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San Diego Housing Commission (SDHC)  
Authorization to Enter into the First Amendment to Second Amended  
and Restated Lease, Require Completion of the Minimum Capital  
Improvements at Mariner's Cove, 4392 West Point Loma Boulevard,  
San Diego, CA 92107, and Related Actions  
Presentation to the SDHC Board of Commissioners  
July 18, 2025

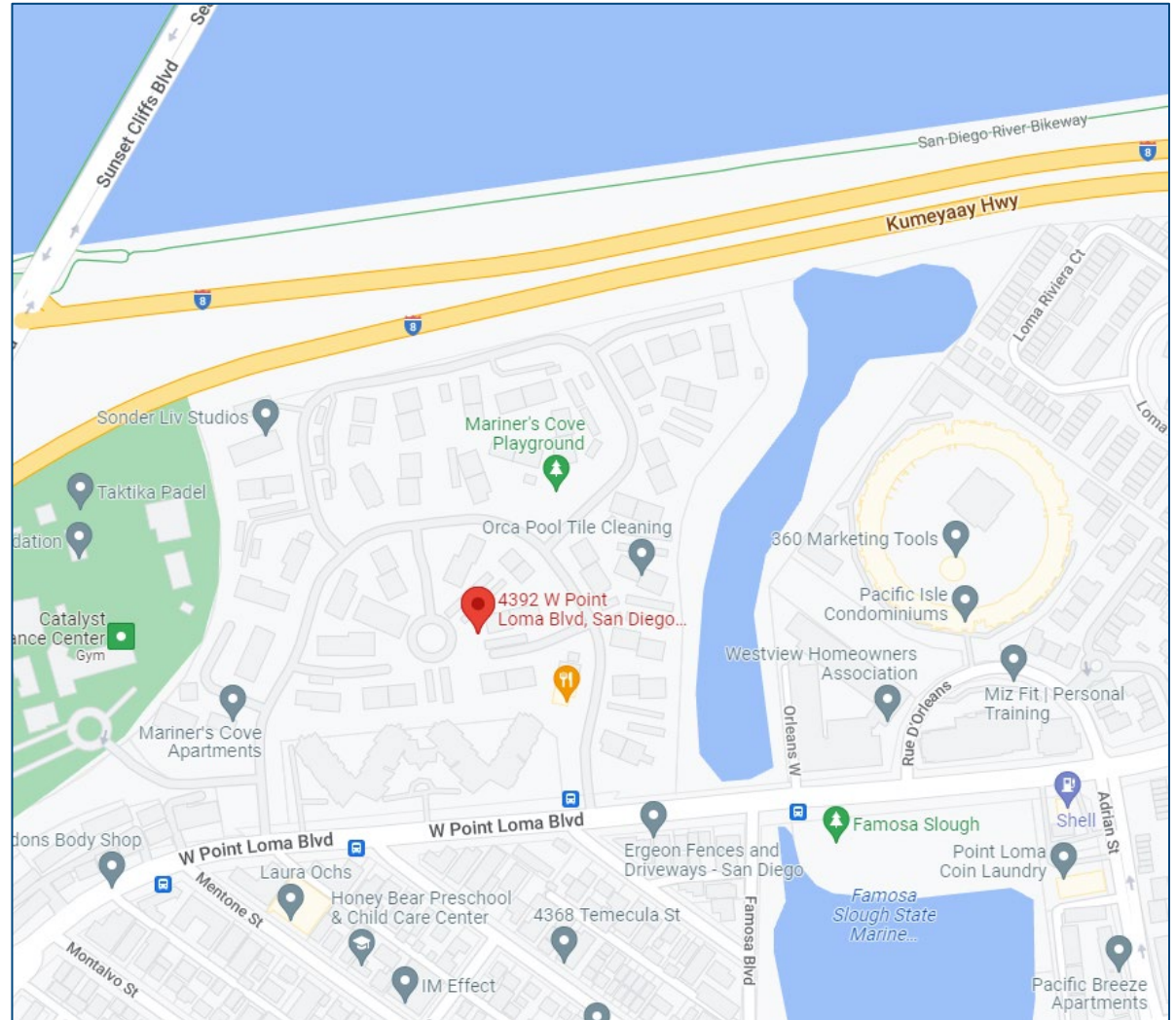
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# SDHC – Mariner's Cove Site Details

- Address: 4392 West Point Loma Blvd.
- City Council District 2
- December 1982: The Housing Authority and the current lessee's predecessor entered into a 55-year ground lease.
- The lease included the construction of 500 units.

