

RESOLUTION NUMBER R- 316952DATE OF FINAL PASSAGE OCT 12 2026

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING A FIRST AMENDMENT TO THE
REGULATORY AGREEMENT AND RELATED LOAN
DOCUMENTS FOR THE 17TH & COMMERCIAL
AFFORDABLE HOUSING PROJECT WITHIN THE
DOWNTOWN SAN DIEGO COMMUNITY PLAN AREA.

RECITALS

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

A. On April 14, 2023, Council approved Resolution R-314757, authorizing a loan agreement (Agreement) between the City of San Diego (City) and 17th & Commercial, L.P., a California limited partnership (Developer) for the construction and acquisition of the 17th & Commercial affordable housing project (Project), located at 9 and 19 17th Street in the Downtown San Diego Community Plan Area (Property).

B. Under the Agreement, the City provided a loan to Developer of \$4,000,000 in U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds to go toward acquisition of the Property. The Agreement requires Developer to restrict 107 units out of a total 108 units for occupancy by households up to 60 percent Area Median Income (AMI) for at least 55 years.

C. The Developer recorded a Regulatory Agreement and Declaration of Covenants, Conditions and Restrictions Restricting Use of Property for Affordable Housing, a Notice of Affordability Restrictions, and Deed of Trust, (collectively, the "Loan Documents"), against

the Property for the benefit of the City to ensure the affordability restrictions on a long-term basis.

D. Due to significant reductions in equity financing, and increased interest rates and construction costs, the Developer redesigned and value engineered the Project to reduce costs.

E. The City and Developer negotiated a “First Amendment,” which provides amendments to certain terms in the Agreement and Loan Documents to facilitate the financing and feasibility of the Project, including reducing the total residential units from 108 to 99, reducing the affordable units from 107 studios to 98 studios and one-bedrooms, and increasing the average affordability from 54 percent AMI up to 60 percent AMI, a copy of the First Amendment is included in the docket materials accompanying this Resolution.

F. Under the First Amendment, the Project’s total units will consist of 63 studios, 35 one-bedrooms, and one, two-bedroom unrestricted manager’s unit, and will maintain the long term affordability restrictions and provide 49 units for households at 60 percent AMI or less and 49 units for households at 80 percent AMI or less.

H. The Project remains consistent with, and advances the goals and objectives of, the City’s Bridge to Home Notice of Funding Availability and the guiding principles in the City’s Affordable Housing Master Plan.

I. The Council believes that the Agreement, as amended by the First Amendment, 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.

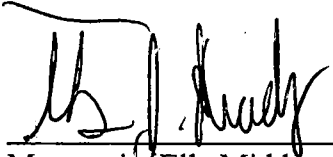
J. The Office of the City Attorney has drafted this Resolution based on the information provided by City staff, including information provided by affected third parties and verified by City staff, with the understanding that this information is complete, true, and accurate.

ACTION ITEMS

Be it resolved by the Council of the City of San Diego as follows:

1. The Council approves the First Amendment, including all attachments and exhibits to the First Amendment.
2. The Mayor, or designee, is authorized and directed, on behalf of the City, to sign and enter into the First Amendment, including all attachments and exhibits to the First Amendment 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, as amended by the First Amendment. A copy of the First Amendment, when fully signed, shall be placed on file with the City Clerk as Document No. RR- 316952.

APPROVED: HEATHER FERBERT, City Attorney

By:  Thomas J. Brady, PCA
for
Marguerite Ella Middaugh
Deputy City Attorney

MEM:jdf
09/09/2026
Or.Dept: Econ.Dev.
Doc. No.: 4542387

I certify that the Council of the City of San Diego adopted this Resolution at a meeting held on
SEP 28 2026

DIANA J.S. FUENTES
City Clerk

By Krystell Medina
Deputy City Clerk

Approved: 10/9/26
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on September 28, 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 1 2 2026.

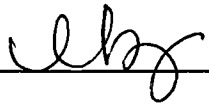
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

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

(Seal)

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

By , Deputy

Office of the City Clerk, San Diego, California

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