

(RA-93-38)
REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. 2148
ADOPTED ON OCTOBER 6, 1992

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO WITH RESPECT TO THE SUBORDINATION OF COVENANTS IMPOSED BY THE AGENCY PURSUANT TO SECTION 33334.14 OF THE COMMUNITY REDEVELOPMENT LAW APPLICABLE TO ISLAND INN ASSIGNED WITH MONIES FROM THE REDEVELOPMENT AGENCY'S LOW AND MODERATE INCOME HOUSING FUND AND APPROVING THE SECOND IMPLEMENTATION AGREEMENT TO THE PARTICIPATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND 197 PARTNERS.

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

WHEREAS, in order to carry out and implement such Redevelopment Plan the Agency approved and entered into a Participation Agreement dated November 22, 1989, which is on file in the office of the Secretary to the Agency as Document No. 1678-A, and a First Implementation Agreement dated August 2, 1990, which is on file in the office of the Secretary to the Agency as Document No. 1754 (collectively the "Agreement"), for the development of certain real property in the Project area by 197 Partners, a California general partnership (the "Participant"), pursuant to the terms and provisions of the Agreement, which Agreement contains a description of said property and provides for the construction of a residential project for low- and moderate-income persons and families; and

WHEREAS, the Participant has submitted to the Agency copies of a Second Implementation Agreement to the Participation Agreement, in a form desired by Participant (the "Second Implementation Agreement"), the purpose of which is to: (1) provide for the modification and

subordination of an Agreement Affecting Real Property, dated January 12, 1990, recorded in the Official Records of the San Diego County Recorder ("County Recorder") as Document No. 90-035020 (the "Covenant Agreement"), a Deed of Trust dated December 31, 1989, executed by Participant in Favor of the Agency and recorded in the office of the County Recorder as Document No. 90-07769 (the "Agency Deed of Trust") and a Deed of Trust dated January 1, 1991, and recorded January 11, 1991, in the Official Records of the County Recorder as Document No. 91-0014534 (the "HDG Deed of Trust") to the deed of trust and regulatory agreement of the California Community Reinvestment Corporation ("CCRC") evidencing certain permanent financing provided for the project; (2) provide for the elimination of the covenant restrictions contained in the Housing Development Grant Covenants dated June 18, 1990, and recorded September 21, 1990, in the Official Records of the County Recorder as Document No. 90-518305, as amended by a First Amendment to Housing Development Grant Covenants dated January 9, 1991, and recorded January 11, 1991, in the Official Records of the County Recorder as Document No. 91-0014533 (collectively the "HDG Covenants") in accordance with paragraph 8 of the HDG Covenants at the option of the Executive Director upon a total or partial involuntary loss of the project by the Developer caused by fire, seizure, condemnation or change in law or action by a federal agency which prevents The City of San Diego and/or Agency from enforcing the restrictions and the mandatory elimination of the covenants in the event of an involuntary foreclosure loss of the project caused by CCRC; and (3) authorize the Executive Director or his assignee to take all such actions necessary to effectuate the modification, subordination and/or elimination of such items, as appropriate, and carry out the terms of the Agreement; and

WHEREAS, the efforts of the Participant, Centre City Development Corporation, Inc., and the Agency pursuant to Section 33334.14 consisted of the Participant applying to twenty (20) lenders; and

WHEREAS, these efforts have not resulted in the procurement of alternative financing for the development of the real property on economically feasible terms and conditions as those offered by CCRC without subordination of the covenants or use restrictions contained in the Covenant Agreement and HDG Covenants; and

WHEREAS, the Centre City Development Corporation, Inc., has reviewed and discussed said proposed Second Implementation Agreement and has recommended that the Agency enter into the Second Implementation Agreement; and

WHEREAS, the Agency believes that the development of the real property pursuant to the Agreement and the proposed Second Implementation Agreement 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; NOW, THEREFORE,

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

1. That the Second Implementation Agreement and the new or additional terms and conditions for the development of the real property not previously contained in the Agreement, but now contained in the Second Implementation Agreement, are hereby approved.

2. That the Agency hereby finds that an economically feasible alternative method of assisting the development on terms and conditions substantially comparable to those offered by CCRC, without subordination of the covenant or use restrictions contained in the Covenant Agreement and HDG Covenants, is not reasonably available.

3. The Executive Director of the Agency, or his designee, is hereby authorized to execute the Second Implementation Agreement on behalf of the Agency. A copy of the Second Implementation Agreement is on file in the office of the Secretary to the Agency as Document No. 1966.

4. The Executive Director of the Agency, or his designee, is hereby authorized, on behalf of the Agency, to carry out all such actions as may be necessary to implement the Second Implementation Agreement and subordinate the covenant or use restrictions contained in the Covenant Agreement and HDG Covenants and Agency Deed of Trust and HDG Deed of Trust to the regulatory agreement and deed of trust provided by CCRC to finance the development, but only following receipt by the Executive Director, or his designee, of the written commitments set forth in the Second Implementation Agreement.

APPROVED: JOHN W. WITT, General Counsel

By

Allisyn L. Thomas

Deputy Counsel

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Or.Dept:CCDC

Aud.Cert:

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