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3/10/08 RA 7/1/08

(RA-2008-81)

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04248

DATE OF FINAL PASSAGE APR 08 2008

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE SECOND IMPLEMENTATION AGREEMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO AND WESTERN PACIFIC HOUSING, INC., A DELAWARE CORPORATION.

WHEREAS, the Redevelopment Agency of the City of San Diego [Agency] is engaged in activities necessary to carry out and implement the Redevelopment Plan for the North Park Redevelopment Project Area; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Agency approved a Disposition and Development Agreement [DDA] with Western Pacific Housing, Inc., a D.R. Horton company [Developer] dated March 30, 2004, and amended on August 3, 2006; and

WHEREAS, Developer caused the site to be developed and used for the development of commercial, retail, live-work space and 224 for-sale condominium homes, twenty-three (23) of which have been sold to and occupied by households whose income does not exceed 100 percent of the Area Median Income ("AMI"), ten (10) of which have been sold to and occupied by households whose income does not exceed 120 percent of the AMI, and twelve (12) remaining condominium units of which will be sold to and will be occupied by households whose income does not exceed 120 percent of the AMI; and

WHEREAS, pursuant to the DDA, Agency and Developer executed an Agreement Affecting Real Property, originally recorded on January 31, 2005, which was amended and recorded on September 16, 2006 [AARP] to change the Addendum to Grant Deed [Agency Addendum] secured by a Subordinate Deed of Trust [Agency Deed of Trust] by revising the unit numbers of the affordable units conveyed to the initial purchasers; and

WHEREAS, in conformance with California Community Development Law, the AARP, Agency Addendum and Agency Deed of Trust require that the affordable units be resold to and occupied only by qualifying median- and moderate-income households for the longest feasible period of time, but not less than 45 years; and

WHEREAS, due to Developer's inability to secure a lender for the remaining moderate-income condominium units due to lenders' objections to the Agency affordability covenants, on February 6, 2007, the Agency authorized the Executive Director to subordinate the Agency's affordability covenants and restrictions, potentially extinguishing the Agency's affordability covenants in the event of foreclosure; and

WHEREAS, Fannie Mae recently announced new lending guidelines that make it easier for lenders to package and sell mortgages to the secondary market even if the housing units have affordability restrictions, and Developer has requested that certain revisions be made to the Agency Addendum to conform to the new Fannie Mae guidelines, which may allow them to secure a lender who will not require subordination of the Agency affordability covenants;

WHEREAS, in order to further implement the DDA, the Agency has considered the addition of addenda to the Grant Deeds, specifically, Attachments 9C and 9D, in order to (1) secure lending on the affordable housing units such that the Agency use restriction covenants are not subordinated to mortgage loans and (2) follow the new Fannie Mae lending guidelines to facilitate securing such mortgage loans; and

WHEREAS, the Agency has duly considered all the terms and conditions of the Second Implementation Agreement and believes that the changes are in the best interests of the City of San Diego, and the health, safety and welfare of its residents; NOW, THEREFORE,

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

1. That it approves the Second Implementation Agreement and authorizes further actions as may be required to effectuate the Second Implementation Agreement.

2. That the Executive Director of the Agency, or designee, is authorized, for and on behalf of the Agency, to execute the Second Implementation Agreement and to administer the Agency's obligations, responsibilities, and duties to be performed under that Agreement. A copy of the Second Implementation Agreement, when executed, shall be placed on file in the office of the secretary to the Agency as Document No. D-04248

BE IT FURTHER RESOLVED, that this activity is covered under the Final Environmental Impact Report [FEIR] and Mitigated Negative Declaration [MND] #5758 for the North Park Redevelopment Project, previously reviewed and considered by the Agency and City Council. This activity is adequately addressed in those environmental documents and there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Because the prior environmental document adequately covered this activity as part of the previously

approved project, the activity is not a separate project for purposes of CEQA review pursuant to State CEQA Guidelines Section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, General Counsel

By Carol A. Leone  
Carol A. Leone  
Deputy Counsel

CAL:cfq  
02/11/08  
Or.Dept:R.A.  
RA-2008-81  
MMS#5900

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of MAR 25 2008.

REDEVELOPMENT AGENCY

By Jeannette Santos  
Jeannette Santos, Deputy Secretary

Approved: 4-8-08  
(date)

JSL  
JERRY SANDERS, Executive Director

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

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

Passed by the Redevelopment Agency of The City of San Diego on MARK 23 2008, 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 APR 08 2008

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

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