

RESOLUTION NUMBER R- 316093DATE OF FINAL PASSAGE MAR 13 2025

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE LOAN AGREEMENT FOR THE SERRA MESA APARTMENTS AFFORDABLE HOUSING PROJECT WITHIN THE SERRA MESA COMMUNITY PLAN AREA AND AUTHORIZING A RELATED LOAN IN AN AMOUNT NOT TO EXCEED \$4,000,000 TO THE PROJECT DEVELOPER, COMMUNITY HOUSINGWORKS.

RECITALS

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

A. On December 11, 2024, the Council's Economic Development and Intergovernmental Relations Committee (EDIR Committee) received an informational staff presentation regarding the Round 4 Bridge to Home Notice of Funding Availability (NOFA), whose goal is 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 funding recommendations for six loan agreements totaling \$24 million. City staff informed the EDIR Committee that next steps would include bringing each recommended project forward to the Council's consideration through the approval of Loan Agreements.

B. One of the six recommended projects is the Serra Mesa Apartments affordable housing project (Project), located at 3440 Sandrock Road in the Serra Mesa Community Plan Area (Property).

C. The Project will include 60 residential apartments (including one- and two-bedroom units), with 59 of those units affordable on a long-term basis to extremely low income

households (30 percent AMI) and low income households (60 percent AMI), and one on-site manager's unit not subject to affordability restrictions.

D. The Project will also include amenities such as: a lobby and community room space, a computer lab, laundry facilities, leasing offices, a case management and resident services area, bike parking, and a second-story courtyard furnished with seating, trees and greenery.

E. The Project will be designed and constructed to achieve a minimum GreenPoint rating or substantial equivalent and will comply with State energy-efficiency standards for new construction. It will incorporate open-air corridors, Energy Star-rated appliances, energy-efficient LED lighting, programmable thermostats and zoning control, high-performance windows and doors, and drought-tolerant landscaping.

F. The City has negotiated the terms of the Loan Agreement (Agreement) with Community HousingWorks, a California non-profit corporation (Developer), to provide a loan to Developer in an amount not to exceed \$4,000,000 (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.

G. The Agreement requires Developer, for at least 55 years, to restrict 59 units for occupancy by households earning between 30 to 60 percent AMI or less.

H. The source of the City Loan is the Low and Moderate Income Housing Asset Fund (LMIHAF) administered by the City as housing successor to the former Redevelopment Agency of the City of San Diego.

I. The City Loan for construction of the Project is an eligible use of monies from the LMIHAF.

J. 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.

K. The City will disburse up to 90 percent of the City Loan as needed at closing for development and construction costs for the Project, with a five percent retention amount released upon completion of construction and a final five percent retention amount disbursed upon conversion of Developer's construction financing to permanent funding.

L. 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.

M. 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.

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 accord with the public purposes and provisions of applicable law.

O. The Developer intends to apply for state low-income housing tax credits to further finance construction of the Project.

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 City Clerk as Document No. RR- 316093.

3. The Chief Financial Officer, as delegated, is authorized to appropriate and expend an amount not to exceed \$4,000,000 from the City's Low and Moderate Income Housing Asset Fund, designated as Fund Number 200708, 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 the expenditure are, or will be, on deposit with the City Treasurer.

4. The Chief Financial Officer, as delegated, is authorized to transfer Developer's non-refundable deposit of \$25,000 intended to defray City costs associated with negotiation of the Agreement, and to transfer any Developer repayments of the City Loan, into the Low and Moderate Income Housing Asset Fund for future affordable housing expenditures consistent with applicable law.

APPROVED: HEATHER FERBERT, City Attorney

By 
Brian W. Byun
Deputy City Attorney

BWB:nja
02/24/2025
Or. Dept: EDD
Doc. No. 3971975

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

MAR 10 2025

Passed by the Council of The City of San Diego on _____, 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

316093

Resolution Number R-_____