

REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04312

DATE OF FINAL PASSAGE JUL 29 2008

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE FIRST IMPLEMENTATION AGREEMENT TO THE OWNER PARTICIPATION AGREEMENT ENTERED INTO BY AND BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO AND VERBENA SAN YSIDRO, L.P. FOR THE VERBENA AFFORDABLE APARTMENTS PROJECT LOCATED WITHIN THE SAN YSIDRO REDEVELOPMENT PROJECT AREA.

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 San Ysidro Redevelopment Project Area [Project Area]; and

WHEREAS, in order to carry out and implement the objectives of the Redevelopment Plan for the Project Area, the Agency has entered into an Owner Participation Agreement [OPA] with Verbena San Ysidro, L.P. [Developer] on or about July 11, 2007, a copy of the OPA is on file in the office of the secretary to the Agency as Document No. D-04167 / R-04167; and

WHEREAS, the OPA governs the development of low income residential rental apartments known as the Verbena Affordable Apartments Project that incorporates eighty (80) rental dwelling units, of which 79 units will be designated by Developer for not less than fifty-five (55) years as affordable to very low income and low income persons earning 30% to 60% of the Area Median Income, with attached one or two car garages providing a total of approximately one hundred seventy seven (177) parking spaces, and recreational amenities [Project]; and

WHEREAS, pursuant to the OPA, the Agency agreed to assist with financing a portion of the acquisition and development costs of the Project by providing a residual receipts loan to Developer in an amount not to exceed \$5,586,000 from the Agency's 20% Low and Moderate Income Housing Set-Aside Funds payable from the San Ysidro Redevelopment Project Area and the proceeds of the Line of Credit for the City Heights Redevelopment Project Area, North Park Redevelopment Project Area, North Bay Redevelopment Project Area, and Naval Training Center Redevelopment Project Area; and

WHEREAS, due to the changing conditions of the economy and the competitive projects applying for 9% tax credits, Developer requests the Agency's consideration of a new proposed financing structure for the development of the Project which includes applying for 4% rather than 9% tax credits, incorporating new sources of financing for the Project, and increasing the Agency's loan by an additional amount not to exceed \$1,215,000 to be funded from the San Ysidro Redevelopment Project Area's 20% Low and Moderate Income Housing Set-Aside Funds and the City Heights and North Bay Redevelopment Project Areas 20% Low and Moderate Income Housing Set Aside Funds Lines of Credit; and

WHEREAS, in light of the above, the Agency and Developer desire to implement the OPA, through a First Implementation Agreement, by revising the sources of financing for the Project, by increasing the Agency's loan to an amount not to exceed \$6,801,000, and by making certain other revisions to the OPA and its Attachments that are a result of new or changed funding sources and project details and/or that are in the best interests of the Parties; and

WHEREAS, the Agency has duly considered all of the terms and conditions provided in the proposed First Implementation Agreement to the OPA and determines that the First Implementation 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 City of San Diego, as follows:

1. That the Agency finds and determines that the additional consideration to be paid toward the Project pursuant to the First Implementation Agreement to the Owner Participation Agreement [OPA] is in an amount necessary to effectuate the purposes of the Redevelopment Plan for the Project Area.

2. That the Agency approves the First Implementation Agreement to the OPA, a copy of the First Implementation Agreement to the OPA shall be placed on file in the office of the secretary of the Agency as Document No. D- 04312.

3. That the Executive Director of the Agency, or designee, is hereby authorized for and on behalf of the Agency, to execute the First Implementation Agreement to the OPA and all other documents necessary and appropriate to carry out and implement the First Implementation Agreement to the OPA according to its terms, and to administer the Agency's obligations, responsibilities and duties to be performed under the First Implementation Agreement.

4. That the Agency finds and determines that the City of San Diego has previously certified the information contained in the Mitigated Negative Declaration [MND] for this Project, referenced by Project No. 41718 and SCH No. 2004111075, that this Project is

adequately addressed in said MND, and that there is no substantial change in circumstance, additional information or project changes to warrant additional environmental review.

APPROVED: MICHAEL J. AGUIRRE, General Counsel

By Kendall D. Berkey
Kendall D. Berkey
Deputy General Counsel

KDB:nda
07/02/08
Or.Dept:Redev.Agency
RA-2009-4
MMS#5029
Comp. R-2009-25
R-2009-26
RA-2009-2
RA-2009-3
RA-2009-5

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of JUL 22 2008.

REDEVELOPMENT AGENCY

By Jeannette Santos
Jeannette Santos, Deputy Secretary

Approved: 7.29.08
(date)

Jerry Sanders
JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

Passed by the Redevelopment Agency of The City of San Diego on JUL 22 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>

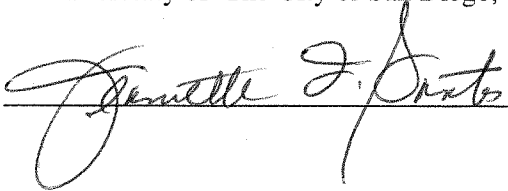
Date of final passage JUL 29 2008

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- 04312