



REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04583

DATE OF FINAL PASSAGE DEC 07 2010

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING A LOAN MODIFICATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND SYEP ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE EL PEDREGAL FAMILY APARTMENTS AND AUTHORIZING THE EXECUTIVE DIRECTOR, OR DESIGNEE, TO EXECUTE THE AGREEMENT.

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

WHEREAS, in order to carry out and implement the Redevelopment Plan, Agency has entered into that certain Owner Participation Agreement dated as of July 11, 2007, as amended by that certain First Implementation Agreement dated as of October 28, 2008 (as amended, the OPA), with Global Premier Development, dba SYEP Associates, a California Limited Partnership (Borrower) for development of the El Pedregal Family Apartments, a 45-unit affordable housing project (Improvements) located at 104 Averil Road (Property), within the Project Area (the Project); and

WHEREAS, pursuant to Section 324 of the OPA, after completion of the construction of the Improvements as required by the OPA and at the request of Borrower, Agency is required to

issue for recordation a Release of Construction Covenants (Release) acknowledging the completion of the construction and development required by the OPA relating to the Property and releasing certain obligations and rights of Borrower and Agency set forth in the OPA; and

WHEREAS, Borrower has completed the construction and development required by the OPA relating to the Property as required by the OPA and has requested that Agency issue the Release; and

WHEREAS, Agency has inspected the Property and determined that the construction and development required by the OPA relating to the Property have been satisfactorily completed and all other conditions for issuance of the Release have been met; and

WHEREAS, in light of the above, Agency now desires to issue the Release pursuant to the terms and conditions of the OPA; and

WHEREAS, pursuant to the OPA, Agency and Borrower entered into certain loan documents (Agency Loan Documents); and

WHEREAS, Agency and Borrower now desire to make changes to selected Agency Loan Documents as set forth in a proposed loan modification agreement (Loan Modification Agreement); and

WHEREAS, the Loan Modification Agreement would (i) direct Agency to issue the Release to Borrower; (ii) permit Borrower to refinance its permanent loan for the Project, borrowing an additional amount of approximately \$1,100,000 with the Agency Loan Documents remaining in a subordinate position; (iii) require Borrower's deferred developer fee to be paid off immediately, accelerating the commencement of Agency's receipt of its share of residual receipts generated by the Project by an estimated 8 years; (iv) increase the net present value of

Agency's share of residual receipts to be generated by the Project by an estimated \$107,000; and  
(v) require Borrower to reimburse Agency's third-party costs in connection with the Loan Modification Agreement; and

WHEREAS, the Loan Modification Agreement provides that should the close of escrow for the new permanent loan not occur on or before December 1, 2011, the Loan Modification Agreement would terminate; and

WHEREAS, the City of San Diego has previously certified the information contained in a Mitigated Negative Declaration (MND) for the Project, referenced by MND No. 106926; and

WHEREAS, the Project was adequately addressed in the MND, and there is no substantial change in circumstance, additional information or project changes to warrant additional environmental review; and

WHEREAS, Agency has duly considered all terms and conditions of the proposed Loan Modification Agreement and believes that the conditions contained therein are in the best interests of the Project Area and the health, safety, morale and welfare of its residents, and in accordance with the public purposes and provisions of applicable state and local law and requirements; and

WHEREAS, pursuant to Article II, section 1 of the Bylaws of the Agency, the City Attorney acts as General Counsel for the Agency; and

WHEREAS, effective on March 1, 2007, by Resolution Number R-04124, the Agency authorized an Agreement for Legal Services (Legal Services Agreement) with Kane, Ballmer & Berkman (Special Counsel) in which Special Counsel agrees to render legal services to the Agency under the direction of the City Attorney on an "as needed" basis; and

WHEREAS, the Agency approved the First Amendment to the Legal Services Agreement pursuant to Resolution Number R-04251 effective April 8, 2008; the Second Amendment to the Legal Services Agreement pursuant to Resolution Number R-04393 effective May 4, 2009; and the Third Amendment to the Legal Services Agreement pursuant to Resolution Number R-04483 effective March 5, 2010; and

WHEREAS, the City Attorney has determined that the City Attorney's Office has insufficient personnel to handle the El Pedregal Family Apartments matter and that the services of Special Counsel are therefore needed; and

WHEREAS, Special Counsel has drafted the Loan Modification Agreement and has approved the Loan Modification Agreement as to form and legality; and

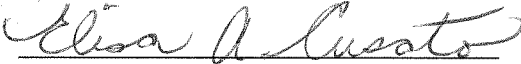
WHEREAS, based on Special Counsel's legal review and approval of such contract, the City Attorney, acting as General Counsel, has drafted this Resolution; NOW, THEREFORE,

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

1. That the Agency finds and determines that all recitals set forth in this Resolution are true and correct and fully incorporated herein by this reference.
2. That the Agency approves the Loan Modification Agreement and all related documents and the terms and conditions thereof.
3. That the Agency authorizes the Executive Director of Agency, or designee, to execute the Loan Modification Agreement and all related documents, for and on behalf of Agency. A copy of the Loan Modification Agreement, when executed by Agency, shall be placed on file with the secretary of Agency as Document No. D- 04583.

4. That the Agency authorizes the Executive Director of Agency, or designee, on behalf of Agency, to sign all documents necessary and appropriate to carry out and implement the Loan Modification Agreement and to administer Agency's obligations, responsibilities and duties to be performed thereunder.


APPROVED: JAN I. GOLDSMITH, General Counsel

By   
Elisa A. Cusato  
Deputy General Counsel

EAC:nj:mm  
11/12/2010  
Or.Dept:Redev.Agency  
RA-2011-46  
PL#2010-01467

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of NOV 30 2010

REDEVELOPMENT AGENCY

By   
Jeannette Santos, Deputy Secretary

Approved: 12-7-10  
(date)

  
JERRY SANDERS, Executive Director

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

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

NOV 30 2010

Passed by the Redevelopment Agency of The City of San Diego on \_\_\_\_\_, 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 DEC 07 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- 04583