housing Assets) to the City as Housing Successor, and the California Department of Finance (DOF) approved the Oversight Board's decision on January 4, 2013.

D. The Successor Agency transferred the Housing Assets to the City as Housing Successor on or about January 28, 2013.

E. On October 3, 2022, the Council adopted San Diego Resolution R-314372, declaring the real property consisting of two non-contiguous lots, comprised of three parcels located near the corner of Alpha Street and 40th Street in San Diego (Property), as surplus land and authorizing the City's issuance of a Notice of Availability (NOA) in compliance with the Surplus Land Act (SLA).

F. On November 18, 2022, the City issued the NOA in compliance with the SLA, and on January 30, 2023, the City issued a Supplemental Information Request to interested parties.

G. City staff has negotiated a Disposition and Development Agreement (Agreement) with Community HousingWorks, a California nonprofit public benefit corporation (Developer), for an affordable housing project with no less than 57 residential units that will be rent and income restricted for a period of 55 years (Project) on the Property; a copy of the Agreement is included as Attachment A to the staff report accompanying this Resolution.

H. The Project is consistent with, and advances the goals and objectives of, the City's NOA and the guiding principles of the City's Affordable Housing Master Plan.

I. 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.

J. Under H&S Code section 33433(a)(1), the Council held a public hearing on December 10, 2024, to consider the approval of the Agreement after publishing notice of the public hearing as specified in California Government Code section 6066.

K. Under H&S Code section 33433(a)(2), a consultant retained by the City prepared a "Summary Report" dated November 2024, related to the Agreement (Summary Report), and a copy of the Summary Report is included as Attachment C to the staff report and incorporated fully into this Resolution.

L. The City has made copies of the Agreement and the Summary Report available for public inspection and copying no later than the time of the first publication of the notice of the public hearing.

M. Under H&S Code section 33433, the Council has considered the information in the Summary Report, which contains a summary describing and specifying all of the following:

- (i) The cost of the Agreement to the City; and
- (ii) The estimated value of the interest to be conveyed, determined at the highest and best use permitted under the Southcrest Redevelopment Plan, as amended (Redevelopment Plan); and
- (iii) The estimated value of the interest to be conveyed, determined at the use and with the conditions, covenants, and development costs required by the Agreement; and

(iv) The fair market value of the interest to be conveyed, along with an explanation as to why the compensation is less than the fair market value, if any, determined at the highest and best use consistent with the Redevelopment Plan; and

(v) An explanation of why the conveyance of the Property in accordance with the Agreement will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

N. 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 accordance with the public purposes and provisions of applicable state and local law and requirements.

O. The Council has considered any written evidence and testimony received in support of or in opposition to the Agreement, as well as the entire record prepared by City staff related to the matters addressed in this Resolution.

P. The value of the Property, as disclosed in an appraisal that City staff completed within the past six months, is \$1,358,000.

Q. The Office of the City Attorney prepared 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 and accurate.

ACTION ITEMS

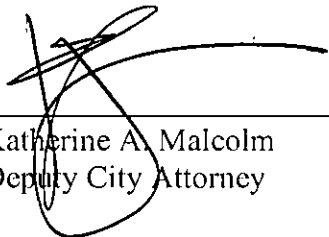
Be it resolved by the Council of the City of San Diego:

1. The Council finds and determines that all recitals set forth in this Resolution are true and correct and fully incorporated in this Resolution.

2. The Council finds that the consideration to be received by the City for the sale of the Property under the Agreement is not less than the fair market value of the Property at the highest and best use and with the covenants, conditions, and development costs required by the Agreement.
3. The Council finds that the development of the Property under the Agreement will assist in the elimination of blight in the Southeastern Plan Area and is consistent with the Redevelopment Plan and the most recent five-year implementation plan adopted under H&S Code section 33490.
4. The Council approves the Agreement and all other attachments and exhibits to the Agreement.
5. The Mayor, or designee, is authorized and directed to sign the Agreement, including all attachments and exhibits requiring the City's signature. A copy of the signed Agreement shall be placed on file with the City Clerk as Document No. RR- 315937.
6. The Mayor, or designee, is authorized and directed to sign all documents necessary and appropriate to carry out and implement the Agreement and to administer the City's obligations, responsibilities, and duties to be performed under the Agreement, including all attachments and exhibits.

7. The Chief Financial Officer, as delegated, is authorized to accept the purchase price payment of \$1,385,000 and deposit the funds into the Low Moderate Income Housing Asset Fund No. 200708 and to appropriate and expend such funds in accordance with the Agreement.

APPROVED: HEATHER FERBERT, City Attorney

By 
Katherine A. Malcolm
Deputy City Attorney

KAM:cc
October 29, 2024
December 11, 2024 COR. COPY
Or.Dept: Econ.Dev.Dept.
Doc. No. 3862327_2

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on DEC 10 2024.

DIANA J.S. FUENTES
City Clerk

By 
Deputy City Clerk

Approved: 12/13/24
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on DEC 10 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 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 18 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.

(Seal)

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

By Linda Drwin, Deputy
For Gilbert Sanchez

Office of the City Clerk, San Diego, California

Resolution Number R- 315937