

RESOLUTION NUMBER R- 303968

DATE OF FINAL PASSAGE JUL 29 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,

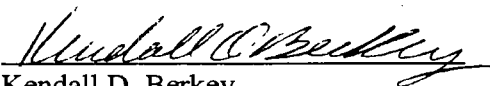
BE IT RESOLVED, by the Council of the City of San Diego, as follows:

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. <sup>RR-</sup>**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

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 22 2008.

ELIZABETH S. MALAND  
City Clerk

By Mary Zumaya  
Deputy City Clerk

Approved: 7-29-08  
(date)

JSA  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

The City of San Diego  
**CERTIFICATE OF CITY AUDITOR AND COMPTROLLER**

**CERTIFICATE OF UNALLOTTED BALANCE**  
ORIGINATING

AC 2900036  
DEPT NO 10275

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted

Amount \_\_\_\_\_ Fund \_\_\_\_\_

Purpose \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Date \_\_\_\_\_ By Francisco J Lopez  
AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG LINE	CY PY	FUND	DEPT	ORG	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
TOTAL AMOUNT										

FUND OVERRIDE

**CERTIFICATION OF UNENCUMBERED BALANCE**

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego, and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered

Not to Exceed \$1,215,000 00

Vendor Verbena San Ysidro, L P

Purpose Authorize the first implementation agreement per the OPA for the Verbena Project, a 80 unit affordable housing development with Verbena San Ysidro, L P Drawing funds will be from City Heights Housing Line of Credit for \$350,000, North Bay Housing Line of Credit for \$350,000, and San Ysidro L/M funds for \$515,000

Date July 8, 2008 By Francisco J Lopez  
AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG LINE	CY PY	FUND	DEPT	ORG	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
01	0	98202	98202	4001	4881	098204				\$350,000 00
02	0	98074	98074	4001	4881	098072				\$350,000 00
03	0	98572	98572	2009	6030	123503				\$515,000 00
TOTAL AMOUNT										\$1,215,000 00

FUND OVERRIDE

AC-361 (REV 2-92)

**R- 303968**

**JUL 22 2008**

AC 2900036