



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission (SDHC)
Parker Kier Ground Lease Renewal
Presentation to the SDHC Board of Commissioners
July 21, 2023

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SDHC – Parker Kier Ground Lease Renewal Introduction

- 1991: SDHC acquired the Property from the Port of San Diego.
 - Three-story structure
 - 33 affordable rental housing units
 - 19 studios
 - 14 one-bedroom units
 - 1 manager's unit



SDHC – Parker Kier Ground Lease Renewal

Introduction (Continued)

- 1992: SDHC rehabilitated the property.
 - Interest-free, forgivable loan from the then-Redevelopment Agency of the City of San Diego
 - SDHC recorded an Agreement Affecting Real Property (AARP).
 - AARP required 34 units to be for individuals earning up to 50 percent of Redevelopment Law Area Median Income.
 - Individuals with drug, alcohol and substance abuse issues, or others in need of services-enriched housing.
- AARP restrictions remain through February 2026.



SDHC – Parker Kier Ground Lease Renewal

Introduction (Continued)

- 2012: City of San Diego additional grant for rehabilitation work
 - \$2,477,765 from federal HOME Program funds
 - HOME grant agreement restricted occupancy of 24 units at U.S. Department of Housing and Urban Development Area Median Income (AMI) levels:
 - 3 studios at 50% of AMI
 - 10 studios at 60% of AMI
 - 2 one-bedroom units at 50% of AMI
 - 9 one-bedroom units at 60% of AMI
 - 10 units are unrestricted under the HOME CC&Rs.
- HOME program restrictions remain for 15 years, until July 19, 2027.



SDHC – Parker Kier Ground Lease Renewal

Initial Ground Lease Terms

- 2013: SDHC ground lease with HDP Parker Kier LLC (Lessee)
 - Lessee to operate and manage the property
 - 10-year term
 - Ground lease ends August 31, 2023.



SDHC – Parker Kier Ground Lease Renewal Service Providers

Service Provider	Units	Qualifications
Intensive Mobile Psychosocial Assertive Community Treatment (IMPACT)	11	<ul style="list-style-type: none"> • Between the ages 25 and 59 • Experiencing homelessness or at risk of experiencing homelessness • Have a serious mental illness • Have a history of high utilization of psychiatric services
Center Star Assertive Community Treatment (ACT)	11	<ul style="list-style-type: none"> • Between the ages of 25 and 59 • Diagnosed with a serious mental illness • Incarcerated sometime during the last year
St. Paul's Senior Homes & Services – Program of All-inclusive Care for the Elderly (PACE)	11	<ul style="list-style-type: none"> • 55 years of age or older • Living in the designated service area (includes most of San Diego) • Determined by the Department of Health Care Services as needing nursing home services (Determination coordinated by PACE) • Able to live in a community setting without jeopardizing health or safety



SDHC – Parker Kier Ground Lease Renewal

Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

- 1) Authorize the Executive Vice President of Real Estate, or designee, to enter into a 15-year ground lease agreement, with SDHC as Lessor and HDP Parker Kier LLC as Lessee for the property known as Parker Kier at 2172 Front Street, San Diego, CA 92101 (Property). The ground lease rent will be maintained at the current level of 4.5% of Total Gross Revenue.
- 2) Authorize the Executive Vice President of Real Estate, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.



Questions & Comments

