RESOLUTION NUMBER R- 303968

DATE OF FINAL PASSAGE JUL 2 9 2008

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE REDEVELOPMENT AGENCY ENTERING INTO A FIRST IMPLEMENTATION AGREEMENT TO THE OWNER PARTICIPATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO AND VERBENA SAN YSIDRO, L.P. FOR THE VERBENA AFFORDABLE APARTMENTS PROJECT LOCATED WITHIN THE SAN YSIDRO REDEVELOPMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of the City of San Diego [Agency] is engaged in activities necessary to carry out and implement the Redevelopment Plan for the San Ysidro Redevelopment Project Area [Project Area]; and

WHEREAS, in order to carry out and implement the objectives of the Redevelopment Plan for the Project Area, the Agency entered into, and the City Council approved, an Owner Participation Agreement [OPA] with Verbena San Ysidro, L.P. [Developer] on or about July 11, 2007, a copy of the OPA is on file in the office of the secretary to the Agency as Document No. D-04167 / R-04167; and

WHEREAS, the OPA governs the development of low income residential rental apartments known as the Verbena Affordable Apartments Project that incorporates eighty (80) rental dwelling units, of which 79 units will be designated by Developer for not less than fifty-five (55) years as affordable to very low income and low income persons earning 30% to 60% of the Area Median Income, with attached one or two car garages providing a total of approximately one hundred seventy seven (177) parking spaces, and recreational amenities [Project]; and

WHEREAS, pursuant to the OPA, the Agency agreed to assist with financing a portion of the acquisition and development costs of the Project by providing a residual receipts loan to Developer in an amount not to exceed \$5,586,000 from the Agency's 20% Low and Moderate Income Housing Set-Aside Funds payable from the San Ysidro Redevelopment Project Area and the proceeds of the Line of Credit for the City Heights Redevelopment Project Area, North Park Redevelopment Project Area, North Bay Redevelopment Project Area, and Naval Training Center Redevelopment Project Area; and

WHEREAS, due to the changing conditions of the economy and the competitive projects applying for 9% tax credits, Developer requests the Agency's consideration of a new proposed financing structure for the development of the Project which includes applying for 4% rather than 9% tax credits, incorporating new sources of financing for the Project, and increasing the Agency's loan by an additional amount not to exceed \$1,215,000 to be funded from the San Ysidro Redevelopment Project Area's 20% Low and Moderate Income Housing Set-Aside Funds and the City Heights and North Bay Redevelopment Project Areas 20% Low and Moderate Income Housing Set Aside Funds Lines of Credit; and

WHEREAS, in light of the above, the Agency and Developer desire to implement the OPA, through a First Implementation Agreement, by revising the sources of financing for the Project, by increasing the Agency's loan to an amount not to exceed \$6,801,000, and by making certain other revisions to the OPA and its Attachments that are a result of new or changed funding sources and project details and/or that are in the best interests of the Parties; and

WHEREAS, the Council of the City of San Diego has duly considered all of the terms and conditions provided in the proposed First Implementation Agreement to the OPA and determines that the First 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 Council of the City of San Diego, as follows:

- 1. That the Council finds and determines that the additional consideration to be paid toward the Project pursuant to the First Implementation Agreement to the Owner Participation

 Agreement [OPA] is in an amount necessary to effectuate the purposes of the Redevelopment

 Plan for the Project Area.
- 2. That the Council approves the First Implementation Agreement to the OPA; a copy of the First Implementation Agreement to the OPA, when executed by the Redevelopment Agency, shall be placed on file in the office of the City Clerk as Document No. 303968
- 3. That the Council finds and determines that the City of San Diego has previously certified the information contained in the Mitigated Negative Declaration [MND] for this Project, referenced by Project No. 41718 and SCH No. 2004111075, that this Project is adequately addressed in said MND, and that there is no substantial change in circumstance, additional information or project changes to warrant additional environmental review.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By

Kendall D. Berkey Deputy City Attorney

KDB:nda 07/02/08

Or.Dept:Redev.Agency

R-2009-25

MMS#5029

Comp. R-2009-26

RA-2009-2

RA-2009-3

RA-2009-4

RA-2009-5

Diego, at this meeting of	
	ELIZABETH S. MALAND City Clerk By Man Jumana Deputy City Clerk
Approved: 7-14-08 (date)	JERRY SANDERS, Mayor
Vetoed:	JERRY SANDERS, Mayor

I hereby certify that the foregoing Resolution was passed by the Council of the City of San



The City of San Diego CERTIFICATE OF CITY AUDITOR AND COMPTROLLER

CERTIFICATE OF UNALLOTTED BALANCE

AC DEPT NO 2900036 10275

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