

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04642

DATE OF FINAL PASSAGE MAR 01 2011

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO (i) APPROVING AND AUTHORIZING THE AGENCY EXECUTIVE DIRECTOR OR DESIGNEE TO ENTER INTO AND EXECUTE THE PROPOSED DISPOSITION AND DEVELOPMENT AGREEMENT WITH CONNECTIONS HOUSING DOWNTOWN, L.P., RELATED TO THE REHABILITATION OF THE WORLD TRADE CENTER BUILDING; (ii) MAKING CERTAIN FINDINGS AND DETERMINATIONS RELATED THERETO IN ACCORDANCE WITH CALIFORNIA HEALTH AND SAFETY CODE SECTION 33433; (iii) APPROVING AND AUTHORIZING THE AGENCY EXECUTIVE DIRECTOR OR DESIGNEE TO ENTER INTO AND EXECUTE THE PURCHASE AND SALE AGREEMENT WITH THE CITY OF SAN DIEGO RELATED TO THE ACQUISITION OF THE WORLD TRADE CENTER BUILDING AND ADJACENT PARKING STRUCTURE; (iv) APPROVING AN AMENDMENT TO THE AGENCY'S FISCAL YEAR 2011 (FY 2011) BUDGET; (v) AUTHORIZING THE EXPENDITURE OF UP TO \$13,000,000 FROM THE AGENCY'S LOW AND MODERATE INCOME HOUSING FUND AND \$3,000,000 FROM THE AGENCY'S NON-LOW AND MODERATE INCOME HOUSING FUND FOR THE REHABILITATION; AND (vi) APPROVING AND AUTHORIZING THE AGENCY EXECUTIVE DIRECTOR OR DESIGNEE TO ENTER INTO AND EXECUTE ALL RELATED DOCUMENTS AND AGREEMENTS TO THE AFOREMENTIONED PROPOSED DISPOSITION AND DEVELOPMENT 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 (Redevelopment Plan) in accordance with the California Community Redevelopment Law (California Health and Safety Code section 3300 *et.seq*); and

WHEREAS, the Agency has adopted the five-year Fourth Implementation Plan covering the period of July 2009 through June 2014 for the Centre City Redevelopment Project (Implementation Plan); and

WHEREAS, among other things, the Implementation Plan provides for the implementation of certain activities necessary or appropriate to carry out the objectives of the Redevelopment Plan in accordance with California Health and Safety Code section 33490, which is part of the California Community Redevelopment Law (CRL); and

WHEREAS, the Centre City Development Corporation (CCDC), acting on behalf of the Agency, has negotiated a Purchase and Sale Agreement by and between the City of San Diego (City), as Seller, and Agency, as Buyer, (Purchase Agreement) to acquire the historic World Trade Center building (World Trade Center) and adjacent parking structure (Parking Structure), located at 1250 Sixth Avenue in San Diego within the Civic Core neighborhood of the Downtown Community Plan Area in the Centre City Redevelopment Project Area (Property); and

WHEREAS, CCDC acting on behalf of the Agency, has negotiated a Disposition and Development Agreement (DDA) with Connections Housing Downtown, L.P., a California limited liability company (Developer), wherein the Developer has agreed to purchase the World Trade Center from the Agency for \$4,300,000 and rehabilitate the World Trade Center building into a one-stop service center and housing for the homeless, which includes a multi-service homeless center, a medical clinic, administrative offices, 150 transitional housing beds, 73 permanent supportive housing units and 2 manager's units (Project); and

WHEREAS, the proposed DDA requires the Developer to operate the Project, upon completion of rehabilitation, for the benefit of very low and extremely low income households

for a period of fifty-five (55) years, as more specifically defined and provided for in the proposed DDA; and

WHEREAS, in consideration for the Developer's rehabilitation of the World Trade Center and operation of the Project, the Agency desires to loan Developer an amount of up to \$13,000,000 from its Low and Moderate Income Housing Fund and up to \$3,000,000 from its non-Low and Moderate Income Housing Fund, subject to the terms of the DDA; and

WHEREAS, an amendment to the Agency's Fiscal Year 2011 (FY 2011) Budget will be made, wherein the Areawide Land Acquisition line item will be decreased by \$1,200,000 and the East Village Neighborhood line item will be decreased by \$2,800,000, in order that the aforementioned funds be transferred to the Core Neighborhood line item, so that the Core Neighborhood line item will be increased by \$4,000,000, in order to provide for the Agency's acquisition of the Parking Structure; and

WHEREAS, in accordance with CRL section 33433, the Agency and the City Council of the City of San Diego (Council) held a joint public hearing to consider the approval of the proposed DDA on March 1, 2010, after publishing notice of the public hearing in accordance with CRL section 33433; and

WHEREAS, pursuant to CRL section 33433, CCDC administered the preparation of the "Summary Report Pertaining to the Proposed Conveyance of Certain Real Property Interest within the Project Area" (Summary Report), which is attached to CCDC Report No. CCDC-11-18, dated February 23, 2011 (Staff Report), and is incorporated fully into this Resolution by this reference; and

WHEREAS, the Agency has made copies of the proposed DDA and the Summary Report available for public inspection and copying no later than the time of the first publication of the notice of the public hearing; and

WHEREAS, the Summary Report contains a summary which describes and specifies all of the following:

