

RESOLUTION NUMBER R- 316092
DATE OF FINAL PASSAGE MAR 13 2025

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING A DISPOSITION AND
DEVELOPMENT AGREEMENT AND GROUND LEASE FOR
REAL PROPERTY LOCATED AT 3440 SANDROCK ROAD IN
THE CITY OF SAN DIEGO AND APPROVING RELATED
ACTIONS.

RECITALS

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

A. The City of San Diego (City) owns real property located at 3440 Sandrock Road, San Diego, California, and formerly referred to as the Serra Mesa library (Property).

B. City staff 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 59 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 C to the staff report accompanying this Resolution.

C. The Agreement provides for the City's ground lease of the Property to Developer for 65 years, subject to the terms of the Agreement and the Ground Lease between City and Developer (Ground Lease), a copy of the Ground Lease is included as Attachment D to the staff report accompanying this Resolution.

D. San Diego Municipal Code section 22.0901 requires resolutions approving leases of City-owned property to contain a statement of the market value of the subject real estate.

E. The value of the Property is \$2,580,000, as disclosed in the Appraisal Report for the Property dated October 2, 2024, a copy of the Appraisal is included as Attachment E to the staff report accompanying this Resolution.

F. On July 16, 2021, the Council adopted Resolution R-313625, declaring the Property as exempt surplus land under Government Code section 54221(f)(1)(A), contingent upon the Council's future discretionary approval of a lease of the Property for development of affordable housing satisfying all the applicable requirements of Government Code section 37364.

G. As required by Government Code section 37364: not less than 80% of the property is being used for development of housing; not less than 40% of the total number of housing units is affordable to households whose incomes are equal to, or less than, 75% of the maximum income of lower income households, and at least half are affordable to very low income households; and the dwelling units are restricted by a regulatory agreement for a period of 55 years.

H. 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 that the consideration to be received by the City for the lease 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.

2. The Council approves the Agreement, including the Ground Lease, and all other attachments and exhibits to the Agreement.

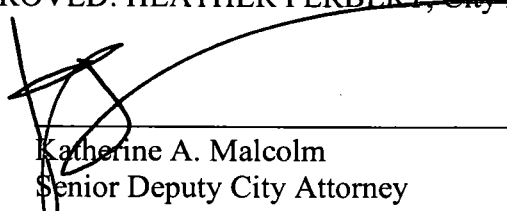
3. The Mayor, or designee, is authorized and directed to sign the Agreement, including the Ground Lease, and all attachments and exhibits requiring the City's signature. A copy of the signed Agreement shall be placed on file with the City Clerk as Document No. RR-316092.

4. 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.

5. The Chief Financial Officer, as delegated, is authorized and directed to accept the Developer's rental payments under the Ground Lease and deposit the payments into Fund Number 100000, General Fund.

APPROVED: ~~HEATHER FERBERT, City Attorney~~

By


Katherine A. Malcolm
Senior Deputy City Attorney

KAM:cc
February 26, 2025
March 11, 2025 COR. COPY
Or.Dept: Econ.Dev.
Doc. No. 3966842_2

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on
MAR 10 2025

DIANA J.S. FUENTES
City Clerk

By 
(Deputy City Clerk)

Approved: 3/13/25
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on MAR 10 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 MAR 13 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 Kristell Medina, Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- <u>316092</u>