

RESOLUTION NUMBER R- **316226**

DATE OF FINAL PASSAGE **MAY 23 2025**

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING A DISPOSITION AND
DEVELOPMENT AGREEMENT FOR SALE OF THE
CITY-OWNED REAL PROPERTY LOCATED AT
1401 IMPERIAL AVENUE, SAN DIEGO, CALIFORNIA, AND
REDEVELOPMENT OF THE PROPERTY AS AFFORDABLE
HOUSING AND MAKING RELATED FINDINGS.

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 the real property located at 1401 Imperial Avenue, San Diego, California (Property).
- B. Concurrent with the adoption of this Resolution, the Council adopted a resolution declaring the Property exempt surplus land under California Government Code (Government Code) section 54221(f)(1)(F)(i), contingent upon: (1) the Council's discretionary approval of the Agreement (defined in Recital F below), and (2) completion of the sale of the Property to Developer under the terms of the Agreement.
- C. The value of the Property is \$7,900,000, as stated in the Colliers International Valuation and Advisory Service appraisal report for the Property, dated December 6, 2024, contracted for by the City, a copy of which is included in the docket materials accompanying this Resolution.
- D. In February 2024, the City issued a request for proposals (RFP) to purchase and redevelop the Property as a 100 percent affordable multi-family rental housing development.
- E. The City received two responses to the RFP and selected the proposal from S.V.D.P. Management, Inc., a California non-profit public benefit corporation.

F. S.V.D.P. Management, Inc., formed 1401 Imperial, LP, a California limited partnership (Developer), to act as the developer for the proposed purchase and redevelopment of the Property. The City negotiated a Disposition and Development Agreement (Agreement) with the Developer, a copy of which is included in the docket materials accompanying this Resolution. The Agreement provides for the Developer to purchase the Property from the City and redevelop the Property as a multi-family rental housing development that restricts 100 percent of the residential units to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households, as defined in California Health and Safety Code (Health & Safety Code) section 50079.5, with an affordable rent, as defined in Health and Safety Code section 50052.5 or 50053, for 55 years. The maximum affordable rent level will not be higher than 20 percent below the median market rents for the neighborhood in which the Property is located. The Agreement further provides, as required by Government Code 54221(f)(1)(F)(i), that these income and rent restrictions for residential units on the Property will be contained in a regulatory agreement recorded against the Property.

G. In accordance with Government Code section 52201(a)(1), the City Council held a public hearing on May 20, 2025, to consider this Resolution approving the Agreement. Prior to the public hearing at which this Resolution was considered, the City published notice of the public hearing in accordance with Government Code section 52201(a)(1) in a newspaper of general circulation in the City at least once per week for at least two successive weeks, as specified in Government Code section 6066.

H. Simultaneous with publication of the public hearing notice described in Recital G above, the City made available, for public inspection and copying at a cost not to exceed the cost

of duplication, a report prepared in accordance with Government Code section 52201(a)(2) about the sale of the Property under the terms of the Agreement (Summary Report).

I. The Council considered the information in the Summary Report.

J. The sale of the Property under the terms of the Agreement will assist in the creation of an economic opportunity under Government Code section 52200.2(c) by creating affordable housing where a demonstrated affordable housing need exists in the City as described in the City's housing element or regional housing needs assessment.

K. The consideration to be received by the City for the sale of the Property is not less than the fair reuse value of the Property at the use and with the covenants and conditions and development costs imposed under the Agreement.

L. Redeveloping the Property as a 100 percent affordable multi-family rental housing development serves the public purpose of creating more affordable housing for City residents.

M. The Council considered all written evidence and testimony received in support of or in opposition to the Agreement and the entire public record related to the Agreement.

N. The Office of the City Attorney prepared this Resolution based on information provided by City staff, including information provided by 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 sale of the Property under the terms of the Agreement will assist in the creation of an economic opportunity under Government Code section

52200.2(c) by creating affordable housing where a demonstrated affordable housing need exists in the City as described in the City's housing element or regional housing needs assessment.

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 reuse value of the Property at the use and with the covenants, conditions, and development costs imposed under the Agreement.

3. The Council approves the Agreement and all the attachments and exhibits to the Agreement.

4. The Mayor or designee is authorized, 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 actions reasonably necessary to perform the City's obligations under the Agreement. A copy of the Agreement, when fully signed, will be placed on file with the City Clerk as Document No. RR- **316226**.

5. The Chief Financial Officer is authorized and directed to accept Buyer's payment of the Independent Contract Consideration of \$100 under Section 6 of the Agreement and deposit this payment into General Fund 100000.

6. The Chief Financial Officer is authorized and directed to accept the City's net proceeds from the sale of the Property and deposit those net proceeds into the City's Federal Community Development Block Grant Program Income, Fund 600100.

APPROVED: HEATHER FERBERT, City Attorney

By



Delmar G. Williams
Senior Deputy City Attorney

DGW:amt
05/08/2025
Or. Dept: EDD
Doc. No. 4040983

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on
MAY 20 2025.

DIANA J.S. FUENTES
City Clerk

By Connie Patterson
Deputy City Clerk

Approved: 5/22/25
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on MAY 20 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 MAY 23 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:

(Seal)

TODD GLORIA
Mayor of The City of San Diego, California.

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

By Connie Patterson Deputy

Office of the City Clerk, San Diego, California

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