

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, APRIL 04, 2023**

MINUTE ORDER NO. 30

SUBJECT: SURPLUS REAL PROPERTY DECLARATIONS ON COUNTY-OWNED EXCESS PROPERTIES, AUTHORIZATION TO ISSUE REQUEST FOR PROPOSALS FOR DEVELOPMENT OF AFFORDABLE HOUSING, APPROVAL TO EXPLORE THE POTENTIAL TRANSFER OF A PROPERTY TO SAN DIEGO HOUSING COMMISSION AND APPROVAL OF A DISPOSITION AND DEVELOPMENT AGREEMENT AND CEQA EXEMPTIONS (DISTRICTS: 1 & 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. Over the past decade, the region has produced only enough very low-income housing to meet 10% of the need. 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.

On March 1, 2022 (17), the Board of Supervisors (Board) authorized staff to issue a Request for Proposals (RFP) to qualified firms to begin the competitive selection process for the ground lease and development of affordable homes on County property located at 5001 73rd Street in the city of San Diego. Eden Housing (Eden) was chosen with a proposed 120 homes for families, including Permanent Supportive Housing set aside for families experiencing homelessness. Staff and Eden have finalized the terms of a Disposition and Development Agreement (DDA) and are now returning for approval of that agreement as well as the relevant California Environmental Quality Act (CEQA) finding.

Three additional excess County-owned properties have also been identified for the development of affordable housing; 4588 Market Street, 3177 Ocean View Boulevard, and 5202 University Avenue, all in the city of San Diego.

The recommendations before the Board today provide for the County to take actions necessary to declare 4588 Market Street (Recommendations 1 through 6) and 3177 Ocean View Boulevard (Recommendations 7 through 12) as surplus to County needs, demolish the current structures, and authorize the initial steps in moving forward with development of affordable housing. In addition, the recommendations declare 5202 University Avenue (Recommendations 13 through 16) as surplus to County needs and authorizes staff to work with the San Diego Housing Commission for the development of affordable housing. Finally, the recommendations before the Board related to 5001 73rd Street (Recommendations 17 through 19) are to approve the DDA between the County and Eden for the development of affordable housing, approve the Ground Lease, and authorize other documents necessary for implementation of the project.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

4588 Market Street (Recommendations 1 through 6)

1. Find that the proposed action to authorize demolition of 4588 Market Street is exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301.
2. Find that the proposed actions to declare the property surplus exempt and issuing a Request for Proposals is not subject to review under CEQA pursuant to CEQA Guidelines Section 15060 (c) (3) because the action is not a project as defined in Section 15378 of the CEQA Guidelines.
3. Authorize the Director, Department of General Services (DGS) to advertise for demolition of County buildings located at 4588 Market Street.
4. Find that Assessor's Parcel Numbers (APNs) 547-041-43, -44 and 541-523-10 located at 4588 Market Street are no longer necessary for County use.
5. Find that 4588 Market Street is exempt surplus land under Government Code Section 54221(f)(1)(F)(i) of the Surplus Land Act, because it is to be sold or leased for development of affordable housing in accordance with the requirements of those Sections.
6. Authorize the Director, DGS in consultation with the Director, Housing and Community Development Services (HCDS) to issue a Request for Proposals for potential lease or sale for nominal value and development of 4588 Market Street for affordable housing, to evaluate the proposals, select proposals for negotiation, and to negotiate with the selected proposers the terms of a DDA that will document the conditions of ground lease or terms of sale for the Property.

