

SAN DIEGO HOUSING COMMISSION

RESOLUTION NUMBER HC-1737

DATE OF FINAL PASSAGE June 16, 2017

A RESOLUTION APPROVING A \$3,200,000 RESIDUAL RECEIPTS LOAN TO FUND THE ACQUISITION AND DEVELOPMENT OF BEACON APARTMENTS, A NEW 44-UNIT SUPPORTIVE HOUSING APARTMENT COMMUNITY SERVING HOMELESS INDIVIDUALS IN THE EAST VILLAGE NEIGHBORHOOD OF DOWNTOWN

WHEREAS, the existing improvements, known as Safe Havens or W.G. Reinhardt Apartments, located at 1435 C Street, are composed of two structures constructed in 1908 and 1912, respectively. The development was formerly operated as a supportive housing development from 1996-2016. The Housing Commission previously made four loans and grants to the previous owner, Episcopal Community Services, totaling \$620,350. Over the years, the property has fallen into a state of disrepair primarily due to a lack of funding necessary to maintain a 100-year old building. Episcopal Community Services engaged Wakeland Housing and Development Corporation (Wakeland) to take over ownership of the asset and wind down operations with the intent of redeveloping the site; and

WHEREAS, In 2016 Wakeland entered into an Assignment, Assumption and Consent Agreement to take over building operations. Wakeland also entered into a Single-Room Occupancy Replacement Housing Agreement for purposes of demolishing the existing improvements and replacing with a new permanent supportive housing development. On December 15, 2016, the San Diego Planning Commission approved a Site Development Permit for a 44-unit supportive housing development; and

WHEREAS, the Beacon Apartments development is supported by HOUSING FIRST – SAN DIEGO, the Housing Commission’s Homelessness Action Plan (2014-17). The Beacon Apartments

received a funding award of \$3,200,000 through the Permanent Supportive Housing Notice of Funding Availability (NOFA) released by the Housing Commission. The NOFA announcement for year two was made on October 7, 2015. An addendum to the year two announcement was released on June 13, 2016, combining development funding for years two and three of HOUSING FIRST – SAN DIEGO, in which this development received an award; and

WHEREAS, on June 16, 2017, the Board of Commissioners of the Housing Commission heard and recommended that the Housing Commission make a loan of up to \$3,200,000 to a to-be-formed Limited Partnership consisting of Wakeland Housing and Development Corporation and a tax credit investor to finance the proposed development of the project located at 1435 C Street, as more particularly described in Housing Commission Report HCR17-050; NOW, THEREFORE,

BE IT RESOLVED by the Housing Commission that it is hereby authorized to make and fund a residual receipts loan of up to \$3,200,000 to a to-be-formed Limited Partnership consisting of Wakeland Housing and Community Development and a tax credit investor to finance the proposed development of the project located at 1435 C Street on the terms and conditions more particularly described in Housing Commission Report HCR 17-050.

BE IT FURTHER RESOLVED, that the President and Chief Executive Officer (President & CEO) of the Housing Commission, or designee, is authorized to:

1. Execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by General Counsel, and to take such actions

as are necessary, convenient and/or appropriate to implement the approvals upon advice of General Counsel;

2. Adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$3,200,000 maximum Housing Commission loan amount may not increase; and
3. Substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of General Counsel.

BE IT FURTHER RESOLVED that the proposed development activities set forth in Housing Commission Report HCR 17-050 are covered under the following:

Development within the Downtown Community Planning area is covered under the following documents, all referred to as the "Downtown FEIR": Final Environmental Impact Report (FEIR) for the San Diego Downtown Community Plan, Centre City Planned District Ordinance, and 10th Amendment to the Centre City Redevelopment Plan, certified by the former Redevelopment Agency ("Former Agency") and the City Council on March 14, 2006 (Resolutions R-04001 and R-301265, respectively); subsequent addenda to the FEIR certified by the Former Agency on August 3, 2007 (Former Agency Resolution R-04193), April 21, 2010 (Former Agency Resolution R-04510), and August 3, 2010 (Former Agency Resolution R-04544), and certified by the City Council on February 12, 2014 (City Council Resolution R-308724) and July 14, 2014 (City Council Resolution R-309115); and, the Final Supplemental Environmental Impact Report for the

Downtown San Diego Mobility Plan certified by the City Council on June 21, 2016 (Resolution R-310561). The Downtown FEIR was adopted prior to the requirement for documents prepared under the California Environmental Quality Act (CEQA) to consider a project's impacts related to greenhouse gas emissions. The effect of greenhouse gas emissions on climate change, and the subsequent adoption of guidelines for analyzing and evaluating the significance of data, is not considered "new information" under State CEQA Guidelines Section 15162 triggering further environmental review because such information was available and known before approval of the Downtown FEIR. Nonetheless, development within the Downtown Community Planning area is also covered under the following documents, all referred to as the "CAP FEIR": FEIR for the City of San Diego Climate Action Plan (CAP), certified by the City Council on December 15, 2015 (City Council Resolution R- 310176), and the Addendum to the CAP, certified by the City Council on July 12, 2016 (City Council Resolution R-31 0596). The Downtown FEIR and CAP FEIR are both "Program EIRs" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. Consistent with best practices suggested by Section 15168, a Downtown 15168 Consistency Evaluation ("Evaluation") has been completed for the project. The Evaluation concluded that the environmental impacts of the project were adequately addressed in the Downtown FEIR and CAP FEIR; that the project is within the scope of the development program described in the Downtown FEIR and CAP FEIR and is adequately described within both documents for the purposes of CEQA; and, that none of the conditions listed in Section 15162 exist. Therefore, no further environmental documentation is required under CEQA.

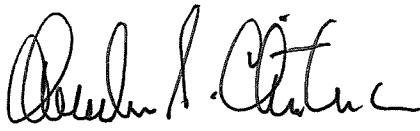
BE IT FURTHER RESOLVED that HOME Investment Partnerships Program (HOME) funds constitute a portion of the funding for the project. A final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San

Diego of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). The parties agree that the provision of any HOME funds to the project is conditioned on the City of San Diego's determination to proceed with, modify or cancel the project based on the results of subsequent environmental review under NEPA.

THIS ACTION BECAME FINAL ON JUNE 16, 2017, pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(1).

APPROVED: Charles Christensen, General Counsel

By



Charles Christensen
General Counsel

Passed and adopted by the San Diego Housing Commission on June 16, 2017, and finalized on June 16, 2017, pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(1), by the following vote:

	Yeas	Nays	Excused	Not Present
Frank Urtasun	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dorothy Surdi	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stefanie Benvenuto	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Margaret Davis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kellee Hubbard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Moraga	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tim Walsh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

AUTHENTICATED BY:

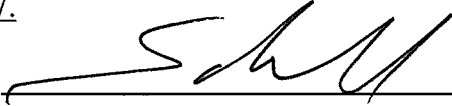
Frank Urtasun

 Chair of the San Diego Housing Commission

Richard C. Gentry

 President & Chief Executive Officer of the
 San Diego Housing Commission

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 1737 passed and adopted by the San Diego Housing Commission on June 16, 2017, and finalized on June 16, 2017.

By: 

Scott Marshall
 Secretary of the San Diego Housing Commission