



REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04588

DATE OF FINAL PASSAGE DEC 07 2010

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO (i) APPROVING THE OWNER PARTICIPATION AGREEMENT WITH AMCAL MISSION FUND, L.P. (DEVELOPER) FOR THE MISSION APARTMENTS PROJECT (PROJECT) IN THE NORTH BAY PROJECT AREA, (ii) AUTHORIZING THE APPROPRIATION AND EXPENDITURE OF NORTH BAY LOW AND MODERATE INCOME HOUSING FUNDS IN AN AMOUNT NOT TO EXCEED \$6,000,000 AS A RESIDUAL RECEIPTS LOAN TO THE DEVELOPER FOR THE PROJECT PURSUANT TO THE OPA, (iii) APPROVING THE BASIC CONCEPT DRAWINGS FOR THE PROJECT; AND (iv) APPROVING OTHER ACTIONS TO IMPLEMENT THE PROJECT AND THE OPA.

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 North Bay Redevelopment Project (Redevelopment Plan); and

WHEREAS, the Agency has adopted an Implementation Plan for the North Bay Redevelopment Project (Implementation Plan) in accordance with California Health and Safety Code Section 33490, which is part of the California Community Redevelopment Law (CRL), California Health and Safety Code Section 33000 et seq.; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Agency has negotiated and proposes to enter into an Owner Participation Agreement (OPA) with AMCAL Mission Fund, L.P., a California limited partnership (Developer), pursuant to which the Agency will provide up to six million dollars (\$6,000,000) to the Developer in the form of a residual receipts loan to assist in financing the construction of the Mission Apartments Project, a low-income residential project consisting of 84 very low and low income housing units and 1

housing unit which shall be designated as an unrestricted manager's unit (Project), to be located on the Site (defined below), as more specifically defined and provided for in the OPA; and

WHEREAS, the OPA contemplates that the San Diego Housing Commission (Housing Commission) will purchase the two parcels located at 1815 and 1847 Hancock Street in the City of San Diego (collectively the "Site"), within the North Bay Redevelopment Project Area (Project Area) from the Developer, and in turn, the Housing Commission will enter into a 65-year ground lease with the Developer (Leasehold); and

WHEREAS, the Housing Commission will retain the right to acquire the Leasehold improvements located on the Site from the Developer at the end of the tax credit compliance period, which is expected to be approximately 15 years after the completion of the Project, as more specifically provided for in the OPA; and

WHEREAS, in accordance with the OPA, 65-year affordability covenants related to the 84 income-restricted residential units (Affordable Units) will be recorded in a first-priority lien position against both the fee title to the Site and the long-term Leasehold interest owned by the Developer; and

WHEREAS, the OPA contemplates that the Agency will issue to the Developer a residual receipts loan in an amount not to exceed \$6,000,000 (Agency Loan), to be derived from the Low and Moderate-Income Housing Fund established by the Agency for the Project Area pursuant to Section 33334.3 of the CRL; and

WHEREAS, repayment of the Agency Loan from residual receipts derived from the operation of the Project will be secured by a deed of trust and other related security instruments in favor of the Agency (collectively, Agency Security Instruments) and such Agency Security Instruments shall be recorded against the Leasehold estate as applicable; and

WHEREAS, if the Housing Commission exercises its option to acquire the Leasehold improvements from the Developer at the end of the tax credit compliance period, then the Housing Commission will elect whether to repay the entire balance owed on the Agency Loan or assume the entire balance of the Agency Loan and allow the Agency Security Instruments to be recorded against the fee title to the Site; and

WHEREAS, the Site is presently vacant and the Project will not result in the displacement of any residents or businesses, such that neither a relocation plan nor a replacement housing plan will be required in connection with the Project; and

WHEREAS, in accordance with the OPA, the Developer has submitted to the Agency, and the Agency has reviewed, the Basic Concept Drawings pertaining to the Project, which plans are attached to the Agency staff report for this action; and

WHEREAS, a Mitigated Negative Declaration referenced by Project No. 52078 (MND) was prepared in accordance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq., as amended) (CEQA) and the State Guidelines thereto and certified by the City Council of the City of San Diego concurrently with the approval of the Community Plan Amendment and Planned Development Permit for the Project on July 12, 2010 (City Council Resolution No. 2010-957), which includes an associated Mitigation Monitoring and Reporting Program; and

