

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, APRIL 30, 2024**

MINUTE ORDER NO. 32

SUBJECT: APPROVE TWO DISPOSITION AND DEVELOPMENT AGREEMENTS FOR AFFORDABLE HOUSING ON COUNTY-OWNED LAND IN THE CITY OF SAN DIEGO AND RELATED CEQA EXEMPTIONS (6255 MISSION GORGE RD. AND 4588 MARKET ST.), ACCEPT FUNDING AND EXECUTE AGREEMENTS FOR SAFE PARKING AT 6255 MISSION GORGE RD. AND ADOPT RELATED CEQA EXEMPTION, ADOPT SUBSEQUENT MITIGATED NEGATIVE DECLARATION FOR RAMONA SENIOR HOUSING, ADOPT RESOLUTION FOR EXEMPT SURPLUS AT 1501/1555 SIXTH AVE., APPROVE DEMOLITION AT 5202 UNIVERSITY AVE. AND RELATED CEQA EXEMPTION (DISTRICTS: 1, 2 & 4)

OVERVIEW

The San Diego region faces a severe and chronic shortage of affordable housing units that directly impacts housing insecurity and housing cost burden for lower-income households across San Diego County. Given this housing crisis, we need to leverage every available option to develop more affordable housing. One of these options is the redevelopment of excess County of San Diego (County) owned property into affordable homes. Since 2017, the County has made significant progress related to the development of affordable housing on County-owned excess property. There are currently eleven properties in various stages of development on County land that will produce over 2,100 affordable homes for low-income families and older adults. The requested actions today will support some of the necessary steps that are required for development of five of those eleven sites.

In March 2024, the County of San Diego was awarded funding by the US Department of Housing and Urban Development (HUD) to temporarily operate a Safe Parking program at 6255 Mission Gorge Rd. in the Grantville area, which is one of the five sites we are requesting approval today on, for development of affordable housing. The temporary Grantville Safe Parking program supports the Board of Supervisor's (Board) commitment to providing Compassionate Emergency Solutions and Pathways to Housing (CESPH) to address the needs of people experiencing or at risk of homelessness. This program will operate while the affordable housing project is in the planning process and will not impact the affordable housing development on this property.

Today's request is for the Board to approve two Disposition and Development Agreements (DDA) and related California Environmental Quality Act (CEQA) findings for affordable housing on County-owned land in the city of San Diego for properties located at 6255 Mission Gorge Rd. (Grantville) and 4588 Market St. (Market Street). County staff have finalized the terms of the DDAs and are returning for approval of those agreements. Additionally, the Board is requested to adopt the Subsequent Mitigated Declaration for Assessor's Parcel Numbers 281-182-17 and -18 in Ramona (Ramona Senior), adopt a Resolution finding that the property located at 1501/1555 Sixth Ave. is Exempt Surplus and will be disposed of pursuant to Government Code 25539.4, as well as approve demolition of the structures located at 5202 University Ave., both sites in the city of San Diego. Today's action also requests that the Board accept the funding and execute any agreements from the HUD to establish a temporary safe parking site at the Grantville location.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

Grantville - 6255 Mission Gorge Road, San Diego (Recommendations 1 through 6)

1. Find that the proposed action to authorize execution of a Disposition and Development Agreement (DDA) for development of affordable housing at 6255 Mission Gorge Rd. is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15332.
2. Find in accordance with Section 15061(b)(3) of the State of California Environmental Quality Act (CEQA) Guidelines that it can be seen with certainty that receiving Federal funds to support the development of Grantville Safe Parking program on a short term basis for the Compassionate Emergency Solutions and Pathways to Housing (CESPH) project will not have a significant effect on the environment and is, therefore, exempt from CEQA.
3. Find that the proposed development of the Grantville Safe Parking site is exempt from CEQA pursuant to State CEQA Guidelines sections 15301, 15303, 15304, 15311 and 15269(c).
4. Authorize the Director, Department of General Services (DGS) to execute the DDA with Wakeland Housing and Development Corporation or an affiliate entity, to execute the Ground Lease and any attachments to the DDA, and to perform any actions in furtherance of or necessary to administer or implement the DDA and Ground Lease for property located at 6255 Mission Gorge Rd., including but not limited to, approving, and executing amendments to the DDA, the Ground Lease, and their attachments.
5. Authorize the Agency Director, Health and Human Services Agency (HHS), or a designee, to execute the Regulatory Agreement and any amendments to the Regulatory Agreement for property located at 6255 Mission Gorge Rd. and perform any actions in furtherance of or necessary to administer or implement the DDA, Ground Lease, and Regulatory Agreement.
6. Accept funding and authorize the Agency Director, HHS, or designee, to execute any agreements with and certification forms for the US Department of Housing and Urban Development (HUD), and prepare and execute all necessary documents for the submittal, regulatory processing, and implementation, and to take any other actions necessary as required by HUD to receive funding to support the development of Grantville Safe Parking program for the CESPH project.

