

REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04325

DATE OF FINAL PASSAGE SEP 23 2008

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE FIRST IMPLEMENTATION AGREEMENT TO THE OWNER PARTICIPATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO AND PARKSIDE TERRACE, L.P. AND APPROVING THE AMENDMENT TO THE SUBORDINATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, PARKSIDE TERRACE, L.P. AND WELLS FARGO BANK FOR THE PARKSIDE 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 Centre City Redevelopment Project Area [Project Area]; and

WHEREAS, in order to carry out and implement the Redevelopment Plan for the Project Area, the Agency entered into that certain Owner Participation Agreement [OPA] with Parkside Terrace, L.P., a California, limited partnership [Developer], on September 6, 2007; a copy of the OPA is on file in the office of the secretary to the Agency as Document No. D-04162 / R-04162; and

WHEREAS, the OPA governs the development of a mixed-use project with affordable rental housing known as the Parkside Project, consisting of a six-story project containing 77 apartments (76 affordable), 13,205 square feet of commercial space and 92 underground parking spaces [Project], located on the north side of Island Avenue between 13th and 14th Streets in the East Village Redevelopment District of the Expansion Sub Area of the Project Area; and

WHEREAS, pursuant to the OPA, the Agency agreed to assist with financing a portion of the acquisition and development costs of the Parkside Project by providing a residual receipts loan to the Developer in an amount not to exceed \$13,800,000 [Agency Loan] from the Agency's 20% Low and Moderate Income Housing Set-Aside Funds from the Project Area; and

WHEREAS, due to an increase in development costs, the Agency and Developer propose to amend the OPA, pursuant to the terms and conditions of the First Implementation Agreement, and to amend the Subordination Agreement dated February 27, 2008, in order to subordinate the Agency Loan to the increased permanent loan of \$4,766,200; and

WHEREAS, in light of the above, the Agency and the Developer propose that the Agency amend the OPA by the First Implementation Agreement and amend the Subordination Agreement dated February 27, 2008 by the Amendment thereto in order to subordinate the Agency Loan to the increased permanent loan of \$4,766,200 for the Parkside Project, and to make certain other revisions to the OPA and its Attachments that are consistent herewith; and

WHEREAS, the Board of Directors of the Centre City Development Corporation has reviewed and discussed the First Implementation Agreement and Amendment to Subordination Agreement, as presented in a staff report at the Corporation's Board meeting on May 28, 2008, and the Board has recommended that the Agency approve and enter into the First Implementation Agreement and the Amendment to Subordination Agreement; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed First Implementation Agreement and Amendment to Subordination Agreement and believes that the changes contained therein are in the best interest of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposed 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 authorizes subordination of the Agency Loan as described in the Owner Participation Agreement [OPA] to the increased permanent loan of \$4,766,200.

2. That the Agency approves the First Implementation Agreement to the OPA together with its Exhibits, a copy of the First Implementation Agreement shall be placed on file in the office of the secretary of the Agency as Document No. D- 04325 a.

3. That the Agency approves the Amendment to Subordination Agreement, a copy of which shall be placed on file in the office of the secretary of the Agency as Document No. D- 04325 b.

4. 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 the Amendment to Subordination Agreement, to execute all other documents necessary and appropriate to carry out and implement the First Implementation Agreement to the OPA, and to administer the Agency's obligations, responsibilities and duties to be performed thereunder.

5. That the Agency finds and determines that the Agency has previously reviewed and considered the information contained in the Final Environmental Impact Report for the San Diego Downtown Community Plan, the Centre City Planned District Ordinance and Tenth Amendment to the Redevelopment Plan for the Centre City Redevelopment Project and contained in the Environmental Secondary Study relating to the development of the Parkside Project and related activities in compliance with the California Environmental Quality Act [CEQA], the adopted State and local regulations and guidelines, and the Agency's amended "Procedures for Implementation of CEQA and the State Guidelines".

6. That the Agency finds and determines that the aforementioned environmental documents adequately cover the activities proposed herein as part of the previously approved project, that these activities are not separate projects for purposes of review under CEQA pursuant to CEQA Guidelines Sections 15060(c)(3), 15180, and 15378(c), 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
09/17/08
09/17/08Cor.Copy
Or.Dept:CCDC
RA-2009-15
MMS#4205

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of SEP 16 2008

REDEVELOPMENT AGENCY

By Jeannette Santos
Jeannette Santos, Deputy Secretary

Approved: 9-23-08
(date)

Jerry Sanders
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

AC 2700819

ORIGINATING

DEPT. NO: 9960

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.

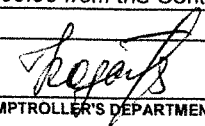
Not to Exceed: \$13,800,000.00

Vendor: Parkside Terrace, L.P.

Purpose: Authorizing the expenditure of funds for new Owner Participation Agreement to develop a mixed-use project to contain 77 apartments on the subject site with an agency loan in an amount not to exceed \$13,800,000.00 from the Centre City Redevelopment Low and Moderate Income Housing Fund.

Date: June 11, 2007

By: Larissa Kogay



AUDITOR AND COMPTROLLER'S DEPARTMENT

| ACCOUNTING DATA | | | | | | | | | | |
|---------------------|-------|-------|--------|---------|---------|-----------|----------------------|----------------|----------|------------------------|
| ACCTG. LINE | CY PY | FUND | DEPT | ORGANIZ | ACCOUNT | JOB ORDER | OPERATION ACCOUNT | BENF/ EQUIP | FACILITY | AMOUNT |
| 001 | 0 | 98881 | 98882 | 2007 | 6030 | 015401 | | | | \$6,000,000.00 |
| 002 | 0 | 98881 | 988832 | 2007 | 6030 | 015401 | | | | 7,800,000.00 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| TOTAL AMOUNT | | | | | | | | | | \$13,800,000.00 |

AC-361 (REV 2-92)

FUND OVERRIDE

AC 2700819

Passed by the Redevelopment Agency of The City of San Diego on SEP 16 2008, by the following vote:

| Agency Members | Yeas | Nays | Not Present | Ineligible |
|-------------------|-------------------------------------|--------------------------|--------------------------|-------------------------------------|
| Scott Peters | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 SEP 23 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-04325