

RESOLUTION NUMBER R- 306989
DATE OF FINAL PASSAGE AUG 04 2011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE NINTH AND BROADWAY AFFORDABLE HOUSING PROJECT BY AND AMONG THE CITY OF SAN DIEGO, THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, AND BROADWAY TOWER ASSOCIATES, L.P.

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 Centre City Redevelopment Project (Redevelopment Plan); and

WHEREAS, the Agency has adopted an Implementation Plan for the Centre City Redevelopment Project (Implementation Plan) in accordance with California Health and Safety Code section 33490, which is part of the California Community Redevelopment Law (CRL), set forth at California Health and Safety Code sections 33000-33855; and

WHEREAS, to carry out the Redevelopment Plan and the Implementation Plan, the Agency and Broadway Tower Associates, L.P., a California limited partnership and affiliate of BRIDGE Housing Corporation – Southern California (Developer), entered into that certain Disposition and Development Agreement dated December 11, 2009 (DDA), a copy of which is on file with the City Clerk as Document No. RR-306488; and

WHEREAS, the DDA contemplates that the Developer will develop and construct a 250-unit multi-family affordable housing project, together with retail space, community space, and a parking garage (collectively, the Project) on a site (Property) generally located at the southeast

corner of Ninth Avenue and Broadway within the East Village Sub Area of the Centre City Redevelopment Project Area; and

WHEREAS, the DDA requires the Developer to operate the housing component of the Project upon completion of construction as rental housing that is affordable to low and very low income households, as more specifically defined and provided for in the DDA; and

WHEREAS, the DDA contemplates that the Agency will issue to the Developer a loan in an amount not to exceed \$21,873,000, to be applied toward the cost of construction of the Project's affordable housing component; and

WHEREAS, the DDA provides that, upon the closing of the Agency's loan, the Agency will ground-lease the Property to the Developer for 70 years, with an option that may be exercised by the Developer to extend the leasehold for an additional 20 years, subject to the terms of the DDA and the proposed Ground Lease (Ground Lease), which is Attachment No. 18 to the DDA; and

WHEREAS, the DDA requires the Developer to pursue other sources of financing to close the overall funding gap for the Project, including funding in the amount of \$10,000,000 under the Multifamily Housing Program (MHP) administered by the California Department of Housing and Community Development (HCD); and

WHEREAS, HCD declined the Developer's application during a prior round of MHP funding because the Project did not receive full "points" under HCD's competitive scoring system, given that the Ground Lease had not been executed (i.e., the Developer had not established "site control" of the Property); and

WHEREAS, to score full points under HCD's competitive scoring system and to submit a competitive application before the application deadline for the next round of MHP funding on August 10, 2011, the Developer has requested that the Agency agree to amend the DDA to allow the execution of the Ground Lease to be accelerated and to occur before the closing of the Agency's loan; and

WHEREAS, on or about March 16, 2011, the Agency transferred to the City fee title ownership of the Property, as well as all of the Agency's rights, title, interest, and obligations under the DDA; and

WHEREAS, it is now proposed that the Developer, the Agency, and the City enter into a First Amendment to the DDA (First Amendment), whereby the parties will agree to certain changes in the DDA, including the Ground Lease and the Schedule of Performance; and

WHEREAS, it is the intent of the Developer, the Agency, and the City (collectively, the Parties) that by executing the First Amendment, the Parties will confirm that they are all parties to the DDA, as amended; and

WHEREAS, it is the intent of the Parties that, except as otherwise specified, all references to "Agency" in the DDA, as amended, shall mean either the Agency or the City, whichever owns fee title to the Property at the relevant time; and

WHEREAS, it is also the intent of the Parties that, as between the Agency and the City, the Party that owns fee title to the Property at the relevant time shall be entitled to exercise all rights, and shall be required to fulfill all outstanding obligations, attributable to "Agency" under the DDA, as amended; and

WHEREAS, the Developer has acknowledged and agreed that the City's intent is to fulfill its financial obligations under the DDA, as amended, through tax increment funds made available by the Agency; therefore nothing in the DDA, as amended, will require the City to expend or promise to expend monies from its general fund to satisfy any obligation under the DDA, as amended; and

WHEREAS, the Developer has submitted to the Council and the Agency copies of the proposed First Amendment in a form acceptable to the Developer; and

WHEREAS, the Board of Directors of Centre City Development Corporation, Inc., has reviewed and discussed the proposed First Amendment, and has recommended that the Agency and the City approve the First Amendment; and

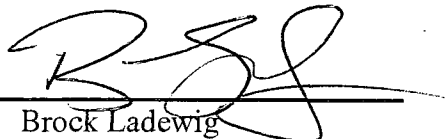
WHEREAS, the Council believes that the execution of the First Amendment is in the best interests of the City and benefits the public health, safety, or general welfare of its residents, and is in accord with the public purpose and provisions of applicable state and local law and requirements; NOW, THEREFORE,

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

1. That the Council hereby finds and determines that all recitals set forth in this Resolution are true and correct and fully incorporated herein by this reference.
2. That the Council hereby approves the First Amendment and all exhibits attached thereto.
3. That the Mayor or his designee is authorized, on behalf of the City, to execute and deliver the First Amendment, a copy of which is on file in the office of the City Clerk as Document No. RR- 306989.

4. That the Mayor or his designee is authorized, on behalf of the City, to execute and deliver all agreements and other documents reasonably required to effect the purposes of the First Amendment and deemed by the Mayor or his designee to be in the best interests of the City.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Brock Ladewig
Deputy City Attorney

BLL:mm
Or.Dept:CCDC
PL#2011-07272
Comp. RA-2012-5

I hereby certify that the foregoing Resolution was passed by the City Council of the City of San Diego, at its meeting of AUG 2 2011 .

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 8-4-11
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor