



## REDEVELOPMENT AGENCY OF

## THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04604DATE OF FINAL PASSAGE FEB 18 2011

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE (1) REFINANCE AGREEMENT BETWEEN THE AGENCY AND 900 F STREET PARTNERS, L.P. FOR THE 900 F STREET PROJECT LOCATED IN THE EAST VILLAGE REDEVELOPMENT DISTRICT OF THE EXPANSION SUB AREA OF THE CENTRE CITY REDEVELOPMENT PROJECT; (2) AMENDMENT TO AGREEMENT AFFECTING REAL PROPERTY (INCLUDING RENTAL RESTRICTIONS) BETWEEN THE AGENCY AND 900 F STREET PARTNERS, L.P.; (3) AMENDMENT TO PAYMENT AGREEMENT BETWEEN THE AGENCY AND 900 F STREET PARTNERS, L.P.; (4) AMENDED AND RESTATED AGENCY PROMISSORY NOTE; (5) ADMINISTRATION AGREEMENT BETWEEN THE AGENCY, 900 F STREET PARTNERS, L.P. AND THE SAN DIEGO HOUSING COMMISSION; (6) AMENDED AND RESTATED DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (WITH ASSIGNMENT OF RENTS) FOR THE BENEFIT OF THE AGENCY; (7) SUBORDINATION AGREEMENT BETWEEN THE AGENCY, 900 F STREET PARTNERS, L.P. AND GREYSTONE BANK; AND (8) OTHER ACTIONS TO IMPLEMENT THE PROJECT AND THE REFINANCE 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 for the Centre City Redevelopment Project (Project Area); and

WHEREAS, the Centre City Development Corporation, Inc. (Corporation) is authorized to administer, on behalf of the Agency, the Project Area; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Agency and 900 F Street Partners L.P., a California limited partnership (Developer), entered into that

certain Disposition and Development Agreement dated March 13, 1997, as amended by the Implementation Agreement dated April 24, 1998, the Second Implementation Agreement dated November 13, 1998, and the Third Implementation Agreement dated March 26, 1999 (collectively referred to as the "Agreement"); and

WHEREAS, the Agreement provides for the conveyance by Agency to Developer of that certain real property located at 900 F Street in the City of San Diego also known as APN. 534-33-10 and as legally described in Attachment No. 1A of the Agreement (Site) and the development thereon of a mixed use project with a total of 115 residential and live/work units, 86 units of which are affordable and rented exclusively to moderate income households (Affordable Units), and approximately 1,123 square feet of retail/commercial space located on the Site (Project) as more particularly described in the Agreement; and

WHEREAS, pursuant to the Agreement the Agency permitted the Site to be sold to Developer for a cash purchase price which the parties acknowledge is at least \$1,300,000 less than the sum total of the costs to the Agency to acquire and hold the Site (Agency Costs Loan). In addition Agency made a loan to Developer in the amount of \$2,000,000 (\$2,000,000 Agency Loan). The Agency Costs Loan is evidenced by that certain Payment Agreement dated March 23, 1999 and recorded on July 30, 1999 in the Official Records of the County of San Diego as Document No. 1999-0528251 (Payment Agreement). The \$2,000,000 Agency Loan is evidenced by (i) that certain Promissory Note to the Redevelopment Agency of the City of San Diego executed by Developer in favor of the Agency on July 29, 1999 (Agency Promissory Note) and (ii) that certain Payment Agreement. The Agency Costs Loan and the \$2,000,000 Agency Loan are collectively referred to herein as the "Agency Loan"; and

WHEREAS, in accordance with the Agreement, 45-year affordability covenants (Affordability Covenants) related to the income restricted Affordable Units were recorded against the Site; and

WHEREAS, the Agency Loan and the Affordability Covenants are subordinate to the Developer's mortgage loan in the amount of \$ 12,830,500 insured by the U.S. Department of Housing and Urban Development (HUD) pursuant to Section 221(d)(4) of the Insured Mortgage Loan Program of (HUD Insured Loan); and

