

RESOLUTION NO. R-253135

(R.81-950)

NOV 17 1980

RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A DEED OF TRUST ON BEHALF OF THE CITY FOR PURPOSES OF SECURING THE FINANCING OF A 60-UNIT SENIOR CITIZENS RESIDENTIAL HOUSING PROJECT ON CITY-OWNED LAND AT 55TH STREET AND COLLEGE DRIVE.

WHEREAS, The City of San Diego, California (the "City"), is the owner of certain real property located at 55th Street and College Drive in the City (the "Site"); and

WHEREAS, the City and Chollas Gardens Limited, a California limited partnership ("Chollas"), have previously entered into a certain Option Agreement, dated September 19, 1980, (the "Option Agreement"), pursuant to Council Resolution No. R-252648, dated September 9, 1980, wherein the City and Chollas agreed, upon the fulfillment of certain terms by Chollas, to enter into a Lease Agreement (the "Lease"), whereby the City will lease the Site to Chollas for the purposes provided therein; and

WHEREAS, Chollas has, in fulfillment of the terms of the Option Agreement and pursuant to the terms of the Lease, made arrangements for the acquisition, construction and equipping of a senior citizens residential housing project (the "Project") on the Site; and

WHEREAS, Section 8 of the Lease provides in part as follows:

"City does hereby consent and agree that Lessee may encumber this Lease, its leasehold estate and any improvements thereon for a period not to extend beyond the term of this Lease by deed of trust, mortgage, chattel mortgage or other security type instrument provided that all of

02075

the proceeds resulting from any such encumbrance be utilized only with respect to the planning, development, construction or financing of the Project. City further agrees to subordinate its interest hereunder to such encumbrances . . .;" and

WHEREAS, Home Capital Corporation, Security Pacific National Bank, Central Federal Savings and Loan Association, and San Diego Federal Savings and Loan Association (collectively, the "Lenders") have agreed to provide the financing for the Project thereby fulfilling the terms of the Option Agreement; and

WHEREAS, the Lenders have required as a condition of their providing financing for the Project that Chollas enter into a deed of trust encumbering its leasehold interest in the Site, and that the City enter into the same deed of trust encumbering its ownership interest in the Site, all as provided by Section 8 of the Lease; NOW, THEREFORE,

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

Section 1. The City hereby agrees, subject to compliance with all requirements of law, to enter into the deed of trust as co-trustor of Chollas for the purpose of encumbering its ownership interest in the Site in accordance with Section 8 of the Lease.

Section 2. The City hereby approves the form of the deed of trust, a copy of which deed of trust is on file in the office of the City Clerk as Document No. RR- 253135 , and authorizes the Mayor to execute the same on behalf of the City.

Section 3. The action of the City in adopting this Resolution, or in carrying out the provisions of this Resolution, shall not result in any pecuniary liability on the part of the City under the deed of trust; the beneficiary and trustee thereunder having recourse solely against the Site as therein provided.

Section 4. The Mayor is hereby directed to take such action as may be necessary to carry out the intent and purpose of this Resolution.

Section 5. Resolution No. R-253097, adopted November 10, 1980, is hereby rescinded.

APPROVED: JOHN W. WITT, City Attorney

By   
Harold O. Valderhaug, Deputy

HOV:ps  
11/13/80  
Or.Dept. Hsg. Comm.

NOV 17 1980

Passed and adopted by the Council of The City of San Diego on \_\_\_\_\_  
by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Lowery	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fred Schnaubelt	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Larry Stirling	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lucy Killea	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON

Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

By Barbara Bessidge Deputy.

(Seal)

Office of the City Clerk, San Diego, California

Resolution  
Number

R-253135

Adopted

NOV 17 1980