

(RA-98-101)

REDEVELOPMENT AGENCY OF

THE CITY OF SAN DIEGO

RESOLUTION NO. 2859

ADOPTED ON JULY 21, 1998

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE AGENCY AND FOREST CITY RESIDENTIAL WEST, INC.; APPROVING THE LEASE OF PROPERTY IN THE CENTRE CITY REDEVELOPMENT PROJECT AREA PERTAINING THERETO; AND MAKING CERTAIN FINDINGS WITH RESPECT TO SUCH DISPOSITION AND DEVELOPMENT AGREEMENT AND SUCH LEASE.

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 proposes to enter into a Disposition and Development Agreement (the "Agreement"), pursuant to which the Agency will purchase certain property in the Project area (the "Site") from Forest City Residential

West, Inc., a California corporation, a subsidiary of Forest City Enterprises, and convey a long-term leasehold interest in the Site (with an option to purchase) to an assignee of Forest City Residential West, Inc. (the "Developer"), which will construct thereon a development consisting of approximately 230 residential dwellings (the "Development") pursuant to the terms and provisions of the Agreement; and

WHEREAS, pursuant to the proposed Agreement, approximately thirty-eight (38) of the apartment units in the Development (the "Affordable Units") will be occupied by and restricted to persons and families of moderate income, at affordable rents; and

WHEREAS, Forest City Residential West, Inc., has submitted to this Agency and the City Council of the City of San Diego copies of said proposed Agreement in a form desired by Forest City Residential West, Inc.; and

WHEREAS, pursuant to the proposed Agreement, the Agency will purchase the Site using Low and Moderate Income Housing Funds from the Redevelopment Project and from the Horton Plaza Redevelopment Project; and

WHEREAS, the Developer intends to finance the construction of the Development in part with a loan made by a conventional lender, 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.) this Agency and the City Council held a joint public hearing on the proposed Lease 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 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 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:

1. The Agency recognizes that it has received and heard all oral and written objections to the proposed Disposition and

Development Agreement, to the proposed lease 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.

2. The Agency hereby finds and determines that the consideration to be paid by the Developer for the lease of the Site as described in the Agreement (with option to purchase) 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.

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

4. 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. The lease of the real property and the Disposition and Development Agreement which establishes the terms and conditions for the lease and development of the real property are hereby approved.

6. 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 lease 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. D-02859.

7. 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.

8. 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 Affecting Real Property to the respective security interests and liens of the Primary Lender.

APPROVED: CASEY GWINN, General Counsel

By

Allisyn L. Thomas
Deputy General Counsel

ALT:lc

07/01/98

Or.Dept:CCDC

RA-98-101

Form=rda&t.frm