

RA 2007-128
Item 4
July 10, 2007

REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04168

DATE OF FINAL PASSAGE JUL 11 2007

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO MAKING CERTAIN FINDINGS RELATING TO THE USE OF HOUSING SET-ASIDE FUNDS OUTSIDE OF THE CITY HEIGHTS, NORTH PARK, NORTH BAY, AND NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREAS FOR THE DEVELOPMENT OF THE VERBENA AFFORDABLE APARTMENTS PROJECT IN THE SAN YSIDRO REDEVELOPMENT PROJECT AREA.

WHEREAS, in accordance with California Community Redevelopment Law, codified as California Health and Safety Code section 33000 et seq. [Law], the Redevelopment Agency of the City of San Diego [Agency] has set aside twenty percent (20%) of all tax increment funds [Set-Aside Funds] generated by Redevelopment Project Areas for the purpose of increasing and improving the supply of low- and moderate-income housing available at an affordable housing cost; and

WHEREAS, the Law provides that Set-Aside Funds shall be used to provide housing for specific income groups, and that findings of benefit to the redevelopment project area from which the funds are derived [Findings of Benefit] must be made by the Agency and the City Council prior to the allocation of Set-Aside Funds outside of the redevelopment project area; and

WHEREAS, the Agency has also adopted Redevelopment Agency Policy 100-1 which allows for the use of Set-Aside Funds outside a redevelopment project area provided the findings of benefit are made as required by the Law; and

WHEREAS, the Agency approves an Owner Participation Agreement for the Verbena Affordable Apartments Project in the San Ysidro Redevelopment Project Area and in connection therewith will allocate \$5,586,000 of housing set-aside funds from the San Ysidro, City Heights, North Park, North Bay, and Naval Training Center Redevelopment Project Areas for the Project; and

WHEREAS, the Agency finds that the expenditure of City Heights, North Park, North Bay, and Naval Training Center Redevelopment Area low and moderate income housing set-aside funds in the amount of \$5,184,000 (the remaining \$402,000 is allocated from San Ysidro Project Area set-aside funds) outside of the City Heights, North Park, North Bay, and Naval Training Center Redevelopment Project Areas will be of benefit to the City Heights, North Park, North Bay, and Naval Training Center Redevelopment Project Areas: NOW, THEREFORE,

BE IT RESOLVED, that the Redevelopment Agency of the City of San Diego makes the Findings of Benefit to the City Heights, North Park, North Bay, and Naval Training Center Redevelopment Project Areas, as more fully set forth in Attachment "A", attached hereto and incorporated herein by this reference.

BE IT FURTHER RESOLVED, that the 20% Set Aside Funds identified above shall be utilized for the proposed development of the Verbena Affordable Apartments Project in the San Ysidro Redevelopment Project Area.

APPROVED: MICHAEL J. AGUIRRE, General Counsel

By Kendall D. Berkey
Kendall D. Berkey
Deputy Counsel

KDB:nda
06/26/07
Or.Dept:Redev.Agency
RA-2007-128
MMS#5029
Comp. R-2007-1299
R-2007-1300
R-2007-1302
RA-2007-126
RA-2007-129
RA-2007-130
RA-2007-131

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of JUL 10 2007.

REDEVELOPMENT AGENCY

By Jeannette Santos
Jeannette Santos, Deputy Secretary

Approved: 7.11.07
(date)

JSL
JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

Attachment A

Findings of Benefit Summary – City Heights Redevelopment Project Area

Verbena Project

It is proposed that funds from the City Heights Low and Moderate Income Housing Funds (Housing Funds) be used outside of the City Heights Redevelopment Project Area (Project Area) to assist in the development of an 80 unit affordable housing project called the Verbena Project (the Project). The Verbena Project site is located at 3774 Beyer Boulevard, within the San Ysidro Redevelopment Project Area. The Verbena Project would provide two- and three-bedroom units at rents affordable to families earning between 30% and 60% of the Area Median Income. The use of Housing Funds for the Project will be of benefit to the Project Area, in that:

