

(RA-96-118)
REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 2646

ADOPTED ON MAY 14, 1996

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE LEASE OF CERTAIN PROPERTY IN THE CENTRE CITY REDEVELOPMENT PROJECT AREA TO BARONE GALASSO AND ASSOCIATES; APPROVING THE IMPLEMENTATION AGREEMENT AMENDING THE DISPOSITION AND DEVELOPMENT AGREEMENT PERTAINING THERETO; AND MAKING CERTAIN FINDINGS WITH RESPECT TO SUCH DISPOSITION AND DEVELOPMENT AGREEMENT, AS AMENDED, AND LEASE (LITTLE ITALY NEIGHBORHOOD DEVELOPERS PARCEL A-1).

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 has adopted an Implementation Plan for the Centre City Redevelopment Project in accordance with California Health and Safety Code section 33490 (the "Implementation Plan"); and

WHEREAS, in order to carry out and implement such Redevelopment Plan, the Agency has heretofore entered into a Disposition and Development Agreement, dated as of December 11, 1995 (the "DDA"), pursuant to which the Agency will lease certain property in the Project area (described in the DDA) to Barone

Galasso and Associates, a Delaware corporation (the "Developer"), for the construction thereon of a development consisting of 37 townhome residential rental units, with ground floor retail (the "Development"); and

WHEREAS, the Developer has submitted to this Agency and the Council of The City of San Diego copies of a proposed Implementation Agreement, proposing to amend the DDA, in a form desired by the Developer; and

WHEREAS, pursuant to the proposed DDA, as amended by the proposed Implementation Agreement, thirty-six (36) of the apartment units in the Development (the "Affordable Units") will be occupied by and restricted to persons and families of very low or moderate income, at affordable rents; and

WHEREAS, pursuant to the DDA, as amended by the proposed Implementation Agreement, the Development Costs will be paid in part from a loan to be made by the Agency to Developer with Low and Moderate Income Housing Funds from the Redevelopment Project, in part from a conventional loan to be made by a lender whose interests will be secured by a first trust deed on the Site (the "Primary Lender") and in part with Developer Equity; and

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

WHEREAS, pursuant to the California Community Redevelopment Law (California Health and Safety Code section 33000, et seq.) this Agency and the City Council held a joint public hearing on the proposed Lease of such real property pursuant to the DDA, as amended by such Implementation Agreement; having duly published notice of such public hearing and made copies of the DDA, the proposed Implementation Agreement and other reports and documents available for public inspection and comment; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed lease of real property and believes that the development of the real property pursuant to the DDA, as amended by the proposed 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 Agency recognizes that it has received and heard all oral and written objections to the proposed Implementation Agreement, to the proposed lease of the real

property pursuant to the DDA, as amended by the proposed Implementation Agreement, and to other matters pertaining to this transaction, and that all such oral and written objections are hereby overruled.

2. That the Agency hereby finds and determines that the consideration to be paid by the Developer for the lease of the real property as described in the Implementation Agreement is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the DDA, as amended by the proposed Implementation Agreement. The Agency hereby further finds and determines that all consideration to be paid under the DDA, as amended by the proposed Implementation Agreement, is in amounts necessary to effectuate the purposes of the Redevelopment Plan for the Centre City Redevelopment Project.

3. That the Agency hereby finds and determines that the lease of the property will assist in the elimination of blight in the Centre City Redevelopment Project Area, and is consistent with the Implementation Plan.

4. That the Agency hereby finds and determines that an economically feasible alternative method of financing the Affordable Units on substantially comparable terms and conditions, but without subordination, is not reasonably available.

5. That the lease of the real property and the Implementation Agreement, which amends the Disposition and Development Agreement establishing the terms and conditions for the lease and development of the real property, are hereby approved.

6. That the Executive Director of the Agency (or designee) is hereby authorized to execute the Implementation Agreement on behalf of the Agency, provided that the City Council has first approved such Implementation Agreement and the lease of the real property pursuant to the DDA, as amended thereby. A copy of the Implementation Agreement, when executed by the Agency, shall be placed on file in the office of the Secretary of the Agency as Document No. 02646.

7. That the Executive Director of the Agency (or designee) is hereby authorized, on behalf of the Agency, to sign all documents necessary and appropriate to carry out and implement the DDA, as amended by the Implementation Agreement, and to administer the Agency's obligations, responsibilities and duties to be performed under said DDA, as amended.

8. That the Executive Director of the Agency (or designee) is hereby authorized, on behalf of the Agency, to sign such subordination agreements as may be required by the Construction Lender and other Primary Lender (as described in the DDA, as

amended) in order to subordinate the covenants and restrictions of the DDA, as amended by the Implementation Agreement, including those set forth in the Agreement Affecting Real Property, to the respective security interests and liens of the Primary Lender.

APPROVED: JOHN W. WITT, General Counsel

By
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Deputy Counsel

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