

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. R- 04157

DATE OF FINAL PASSAGE JUN 29 2007

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING SIX CREDIT AGREEMENTS WITH SAN DIEGO NATIONAL BANK PURSUANT TO WHICH THE AGENCY WILL BORROW UP TO \$70,000,000 AND TO BE REPAID FROM A SUBORDINATE PLEDGE OF TAX INCREMENT FROM FOUR REDEVELOPMENT PROJECTS OF THE AGENCY

RECITALS

WHEREAS, the Redevelopment Agency of the City of San Diego [the "Agency"] is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law, being Section 33000 and following of the Health and Safety Code of the State of California, and the powers of the Agency include the power to borrow money from private lending institutions for any of its corporate purposes; and

WHEREAS, the City Council of the City of San Diego has heretofore adopted ordinances, approving redevelopment plans for redevelopment projects known as the North Park Redevelopment Project [the "North Park Project"] the North Bay Redevelopment Project [the "North Bay Project"], the City Heights Redevelopment Project [the "City Heights Project"] and the Naval Training Center Redevelopment Project [the "NTC Project"] [the North Park Project, the North Bay Project, the City Heights Project and the NTC Project being collectively referred to as the "Redevelopment Projects"]; and

WHEREAS, the Agency has heretofore issued its North Park Redevelopment 2003 Tax Allocation Bonds [the "2003 North Park Bonds"], and its North Park Redevelopment Project Tax

Allocation Bonds, Series 2000 [the “2000 North Park Bonds” and together with the 2003 North Park Bonds, referred to as the “North Park Bonds”], which North Park Bonds are secured by a pledge of certain tax increment revenues from the North Park Redevelopment Project [the “North Park Tax Increment”]; and

WHEREAS, the City has heretofore issued its North Bay Redevelopment Project Tax Allocation Bonds, Series 2000 [the “North Bay Bonds”], which North Bay Bonds are secured by a pledge of certain tax increment revenues from the North Bay Project [the “North Bay Tax Increment”]; and

WHEREAS, the Agency has heretofore issued its City Heights Redevelopment Project Tax Allocation Bonds Series 1999A and Series 1999B [the “1999 City Heights Bonds”] and its City Heights Redevelopment Project 2003 Housing Set-Aside Tax Allocation Bonds Series A and Series B [the “2003 City Heights bonds” and together with the 1999 City Heights Bonds referred to as the “City Heights Bonds”], which City Heights Bonds are secured by a pledge of certain tax increment revenues from the City Heights Project [the “City Heights Tax Increment”]; and

WHEREAS, the Agency has pledged certain tax increment revenues from the NTC Project [the “NTC Tax Increment”] to repayment of a loan from the U.S. Department of Housing of Urban Development [the “2004 NTC Loan”]; and

WHEREAS, in order to finance certain low and moderate income housing redevelopment activities relating to the four Redevelopment Projects, the Agency proposes to enter into four separate Credit Agreements [the “North Park Housing Credit Agreement,” the “North Bay Housing Credit Agreement,” the “City Heights Housing Credit Agreement” and the “NTC Housing Credit Agreement” and collectively, referred to as the “Housing Credit Agreements”]

with San Diego National Bank [the “Bank”] pursuant to which the Agency will borrow up to the amounts authorized in Section 1 hereof; and

WHEREAS, in order to finance certain non-housing redevelopment activities relating to the City Heights Project and the NTC Project, the Agency proposes to enter into two Credit Agreements [the “City Heights Non-Housing Credit Agreement” and the “NTC Non-Housing Credit Agreement” and together with the Housing Credit Agreements, referred to as the “Credit Agreements”] with the Bank pursuant to which the Agency will borrow up to the amounts authorized in Section 1 hereof; and

WHEREAS, the amounts borrowed under the respective Credit Agreements will be secured by and repaid from the tax increment from the related Redevelopment Project on a subordinate basis to the existing pledge of such tax increment to the repayment of outstanding debt of the Agency; and

WHEREAS, the Agency expects to refinance some or all of the Credit Agreements in the future on a permanent basis with the proceeds of tax-exempt tax allocation bonds of the Agency to the extent proceeds of the Credit Agreements are used for redevelopment projects qualifying for tax-exempt financing under the Internal Revenue Code of 1986, as amended; and

WHEREAS, to the extent the Agency advances costs of the Redevelopment Projects that are reimbursed to the Agency with amounts borrowed under the Credit Agreements, the Agency also intends to include such amounts in any refinancing of the Credit Agreements with proceeds of tax-exempt tax allocation bonds of the Agency; and

WHEREAS, there has been presented to this meeting forms of the Credit Agreements;  
NOW, THEREFORE,

BE IT RESOLVED, the Redevelopment Agency of the City of San Diego hereby finds, determines, resolves and orders as follows:

Section 1. Approval of Borrowings. The borrowing of moneys under the Credit Agreements in the maximum amounts set forth below for the Project Areas and to be repaid in the manner and on the terms set forth in the Credit Agreements in order to provide a portion of the moneys required to finance the Redevelopment Projects is hereby authorized and approved:

Credit Agreement	Maximum Loan Amount
1. North Park Housing Credit Agreement	\$7,300,000
2. North Bay Housing Credit Agreement	\$8,600,000
3. City Heights Housing Credit Agreement	\$11,000,000
4. NTC Housing Credit Agreement	\$7,100,000
5. City Heights Non-Housing Credit Agreement	\$20,000,000
6. NTC Non-Housing Credit Agreement	\$16,000,000

The pledge of tax increment revenues of the Agency to the repayment of the Credit Agreements shall be subordinate to the existing pledge of tax increment revenues by the Agency to existing debt of the Agency as set forth in the Credit Agreements, which reflect the following subordination:

(a) The pledge of North Park Tax Increment to repayment of the North Park Housing Credit Agreement shall be subordinate to the pledge of North Park Tax Increment to repayment of the North Park Bonds;

(b) The pledge of North Bay Tax Increment to repayment of the North Bay Housing Credit Agreement shall be subordinate to the pledge of North Bay Tax Increment to repayment of the North Bay Bonds;

(c) The pledge of City Heights Tax Increment to repayment of the City Heights Housing Credit Agreement and the City Heights Non-Housing Credit Agreement

shall be subordinate to the pledge of City Heights Tax Increment to repayment of the City Heights Bonds; and

(d) The pledge of NTC Tax Increment to repayment of the NTC Housing Credit Agreement and the NTC Non-Housing Credit Agreement shall be subordinate to the pledge of NTC Tax Increment to repayment of the 2004 NTC Loan.

Section 2. Credit Agreements. The forms of Credit Agreements, each between the Agency and San Diego National Bank, presented at this meeting are hereby approved and the Chair, the Executive Director or Deputy Executive Director [ach being a “Designated Officer”] is and each of them are hereby authorized and directed, for and in the name of and on behalf of the Agency, to execute, acknowledge and deliver the Credit Agreements in substantially the forms presented at this meeting with such changes therein as the Designated Officer executing the same may approve upon consultation with Agency Counsel, the Agency’s Financial Advisor and Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

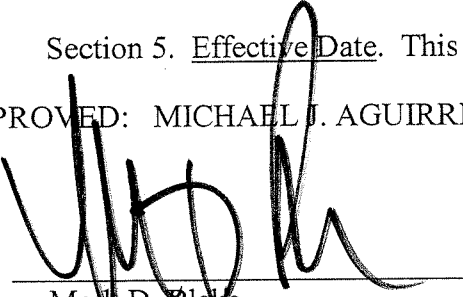
Section 3. Declaration of Official Action. In accordance with Section 1.150-2 of the Treasury Regulations promulgated under Section 150 of the Internal Revenue Code of 1986, as amended, the Agency declares its intention to issue tax-exempt tax allocation bonds at a future time, and subject to further Agency review, in a maximum principal amount of \$70,000,000, the proceeds of which will be used to refinance the Credit Agreements, including the reimbursement to the Agency for any capital expenditures relating to the Redevelopment Projects made prior to the borrowing of moneys by the Agency under the Credit Agreements.

Section 4. Other Acts. The Designated Officers and the Agency Secretary are hereby authorized and directed, jointly and severally, to do any and all things to execute and deliver any and all documents which in consultation with the Financial Advisor, Bond Counsel and the

Agency Counsel, they may deem necessary or advisable in order to enter into the Bank Loan and the Credit Agreement, or otherwise effectuate the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

Section 5. Effective Date. This Resolution shall take effect upon adoption.

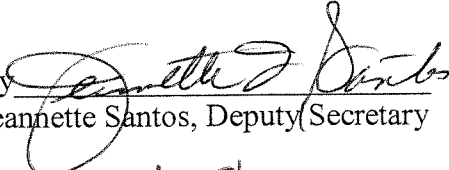
APPROVED: MICHAEL J. AGUIRRE, General Counsel

By:   
Mark D. Blake  
Chief Deputy General Counsel

MDB:jdf  
06/07/07  
Or.Dept:RDA  
RA-2007-118  
Companion: R-2007-1209

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of JUN 26 2007

REDEVELOPMENT AGENCY

By:   
Jeannette Santos, Deputy Secretary

Approved: 6-29-07  
(date)

  
JERRY SANDERS, Executive Director

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Executive Director

Passed by the Redevelopment Agency of The City of San Diego on JUN 26 2007, by the following vote:

Agency Members	Yeas	Nays	Not Present	Ineligible
Scott Peters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toni Atkins	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Maienschein	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Madaffer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 29 2007

AUTHENTICATED BY:

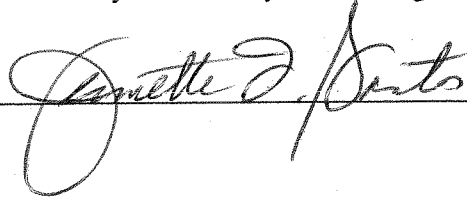
JERRY SANDERS

Executive Director of The City of San Diego, California.

ELIZABETH S. MALAND

Secretary of The City of San Diego, California.

(Seal)

By , Deputy

Office of the Redevelopment Agency, San Diego, California.

Resolution Number R-04157