3177 Ocean View Boulevard (Recommendations 7 through 12)

7. Find that the proposed action to authorize demolition of 3177 Ocean View Boulevard is exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15301.
8. Find that the proposed actions to declare the property surplus exempt and issuing a Request for Proposals is not subject to review under CEQA pursuant to CEQA Guidelines Section 15060(c) (3) because the action is not a project as defined in Section 15378 of the CEQA Guidelines.
9. Authorize the Director, DGS to advertise for demolition of County buildings, located at 3177 Ocean View Boulevard.
10. Find that APNs 545-611-36, 545-621-22 and 545-532-18 located at 3177 Ocean View Boulevard are no longer necessary for County use.
11. Find that 3177 Ocean View Boulevard is exempt surplus land under Government Code Section 54221(f)(1)(F)(i) of the Surplus Land Act because it is to be sold or leased for development of affordable housing in accordance with the requirements of those Sections.

12. Authorize the Director, DGS, in consultation with the Director, HCDS, to issue a Request for Proposals for potential lease or sale for nominal value and development of 3177 Ocean View Boulevard for affordable housing, to evaluate the proposals, select proposals for negotiation, and to negotiate with the selected proposers the terms of a DDA that will document the conditions of ground lease or terms of sale for the development of the Property.

5202 University Ave. (Recommendations 13 through 16)

13. Find that the proposed actions to declare the property surplus exempt is not subject to review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c)(3) because the action is not a project as defined in Section 15378 of the CEQA Guidelines.
14. Find that Assessor's Parcel Numbers (APN) 472-390-03 located at 5202 University Avenue is longer necessary for County use.
15. Find that 5202 University Avenue is exempt surplus land under Government Code Section 54221(f)(1)(F)(i) or 54221(f)(1)(D), because it is to be conveyed for development of affordable housing in accordance with the requirements of those Sections.
16. Direct the Chief Administrative Officer to conduct a due diligence review and explore viability of a potential conveyance of 5202 University Avenue to the San Diego Housing Commission for the development of affordable housing and return to the Board for necessary approvals for the disposition of the property.

5001 73rd Street (Recommendations 17 through 19)

17. Find that the proposed actions to authorize execution of a DDA for development of affordable housing at 5001 73rd Street is exempt from CEQA pursuant to CEQA Guidelines section 15332.
18. Authorize the Director, DGS, to execute the DDA with Eden Housing Corporation or an affiliate entity, to execute the Ground Lease and any other attachments to the DDA and perform any actions in furtherance of or necessary to administer or implement the DDA and Ground Lease for 5001 73rd Street, including but not limited to, approving, and executing amendments to the DDA, the Ground Lease, and their attachments.
19. Authorize the Agency Director, Health and Human Services Agency, or a designee, to execute the Regulatory Agreement and any amendments to the Regulatory Agreement on the 5001 73rd Street and perform any actions in furtherance of or necessary to administer or implement the DDA, Ground Lease, and Regulatory Agreement.

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 seniors, families, homeless, at-risk of homelessness, veterans, homeless 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 \$72,900 for a one-person household and \$104,100 for a four-person household.

Approval of the recommendations contribute to the County's efforts to address local housing shortages and, in alignment with the 5 P's of SANDAG's Housing Acceleration Program (HAP), will help Promote Equity Inclusion and Sustainability, Preserve Vulnerable Housing, and Produce Housing For All. Additionally, approval will result in the creation of private sector jobs and economic opportunities in San Diego County. It is anticipated that these actions will lead to increased housing for extremely low, very low, and low-income individuals and families throughout the 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 that are in alignment with California Tax Credit Allocation Committee requirements, and our regional efforts to decarbonize.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year 2022-23 Operational Plan for the Health and Human Services (HHS). If approved, this request will result in total estimated costs and revenue of \$1,860,000. This includes \$320,000 for staff time, consultant costs for historical and CEQA review and findings as well as short and long-term site management costs and demolition costs estimated to be \$890,000 for Ocean View Blvd. and \$650,000 for Market Street. HHS will use existing appropriations to fund costs. The funding source is General Purpose Revenue. At this time, there will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Anderson, seconded by Supervisor Vargas, the Board of Supervisors took action as recommended.

AYES: Vargas, Anderson, Lawson-Remer, Desmond

ABSENT: Fletcher

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