

Item 105 11/18/2014

(R-2015-244)

RESOLUTION NUMBER R- 309323

DATE OF FINAL PASSAGE NOV 18 2014

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING AND DIRECTING THE EXECUTION OF A SECOND AMENDMENT TO THE PERCENTAGE GROUND LEASE WITH HOUSING DEVELOPMENT PARTNERS, WITH REGARD TO THE SAN DIEGO SQUARE PROPERTY LOCATED AT 910 C STREET, SAN DIEGO, CALIFORNIA.

WHEREAS, the City of San Diego (City) owns that certain real property located at 910 C Street, San Diego, California 92101 (Property), consisting of approximately 60,000 square feet of land bound by 9<sup>th</sup> Avenue, 10<sup>th</sup> Avenue, Broadway and C Street, and commonly known as "San Diego Square;" and

WHEREAS, the City has entered into a certain "Percentage Ground Lease," as amended (Lease), of the Property with Housing Development Partners, a California nonprofit public benefit corporation (HDP). Commencement of the Lease is conditioned on certain conditions being satisfied by HDP on or before April 30, 2015; and

WHEREAS, one of the Lease commencement conditions is that HDP secure financing for a construction loan for rehabilitation of the Property. HDP has informed City staff that a potential lender for this financing has been identified, but that the lender requires certain assurances for it to provide the financing. The lender assurances require several Lease amendments, including an amendment to allow a seventy-five percent (75%) maximum amount limit on certain rents due to City under the Lease; and

WHEREAS, staff has negotiated that certain "Second Amendment to Percentage Ground Lease," on file in the Office of the City Clerk as Document No. <sup>PP-</sup>309323 which will

amend the Lease to allow staff to provide the lender assurances needed for HDP to obtain financing from its prospective lender; and

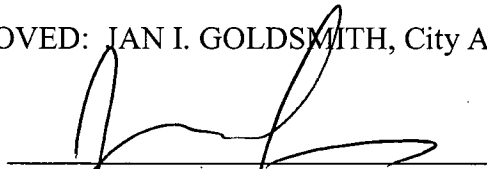
WHEREAS, upon commencement of the Lease, the City is entitled to a one-time payment of \$4 million dollars, in additional to other rents due throughout the term of the Lease. Because these revenues derive from City property utilized for low- and moderate-income housing, pursuant to City Council Resolutions Nos. 218880 (July 20, 1977) and 224179 (August 6, 1979) said revenues should be deposited and used for the City's low-income housing efforts; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, that the Mayor, or his designee, is authorized and directed to execute, for and on behalf of the City, the "Second Amendment to Percentage Ground Lease," between the City and Housing Development Partners, a California nonprofit public benefit corporation, on file in the Office of the City Clerk as Document No. 12-309323, to amend the current "Percentage Ground Lease" for the San Diego Square property located at 910 C Street, San Diego, California.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized and directed to accept and deposit the \$4 million dollars and all other rents and payments received by the City from the subject lease into Low-Income Housing Lease Revenue Fund 200398.

APPROVED: JAN I. GOLDSMITH, City Attorney


By

  
\_\_\_\_\_  
Jeremy M. Fonseca  
Deputy City Attorney

JMF:mcb  
10/30/2014  
Or.Dept: Real Estate Assets  
Doc. No. 892896

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 11/18/14.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 11/18/14  
(date)

  
KEVIN L. FAULCONER, Mayor

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

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on NOV 18 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Harris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage NOV 18 2014

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER  
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

(Seal)

By *Mary Kennedy*, Deputy

Office of the City Clerk, San Diego, California

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