

HOUSING AUTHORITY OF  
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1880

DATE OF FINAL PASSAGE October 13, 2020

A RESOLUTION OF THE HOUSING AUTHORITY OF THE  
CITY OF SAN DIEGO APPROVING THE SAN DIEGO  
HOUSING COMMISSION'S ACQUISITION OF RESIDENCE  
INN HOTEL CIRCLE AND RESIDENCE INN KEARNY MESA  
AND RELATED ACTIONS.

WHEREAS, in response to COVID-19, the City of San Diego (City), in partnership with the San Diego Housing Commission (Housing Commission), the County of San Diego, the Regional Task Force on the Homeless (RTFH), and the San Diego Convention Center created Operation Shelter to Home (OSTH) that provides shelter at the Convention Center for people experiencing homelessness; and

WHEREAS, RTFH'S coordinated entry system has identified that many residents currently residing at the Convention Center need long-term permanent housing; and

WHEREAS, through extensive due diligence, the Housing Commission has selected two hotels that are best suited to provide permanent housing for people experiencing homelessness; and

WHEREAS, Residence Inn Hotel Circle is a 192-unit building located at 1865 Hotel Circle South in the Hotel Circle Neighborhood of Central San Diego (Residence Inn Hotel Circle); and

WHEREAS, Residence Inn Kearny Mesa is a 144-unit building located at 5400 Kearny Mesa Road in the Kearny Mesa Neighborhood of Central San Diego (Residence Inn Kearny Mesa); and

WHEREAS, the Housing Commission, has negotiated a Purchase and Sale Agreement (Hotel Circle Agreement) with Chatham RIMV, LLC, related to Residence Inn Hotel Circle, for the purchase price of \$67,000,000, a copy of which is included in the backup materials to this Resolution; and

WHEREAS, the Housing Commission desires to ratify the execution of the broker's commission to Kidder Matthews in the amount of \$502,500 for Residence Inn Hotel Circle; and

WHEREAS, the Housing Commission, has negotiated a Purchase and Sale Agreement (Kearny Mesa Agreement) with RT San Diego, LLC, related to Residence Inn Kearny Mesa, for the purchase price of \$39,500,000, a copy of which is included in the backup materials to this Resolution; and

WHEREAS, the Housing Commission will provide 190 units at or below 80 percent area median income at Residence Inn Hotel Circle (Hotel Circle Project), subject to 55-year affordability covenants to be recorded against the property, and 2 unrestricted manager's unit; and

WHEREAS, the Housing Commission will provide 142 units at or below 80 percent area median income at Residence Inn Kearny Mesa (Kearny Mesa Project), subject to 55-year affordability covenants to be recorded against the property, and 2 unrestricted manager's unit; and

WHEREAS, the Housing Commission is funding the acquisition and rehabilitation for the Hotel Circle Project from the following sources: \$27,700,000 from the State of California's Department of Housing and Community Development (HCD) Homekey Program (Homekey) funds; \$32,840,399 in a loan from Chase Bank; \$10,000,000 from the federal Community Development Block Grant (CDBG) funds; \$928,174 from the U.S. Department of Housing and

Urban Development (HUD) Moving to Work (MTW) funds; and \$3,500,000 from the Deferred Developer Fee; and

WHEREAS, in the event the \$27,700,000 HCD grant is not committed by HCD, the financing gap will be filled in eligible funds from the City; and

WHEREAS, the Housing Commission is funding the acquisition and rehabilitation for the Kearny Mesa Project from the following sources: \$10,000,000 from HCD Homekey funds; \$17,425,852 in a loan from Chase Bank; \$10,000,000 from the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding from the City; \$6,594,517 from HUD MTW funds; and \$2,469,310 from the Deferred Developer Fee; and

WHEREAS, any funding from the City regarding the Kearny Mesa Project will be provided to the Housing Commission pursuant to an executed funding agreement (Funding Agreement), a copy of which is included in the backup materials to this Resolution; and

WHEREAS, the City and the Housing Commission are parties to that certain Memorandum of Understanding (MOU) that approved the Housing Commission's administration of the City's CDBG Affordable Housing Revolving Loan Fund (AHRLF), which was approved by the Housing Authority with Resolution HA-1818 on June 25, 2019, and by the San Diego City Council with Resolution R-312442 on April 26, 2019; and

WHEREAS, the City and the Housing Commission now propose to enter into an amendment to the MOU, a copy of which is included in the backup materials accompanying this Resolution, that will allow the AHRLF to be used as forgivable loans for the acquisition of properties to operate as permanent housing with supportive services (MOU Amendment); and  
NOW, THEREFORE,



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

1. The Housing Authority finds and determines that all recitals set forth in this Resolution are true and correct and fully incorporated in this Resolution.
2. The President, Chief Executive Officer of the Housing Commission (President & CEO), and, if necessary, the Executive Director of the Housing Authority, or designee, is authorized to execute any documents and instruments that are necessary and appropriate to implement this Resolution, in a form approved by Housing Commission General Counsel and to take such actions necessary and appropriate to implement these approvals without further action of the Board of Commissioners of the Housing Commission (Housing Commission Board) or the Housing Authority.
3. The Housing Authority ratifies the execution of the Residence Inn Hotel Circle Agreement and all other attachments and exhibits to the Residence Inn Hotel Circle Agreement.
4. The Housing Authority ratifies the execution of the Residence Inn Kearny Mesa Agreement and all other attachments and exhibits to the Residence Inn Kearny Mesa Agreement.
5. The President & CEO, or designee, is authorized to substitute approved funding sources with any other available funds as deemed appropriate, without further action by the Housing Authority or the Housing Commission Board, but only if and to the extent funds are determined to be available for such purposes and upon the advice of Housing Commission General Counsel.
6. The President & CEO, or designee, is authorized and directed to sign the Funding Agreement.

7. The President & CEO, or designee, is authorized and directed to sign the MOU Amendment.

APPROVED: MARA W. ELLIOTT, General Counsel

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

KAM:soc  
09/25/2020  
Or.Dept: Housing Authority  
Doc. No. 2489090

Passed and adopted by the Housing Authority of the City of San Diego on October 13, 2020, by the following vote:

	<b>Yeas</b>	<b>Nays</b>	<b>Excused</b>	<b>Not Present</b>
Barbara Bry	<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"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<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"/>
Scott Sherman	<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"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**AUTHENTICATED BY:**

**Georgette Gómez**

Chair of the Housing Authority  
of the City of San Diego, California

**Richard C. Gentry**

Executive Director of the Housing Authority  
of the City of San Diego, California

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of  
RESOLUTION NO. **1880** passed and adopted by the Housing Authority of the City of San  
Diego, California on October 13, 2020.

By:



**Scott Marshall**

Deputy Secretary of the Housing Authority  
of the City of San Diego, California