WHEREAS, the Developer desires to refinance their HUD Insured Loan and is requesting the Agency (i) approve the refinance of the HUD Insured Loan, (ii) subordinate the Agency Loan and the Affordability Covenants to the refinanced HUD Insured Loan in an amount not to exceed \$12,830,500 and the related HUD regulatory agreement, (iii) amend the Payment Agreement and the Agency Promissory Note to reflect the new refinanced HUD Insured Loan, and to extend the respective maturity dates contained therein such that the respective maturity dates in the Agency Promissory Note and Payment Agreement occur on or soon after the maturity date of the promissory note evidencing the refinanced HUD Insured Loan as required by HUD regulations; and

WHEREAS, in connection with Developer's request to refinance their existing HUD Insured Loan, the Agency desires to (i) amend the Affordability Covenants to, among other things, extend the term of the affordability restrictions, (ii) record an Amended and Restated Deed of Trust, Security Agreement and Fixture Filing (With Assignment Of Rents) (Amended and Restated Deed of Trust) to secure the Amended and Restated Note and the Payment Agreement and, (iii) execute an Administration Agreement between the Developer, Agency and the San Diego Housing Commission relating to the monitoring of the Affordable Units; and

WHEREAS, in light of the above, the Agency and Developer desire to amend the Agreement pursuant to the terms and conditions of the Refinance Agreement, Administration Agreement, Amended and Restated Deed of Trust, Amendment to Agreement Affecting Real Property, Amended and Restated Agency Promissory Note, Amendment to Payment Agreement, and Subordination Agreement with Greystone Bank, lender of refinance loan, (collectively referred to as the "Refinance Agreement"); and

WHEREAS, this activity is not a "project" for purposes of the California Environmental Quality Act (CEQA) because it does not fit within the definition of a "project" set forth in Public Resources Code Section 21065 or State CEQA Guidelines Section 15378 and thus this activity is not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3); and

WHEREAS the Corporation's Board of Directors reviewed and discussed the proposed terms, conditions and parameters contained in the Refinance Agreement and voted to recommend to the Agency that the Agency approve and enter into such agreements; and

WHEREAS, the Agency has duly considered the recommendation of the Corporation and all of the terms and conditions provided in the proposed Refinance Agreement including the following attachments thereto: Amendment to Agreement Affecting Real Property (Including Rental Restrictions), Amendment to Payment Agreement, Amended and Restated Agency Promissory Note, Administration Agreement, Amended and Restated Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents), and Subordination Agreement with Greystone Bank and determines that the conditions contained in the proposed Refinance Agreement and attachments thereto are in the best interest 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; 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 this Project and that the services of Special Counsel are therefore needed; and

WHEREAS, Special Counsel has drafted the Refinance Agreement including all attachments thereto and has approved the Refinance 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; and

NOW, THEREFORE,

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

1. That the foregoing recitals are true and correct and incorporated herein in full by this reference.

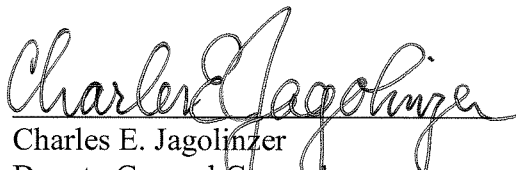
2. That the Agency received and heard any and all oral and written objections relating to the Refinance Agreement including all attachments and exhibits thereto, and that all such oral and written objections are overruled.

3. That the Agency hereby approves the Refinance Agreement including all attachments and exhibits thereto and the terms and conditions thereof. A copy of the Refinance Agreement is on file in the office of the Secretary to the Agency as Document No. D- 04604

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

APPROVED: JAN I. GOLDSMITH, General Counsel

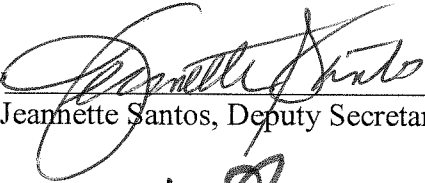
By

  
Charles E. Jagolinzer  
Deputy General Counsel

CEJ:nja  
01/10/2011  
Or.Dept:CCDC  
RA-2011-66  
PL#2010-00740

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of JAN 25 2011

REDEVELOPMENT AGENCY

By   
Jeannette Santos, Deputy Secretary

Approved: 2-18-11  
(date)

  
JERRY SANDERS, Executive Director

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

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

Passed by the Redevelopment Agency of The City of San Diego on JAN 25 2011, 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"/>
Lorie Zapf	<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"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage FEB 18 2011

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- 04604