- (i) The cost of the DDA to the Agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the Agency, plus the expected interest on any loans or bonds to finance the DDA;
- (ii) The estimated value of the interest to be conveyed, determined at the highest and best uses permitted under the Redevelopment Plan;
- (iii) The estimated value of the interest to be conveyed, determined at the use and with the conditions, covenants, and development costs required by the DDA, and an explanation as to why the sales price to the Developer is less than fair market value, determined at highest and best use under the Redevelopment Plan, including an explanation of the difference;
- (iv) An explanation of why conveyance of the Property to Developer in accordance with the DDA will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation; and

WHEREAS, pursuant to CRL section 33433, the Council considered the information in the Summary Report and has made the findings required by CRL section 33433 with respect to the DDA; and

WHEREAS, pursuant to Article II, Section 1 of the Bylaws of the Agency, the City Attorney of San Diego (City Attorney) acts as General Counsel for the Agency; and

WHEREAS, effective March 1, 2007, by Resolution Number R-04124, the Agency authorized an Agreement for Legal Service (Legal Service 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 City Attorney has determined that the City Attorney's Office has insufficient personnel to handle this matter and that the service of Special Counsel are therefore needed; and

WHEREAS, Special Counsel has drafted the proposed DDA and all related and referenced documents in this Resolution and has approved the proposed DDA and all related and referenced documents in this Resolution 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

WHEREAS, the Agency believes that the DDA is in the best interests 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, the Agency has considered any written evidence and/or testimony received in support of or in opposition to the proposed DDA, as well as the entire record prepared by CCDC; NOW, THEREFORE,

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

1. That the Agency hereby 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 has reviewed and approves the Summary Report.
3. That the Agency finds and determines that the consideration to be received by the Agency for the Property is not less than fair reuse value at the use and with covenants and conditions and development costs authorized by the DDA for, among other reasons, the reasons set forth in Sections IV, V and VI of the Summary Report.
4. That the Agency finds and determines that the conveyance and development of the World Trade Center to Developer in accordance with the DDA will assist in the elimination

of blight or provide housing for low-income or moderate-income persons, for, among other reasons, the reasons set forth in Sections IV and VII of the Summary Report.

5. That the Agency finds and determines that the conveyance of the Property and the development of the Property in accordance with the DDA are consistent with Section III of the Implementation Plan adopted pursuant to CRL section 33490, which states that the production of affordable housing in the Project Area is a goal of the Implementation Plan.

6. That the Agency hereby approves the conveyance of the World Trade Center to the Developer and the development of the World Trade Center, in accordance with the DDA.

7. That the Agency hereby has reviewed and approves the acquisition of the Property from the City in accordance with the terms of the Purchase Agreement.

8. That the Agency's Executive Director, or designee, is authorized, on behalf of the Agency, to enter into and execute the Purchase Agreement and any and all attachments thereto; a copy of which, when executed by Agency shall be placed on file in the office of the Agency Secretary as Document No. D- 04642a

9. That the Agency hereby approves the amendment to the Agency's FY 2011 Budget to allow \$4,000,000 to be available for acquisition of the Parking Structure.

10. That the Agency hereby approves two loans to the Developer in amounts, respectively, not to exceed \$13,000,000 from the FY 2011 Low and Moderate Income Housing Fund and \$3,000,000 from the FY 2011 non-Low and Moderate Income Housing Fund, in accordance with the terms of the DDA.

11. That the Agency has reviewed and approved the DDA and any and all attachments related thereto.

12. That the Agency's Executive Director, or designee, is authorized, on behalf of the Agency, to execute the DDA and all exhibits thereto requiring the Agency's signature; a copy of

which, when executed by the Agency, shall be placed on file in the office of the Agency

Secretary as Document No. D- 04642b

13. That the Agency authorizes the Executive Director, or designee, to implement, adhere to, and administer and execute all documents on behalf of the Agency that are necessary and appropriate to carry out and implement the purposes set forth in this Resolution according to its terms, and to administer the Agency's obligations, responsibilities and duties to be performed thereunder.

APPROVED: JAN I. GOLDSMITH, General Counsel

By Monique R. Tayyab
Monique R. Tayyab
Deputy General Counsel

MRT:hm

02/23/11


Or.Dept:CCDC

PL#2011-05813

Companion to: R-2011-744

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of MAR 01 2011.

REDEVELOPMENT AGENCY

By 
Jeannette Santos, Deputy Secretary

Approved: 3-1-11
(date)


JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

The City of San Diego
COMPTROLLER'S CERTIFICATE

CERTIFICATE OF UNALLOTTED BALANCE

ORIGINATING
DEPT. NO.: CC 3000004024

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: \$20,000,000.00

Purpose: Authorizing the expenditure of funds for the acquisition of the World Trade Center Building and the Adjoining Parking Structure. Approve the DDA between the Agency and Connections Housing Downtown, L.P. for rehabilitation and operation as a Homeless Service Center and Housing Facility.

Date: February 24, 2011 By: *Esther Munsam*
COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
01	400330	920519110000	920519110101	OTHR-00000010-NS	512025	2220	2220500011		\$2,800,000.00
02	200586	920411102000	920411102145	OTHR-00000015-NS	512059	2220	2220500011		\$13,000,000.00
03	400638	920532102000	920532102101	OTHR-00000012-NS	512025	2220	2220500011		\$3,000,000.00
04	400665	920519110000	920519110101	OTHR-00000010-NS	512025	2220	2220500011		\$1,200,000.00
TOTAL AMOUNT									\$20,000,000.00

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:

Vendor:

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									

Passed by the Redevelopment Agency of The City of San Diego on MAR 01 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAR 01 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- 04642