#S507
#10/27/26
(R-2027-102)

RESOLUTION NUMBER R- 317003

DATE OF FINAL PASSAGE OCT 3 0 2026

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE LOAN AGREEMENT FOR THE SALVATION ARMY RADY CENTER PHASE II AFFORDABLE HOUSING PROJECT WITHIN THE DOWNTOWN SAN DIEGO COMMUNITY PLAN AREA, AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED $5,000,000 TO THE PROJECT DEVELOPER, TSA PERM HOUSING, L.P., AND RELATED ACTIONS.

RECITALS

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

A. On December 10, 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) round six 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 sixth round affordable housing NOFA included $15 million 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 (PLHA) funds, HOME Investment Partnerships Program (HOME) funds, and U.S. Department of Housing and Urban Development Community Development Block Grant funds.

C. City staff recommended four projects for the sixth-round NOFA funding, which was presented to the EDIR Committee on December 10, 2025, and explained the next steps for bringing each recommended project forward for the Council's consideration through the approval of an Owner Participation Agreement or a Loan Agreement.

D. The Salvation Army Rady Center Phase II affordable housing project (Project) is one of the sixth-round NOFA recommended projects, located at 825 Seventh Avenue in the East Village neighborhood of the Downtown Community Plan Area (Property).

E. The Project will include 90 residential units (including studio and one-bedroom units), with 89 of those units affordable on a long-term basis to extremely low-income households (30 percent AMI) and low-income households (up to 60 percent AMI), and one on-site manager's unit not subject to affordability restrictions.

F. The Project will also include amenities such as: a community room with a kitchen; computer lab; and supportive services, particularly for seniors experiencing or at-risk of homelessness, or with serious mental illness.

G. 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, rooftop solar, high-efficiency HVAC systems, low-flow plumbing fixtures, and low impact landscape areas with drip irrigation.

H. The City negotiated the terms of a proposed Loan Agreement (Agreement) with TSA Perm Housing, L.P., a California limited partnership (Developer), to provide a loan to Developer in an amount not to exceed $5,000,000, to be used for construction of the Project, 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 27 units for occupancy by households at 30 percent AMI or less and 62 units for occupancy by households at 60 percent AMI or less.

J. The source of the City's loan to Developer includes $5,000,000 from the City's LMIHAF fund.

K. The City's loan to Developer for construction of the Project is an eligible use of monies from both funding sources.

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.

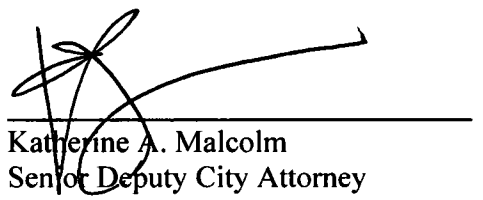
2. The Mayor, or designee, is authorized and directed, on behalf of the City, to sign and enter into the Agreement, including all attachments and exhibits to the Agreement requiring the City's signature, and take all other reasonable actions that are necessary or appropriate to

perform the City's obligations under the Agreement. A copy of the Agreement, when fully executed, shall be placed on file with the City Clerk as Document No. RR-317003.

3. The Chief Financial Officer, or designee, is authorized to appropriate and expend an amount not to exceed $5,000,000, from the City's Low and Moderate Income Housing Asset Fund 200708, in the form of a loan to Developer for the Project, 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 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, for creation of future affordable housing and consistent with applicable law.

APPROVED: HEATHER FERBERT, City Attorney

By 

Katherine A. Malcolm
Senior Deputy City Attorney

KAM:cc
October 13, 2026
Or.Dept: Econ.Dev.Dept.
Doc. No.: 4571179

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on OCT 27 2026.

DIANA J.S. FUENTES
City Clerk

By Connie Patterson
Deputy City Clerk

Approved: 10/30/26
(date)

TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on October 27, 2026, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	☒	☐	☐	☐
Jennifer Campbell	☒	☐	☐	☐
Stephen Whitburn	☒	☐	☐	☐
Henry L. Foster III	☒	☐	☐	☐
Marni von Wilpert	☐	☐	☒	☐
Kent Lee	☒	☐	☐	☐
Raul A. Campillo	☒	☐	☐	☐
Vivian Moreno	☒	☐	☐	☐
Sean Elo-Rivera	☒	☐	☐	☐

Date of final passage OCT 30 2026.

(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.

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

(Seal)

By _____, Deputy

Office of the City Clerk, San Diego, California

Resolution Number **R-317003**