

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04315

DATE OF FINAL PASSAGE JUL 29 2008

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO MAKING CERTAIN FINDINGS RELATING TO THE USE OF LOW AND MODERATE INCOME HOUSING SET-ASIDE FUNDS OUTSIDE OF THE CITY HEIGHTS AND NORTH BAY REDEVELOPMENT PROJECT AREAS FOR THE DEVELOPMENT OF THE VERBENA AFFORDABLE APARTMENTS PROJECT LOCATED WITHIN 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, in order to carry out and implement the objectives of the Redevelopment Plan for the San Ysidro Redevelopment Project Area, the Agency 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, due to the changing conditions of the economy and the competitive projects applying for 9% tax credits, Developer requests the Agency's consideration, among other items, to increase the Agency's loan by 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; and

WHEREAS, in light of the above, the Agency and Developer desire to implement the OPA, through a First Implementation Agreement, for the Verbena Affordable Apartments Project in the San Ysidro Redevelopment Project Area, and in connection therewith will allocate an additional amount not to exceed \$1,215,000 of housing Set-Aside Funds toward the Project

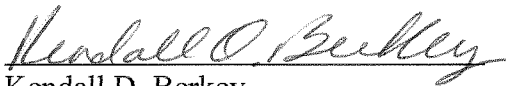
from the following funds: \$515,000 from the San Ysidro Redevelopment Project Area's 20% Low and Moderate Income Housing Set-Aside Funds and \$350,000 from the City Heights and \$350,000 from the North Bay Redevelopment Project Areas 20% Low and Moderate Income Housing Set Aside Funds Lines of Credit; and

WHEREAS, the Agency finds that the expenditure of City Heights and North Bay Redevelopment Project Area Low and Moderate Income Housing Set-Aside Funds in the amount of \$700,000 (the remaining \$515,000 is allocated from San Ysidro Project Area set-aside funds) outside of the City Heights and North Bay Redevelopment Project Areas will be of benefit to the City Heights and North Bay 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 and North Bay 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

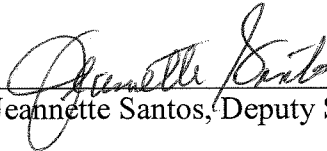
By   
Kendall D. Berkey  
Deputy Counsel

KDB:nda  
07/02/08  
Or.Dept:Redev.Agency  
RA-2009-2  
MMS#5029  
Comp. R-2009-25  
R-2009-26  
RA-2009-3  
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 its meeting of JUL 22 2008.

REDEVELOPMENT AGENCY

By   
Jeannette Santos, Deputy Secretary

Approved: 7-29-08  
(date)

  
JERRY SANDERS, Executive Director

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

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

**The City of San Diego  
CERTIFICATE OF CITY AUDITOR AND COMPTROLLER**

**CERTIFICATE OF UNALLOTTED BALANCE**

ORIGINATING

AC 2900036

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: Francisco J Lopez  
 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: \$1,215,000.00

Vendor: Verbena San Ysidro, L.P.

Purpose: Authorize the first implementation agreement per the OPA for the Verbena Project, a 80 unit affordable housing development with Verbena San Ysidro, L.P. Drawing funds will be from City Heights Housing Line of Credit for \$350,000; North Bay Housing Line of Credit for \$350,000; and San Ysidro L/M funds for \$515,000.

Date: July 8, 2008 By: Francisco J Lopez  
 AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
01	0	98202	98202	4001	4881	098204				\$350,000.00
02	0	98074	98074	4001	4881	098072				\$350,000.00
03	0	98572	98572	2009	6030	123503				\$515,000.00
TOTAL AMOUNT										\$1,215,000.00

FUND OVERRIDE

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"/>

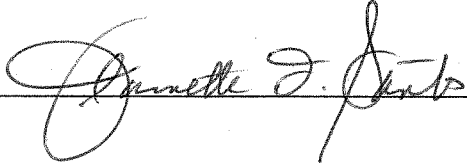
Date of final passage JUL 29 2008

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

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