

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04582

DATE OF FINAL PASSAGE NOV 29 2010



A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE OWNER PARTICIPATION AGREEMENT WITH MASON APARTMENTS L.P. FOR THE REHABILITATION OF THE MASON HOTEL LOCATED AT 1337-1345 FIFTH AVENUE, WITHIN THE CENTRE CITY REDEVELOPMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of the City of San Diego (Agency) is involved in certain activities necessary to carry out and implement the Redevelopment Plan for the Centre City Redevelopment Project Area (Project Area); and

WHEREAS, the Centre City Development Corporation (CCDC) is responsible for implementing redevelopment projects in the Project Area; and

WHEREAS, the Mason Hotel is a three-story 27-unit Single Room Occupancy Hotel located at 1337-1345 Fifth Avenue which the Agency acquired in 1993; and

WHEREAS, the Agency conveyed the Mason Hotel property to Housing Opportunities, Inc. (HOI), a non-profit affordable housing developer, pursuant to a Disposition and Development Agreement with HOI dated November 1, 1993; and

WHEREAS, the Agency provided two loans to HOI in the total amount of \$641,113 for the acquisition and rehabilitation of the Mason Hotel property; and

WHEREAS, in 2002 HOI sold the Mason Hotel property to Housing Development Partners of San Diego (HDP), a subsidiary of the San Diego Housing Commission, which assumed the existing loans and rehabilitated the building; and

WHEREAS, at this time, the Agency consolidated the balances of the two Agency loans including the accrued interest into one loan in the principal amount of \$885,944 with simple interest of five percent evidenced by an Agency Note and Deed of Trust, and recorded an Agreement Affecting Real Property (AARP) which restricts 26 units to persons of very low income earning no more than 50 percent of the Area Median Income; and

WHEREAS, in December 2004, there was a fire in the building and the Mason Hotel property became uninhabitable and been vacant since that time; and

WHEREAS, the Agency is entitled to the proceeds of the fire insurance policy on the Mason Hotel property; and

WHEREAS, HDP has partnered with Affirmed Housing Group (AHG) to form Mason Apartments, L.P., a single asset entity, (Developer) to own and operate the Mason Hotel property in which HDP will serve as the managing general partner and AHG will serve as the administrative general partner and will be responsible for the financing and rehabilitation of the Mason Hotel; and

WHEREAS, the Agency will allow Developer to use the insurance proceeds for rehabilitation of the Mason Hotel property pursuant to the proposed Owner Participation Agreement; and

WHEREAS, Developer will rehabilitate and reconfigure the Mason Hotel Property to create sixteen restricted studio units with private bathrooms, one unrestricted manager's unit, and approximately 2,070 square feet of ground floor retail space to serve as a supportive housing for mentally disabled adults, pursuant to the proposed Owner Participation Agreement; and

WHEREAS, pursuant to the terms of the proposed Owner Participation Agreement, the Agency Note, Deed of Trust and AARP will be assigned from HDP to Developer and the interest

on the Agency Note will be reduced from five percent to three percent, in addition to other terms;

NOW, THEREFORE,

BE IT RESOLVED, by the Redevelopment Agency of the City of San Diego, as follows:

1. That the Agency approves the Owner Participation Agreement and the terms and conditions thereof. A copy of the Owner Participation Agreement is on file in the office of the Secretary to the Agency as Document No. D- 04582.

2. That the Executive Director of the Agency, or designee, is authorized for and on behalf of the Agency to execute the Owner Participation Agreement for and on behalf of the Agency and all other documents necessary and appropriate to carry out and implement the Owner Participation Agreement according to its terms, and to administer the Agency's obligations, responsibilities and duties to be performed under the Owner Participation Agreement.

APPROVED: JAN I. GOLDSMITH, General Counsel

By

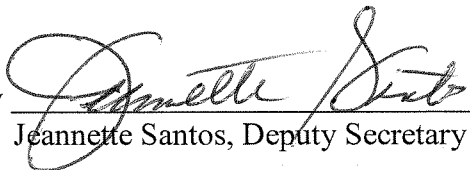


Elisa A. Cusato
Deputy General Counsel

EAC:js/nja
11/02/10
11/19/10 Cor.Copy
Or.Dept:Redev.Agency
RA-2011-30
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 NOV 16 2010.

REDEVELOPMENT AGENCY

By 
Jeannette Santos, Deputy Secretary

Approved: 11-24-10
(date)


JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

Passed by the Redevelopment Agency of The City of San Diego on NOV 16 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

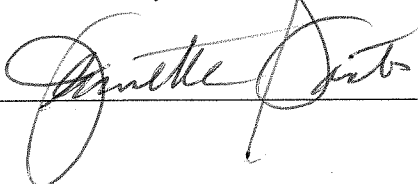
Date of final passage NOV 29 2010.

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

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