- The use of Housing Funds for the Project will enable the Redevelopment Agency to increase and improve the supply of very low and low income housing within the City of San Diego.
- The use of the Housing Funds for the Project will assist in the development of a total of 79 affordable units, with 8 of the units to be made affordable for tenants earning no more than 30% of the Area Median Income, 8 of the units to be made affordable for tenants earning no more than 40% of the Area Median Income, 40 of the units to be made affordable for tenants earning no more than 50% of Area Median Income and 23 of the units to be made affordable for tenants earning no more than 60% of the Area Median Income.
- Credit for the production of affordable units is given annually to agencies by the California Housing and Community Development Department, in accordance with State Law. If tax increment funds are used for the development of affordable units outside of the source project area, a maximum of one-half credit for every unit produced may be awarded to the source project area. The benefit to the Project Area is the potential to have a maximum credit of 40 units for funding affordable housing outside of the Project Area.
- The Project is located within two blocks of public transit, both bus and trolley, which will provide means for residents of the Project to commute to jobs in the Project Area.

Findings of Benefit Summary – North Park Redevelopment Project Area

Verbena Project

It is proposed that funds from the North Park Low and Moderate Income Housing Funds (Housing Funds) be used outside of the North Park Redevelopment Project Area (Project Area) to assist in the development of an 80 unit affordable housing project called the Verbena Project (the Project). The Verbena Project site is located at 3774 Beyer Boulevard, within the San Ysidro Redevelopment Project Area. The Verbena Project would provide two- and three-bedroom units at rents affordable to families earning between 30% and 60% of the Area Median Income. The use of Housing Funds for the Project will be of benefit to the Project Area, in that:

- The use of Housing Funds for the Project will enable the Redevelopment Agency to increase and improve the supply of very low and low income housing within the City of San Diego.
- The use of the Housing Funds for the Project will assist in the development of a total of 79 affordable units, with 8 of the units to be made affordable for tenants earning no more than 30% of the Area Median Income, 8 of the units to be made affordable for tenants earning no more than 40% of the Area Median Income, 40 of the units to be made affordable for tenants earning no more than 50% of Area Median Income and 23 of the units to be made affordable for tenants earning no more than 60% of the Area Median Income.
- Credit for the production of affordable units is given annually to agencies by the California Housing and Community Development Department, in accordance with State Law. If tax increment funds are used for the development of affordable units outside of the source project area, a maximum of one-half credit for every unit produced may be awarded to the source project area. The benefit to the Project Area is the potential to have a maximum credit of 40 units for funding affordable housing outside of the Project Area.
- The Project is located within two blocks of public transit, both bus and trolley, which will provide means for residents of the Project to commute to jobs in the Project Area.

Findings of Benefit Summary – North Bay Redevelopment Project Area

Verbena Project

It is proposed that funds from the North Bay Low and Moderate Income Housing Funds (Housing Funds) be used outside of the North Bay Redevelopment Project Area (Project Area) to assist in the development of an 80 unit affordable housing project called the Verbena Project (the Project). The Verbena Project site is located at 3774 Beyer Boulevard, within the San Ysidro Redevelopment Project Area. The Verbena Project would provide two- and three-bedroom units at rents affordable to families earning between 30% and 60% of the Area Median Income. The use of Housing Funds for the Project will be of benefit to the Project Area, in that:

