

(RA-2000-156)(COR. COPY)

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. R-03173

ADOPTED ON JUNE 6, 2000

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE AGENCY AND CHELSEA INVESTMENT CORPORATION; APPROVING THE SALE OF PROPERTY IN THE CENTRE CITY REDEVELOPMENT PROJECT AREA PERTAINING THERETO; AND MAKING CERTAIN FINDINGS WITH RESPECT TO SUCH DISPOSITION AND DEVELOPMENT AGREEMENT AND SUCH SALE.

WHEREAS, the Redevelopment Agency of the City of San Diego [the Agency] is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Centre City Redevelopment Project [the Project], and has adopted an Implementation Plan for the Centre City Redevelopment Project in accordance with California Health and Safety Code Section 33490 [the Implementation Plan]; and

WHEREAS, in order to carry out and implement such Redevelopment Plan, the Agency proposes to enter into a Disposition and Development Agreement [the Agreement], pursuant to which the Agency will sell certain property in the Centre City Redevelopment Project [the Site] to Reliance Development Group, Inc. [the Developer] or its assignee, which will construct thereon a development consisting of a mixed-use development containing approximately 124,750 square feet above grade, including approximately 20,000 square feet of commercial space (including kitchen areas), approximately 98,250 square feet of residential space to include

approximately 200 affordable housing units to be rented exclusively to Very Low Income seniors, including 25 units of permanent supportive housing for Very Low Income seniors, with priority to be given to those with mental illness, and on-site parking facilities to include a minimum of 30 spaces to be constructed on the Site [the Development] pursuant to the terms and provisions of the Agreement; and

WHEREAS, Developer has submitted to this Agency and the City Council of the City of San Diego copies of said proposed Agreement in a form desired by Developer; and

WHEREAS, the Centre City Development Corporation, Inc., has reviewed and discussed said proposed Agreement, and has recommended that the City Council approve and the Agency enter into the Agreement; and

WHEREAS, pursuant to the California Community Redevelopment Law (California Health and Safety Code, Sections 33000, et seq.) this Agency and the City Council held a joint public hearing on the proposed Sale of such real property pursuant to such Agreement, having duly published notice of such public hearing and made copies of the proposed Agreement and other reports and documents available for public inspection and comment; and

WHEREAS, pursuant to the DDA, the Agency will purchase the property to be sold to the Developer using Low and Moderate Income Housing Funds from the Redevelopment Project, and the Developer will finance the development of the Site with Developer Equity and with loans, grants and gifts from one or more lenders, grantees and donors (each referred to as a "Primary Lender"), which will be secured by one or more senior priority trust deeds on the Site; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed sale of real property and believes that the development of the real property pursuant to the

proposed Agreement is in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law and requirements; NOW, THEREFORE,

BE IT RESOLVED by the Redevelopment Agency of the City of San Diego as follows:

1. The Agency recognizes that it has received and heard all oral and written objections to the proposed Disposition and Development Agreement, to the proposed sale of the real property pursuant to the proposed Agreement, and to other matters pertaining to this transaction, and that all such oral and written objections are hereby overruled.

2. The Agency hereby finds and determines that the consideration to be paid by the Developer for the sale of the Site as described in the Agreement is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Agreement. The Agency hereby further finds and determines that all consideration to be paid under the Agreement is in amounts necessary to effectuate the purposes of the Redevelopment Plan for the Centre City Redevelopment Project.

3. The Agency hereby finds and determines that the sale of the Site will assist in the elimination of blight in the Centre City Redevelopment Project Area, and is consistent with the Implementation Plan.

4. The sale of the real property and the Disposition and Development Agreement which establishes the terms and conditions for the sale and development of the real property are hereby approved.

5. The Executive Director of the Agency (or his designee) is hereby authorized to execute the Disposition and Development Agreement on behalf of the Agency, provided that the

City Council has first approved such Agreement and the sale of the real property pursuant thereto. A copy of the Agreement, when executed by the Agency, shall be placed on file in the office of the Secretary of the Agency as Document No. D-03173.

6. The Executive Director of the Agency (or his designee), is hereby authorized, on behalf of the Agency, to sign all documents necessary and appropriate to carry out and implement the Agreement and to administer the Agency's obligations, responsibilities and duties to be performed under said Agreement.

7. The Agency hereby finds and determines that an economically feasible alternative method of financing the development on substantially comparable terms and conditions, but without subordinating the Agency's covenants and restrictions, is not reasonably available.

8. The Executive Director of the Agency (or his designee), is hereby authorized, on behalf of the Agency, to sign such subordination agreements as may be required by any Primary Lender in order to subordinate the covenants and restrictions of the DDA, including those set

forth in the Agreement Affecting Real Property, to the respective security interests and liens of any Primary Lender.

APPROVED: CASEY GWINN, General Counsel

By

Douglas K. Humphreys  
Deputy General Counsel

DKH:lc:cdk

05/22/00

05/24/00 COR. COPY

Or.Dept:CCDC

Aud.Cert: 2001168

RA-2000-156

Form=rda&t.frm