Market Street - 4588 Market Street, San Diego (Recommendations 7 through 9)

7. Find that the proposed action to authorize execution of a DDA for development of affordable housing at property located at 4588 Market St. is exempt from CEQA pursuant to CEQA Guidelines section 15332.
8. Authorize the Director, DGS to execute the DDA with Affirmed Housing Group, Inc. or an affiliate entity, to execute the Ground Lease and any attachments to the DDA, and to perform any actions in furtherance of or necessary to administer or implement the DDA and Ground Lease for property located at 4588 Market St., including but not limited to, approving, and executing amendments to the DDA, the Ground Lease, and their attachments.

9. Authorize the Agency Director, HHSa, or a designee, to execute the Regulatory Agreement and any amendments to the Regulatory Agreement for property located at 4588 Market St. and perform any actions in furtherance of or necessary to administer or implement the DDA, Ground Lease, and Regulatory Agreement.

Ramona Senior (Recommendation 10 through 12)

10. Find, based on the whole record, that there is no substantial evidence that the project will have a significant effect on the environment. Consider the Subsequent Mitigated Negative Declaration, on file with DGS dated March 12, 2024, State Clearinghouse # 2023120496 (Attachment G, on file with the Clerk of the Board), together with comments received during public review (Attachment F, on file with the Clerk of the Board), and adopt it, finding that it reflects the independent judgment and analysis of the Board of Supervisors.
11. Adopt the Mitigation Monitoring and Reporting Program prepared in accordance with CEQA Guidelines Section 15074 (d) and authorize the Director, DGS to ensure compliance with the Mitigation Monitoring and Reporting Program (Attachment E, on file with the Clerk of the Board).
12. Adopt the Statement of Location and Custodian of Record (Attachment H, on file with the Clerk of the Board).

1501/1555 Sixth Avenue, San Diego (Recommendations 13 and 14)

13. Find that the proposed actions to declare the property exempt surplus land to be disposed of pursuant to Government Code 25539.4 are exempt from CEQA pursuant to CEQA Guidelines section 15312.
14. Adopt a Resolution entitled RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO FINDING THAT THE PROPERTY LOCATED AT 1501 AND 1555 SIXTH AVENUE, CITY OF SAN DIEGO IS EXEMPT SURPLUS LAND TO BE DISPOSED PURSUANT TO GOVERNMENT CODE 25539.4.

5202 University Avenue, San Diego (Recommendations 15 and 16)

15. Find that the proposed action to authorize demolition of 5202 University Ave, is exempt from CEQA pursuant to CEQA Guidelines section 15301.
16. Authorize the Director, DGS to advertise for demolition of County buildings, located at 5202 University Ave.

EQUITY IMPACT STATEMENT

Today's recommendations will result in the development of much-needed affordable housing in the region. The 6th Cycle Regional Housing Needs Assessment (RHNA) indicates that 68,959 units are needed regionally for very low, and low-income individuals and households. Restricted affordable housing for low-income households may serve older adults, families, people at risk of or experiencing homelessness, veterans, people experiencing homelessness with serious mental illness, and transitional aged youth. All units reserved for low-income individuals and households serve tenant populations earning below 80% area median income, currently \$77,200 for a one-person household and \$110,250 for a four-person household.

Approval of the recommendations contribute to the County’s efforts to address local housing shortages and meet the immediate needs of low-income households in addition to contributing to housing stock that will serve vulnerable families in the future. Making available excess County sites for future affordable housing contributes to the County’s investment to address local housing shortages, help increase access to quality affordable housing, and create private sector jobs and economic opportunities in San Diego County.

SUSTAINABILITY IMPACT STATEMENT

Today’s proposed actions support the County of San Diego’s Sustainability Goals to provide just and equitable access; and to protect health and wellbeing. The recommended actions will provide just and equitable access to housing for extremely low, very low, and low-income individuals and households countywide, including those who are Black, Indigenous, and People of Color. These actions also align with the goal to protect the environment as well as health and wellbeing, which will be accomplished by incorporating robust sustainability criteria into each Request for Proposal, in alignment with California Tax Credit Allocation Committee requirements, and our regional efforts to decarbonize.

FISCAL IMPACT

Funds for these Affordable Housing Projects are included in the Fiscal Year (FY) 2023-25 Operational Plan for the Health and Human Services Agency (HHSa). If approved, this request will result in total estimated costs and revenue of \$355,000 for staff time consultant costs, and demolition of 5202 University Ave. The funding source will be one-time General Purpose Revenue. There will be no change in net General Fund cost and no additional staff years.

Funds for the Safe Parking program are not included in the FY 2024-26 CAO Recommended Operational Plan for the Health and Human Services Agency (HHSa) but will be included in the FY 2024-26 CAO Recommended Operational Plan Change Letter. If approved, this request will result in total estimated costs and revenue of \$637,500 for FY 2024-25 and \$212,500 for FY 2025-26. The funding source will be one-time funding from the Department of Housing and Urban Development. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

Noting for the record that this item was heard on May 1, 2024; ON MOTION of Supervisor Vargas, seconded by Supervisor Anderson, the Board of Supervisors took action as recommended, and adopted Resolution No. 24-035, entitled: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO FINDING THAT THE PROPERTY LOCATED AT 1501 AND 1555 SIXTH AVENUE, CITY OF SAN DIEGO IS EXEMPT SURPLUS LAND TO BE DISPOSED PURSUANT TO GOVERNMENT CODE 25539.4.

AYES: Vargas, Anderson, Lawson-Remer, Montgomery Steppe, Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter