

REDEVELOPMENT AGENCY OF  
THE CITY OF SAN DIEGO



RESOLUTION NUMBER R- 04568

DATE OF FINAL PASSAGE SEP 22 2010

A RESOLUTION OF THE REDEVELOPMENT AGENCY  
OF THE CITY OF SAN DIEGO ADOPTING A  
REPLACEMENT HOUSING PLAN FOR THE MASON  
HOTEL LOCATED WITHIN THE CORTEZ  
REDEVELOPMENT DISTRICT OF THE EXPANSION SUB  
AREA OF THE CENTRE CITY REDEVELOPMENT  
PROJECT.

WHEREAS, The Mason, L.P., a California limited partnership (Developer), proposes to rehabilitate the Mason Hotel, a 27-unit Single Room Occupancy (SRO) Hotel located at 1337-1345 Fifth Avenue (Property) within the Cortez Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (Project Area), into a 17-unit SRO Hotel with larger studios with private bathrooms and kitchenettes to be used as supportive housing for homeless or people at risk of homelessness with mental disability (Project); and

WHEREAS, the 27 SRO units are restricted to be rented to individuals earning no more than 50 percent of the Area Median Income (AMI) pursuant to the Agreement Affecting Real Property recorded against the Property in the Official Records of San Diego County (County Records) by the Redevelopment Agency of the City of San Diego (Agency) on June 4, 2002; and

WHEREAS, the Property was damaged by a fire in 2004 and has been vacant to date; and

WHEREAS, pursuant to the Deed of Trust securing the Second Agency Loan with Assignment of Rents, recorded against the Property in the County Records by the Agency on

June 9, 1994, and Modification to Deed of Trust, recorded against the Property in the County Records on June 4, 2002, the Agency is entitled to the proceeds of the fire insurance policy in the event the Property is damaged by fire; and

WHEREAS, the Developer received insurance proceeds in the approximate amount of \$600,000 for the fire damage to the Property that occurred in 2004; and

WHEREAS, the Developer requested that the Agency allow the Developer to use the insurance proceeds for rehabilitation of the Property; and

WHEREAS, the Agency will consider, at a future date, an owner participation agreement whereby the Developer would be obligated to use the insurance proceeds solely to rehabilitate the Property for the proposed use; and

WHEREAS, California Health and Safety Code section 33413(a) requires that, whenever dwelling units occupied by persons and families of low or moderate income are destroyed or removed from the low and moderate income housing market as part of a redevelopment project that is subject to a written agreement with the Agency, the Agency shall, within 4 years of the destruction or removal, rehabilitate, develop or construct, or cause to be rehabilitated, developed or constructed, for rental or sale to persons and families of the same or lower income, an equal number of replacement dwelling units that have an equal or greater number of bedrooms as those destroyed or removed dwelling units at affordable housing costs within the territorial jurisdiction of the Agency; and

WHEREAS, California Health and Safety Code section 33413.5 requires that, not less than 30 days prior to the execution of an owner participation agreement which would lead to the destruction or removal of dwelling units from the low- and moderate-income housing market, the Agency shall adopt by Resolution a replacement housing plan, a draft of which

shall be made available for review and comment by the project area committee, other public agencies and the general public for a reasonable time prior to its adoption by the Agency; and

WHEREAS, the replacement housing plan must contain the following components:

(i) the general location of housing to be rehabilitated, developed or constructed, (ii) an adequate means of financing such rehabilitation, development or construction, (iii) a finding that the replacement housing does not require the approval of the voters pursuant to Article XXXIV of the California Constitution, or that such approval has been obtained, (iv) the number of dwelling units occupied by persons and families of low or moderate income planned for construction or rehabilitation, and (v) the timetable for meeting the replacement housing plan's relocation, rehabilitation and replacement housing objectives; and

WHEREAS, rehabilitation of the Property will result in the loss of 10 of the 26 SRO units restricted at 50 percent AMI; and

WHEREAS, in accordance with California Health and Safety Code section 33413.5, the Agency prepared a Replacement Housing Plan (Plan) containing such components for the proposed Project; and

WHEREAS, the 15<sup>th</sup> and Commercial affordable housing project has been identified as the replacement housing project, which includes 150 transitional housing beds restricted at 30 percent AMI, 64 affordable living units restricted at 50 percent AMI and one unrestricted manager's unit; and

WHEREAS, 10 of the 64 affordable living units restricted at 50 percent AMI will be designated as replacement units for the Mason Hotel (Replacement Housing); and

WHEREAS, the Replacement Housing Plan was made available for a reasonable time for review and comment by the Project Area Committee of the Project Area, the general public and other public agencies; NOW, THEREFORE,

BE IT RESOLVED, by the Redevelopment Agency of the City of San Diego (Agency) that the Agency hereby adopts the Replacement Housing Plan for the Mason Hotel located in the Centre City Redevelopment Project Area; a copy of the Replacement Housing Plan shall be placed on file in the office of the Secretary of the Agency as Document No.

04568

APPROVED: JAN I. GOLDSMITH, GENERAL COUNSEL

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

KDB:nja  
August 25, 2010  
Or.Dept:CCDC  
RA-2011-16  
PL#2010-00900

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of SEP 14 2010.

REDEVELOPMENT AGENCY

By Jeannette Santos  
Jeannette Santos, Deputy Secretary

Approved: 9-22-10  
(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 SEP 14 2010, by the following vote:

Agency Members	Yeas	Nays	Not Present	Recused
Sherri Lightner	<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"/>
Todd Gloria	<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"/>
Carl DeMaio	<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"/>
Marti Emerald	<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 SEP 22 2010

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- 04568