

#S507
6/14/2022

(R-2022-565)

RESOLUTION NUMBER R- 314167

DATE OF FINAL PASSAGE JUN 22 2022

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE OWNER PARTICIPATION AGREEMENT FOR THE VENTANA AL SUR AFFORDABLE HOUSING PROJECT WITHIN THE SAN YSIDRO COMMUNITY PLAN AREA AND AUTHORIZING A RELATED LOAN IN AN AMOUNT NOT TO EXCEED \$5 MILLION TO THE PROJECT DEVELOPER, 4132 BEYER, L.P.

WHEREAS, on November 17, 2021, the City 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 one 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); and

WHEREAS, the City of San Diego's first round affordable housing NOFA will include \$33,000,000 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, and Community Development Block Grant funds; and

WHEREAS, City staff recommended seven projects for NOFA funding for a total of 662 units, and informed the EDIR Committee that next steps include bringing each recommended project forward for the City Council's consideration through the approval of an Owner Participation Agreement or a Loan Agreement; and

WHEREAS, one of the seven recommended projects is the Ventana al Sur affordable housing project (Project), located at 4132 Beyer Boulevard in the San Ysidro Community Plan Area (Property); and

WHEREAS, the Project will include 101 residential units (including one- and two-bedroom units), with 100 of those units affordable on a long-term basis to either extremely low income senior households (30 percent AMI) and low income senior households (up to 60 percent AMI), including 25 permanent supportive housing (PSH) units for senior citizens experiencing homelessness, and one on-site manager's unit not subject to affordability restrictions; and

WHEREAS, the Project will also include amenities such as: offices with on-site management, leasing, and resident services; a community room with a computer center; outdoor gathering spaces with seating and planters; resident terraces; furnished viewing decks; and a bistro area; and

WHEREAS, the Project will be designed and constructed to achieve, at a minimum, Green Point rated standards, including sustainable features such as water saving measures, energy efficient lighting and appliances, solar hot water facilities, and rooftop photovoltaic solar panels that will help offset the utility bills of residents; and

WHEREAS, the City has negotiated the terms of a proposed Owner Participation Agreement (Agreement) with 4132 Beyer, 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, and a copy of the Agreement is included in the docket materials accompanying this Resolution; and

WHEREAS, the Agreement requires Developer, for at least 55 years, to restrict 31 units for occupancy by households earning 30 percent AMI or less and to further restrict 69 units for occupancy by households earning 60 percent AMI or less; and

WHEREAS, the source of the City's loan to Developer includes \$3,750,000 from the Low and Moderate Income Housing Asset Fund administered by the City as housing successor to the former Redevelopment Agency of the City of San Diego, and \$1,250,000 from the City's PLHA fund; and

WHEREAS, the City's loan to Developer for construction of the Project is an eligible use of monies from both funding sources; and

WHEREAS, 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; and

WHEREAS, the City's loan proceeds will be disbursed to Developer in proportion to senior lenders' loan proceeds during construction of 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 financing; and

WHEREAS, 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; and

WHEREAS, 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; and

WHEREAS, the City 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; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

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- **314167**.
3. The Chief Financial Officer, as delegated, is authorized to appropriate and expend an amount not to exceed \$3,750,000 from the City's Low and Moderate Income Housing Asset Fund, designated as Fund Number 200708, and \$1,250,000 from the City's PLHA fund, designated as Fund Number 600001, Grant 1000627-2021, 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 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's loan, into the Low and Moderate Income Housing Asset Fund for future affordable housing expenditures consistent with applicable law.

APPROVED: MARA W. ELLIOTT, City Attorney

By: /s/ Katherine A. Malcolm
Katherine A. Malcolm
Deputy City Attorney

KAM:
06/07/2022
Or.Dept: Econ.Dev.Dept.
Doc. No.: 3000040

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 14 2022.

ELIZABETH S. MALAND
City Clerk

By: Connie Patterson
Deputy City Clerk

Approved: 6/22/22
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on JUN 14 2022, 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"/>
Monica Montgomery Steppe	<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"/>
Chris Cate	<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 JUN 22 2022.

(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.

ELIZABETH S. MALAND
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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