



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: October 5, 2026

TO: Honorable Mayor Todd Gloria, City of San Diego

FROM: Henry L. Foster III, Councilmember, City of San Diego, Fourth District

SUBJECT: Request for Update on Implementation of Actions from Patrice Baker Settlement

On March 18, 2025, the City settled the *Patrice Baker, et al. v. City of San Diego, et al.*, United States District Court Case No. 3:19-cv-1013-JO (DEB). This memorandum serves as a formal request for an update on the actions required for compliance with the settlement (See Attachment 1).

Please advise us as to the status of required actions, including but not limited to the following:

1. Action 1: Stand-alone City Council Policy

- What is the status of the development of the City Council Policy (“Policy”).
- What department(s) will be responsible for the development and implementation of this Policy?
- What are the target Committee and Council dates for this Policy?
- What is the outreach plan, and when will the plan be made available to the council and the public?
 - What community groups and organizations in District 4 will be partners in this effort?
- Please provide a comprehensive implementation plan for all outstanding actions.

2. Action 2: Prioritization of Affordable Housing in High-Resource Areas

- What is the City’s plan to prioritize community plan updates and increase residential density and affordable housing in higher-resourced areas?
 - Which community plans have been updated, and which ones are scheduled for updates for the next two fiscal years?
 - Please provide an anticipated timeline for implementation for each community plan.

- What department(s) will be responsible for the development and implementation of this Policy?
- What is the outreach plan, and when will the plan be made available to the council and the public?
 - What community groups and organizations in District 4 will be partners in this effort?
- Provide a comprehensive implementation plan for all outstanding actions.

3. Action 3: Monitoring of Production of Affordable Housing

- When will the 2026 Annual Report on Homes be published?
 - What are the target Committee and Council dates?
 - Will the report include the percentage of affordable housing projects permitted in moderate to highest resource areas, to establish a baseline?
- What department(s) will be responsible for the development and implementation of this Policy?
- What is the City's plan to meet the target of at least 70% affordable housing in moderate, high and highest resource areas by 2028?
- Provide a comprehensive implementation plan for all outstanding actions.

4. Action 4: Allocation of Preference Points

- What is the City's plan to allocate preference points in City-funded affordable housing in high-resourced areas?
 - What is the rubric for preference points?
 - What city-funded housing programs will be subject to the preference point rubric?
 - How does the City plan to incorporate the preference points into the notice for affordable housing funding programs?
- What department(s) will be responsible for the development and implementation of this Policy?
- What is the outreach plan to educate the building industry and the community?
 - When will this plan be made available to Council and the public?
- What is the timeline for the implementation of the preference point system and the corresponding educational outreach?
- Provide a comprehensive implementation plan for all outstanding actions.

5. Action 5: Legislative Platform

- Please confirm that this legislation has been added to the Legislative Platform for 2025 and 2026?

6. Action 6: Sales Tax Rebate Incentive

- What is the status of the sales tax rebate to incentivize a grocery store in the affected communities, including District 4?
 - How will the City determine the rebate percentage to incentivize a grocery store?

- What is the City's specific outreach plan to bring grocery retail chains in affected communities, including District 4?
 - What grocery store retailers have been contacted to date about opportunities in District 4?
 - How often have they been contacted?
- What locations have been identified for a potential grocery store in District 4?
 - Have the property/landowners been contacted?
- Is a broker being utilized? If so, please provide the broker's contact information.
- What is the timeline for community outreach on the grocery store locations and progress?
 - What community organizations will be involved in the community outreach effort?
 - Will there be engagement with the corresponding planning group?
- What is the target timeline for the future grocery store to break ground?
- Provide a comprehensive implementation plan for all outstanding actions.
 - Who is responsible for the implementation of the five-year rebate and grocery store outreach?

7. Action 7: First-Time Homebuyer Program Funding

- Has the \$500,000 for the First-Time Homebuyer program been allocated to the San Diego Housing Commission?
 - If so, have the funds been expended? If expended, provide information on all expenditures to date.
 - If not, what is the target timeline and plan for the execution of these funds?
- What is the outreach plan for the First Time Homebuyer Program in District 4?
 - When will the plan be communicated to the Council and the public?
 - What organizations will be local partners for the outreach of this program?
- How are you going to ensure that current residents of District 4 are prioritized for this program so they can become homebuyers in their own community?
- Provide a comprehensive implementation plan for all outstanding actions.

As you are aware, the Patrice Baker Settlement involved claims of discrimination against the affected communities. It is critical to address these issues, as they directly impact the quality of life and access to generational wealth for District 4 residents and help ensure a balanced housing approach. Thus, it is essential that the City remains accountable for the commitments made in this settlement and that all actions be completed.

