

5-40 Items 1+3
Sp RA 7/19 10/28/08
(RA-2009-36)

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04347

DATE OF FINAL PASSAGE NOV 0 4 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 SYEP ASSOCIATES, L.P. AND APPROVING THE SUBORDINATION AGREEMENTS BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, SYEP ASSOCIATES, L.P. AND SA AFFORDABLE HOUSING, LLC FOR THE EL PEDREGAL FAMILY 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 entered into an Owner Participation Agreement [OPA] with SYEP Associates, a California limited partnership [Developer], on or about July 11, 2007, for the El Pedregal Family Apartments Project; a copy of the OPA is on file in the office of the secretary to the Agency as Document No. D-04172 / R-04172; and

WHEREAS, the OPA governs the development of low income residential rental apartments known as the El Pedregal Family Apartments Project that incorporates 45 rental dwelling units, of which 44 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 90 subterranean and 15 surface 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 \$3,606,000 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 Naval Training Center Redevelopment Project Area; and

WHEREAS, due to the changing conditions of the economy, Developer requests the Agency's consideration of revisions to the financing structure for the development of the Project which includes, among other items, increasing the Agency's loan by an additional amount not to exceed \$1,036,639 to be funded from the San Ysidro Redevelopment Project Area's 20% Low and Moderate Income Housing Set-Aside Funds, and increasing the construction loan to \$10,633,071 and decreasing the permanent loan to \$2,683,362, to which both the Agency's loan will be subordinate; 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 a total amount not to exceed \$4,642,639, and by making certain other revisions to the OPA and its Attachments that are a result of changed funding sources and project details and/or that are in the best interests of the Parties; and

WHEREAS, the closing on the Agency's loan is anticipated to occur within the next few months and, as such, the Agency and Developer desire to obtain the Agency's consideration of the Subordination Agreements for the construction loan totaling \$10,633,071 and then the permanent loan totaling \$2,683,362; and

WHEREAS, the Agency has duly considered all of the terms and conditions provided in the proposed First Implementation Agreement to the OPA and the Subordination Agreements and determines that the First Implementation Agreement and Subordination Agreements 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 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- 04347.

3. That the Agency authorizes subordination of the Agency Loan as described in the First Implementation Agreement to the OPA to the construction loan of \$10,633,071 and the permanent loan of \$2,683,362.

4. That the Agency approves the Subordination Agreements, copies of which shall be placed on file in the office of the secretary of the Agency as Document No.

D- 04347a, and Document No. D- 04347 b.

5. 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 Subordination Agreements, to execute 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 to the OPA.

6. 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 MND No. 106926, 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
10/14/08
Or.Dept:Redev.Agency
RA-2009-36
MMS#3803
Comp. RA-2009-35

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of OCT 28 2008.

REDEVELOPMENT AGENCY

By Jeannette Santos
Jeannette Santos, Deputy Secretary

Approved: 11-2-08
(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 2900322

ORIGINATING DEPT. NO.: 9975

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: \$1,036,639.00

Vendor: SYEP Associates, L.P.

Purpose: Authorizing the expenditure of funds for the 1st Implementation Agreement to Owner Participation Agreement and Suborination Agreements for the El Pedregal Project.

Date: October 21, 2008 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 | | 98572 | 98572 | 2009 | 6030 | 123504 | | | | \$1,036,639.00 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| TOTAL AMOUNT | | | | | | | | | | \$1,036,639.00 |

FUND OVERRIDE

Passed by the Redevelopment Agency of The City of San Diego on OCT 28 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 type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

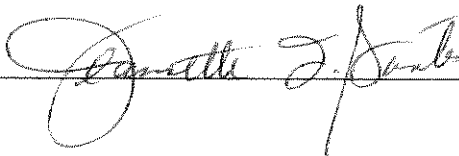
Date of final passage NOV 04 2008

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 <u>R-04347</u> |