- The use of Housing Funds for the Project will enable the Redevelopment Agency to increase and improve the supply of very low and low income housing within the City of San Diego.
- The use of the Housing Funds for the Project will assist in the development of a total of 79 affordable units, with 8 of the units to be made affordable for tenants earning no more than 30% of the Area Median Income, 8 of the units to be made affordable for tenants earning no more than 40% of the Area Median Income, 40 of the units to be made affordable for tenants earning no more than 50% of Area Median Income and 23 of the units to be made affordable for tenants earning no more than 60% of the Area Median Income.
- Credit for the production of affordable units is given annually to agencies by the California Housing and Community Development Department, in accordance with State Law. If tax increment funds are used for the development of affordable units outside of the source project area, a maximum of one-half credit for every unit produced may be awarded to the source project area. The benefit to the Project Area is the potential to have a maximum credit of 40 units for funding affordable housing outside of the Project Area.
- The Project is located within two blocks of public transit, both bus and trolley, which will provide means for residents of the Project to commute to jobs in the Project Area.

Findings of Benefit Summary – Naval Training Center Redevelopment Project Area

Verbena Project

It is proposed that funds from the Naval Training Center Low and Moderate Income Housing Funds (Housing Funds) be used outside of the Naval Training Center Redevelopment Project Area (Project Area) to assist in the development of an 80 unit affordable housing project called the Verbena Project (the Project). The Verbena Project site is located at 3774 Beyer Boulevard, within the San Ysidro Redevelopment Project Area. The Verbena Project would provide two- and three-bedroom units at rents affordable to families earning between 30% and 60% of the Area Median Income. The use of Housing Funds for the Project will be of benefit to the Project Area, in that:

- The use of Housing Funds for the Project will enable the Redevelopment Agency to increase and improve the supply of very low and low income housing within the City of San Diego.
- The use of the Housing Funds for the Project will assist in the development of a total of 79 affordable units, with 8 of the units to be made affordable for tenants earning no more than 30% of the Area Median Income, 8 of the units to be made affordable for tenants earning no more than 40% of the Area Median Income, 40 of the units to be made affordable for tenants earning no more than 50% of Area Median Income and 23 of the units to be made affordable for tenants earning no more than 60% of the Area Median Income.
- Credit for the production of affordable units is given annually to agencies by the California Housing and Community Development Department, in accordance with State Law. If tax increment funds are used for the development of affordable units outside of the source project area, a maximum of one-half credit for every unit produced may be awarded to the source project area. Because of completed, current and planned redevelopment of the Project Area, there is no viable land area that is available for development of very low, low and moderate income housing at NTC. The benefit to the Project Area is the potential to have a maximum credit of 40 units for funding affordable housing outside of the Project Area.
- The Project is located within two blocks of public transit, both bus and trolley, which will provide means for residents of the Project to commute to jobs in the Project Area.

The City of San Diego
CERTIFICATE OF CITY AUDITOR AND COMPTROLLER

CERTIFICATE OF UNALLOTTED BALANCE

AC 2700856

ORIGINATING DEPT. NO.: 10275

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: _____ Fund: _____

Purpose: _____

Date: _____ By: _____
AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA											
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT	
TOTAL AMOUNT											

FUND OVERRIDE

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: \$5,586,000.00

Vendor: Verbena San Ysidro, L.P.

Purpose: Authorizing the expenditure of funds for the purpose of executing an Owner Participation Agreement for the Verbena project

Date: July 10, 2007 By: Weihong Dai
AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA											
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT	
001	0	98202	98202	4001	4881	098204					930,000.00
002	0	98304	983041	4001	4881	098302					930,000.00
003	0	98074	980741	4001	4881	098702					930,000.00
004	0	98058	98058	4001	4881	098052					2,394,000.00
005	0	98572	98572	2009	6030	123503					402,000.00
TOTAL AMOUNT											\$5,586,000.00

AC-361 (REV 2-92) FUND OVERRIDE

AC 2700856

Passed by the Redevelopment Agency of The City of San Diego on JUL 10 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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 JUL 11 2007

AUTHENTICATED BY:

JERRY SANDERS
Executive Director of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
Secretary of The City of San Diego, California.

By , Deputy

Office of the Redevelopment Agency, San Diego, California.

Resolution Number R- 04168