

RESOLUTION NUMBER R- 316064
DATE OF FINAL PASSAGE FEB 27 2025

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE LOAN AGREEMENT FOR THE GRANT AT MISSION TRAILS AFFORDABLE HOUSING PROJECT WITHIN THE NAVAJO COMMUNITY PLAN AREA AND AUTHORIZING A RELATED LOAN IN AN AMOUNT NOT TO EXCEED \$2,500,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS TO THE PROJECT DEVELOPER, PSCDC THE GRANT LLC.

RECITALS

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

A. On January 10, 2024, the 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).

B. On May 22, 2024, EDIR Committee received an informational staff presentation to add one recommended project from the NOFA round three process.

C. The City of San Diego's (City) 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.

D. 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 Council's consideration through the approval of an Owner Participation Agreement or a Loan Agreement.

E. One of the six recommended projects is the Grant at Mission Trails affordable housing project (Project), located at 5945 Mission Gorge Road in the Grantville Neighborhood of the Navajo Community Plan Area (Property).

F. The Project will include 48 residential units, including 47 one, two, and three-bedroom 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.

G. The Project will also include amenities such as: a community space, laundry, leasing and management offices, private balconies, a recreation room for adult education classes and after school programs, a transit and rideshare information center, on-site bicycle repair station, and secured bike storage.

H. 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, partially powered by rooftop solar panels, central hot water system, and onsite stormwater bioretention.

I. The City negotiated the terms of a proposed Loan Agreement (Agreement) with PSCDC The Grant LLC, a California limited liability corporation (Developer), to provide a loan to Developer in an amount not to exceed \$2,500,000 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.

J. The Agreement requires Developer, for at least 55 years, to restrict 47 units for occupancy by households at 60 percent AMI or less.

K. The City's loan to Developer for acquisition of the Property is an eligible use of CDBG funds.

L. 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.

M. 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.

N. 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.

O. 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.

P. 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 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- **316064**.

3. The Chief Financial Officer, or designee, is authorized to transfer an amount not to exceed \$2,500,000 from Affordable Housing NOFA CDBG Grant 1000003-2025, to the Grant at Mission Trails Program in Fund 600000, CDBG Grant 1000003-2025, 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 \$2,500,000 from Fund 600000, CDBG Grant 1000003-2025 the Grant at Mission Trails 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 200708 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: HEATHER FERBERT, City Attorney

By Marguerite E. Middaugh
Marguerite E. Middaugh
Deputy City Attorney

KAM:cc
February 11, 2025
Or.Dept: Econ.Dev.Dept.
Doc. No. 3958705

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on FEB 25 2025.

DIANA J.S. FUENTES
City Clerk

By [Signature]
Deputy City Clerk

Approved: 2/27/25
(date)

[Signature]
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on FEB 25 2025, 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 FEB 27 2025.

(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

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