



## REDEVELOPMENT AGENCY OF

## THE CITY OF SAN DIEGO

RESOLUTION NUMBER R- 04653DATE OF FINAL PASSAGE MAR 16 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 SECOND IMPLEMENTATION AGREEMENT TO THE OWNER PARTICIPATION AGREEMENT WITH FLORIDA STREET HOUSING ASSOCIATES, L.P., (ii) APPROVING THE EXPENDITURE OF ADDITIONAL LOW AND MODERATE INCOME HOUSING FUNDS IN AN AMOUNT OF \$1,800,000 IN ORDER TO INCREASE THE AMOUNT OF THE AGENCY RESIDUAL RECEIPTS LOAN TO \$5,049,500 TO FLORIDA STREET HOUSING ASSOCIATES, L.P. FOR THE CONSTRUCTION OF THE FLORIDA STREET APARTMENTS LOCATED AT 3783-3825 FLORIDA STREET WITH IN THE NORTH PARK REDEVELOPMENT PROJECT AREA; AND (iii) AUTHORIZING A REVISION TO THE SOURCE OF FUNDS FOR THE AGENCY RESIDUAL RECEIPTS LOAN TO FLORIDA STREET HOUSING ASSOCIATES, L.P.

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 Park Redevelopment Project Area (Project Area); and

WHEREAS, in order to carry out and implement the objectives of the Redevelopment Plan for the Project Area, the Agency entered into an Owner Participation Agreement (Original OPA) with Florida Street Housing Associates, L.P., a California limited partnership (Owner), dated August 10, 2009, a copy of which is on file in the office of the secretary to the Agency as Document No. D-04440a/R-04440, as amended by the First Implementation Agreement to the Owner Participation Agreement (First Implementation Agreement, together with the Original

OPA, shall be referred to as the OPA), dated March 24, 2010, a copy of which is on file in the office of the secretary to the Agency as Document No. D-04497/R-04497, for the Florida Street Apartments located at 3783 - 3825 Florida Street, on the east side of Florida Street between University Avenue and Robinson Avenue (Project) in the Project Area; and

WHEREAS, pursuant to the OPA, the Agency agreed to assist with financing a portion of the development of the Project through a residual receipts loan in an amount not to exceed \$3,249,500 (Agency Residual Receipts Loan) and the San Diego Housing Commission agreed to fund a portion of the acquisition costs for the Project (Housing Commission Loan); and

WHEREAS, pursuant to the OPA, Owner is required to demonstrate to the Agency that it has timely applied for a 9% tax credit (Nine Percent Tax Credit) allocation from the California Tax Credit Advisory Committee for the Project starting from the July 2009 allocation round until February 29, 2012 allocation round or until the Nine Percent Tax Credit has been awarded; and

WHEREAS, Owner was not awarded a Nine Percent Tax Credit allocation in 2009 and 2010 and has determined that there is a greater probability of receiving financing for the Project if it applies for a 4% tax credit (Four Percent Tax Credit) allocation from the California Tax Credit Advisory Committee; and

WHEREAS, in order to apply for the allocation of a Four Percent Tax Credit, certain amendments must be made to the OPA; and

WHEREAS, the Agency is proposing a Second Implementation Agreement to the OPA, to be executed by and between the Agency and Owner, which would provide as follows: (1) to increase the existing Housing Commission Loan up to \$700,000, and thereby increasing the total principal amount from \$7,387,000 up to \$8,087,000 without reducing the amount of the Agency Loan as required by the OPA; (2) to increase the existing Agency Residual Receipts Loan by an amount up to \$1,800,000 in order to increase the principal loan amount from \$3,249,500 up to

\$5,049,500 without reducing the amount of the Housing Commission Loan as required by the OPA; (3) to provide for a reduction in the tax credit equity required from a Nine Percent Tax Credit to a Four Percent Tax Credit; (4) to reflect changes to the construction and permanent sources of funding and to add as a potential new source of financing the Affordable Housing Program Loan (AHP Loan); (5) to revise the Affordable Rent to levels that the parties have agreed are competitive for Owner to apply for the AHP Loan; (6) to reflect the implications of the Project financing related to a potential AHP Loan and Four Percent Tax Credit and increase the maximum allowable rents to the minimum required for a Four Percent Tax Credit if the AHP Loan is not awarded; (7) to increase the annual percentage of residual receipts generated by the Project to be paid to the Agency toward repayment of the Agency Residual Receipts Loan to accurately reflect the revised pro-rata share; and (8) to increase the Agency's share of any cost savings that may result from the final acquisition costs and development costs of the Project (Second Implementation Agreement); and

WHEREAS, in addition to the proposed Second Implementation Agreement, various related attachments to the OPA must be either amended and restated or revised to reflect the changes as set forth in the Second Implementation Agreement; and

WHEREAS, the Agency previously appropriated funds for the Agency Residual Receipts Loan, however these funds have not yet been expended; and

WHEREAS, the Agency is requesting authorization to revise source of the funds for the Agency Residual Receipts Loan as follows: (i) \$646,000 from the Project Area's Low- Moderate Income Housing funds Line of Credit, (ii) \$3,846,610 from the Pooled Low- and Moderate Income Housing Bond Proceeds, and (iii) \$556,890 from the College Community Low- and Moderate Income Housing Set Aside funds.

WHEREAS, the Agency has duly considered all of the terms and conditions provided in the proposed Second Implementation Agreement and related attachments and believes that the Second Implementation Agreement and all related attachments are in the best interests of the Project Area and the health, safety, morals and welfare of its residents, and in accordance with the public purposes and provisions of applicable state and local law and requirements; NOW, THEREFORE,

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

1. That the Agency hereby approves the Second Implementation and all related attachments and the terms and conditions thereof, a copy of the Second Implementation Agreement together with all related attachments shall be placed on file in the office of the secretary of the Agency as Document No. D- 04653.
2. That the Executive Director of the Agency, or designee, is hereby authorized for and on behalf of the Agency to enter into and execute the Second Implementation Agreement and all related attachments.
3. That the Agency authorizes the Chief Financial Officer to expend an additional \$1,800,000 of Low- and Moderate Income Housing funds to the Project for the Agency Residual Receipts Loan, for a total Agency Loan in the amount of \$5,049,500, upon certification from the Comptroller that funds are available.
4. That the Agency authorizes the Chief Financial Officer to revise the source of funds for the \$3,249,500 that was appropriated under the OPA, but not expended or encumbered to now reflect a new appropriation of \$5,049,500 through the transfer of (i) \$646,000 from the Project Area's Low- Moderate Income Housing funds Line of Credit, (ii) \$3,846,610 from the

Pooled Low- and Moderate Income Housing Bond Proceeds, and (iii) \$556,890 from the College Community Low- and Moderate Income Housing Set Aside funds.

5. 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  
03/08/11  
Or.Dept:Redev.Agency  
PL#2010-04821

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at its meeting of MAR 15 2011.

REDEVELOPMENT AGENCY

By: Jeannette Santos  
Jeannette Santos, Deputy Secretary

Approved: 3-16-11  
(date)

Jerry Sanders  
JERRY SANDERS, Executive Director

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

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



Passed by the Redevelopment Agency of The City of San Diego on MAR 15 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 MAR 16 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- 04653