

- Serra Mesa Planning Group (SMPG) supports housing for veterans, affordable housing, and the original proposal of 30 units multi-family housing and with at least 22 parking spaces at 3440 Sandrock Road.
- Serra Mesa Planning Group (SMPG) authorizes the 3440 Sandrock Subcommittee to evaluate, make comments, and ask questions regarding the development agreement/lease and financing documents for 3440 Sandrock Rd if any City Council related hearing is scheduled prior to the next scheduled SMPG meeting.
- Serra Mesa Planning Group send a letter to the City Council's Economic Development & Intergovernmental Relations Committee urging them to deny a City Bridge to Home NOFA of \$3.5 million if any unanswered questions and concerns regarding the development agreement/lease and financing have not been addressed and resolved. The questions and concerns include, but are not limited to (possibility of additional concerns/questions when the development agreement/lease becomes available for review):

Affordability Mix – If there are only 43 units requesting funding for \$3,500,000, why does the documentation indicate \$58,333 per unit (which seems to be based on 60 units)? Shouldn't the documentation indicate \$81,395 per unit? In the development and lease agreement will the 43 and 17 units be treated differently?

*Due to the City funding source requirements, the funding expenditures will be allocated to the affordability levels of the 43 units, but the City will actually have affordability covenants on all 59 affordable units, thus the \$58,333 per unit, which is based on total units in a project, as all projects are required by the state to have a manager's unit. The lease's affordability requirements align with requirements of the state surplus land act requirements and verified by third party consultant Keyser Marston Associates (KMA).*

#### Financing

- Provide a comprehensive breakdown of the costs of the project for the City, including loans, grants, and waivers; and any additional federal and state grants the project will receive. Is the City waiving the ground lease? Is the City waiving fees? Who is paying for deferred interest?

*All capital improvement costs and post-construction maintenance costs shall be the responsibility of the Developer / Tenant. Preparation of the Development and Disposition Agreement and Ground Lease is completed by city staff with third party review by KMA at a cost of approximately \$25,000 to the City. The total City costs of the City Bridge to Home loan is limited to the loan amount \$3.5M, and the \$25,000 in City costs for legal, financial and staff costs, which are required to be reimbursed by the Developer upon entering into the loan agreement. The City is not waiving the ground lease.*

- Why doesn't the City wait until the Federal Tax Credit of \$22,497,750 is approved before loaning funds?

*Tax Credit applications are most competitive when other funding sources, especially local sources, are approved before the application is submitted.*

- What happens if the applicant isn't ever able to obtain the credit?

*The City would communicate with the applicant that the time period is nearing expiration, and work with the applicant to allow an amendment for more time to try to obtain the needed tax credits or find alternative state or federal funds for the project.*

*The applicant has three years from Council approval to obtain their tax credits. If they are not successful within that time period then they will have to go back to Council to request an extension or cancel the proposed project.*

- Are project operations dependent on receiving vouchers for any of the units? Are the funds for these vouchers in hand and secure from state and/or federal freezing or withdrawal?

*The project has 30 VASH Vouchers committed through the San Diego Housing Commission which are not subject to federal freezing to withdraw. The payment standard of these vouchers helps with the overall operations of the project, as do the units that are not encumbered by the vouchers.*

Project Size – Provide a diagram that shows the lot size, amount of space for 22 parking spaces, the amount of space for the building structure, and the height of the structures. There are concerns about the feasibility of this project with the required setbacks, 22 parking spaces, landscaping, and 60 units given the .34 acre lot.

*CHW has engaged experienced architects who have extensive experience working on projects within the City of San Diego. CHW's pre-application to the Development Services Department determined that the project footprint meets the requirements of Complete Communities program.*

#### NOFA's Evaluation Criteria for scoring applications

- Project Approach and Concept state "Application is consistent with the community plan...as indicated by...overall project concepts, layout, extent of neighborhood enhancement..." What are the neighborhood enhancements?

*Vacant unoccupied sites can become nuisances with trash dumping, graffiti, break-ins, and trespassing, until new development and occupants are on-site. This project's main enhancement is to revitalize the site, by removing a vacant and underutilized building since 2006, and providing new development on the site. New development can revitalize a neighborhood, provide a catalyst for other property owners and neighborhood improvements, as well as activate the street.*

*Additionally, the design will include orienting the building's entrance and amenities towards the street, ensuring that the parking area is shielded from view. The project will enhance the public right-of-way as part of the building permit process.*

The Serra Mesa Community Plan, under Proposals, p. 9 &10,

- “The proposed maximum density of existing development is 43 units per net acres; that for new development, 29 units per net acre.” The density for this project is 176 units/acre.

*The project is in a Complete Communities overlay that is limited by a 4.0 Floor Area Ratio (FAR). CHW has unlimited density so long as they are within this development window. The current plan set has an FAR of 2.74, which is well below this threshold.*

- “New multifamily construction should be continuous to existing shopping facilities and multifamily developments...All such development should incorporate good design standards in relation to building location, parking and landscaping.” There are concerns regarding incorporating good design standards in this p

*The project is being designed by the award-winning firm of Stephen Dalton Architects (SDA). CHW and SDA have a long-standing relationship and are currently working on a 88-unit affordable development in the Cortez Hill neighborhood of downtown San Diego. More detail on SDA's work can be found at [www.sdarchitects.net](http://www.sdarchitects.net).*

*The proposed development will be designed to align with high-quality design standards, ensuring it integrates seamlessly with the surrounding environment. The building's placement will complement the existing neighborhood fabric, prioritizing compatibility with adjacent uses. Parking will be thoughtfully designed to balance accessibility and efficiency while minimizing visual impact. Additionally, the project will incorporate well-planned landscaping to enhance aesthetics, provide natural buffering where needed, and contribute to a welcoming and sustainable community setting.*

- Community Support and Benefits describes 3) Other community or economic benefits, or community amenities based on proposed project uses; 4) Community outreach plan to solicit neighborhood input. What community amenities will be provided? What's included in the outreach plan?

*CHW has provided an extensive outreach plan which includes meeting with District 7, Serra Mesa Community Planning Group, local businesses, hold group meetings with key stakeholders to discuss project plans, and compile a list of neighbors, community group and stakeholder contact information to maintain these relationships as the owner and developer. They will continue to have ongoing communications to address community concerns and circulate presentation slides to further promote the project. During construction, the on-site superintendent will provide project updates and expectations with the neighboring property managers to relay to their residents. During operation, CHW's designated point of contact for the property will continue its efforts to be a committed and long-term neighbor, engaging in Neighborhood Watch and other community activities.*

- Environmental Review and Assessment states “Prior to the City’s funding commitment, projects must be assessed in accordance with the California Environmental Quality Act (CEQA).” What assessment was made? Was there a traffic study conducted and when was it conducted? If conducted, provide the results.

*The proposed action has been reviewed for consistency with and is adequately addressed in the Final Program Environmental Impact Report (PEIR) for the Complete Communities: Housing Solutions and Mobility Choices project (SCH No. 2019060003) which was certified by the San Diego City Council on November 9, 2020 (Resolution No. R-313279). The proposed action will utilize the Complete Communities: Housing Solutions Program to facilitate the development and operation of affordable housing within an eligible area; therefore, this action is a subsequent discretionary action within the scope of the development program evaluated in the Final PEIR and is not considered to be a separate project for the purposes of CEQA review pursuant to CEQA Guidelines Sections 15378(c) and 15060(c)(3). Pursuant to Public Resources Code Section 21166 and CEQA Guidelines Section 15162, there is no change in circumstance, additional information, or project changes to warrant additional environmental review for the council action coming forward for consideration.*