

Meeting Date: 07/07/2020 (11)

**ORDINANCE NO. 10677 (N.S.)**

**AN ORDINANCE AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE COUNTY OF SAN DIEGO AND CHELSEA INVESTMENT CORPORATION OR ITS AFFILIATE FOR LEASE AND DEVELOPMENT OF THE REAL PROPERTY LOCATED AT 5255 MT ETNA DRIVE IN THE CITY OF SAN DIEGO**

**WHEREAS, County of San Diego ("County") is the owner of real property consisting of 4.09 acres located at 5255 Mt. Etna Drive, San Diego, CA (Assessor Parcel Number 361-661-12) ("Property"), and further described as:**

**THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF SAN DIEGO COUNTY, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS: PARCEL 1 OF PARCEL MAP NO. 9284, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON OCTOBER 23, 1979 AS FILE NO. 79-443936 OF OFFICIAL RECORDS.**

**WHEREAS, the County is authorized to lease the Property for cultural, residential, commercial, or industrial uses or development pursuant to the applicable law of the State of California, including California Government Code sections 25515 through 25515.5; and**

**WHEREAS, a Disposition and Development Agreement ("DDA") has been negotiated with Chelsea Investment Corporation ("Developer") providing for the lease and development of the Property with an affordable housing development; and**

**WHEREAS, the DDA includes a form of Ground Lease Agreement ("Ground Lease"), to be executed upon satisfaction of the conditions set forth in the DDA, providing for lease of the Property to Developer or its affiliate for a term of 99 years and development of the Property with an affordable housing development; and**

**WHEREAS, pursuant to the DDA, the Property may be leased to Developer under multiple Ground Leases; and**

**WHEREAS, the DDA also includes a County of San Diego Memorandum of Restrictive Covenants and Regulatory Agreement ("Regulatory Agreement"), to be executed and recorded against the leasehold interests in the Property upon satisfaction of conditions set forth in the DDA, specifying affordable housing use requirements for the Property; and**

**WHEREAS, the DDA and Ground Leases will result in economic benefits to the County through production of affordable housing units and rent payments to the County; and**

**WHEREAS, the public benefit of the DDA and Ground Leases is expected to be greater than the public benefit which would result from the sale of the Property, and a reasonable expectation exists that the future public need justifies retention of the fee ownership of the Property, because retained ownership will allow direct monitoring and enforcement of the affordability requirements and other Ground Lease requirements by the County, will provide revenue to the County during the terms of the**

Meeting Date: 07/07/2020 (11)

Ground Leases through rent payments, and will allow the County to control future use of the Property following expiration or termination of the Ground Lease; and

WHEREAS, the Chief Administrative Officer has recommended that the County execute the DDA with Developer or its affiliate; and

WHEREAS, Government Code section 25515.2 subsection (a) requires that an agreement for lease of property to be entered into under Government Code sections 25515 through 25515.5 must be authorized by ordinance; and

WHEREAS, pursuant to Government Code section 25515.2 subsection (b), notice of the time and place of a public hearing concerning the adoption of this ordinance was published on June 22, 2020 and June 29, 2020; and

WHEREAS, pursuant to Government Code section 25515.2 subsection (b), the Board of Supervisors held a public hearing regarding adoption of this ordinance on July 7, 2020.

NOW THEREFORE, the Board of Supervisors of the County of San Diego ordains as follows:

Section 1. The Board finds the foregoing recitals are true and correct.

Section 2. The Board finds that the DDA will help meet the housing needs of the County and will provide economic benefit to the County.

Section 3. The Board finds that the public benefit of the lease of the Property is expected to be greater than the public benefit that would result from the sale of the Property, and that a reasonable expectation exists that the future public need justifies retention of the fee ownership of the Property.

Section 4. The Board authorizes the Director, Department of General Services, to execute the DDA with Developer or its affiliate, and to execute the attachments to the DDA, including the Ground Leases, and any other documents necessary to implement the DDA, its attachments, and this ordinance.

Section 5. The Board authorizes the Agency Director, Health and Human Services Agency, or designee, to execute the Regulatory Agreement in accordance with the DDA.

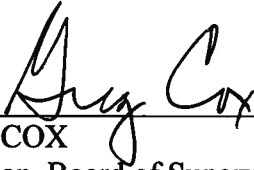
Section 6. The Board authorizes the Director, Department of General Services, or designee, and the Agency Director, Health and Human Services Agency, or designee, to perform any actions in furtherance or implementation of this ordinance, the DDA, and its attachments, including, without limitation, approval and execution of amendments to the DDA and its attachments as authorized under the DDA and its attachments.

Section 7. This ordinance shall be effective in accordance with Government Code section 25123.

APPROVED AS TO FORM AND LEGALITY  
COUNTY COUNSEL

By: Nathan Slegers, Senior Deputy County Counsel

PASSED, APPROVED, AND ADOPTED by the Board of Supervisors of the County of San Diego this 07<sup>th</sup> day of July 2020.

  
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GREG COX  
Chairman, Board of Supervisors  
County of San Diego, State of California

The above Ordinance was adopted by the following vote:

AYES: Cox, Jacob, Gaspar, Fletcher, Desmond

ATTEST my hand and the seal of the Board of Supervisors this 07<sup>th</sup> day of July 2020.

ANDREW POTTER  
Clerk of the Board of Supervisors

By   
\_\_\_\_\_  
Grace Caro, Deputy



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