Thank you for your attention to this matter. I look forward to your response.

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TO: Honorable Mayor Todd Gloria, City of San Diego

DATE: October 5, 2026

Attachments: 1. PATRICE BAKER FULLY EXECUTED SETTLEMENT AGREEMENT

cc: Paola Avila, Chief of Staff, Office of the Mayor
Charles Modica, Independent Budget Analyst
Casey Smith, Chief Housing & Community Development Officer
Christina Bibler, Director of Economic Development
Heidi Vonblum, Director of City Planning
Heather Ferbert, City Attorney
Daniel Horton, Chief of Staff, Office of Councilmember Henry L. Foster III
Catalina Cifuentes, Associate Policy Advisor, Office of Councilmember Henry L. Foster III

ATTACHMENT 1

SETTLEMENT AGREEMENT

This settlement agreement ("Agreement") is made and entered into by and between Plaintiffs Patrice Baker, Gloria Cooper, Leslie Dudley, Letitia Flynn, Kathleen MacLeod, Eileen Osborne, Khalada Salaam-Alaji, (hereinafter "Plaintiffs"), and the City of San Diego ("Defendant" or "City") and the Housing Authority of the City of San Diego ("Defendant" or "Housing Authority") (together, "Parties"):

RECITALS

A. Plaintiffs filed this lawsuit on May 30, 2019, against the City and the Housing Authority and other defendants who are no longer parties to the case. The Third Amended Complaint is the operative pleading and alleges claims under the Federal Fair Housing Act (FHA) and the California Fair Employment and Housing Act (FEHA). Plaintiffs allege the City's policy of designating residential densities in the Community Plan update process disproportionately increased the multifamily housing densities, capacity, and zoning in the Affected Communities.

B. City denies its housing policy of increasing multifamily residential density, especially near transit opportunity areas, whenever it updates any community plan to be consistent with the 2008 General Plan violates the FHA or FEHA. City asserts that its policy serves legally sufficient justifications to 1) increase housing supply in a state suffering a significant housing crisis, 2) meet its state mandated Regional Housing Needs Allocation obligations, 3) further its Climate Action Plan goals, and 4) affirmatively further fair housing by providing more housing opportunities in high-resource areas for all income levels.

C. Plaintiffs filed a motion for partial summary adjudication for the elements of a prima facie case of segregative effect and disparate impact under the FHA and

FEHA and for the standing of Plaintiffs to bring these claims. Dkt. 160, 160-1. The City filed a motion for summary adjudication regarding its legitimate justifications for the challenged housing policy. Dkt. 161, 161-1. The Court denied each Parties' motion for summary judgment on November 7, 2024. Dkt. 191, 192. A five-day bench trial was scheduled to start on November 18, 2024. Dkt. 189. Following a full day mediation, the Parties advised the Court on November 7, 2024, that a settlement had been reached conditioned upon City Council approval. The Parties agreed that they would present an agreed upon judgment for the Court's approval following City Council approval of the settlement. Dkt.. 191.

D. The term "Affected Communities" means those communities defined in Plaintiffs' Third Amended Complaint consisting of Community Planning Areas with more than 80% minority population. The Affected Communities include Encanto and Southeastern San Diego.

NOW, THEREFORE, in consideration for the mutual promises, covenants, and conditions contained herein, the Parties hereby agree as follows:

AGREEMENT

1. **City Council and Housing Authority Approval.** City Council authorized the terms of the Agreement in closed session on January 27, 2025. Subsequently, the City Council approved the Agreement in open session on March 18, 2025, pursuant to Resolution _____. The Housing Authority approved this Agreement on March 18, 2025.
2. **Effective Date.** This Agreement shall be effective when fully executed by all parties.

3. No Admission.

Neither this Agreement nor any of the terms hereof are, nor should they be construed as, an admission by the parties, or any of them, of the validity of any claims or defenses asserted in the litigation, if any, or of either party's liability therein, or of any wrongdoing or of any act or omission by the parties. Neither this Agreement, nor any of the terms hereof, nor any negotiations relating hereto, may be offered or received in evidence in any action or proceeding against any party hereto, other than such proceedings as may be necessary to consummate or enforce this Agreement and other than to the extent necessary to prove the terms of this Agreement in any such action or proceeding.

4. Stand Alone City Council Policy.

The City will present to City Council for consideration a stand alone City Council Policy ("Policy") that states that implementation of the City's 2008 General Plan, including its Housing Element, should be prioritized to achieve the goals related to affirmatively furthering fair housing. The Policy would include acknowledging that there is a concentration of poverty in certain areas of the Affected Communities as shown on the California Tax Credit Allocation Committee (CTCAC) Opportunity Area maps. This Policy will specifically include a commitment to increasing residential densities in moderate, high and highest resource areas of the City as shown on the CTCAC Opportunity Area maps.

