

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04313

DATE OF FINAL PASSAGE JUL 29 2008

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO AMENDING THE REDEVELOPMENT AGENCY BUDGET FOR THE SAN YSIDRO REDEVELOPMENT PROJECT AREA AND AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO EXPEND AN ADDITIONAL \$1,215,000 OF FUNDS FROM THE SAN YSIDRO REDEVELOPMENT PROJECT AREA LOW AND MODERATE INCOME HOUSING SET-ASIDE FUNDS AND FROM THE CITY HEIGHTS AND NORTH BAY REDEVELOPMENT PROJECT AREAS LOW AND MODERATE INCOME HOUSING SET ASIDE FUNDS LINES OF CREDIT AS AN ADDITIONAL AGENCY RESIDUAL RECEIPTS LOAN CONTRIBUTION FOR THE VERBENA AFFORDABLE APARTMENTS PROJECT.

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 entered into an Owner Participation Agreement [OPA] with Verbena San Ysidro, L.P. [Developer] on or about July 11, 2007 for the Verbena Affordable Apartments Project [Project], 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, 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 duly considered all of the terms and conditions provided in the First Implementation Agreement to the OPA and determines that the First Implementation Agreement and the additional expenditure to the Developer for development of the Project in an additional amount not to exceed \$1,215,000 (for a total Agency Loan amount not to exceed \$6,801,000), 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, are 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 the City of San Diego, as follows:

1. That the Agency amends the Agency budget for the San Ysidro Redevelopment Project Area and authorizes the additional expenditure to the Developer, by the Executive

Director or designee, in an amount not to exceed One Million Two Hundred Fifteen Thousand Dollars (\$1,215,000) (for a total Agency Loan amount not to exceed \$6,801,000) 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, in the form of a residual receipts loan, for implementation and development of the Verbena Affordable Apartments Project [Project] described in the Owner Participation Agreement [OPA] as amended by the First Implementation Agreement.

2. That the Agency finds and determines that the additional consideration to be paid to the Developer for the Project pursuant to the First Implementation Agreement to the OPA is in amounts necessary to effectuate the purposes of the Redevelopment Plan for the Project Area.

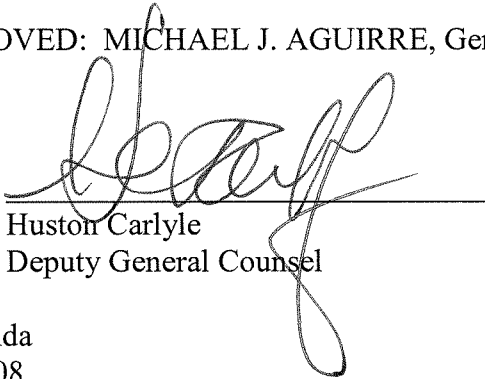
3. That the Agency finds and determines that the City of San Diego has previously certified the information contained in the Mitigated Negative Declaration [MND] for this Project, referenced by Project No. 41718 and SCH No. 2004111075, that this Project is adequately addressed in said MND, and that there is no substantial change in circumstance, additional information or project changes to warrant additional environmental review.

4. That the Agency hereby directs that repayment, in whole or in part over time, of the residual receipts loans of \$350,000 each from the City Heights and North Bay Redevelopment Project Areas 20% Low and Moderate Income Housing Set Aside Funds Lines of Credit for the implementation and development of the Verbena Affordable Apartments

Project, be credited and returned to the respective two redevelopment project areas, or their successors, to be used in accordance with the laws and restrictions then in effect.

APPROVED: MICHAEL J. AGUIRRE, General Counsel

By



Huston Carlyle
Deputy General Counsel

KDB:nda
07/02/08
07/23/08Rev.Copy
Or.Dept:Redev.Agency
RA-2009-3
MMS#5029
Comp. R-2009-25
R-2009-26
RA-2009-2
RA-2009-4
RA-2009-5

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

REDEVELOPMENT AGENCY

By: 

Jeannette Santos, Deputy Secretary

Approved: 7-24-08
(date)



JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

ATTACHMENT A

FINDINGS OF BENEFIT

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 provision and preservation of affordable housing is, in itself, a fundamental purpose of redevelopment. Any preservation of the stock of available housing for low- and moderate- income persons benefits the surrounding areas, including the project area providing the funds, by encouraging local accommodations for a diverse workforce and consumers at various income levels throughout the City.
- The use of the Housing Funds for the Project will assist in the development of a total of 79 affordable units, with 28 of the units to be made affordable for tenants earning no more than 30% of the Area Median Income, 10 of the units to be made affordable for tenants earning no more than 40% of the Area Median Income, 11 of the units to be made affordable for tenants earning no more than 50% of Area Median Income and 30 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 provision and preservation of affordable housing is, in itself, a fundamental purpose of redevelopment. Any preservation of the stock of available housing for low- and moderate- income persons benefits the surrounding areas, including the project area providing the funds, by encouraging local accommodations for a diverse workforce and consumers at various income levels throughout the City.
- The use of the Housing Funds for the Project will assist in the development of a total of 79 affordable units, with 28 of the units to be made affordable for tenants earning no more than 30% of the Area Median Income, 10 of the units to be made affordable for tenants earning no more than 40% of the Area Median Income, 11 of the units to be made affordable for tenants earning no more than 50% of Area Median Income and 30 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.

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"/>

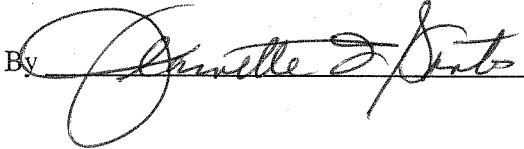
Date of final passage JUL 29 2008

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 04313