

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. R-03364

ADOPTED ON AUGUST 7, 2001

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE TRANSFER OF THE MASON HOTEL PROPERTY IN THE CENTRE CITY REDEVELOPMENT PROJECT AREA TO HOUSING DEVELOPMENT PARTNERS OF SAN DIEGO, AND AUTHORIZING THE RESTRUCTURING OF THE AGENCY'S LOANS WITH RESPECT TO SUCH PROPERTY.

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

WHEREAS, the Agency conveyed to Housing Opportunities, Inc. [the Developer], property located at 1337-1345 5th Avenue, within the Centre City Redevelopment Project [the Mason Hotel], pursuant to a Disposition and Development Agreement dated November 1, 1993, [DDA], approved by the Agency on October 26, 1993, by Resolution No. 2304, a copy of which is on file in the Office of the Secretary to the Agency as Document No. 2084; as amended by a First Implementation Agreement approved by the Agency on November 30, 1993, by Resolution No. 2317 (Document No. 02092); by a Second Implementation Agreement approved by the Agency on February 1, 1994, by Resolution No. 2331 (Document No. 02104); and by a Third Implementation Agreement approved by the Agency on February 22, 1994, by Resolution No. 2336 (Document No. 02110); and

WHEREAS, in accordance with the DDA the Developer rehabilitated the Mason Hotel for use as very low income single occupancy residential dwelling units and included

approximately 2,880 square feet of ground floor retail space; and

WHEREAS, in connection with such rehabilitation work the Agency disbursed to the Developer the First Agency Loan (\$29,509) and the Second Agency Loan (\$611,604), each of which was subordinate to a prior loan from San Diego National Bank, and a to prior loan from the San Diego Housing Commission [the Commission]; and

WHEREAS, the Developer now intends to dissolve its business and desires to transfer the Mason Hotel to Housing Development Partners of San Diego, a California nonprofit public benefit corporation [HDP], created by the Commission; and

WHEREAS, in conjunction with the transfer, the Agency proposes to restructure its two loans by canceling the First Agency Loan, adding the outstanding balance of the First Agency Loan to the Second Agency Loan, and modifying the terms of the Second Agency loan. The modified Second Agency Loan would then be assumed by HDP and the Developer released from both the First and the Second Agency Loans; and

WHEREAS, the Centre City Development Corporation, Inc., has reviewed and discussed the proposed transaction and has recommended that the Agency approve the transaction; and

WHEREAS, the Agency has considered the proposed transfer of the Mason Hotel and the restructuring of the Agency loans, and believes that such transactions are in the best interests of the City of San Diego 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 transfer of the Mason Hotel from Housing Opportunities, Inc., to Housing Development Partners of San Diego, a California nonprofit public benefit corporation, created by the San Diego Housing Commission, is approved.

2. The restructuring of the Agency loans is approved as follows: the balance of the First Agency Loan is added to the outstanding balance of the Second Agency Loan. The First Agency Loan is then canceled and the terms of the Second Agency loan will be modified. The modified Second Agency loan will be assumed by Housing Development Partners of San Diego, and Housing Opportunities, Inc., will be released from both the First and the Second Agency Loans.

3. The Executive Director of the Agency, or designee, is authorized, on behalf of the Agency, to have all necessary documents drafted and to sign all documents necessary and appropriate to carry out and implement the transfer of the Mason Hotel and the restructuring of the Agency Loans, and to administer the Agency's obligations, responsibilities and duties to be performed with respect thereto.

APPROVED: CASEY GWINN, General Counsel

By
Deborah Engel
Deputy General Counsel

DE:lc
07/27/01
Or.Dept:CCDC
Aud.Cert:N/A
RA-2002-17
Council:R-N/A
Form=rda&t-comp.frm