

RESOLUTION NUMBER R- 316095  
DATE OF FINAL PASSAGE MAR 13 2025

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE LOAN AGREEMENT FOR THE NAVAJO FAMILY APARTMENTS AFFORDABLE HOUSING PROJECT WITHIN THE NAVAJO COMMUNITY PLAN AREA AND AUTHORIZING A RELATED LOAN IN AN AMOUNT NOT TO EXCEED \$3,100,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS TO THE PROJECT DEVELOPER, NAVAJO ROAD HOUSING ASSOCIATES, L.P.

RECITALS

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

- A. On March 5, 2025, 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) streamlined round five 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. The City of San Diego's (City) fifth round affordable housing NOFA will include \$20,000,000 in total funding from U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds.
- C. City staff recommended two projects for fifth round NOFA funding for a total of 266 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.

D. One of the two recommended projects is the Navajo Family Apartments affordable housing project (Project), located at 7005 Navajo Road in the San Carlos neighborhood of the Navajo Community Plan Area (Property).

E. The Project will include 45 residential units, including 44 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. Eleven of the units will be set aside for persons with special needs with intellectual or developmental disabilities.

F. The Project will also include amenities such as: private balconies and porches, a community room with kitchen, a computer room, a laundry room, an outdoor community space with exercise and play areas, parking, and EV charging stations.

G. The Project will be designed and constructed to achieve, at a minimum, a GreenPoint Rating or substantial equivalent, including sustainable features such as all electric energy efficient appliances, LED lighting, low flow plumbing fixtures, drought tolerant and native plants, and bike racks.

H. The City negotiated the terms of a proposed Loan Agreement (Agreement) with Navajo Road Housing Associates L.P., a California limited partnership (Developer), to provide a loan to Developer in an amount not to exceed \$3,100,000 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.

I. The Agreement requires Developer, for at least 55 years, to restrict 44 units for occupancy by households at 60 percent AMI or less.

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

K. 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.

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 Office of the City Attorney has drafted 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, true, 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- 316095.

3. The Chief Financial Officer, or designee, is authorized to transfer an amount not to exceed \$3,100,000 from Affordable Housing NOFA CDBG Grant 100003-2025, to Navajo Family Apartments 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.

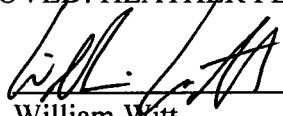
4. The Chief Financial Officer, or designee, is authorized to appropriate and expend an amount not to exceed \$3,100,000 from Fund 600000, CDBG Grant 1000003-2025 Navajo Family Apartments Program to Developer for the Property acquisition costs, contingent on the Chief Financial Officer furnishing a certificate 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

  
\_\_\_\_\_  
William Witt  
Deputy City Attorney


WWW:jdf  
02/20/2025  
Or.Dept: EDD  
Doc. No. 3967288

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  
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