Unit Count	Affordability Range
Up to 80% of Area Median Income (AMI)	100 units
Up to 120% of AMI	200 units
Market-Rate	200 units
<b>Total</b>	<b>500 units</b>



# SDHC – Mariner’s Cove Timeline

- June 16, 2015: The Housing Authority approved a ground lease extension through 2070, with an additional 20-year renewal option through 2090.
  - Ground lease required development owner to expend \$25 million by July 1, 2022, to improve the development (extended from July 1, 2021).
    - As of 2019, \$4.1 million of the required \$25 million has been spent on improvements.
  - Ground rent increases each of first six years, with subsequent increases (starting January 1, 2022) based on the Consumer Price Index.
- 2020: The Lessee approached SDHC staff with a concept to provide additional units/investment to the property, which would increase the number of units to 772 units in a phased “scrape and replace” construction approach.
- SDHC extended the requirement to expend the remainder of the \$25 million in improvements to July 1, 2022, as a result of the proposal.



# SDHC – Mariner’s Cove

## Timeline (Continued)

- 2020 - 2022: The parties negotiated terms of a proposed Letter of Intent (LOI) and engaged third-party financial consultants to review the proposed project’s financial feasibility.
- May 2022: SDHC staff presented the proposed LOI, which had a few open items, to the SDHC Board of Commissioners for consideration.
  - The SDHC Board approved staff’s recommendations, with three exceptions, as detailed in the minutes of the May 31, 2022, meeting (Report No. HCR22-088).
- 2023 and 2024: Due to the Lessee’s expressed commitment to redevelop the property and the potential to increase the number of available housing units at the site, the parties agreed to continue negotiations.
- Spring 2024: The proposed redevelopment project was determined to be infeasible.
- November 2024: Due to lack of an agreement, SDHC staff informed the Lessee that staff would recommend to the SDHC Board that negotiations cease and that deadlines be established for completion of property improvements at Mariner’s Cove, as required in the existing Second Amended and Restated Lease (SARL).



# SDHC – Mariner's Cove

## Minimum Capital Improvements

- If the proposed actions are approved today:
  - The remaining \$20.9 million in capital improvements must begin within six months from today's date.
  - Improvements must be completed within three years of the date the First Amendment to the SARL is recorded.
- The draft First Amendment to the SARL includes:
  - Capital improvements:
    - Building exteriors, such as roofs, siding and infrastructure
    - Landscaping
    - Community Room
    - Unit Interiors
  - Tenant Relocation for units being renovated



# SDHC – Mariner’s Cove

## Staff Recommendations

### **That the SDHC Board of Commissioners (Board), take the following actions:**

- 1) Authorize SDHC, as administrative agent of the Housing Authority of the City of San Diego (Housing Authority), to enter into the First Amendment to the Second Amended and Restated Lease (SARL) and require the recommencement and completion of the Minimum Capital Improvements as described in the Second Amended and Restated Lease (SARL) with Lincoln Mariners Associates Limited (Lessee) for Mariner’s Cove at 4392 West Point Loma Boulevard, San Diego, 92107, at the terms and conditions listed within the report.

Authorization to extend the deadline shall not constitute a waiver of the Ground Lease’s requirements regarding the sale, transfer or assignment of the leasehold. The terms of the Ground Lease, which shall remain in effect, state that the leasehold may not be sold, transferred or assigned without the express written consent of SDHC on behalf of the Housing Authority and that the required improvements of the property must be completed before any sale, transfer or assignment may be approved.



## SDHC – Mariner’s Cove

### Staff Recommendations (Continued)

- 2) Authorize SDHC, as administrative agent of the Housing Authority of the City of San Diego, to cease negotiations regarding a non-binding Letter of Intent (LOI) to enter into an Amendment to the Second Amended and Restated Lease (SARL) with Lincoln Mariners Associates Limited (Lessee) for Mariner’s Cove at 4392 West Point Loma Boulevard, San Diego, 92107.
- 3) Authorize Lisa Jones, SDHC’s President and Chief Executive Officer, or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals, including an amendment to the Ground Lease, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each SDHC Commissioner



# Questions & Comments

