

(RA-96-120)

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 2647

ADOPTED ON MAY 14, 1996

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE SUBLEASE OF CERTAIN PROPERTY IN THE CENTRE CITY REDEVELOPMENT PROJECT AREA TO CUATRO CORPORATION, INC., A CALIFORNIA CORPORATION; APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT PERTAINING THERETO; AND MAKING CERTAIN FINDINGS WITH RESPECT TO SUCH DISPOSITION AND DEVELOPMENT AGREEMENT AND SUCH SUBLEASE (YALE HOTEL).

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 previously entered into a

Lease Agreement by which it is the lessee of certain property in the Project area, and proposes to sublease the property to Cuatro Corporation, Inc. (the "Developer"), pursuant to the terms and provisions of a certain Disposition and Development Agreement (the "Agreement"), which Agreement contains a description of said property and provides for the development and rehabilitation of 15 live/work lofts, of which one loft may be used as commercial space, and the other 14 lofts (the "Affordable Units") will be rented, at affordable rents, to tenants who are persons or families of very low income or moderate income (the "Development"); and

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

WHEREAS, pursuant to the proposed 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, and 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

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

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

WHEREAS, the project is categorically exempt from the provisions of the California Environmental Quality Act ("CEQA") pursuant to Section 15301 of the State CEQA Guidelines; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed sublease of real property and believes that the development of the real property pursuant to the proposed 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:

9. That the Agency recognizes that it has received and heard all oral and written objections to the proposed Disposition and Development Agreement, to the proposed sublease of the real

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

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

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

12. 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.

13. That the sublease of the real property and the Disposition and Development Agreement which establishes the terms and conditions for the sublease and development of the real property are hereby approved.

14. That the Executive Director of the Agency (or designee) is hereby authorized to execute the Disposition and Development Agreement on behalf of the Agency, provided that the City Council has first approved such Agreement and the sublease of the real property pursuant thereto. A copy of the Agreement, when executed by the Agency, shall be placed on file in the office of the Secretary of the Agency as Document No. 02647.

15. 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 Agreement and to administer the Agency's obligations, responsibilities and duties to be performed under said Agreement.

16. 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 Primary Lender in order to subordinate the covenants and restrictions of the Agreement, including those set forth in the Agreement Affecting Real Property of the Primary Lender.

APPROVED: JOHN W. WITT, General Counsel

By
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