5. Prioritization of Affordable Housing in High Resource Areas.

City to continue to prioritize Community Plan Updates and increase residential densities in higher resource areas to promote affordable housing in those areas and affirmatively further fair housing.

6. Monitoring of Production of Affordable Housing.

The City to continue to annually monitor its housing production and report on it through the City's Annual Report on Homes. In addition to the metrics currently reported on in the City's 2024 Annual Report on Homes, beginning with the 2026 Annual Report on Homes (which reports on 2025 data no later than December 31, 2026), the City to include data related to City funding on affordable housing projects and their locations in the City. If the 2028 Annual Report does not demonstrate substantial progress in increasing the production of affordable housing in moderate, high and highest resource areas, City to develop and present to City Council in a public hearing an Action Plan to Affirmatively Further Fair Housing to achieve this target in a manner that is consistent with State and Federal law. The substantial progress shall be determined by whether the City's Annual Report on Homes shows that at least 70% of the affordable housing projects permitted in the City are located in moderate, high and highest resource areas determined by CTCAC Opportunity Area maps.

7. Allocation of Preference Points.

The City will allocate preference points in City funded programs for affordable housing built in high resource areas as determined by CTCAC Opportunity Area maps.

8. Legislative Platform.

The City's Planning Department will ask the City Council to add to their legislative platform to support legislation that directs funding for affordable housing to be prioritized in moderate, high and highest resource areas as determined by the CTCAC Opportunity Area maps.

9. Sales Tax Rebate Incentive.

The City's Economic Development Department to commit to offer a sales tax rebate through the Business Cooperation Program to incentivize a grocery store in the Affected Communities. This would provide a five-year rebate of up to 45% of whatever they generate in sales tax during that period. This action item does not require separate City Council approval.

10. First-Time Homebuyer Program Funding.

The City's Economic Development Department to ask City Council to allocate up to \$500,000 in funding to the San Diego Housing Commission to fund their First-Time Homebuyer Program for Low Resource, High Concentration of poverty areas as determined by CTCAC Opportunity Area maps or by Qualified Census Tract (QCT) areas.

11. Continuing Jurisdiction of Court.

The Court shall maintain jurisdiction to consider and decide any motions for enforcement related to the Parties' compliance with this Agreement.

12. Attorneys' Fees and Litigation Costs.

Upon entry of the Final Judgment, the City shall pay \$650,000 to Plaintiffs' counsel for Plaintiffs' attorneys' fees and litigation costs, payable in the amounts of \$344,590 to Aguirre & Severson, LLP and \$305,410 to Daniel & Beshara, P.C.

13. Mutual Releases.

Conditioned upon and subject to the City's compliance with the terms of this Agreement, Plaintiffs hereby release the City and its departments, heirs, successors, present and former employees, officers, members, councilmembers, attorneys, agents, insurers, successors and assigns and the Housing Authority from any and all claims, demands, obligations or causes of action, and suits for equitable relief, whether based on or arising under federal or state law and whether known or unknown, which Plaintiffs ever had or now have relating to the allegations in the Third Amended Complaint in this action. The above releases do not apply to any claims to enforce the terms of this Agreement.

14. Authorizations.

Each individual or entity that executes this Agreement represents and warrants, in their personal capacity and/or representative capacity, that they are duly authorized and empowered to enter into this Agreement on behalf of themselves or the Party they purport to represent.

15. Knowing and Voluntary.

This Agreement is an important legal document that has been voluntarily and knowingly executed by the Parties. Plaintiffs, and each of them, further specifically represent that, prior to signing this Agreement, they have conferred with counsel of their choice to the extent desired concerning the legal effect of this Agreement, and that the legal effect of this Agreement has been adequately explained to them.

The Parties, and each of them, specifically represent that, prior to signing this Agreement:

1. They have each been provided a reasonable period of time within which to consider whether to accept this Agreement;

2. They have each carefully read and fully understand all of the provisions of this Agreement; and

3. They are voluntarily, knowingly, and without coercion entering into this Agreement based upon their own judgment.

16. Entire Agreement.

This Agreement embodies the entire understanding and agreement between the Parties with respect to the matters referred to herein. This Agreement supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied, between the Parties to the same. No other representations, covenants, undertakings or other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically incorporated herein, shall be deemed in any way to exist or to bind any of the Parties. Each of the Parties acknowledges that they have not executed this Agreement in reliance on any such promise, representation, or warranty.

17. Rule of Construction.

This Agreement was the result of a negotiated settlement and is the product of negotiation and joint preparation by and between the Parties hereto and the attorney(s) of their respective choices. Neither party is deemed the drafter for the purposes of any rule of interpretation.

18. Counterparts/Signatures.

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute the Agreement of the

parties as one and the same instrument. A faxed or scanned signature shall have the same force and effect as the original.

IN WITNESS WHEREOF, the Parties hereby enter into this Agreement:

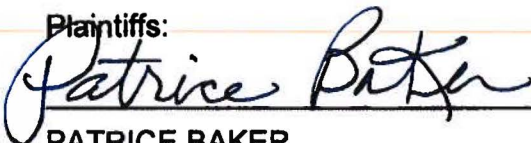
THE CITY OF SAN DIEGO, a California municipal corporation


By: Matthew Vespi
Its Chief Financial Officer

THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO,

By: _____
Its _____

Plaintiffs:


PATRICE BAKER


GLORIA COOPER


LESLIE DUDLEY


KATHLEEN MCLEOD
McLeod

[signatures continued on next page]

parties as one and the same instrument. A faxed or scanned signature shall have the same force and effect as the original.

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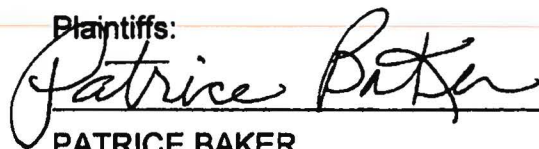
THE CITY OF SAN DIEGO, a California municipal corporation

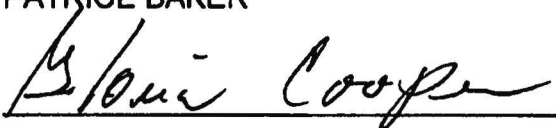
By: _____
Its _____

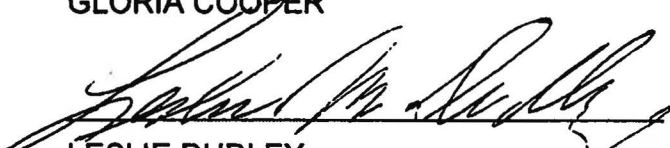
THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO,


By: Lisa C Jones
Its CEO

Plaintiffs:


PATRICE BAKER


GLORIA COOPER


LESLIE DUDLEY


KATHLEEN MCLEOD
MCLEOD

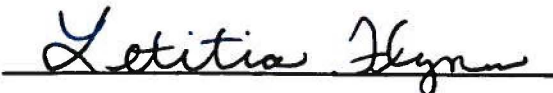
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EILEEN OSBORNE



KHALADA SALAAM-ALAJI



LETITIA FLYNN

APPROVED AS TO FORM:

Dated: 3-18-25, 2025

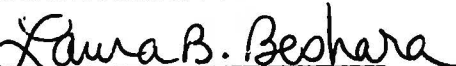
Aguirre & Severson LLP

By: 

Maria C. Severson

Co-Lead Attorneys for Plaintiffs.

Daniel & Beshara, P.C.

By: 

Laura B. Beshara, Esq.

Co-Lead Attorneys for Plaintiffs

Dated: _____, 2025

HEATHER FERBERT, City Attorney

By: _____

Jenny K. Goodman, Esq.

Lead Deputy City Attorney

Attorneys for the City of San Diego

Dated: _____, 2025

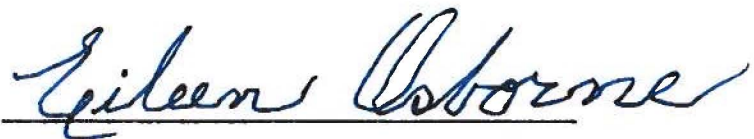
HEATHER FERBERT, General Counsel

By: _____

Jenny K. Goodman, Esq.

Deputy General Counsel

Attorneys for the Housing Authority of the City
of San Diego



EILEEN OSBORNE



KHALADA SALAAM-ALAJI



LETITIA FLYNN

APPROVED AS TO FORM:

Dated: 3-18-25, 2025

Aguirre & Severson LLP

By: 

Maria C. Severson

Co-Lead Attorneys for Plaintiffs.

Daniel & Beshara, P.C.

By: _____

Laura B. Beshara, Esq.

Co-Lead Attorneys for Plaintiffs

Dated: March 28, 2025

HEATHER FERBERT, City Attorney

By: 

Jenny K. Goodman, Esq.

Lead Deputy City Attorney

Attorneys for the City of San Diego

Dated: March 28, 2025

HEATHER FERBERT, General Counsel

By: 

Jenny K. Goodman, Esq.

Deputy General Counsel

Attorneys for the Housing Authority of the City
of San Diego