WHEREAS, this activity will not result in a direct or reasonable foreseeable indirect physical change in the environment, and therefore is not subject to CEQA pursuant to State CEQA Guidelines Section 15060 (c) (2); and

WHEREAS, the Agency believes that the Project, the Agency Loan and the OPA are in the best interests of the Project Area, 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; 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 (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 Agreement pursuant to Resolution Number R-04251 effective April 8, 2008; the Second Amendment to the Agreement pursuant to Resolution Number R-04393 effective May 4, 2009; and the Third Amendment to the 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 Project and that the services of Special Counsel are therefore needed; and

WHEREAS, Special Counsel has drafted the OPA and all attachments thereto, including but not limited to the Agency Security Instruments, and has approved the OPA and all attachments thereto, including but not limited to the Agency Security Instruments, as to form and legality; and

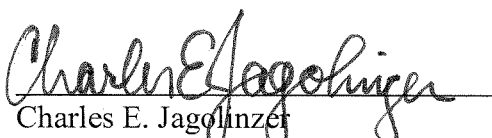
WHEREAS, based on Special Counsel's legal review and approval of such contract, the City Attorney, acting as General Counsel, has drafted this Resolution; NOW, THEREFORE,

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

1. That the Agency recognizes that it has received and heard any and all oral and written objections to the proposed OPA with AMCAL Mission Fund, L.P., for the Project, and that all such oral and written objections are overruled.
2. That the Agency approves the OPA, including all attachments and exhibits thereto.
3. That the Agency authorizes the City of San Diego's Chief Financial Officer, as delegated, to appropriate and expend an amount not to exceed \$6,000,000 from the North Bay Redevelopment Project Area's Low and Moderate Income Housing Fund.
4. That the Agency's Executive Director, or designee, is authorized, on behalf of the Agency, to execute the OPA, including all attachments and exhibits thereto requiring the Agency's signature; a copy of the OPA, when fully executed, shall be placed on file in the office of the Secretary of the Agency as Document No. D- 04588.
5. That the Agency's Executive Director, or designee, is authorized, on behalf of the Agency, to sign all documents necessary and appropriate to carry out and implement the OPA and this Resolution and to administer the Agency's obligations, responsibilities and duties to be performed under the OPA, including all attachments and exhibits thereto, and this Resolution.
6. That the Agency approves the Project and specifically approves the Basic Concept Drawings for the Project submitted by the Developer.

7. That the Agency hereby amends the Fiscal Year 2011 budget for the North Bay Redevelopment Project Area to include the receipt of \$75,000 from the Developer for costs pertaining to the OPA.

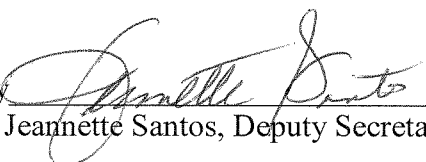
APPROVED: JAN I. GOLDSMITH, General Counsel

By 
Charles E. Jagolinzer
Deputy General Counsel

CEJ:nja
11/09/10
11/29/10 Cor.Copy
Cert.No: 3000003733
Or.Dept:Redev.Agency
RA-2011-40
PL#2010-01776

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

**The City of San Diego
COMPTROLLER'S CERTIFICATE**

CERTIFICATE OF UNALLOTTED BALANCE

ORIGINATING

CC 3000003733
DEPT. _____
NO. _____

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: _____
COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA

Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original 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: _____ \$6,000,000.00

Vendor: AMCAL Mission Fund, L.P. Developer

Purpose: e1472 - OPA with Vendor for a Residual Receipt Loan for the Mission Apartments Project. This a a North Bay Low/Mod RDA project.

Date: November 9, 2010 By: Francisco J Lopez
COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA

Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
001	200541	975400105000	975400105101	OTHR-15-NS	512025	2275	2275400011		\$6,000,000.00
TOTAL AMOUNT									\$6,000,000.00

FUND OVERRIDE ☐

CC 3000003733

Passed by the Redevelopment Agency of The City of San Diego on NOV 30 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 DEC 07 2010

AUTHENTICATED BY:

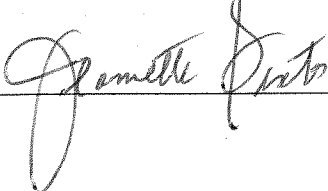
JERRY SANDERS

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- 04588