

RESOLUTION NUMBER R- 310147

DATE OF FINAL PASSAGE DEC 15 2015

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING AN EXCLUSIVE NEGOTIATION AGREEMENT WITH CISTERRA DEVELOPMENT FOR A PROPOSED MIXED-USE PROJECT AT SEVENTH AND MARKET IN DOWNTOWN SAN DIEGO.

ITEM # 332
12/8/15

WHEREAS, from its formation in 1958 until its elimination on February 1, 2012, the Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, the Former RDA dissolved as of February 1, 2012, in accordance with a deadline for elimination of all redevelopment agencies throughout California set forth in Assembly Bill x1 26 (AB 26), as modified by the California Supreme Court in *California Redevelopment Assn v. Matosantos*, 53 Cal. 4th 231 (2011); and

WHEREAS, before the Former RDA's dissolution, the City Council adopted Resolution No. R-307238 effective January 12, 2012, designating the City to serve as the successor agency to the Former RDA (Successor Agency) pursuant to California Health and Safety Code (Code) section 34173(d)(1), and further designating the City to serve as the housing successor to the Former RDA (Housing Successor) for purposes of performing the Former RDA's housing functions pursuant to Code section 34176(a)(1); and

WHEREAS, upon the Former RDA's dissolution on February 1, 2012, the Successor Agency became vested with all of the Former RDA's authority, rights, powers, duties, and obligations under the California Community Redevelopment Law (Redevelopment Law) and, by

operation of law, received all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former RDA; and

WHEREAS, the Successor Agency is winding down the Former RDA's affairs in accordance with AB 26, enacted on June 28, 2011, Assembly Bill 1484 (AB 1484), enacted on June 27, 2012, and subsequent legislation; and

WHEREAS, pursuant to Code section 34181(c), the seven-member Oversight Board directed the Successor Agency to transfer the Former RDA's affordable housing assets (Housing Assets) to the City as Housing Successor, and the California Department of Finance (DOF) approved the Oversight Board's decision on January 4, 2013; and

WHEREAS, the Successor Agency transferred the Housing Assets to the Housing Successor on or about January 28, 2013; and

WHEREAS, pursuant to Code section 34176(d), the Housing Successor has created a new, separate fund, known as the Low and Moderate Income Housing Asset Fund (Housing Asset Fund), for purposes of depositing any encumbered funds related to the Housing Assets and retaining any revenues generated from the Housing Assets in the future; and

WHEREAS, Code section 34176(d) requires all monies in the Housing Asset Fund to be used in accordance with applicable housing-related provisions of the Redevelopment Law; and

WHEREAS, Civic San Diego (Civic SD) administers affordable housing projects and implements housing functions on behalf of the Housing Successor pursuant to a written consultant agreement, as amended; and

WHEREAS, Civic SD, acting on behalf of the City, has negotiated an Exclusive Negotiation Agreement included as Attachment C to Staff Report No. CSD-15-18 (Agreement) with Cisterra Corporation, a California corporation (Developer), regarding the development of a

55,000 square-foot mixed-use project at Seventh and Market in downtown San Diego (Property) that includes market rate apartments, affordable apartments, office space, retail, hotel, and public uses (Project); and

WHEREAS, the Developer was selected in response to the East Village Mixed-Use Residential Request for Qualifications and Proposals (RFQ/P) issued by Civic SD for the development of the Property; and

WHEREAS, the RFQ/P required that 15 percent of the total residential units developed on the Property be restricted as affordable and available for low and moderate income households in accordance with the City's Affordable Housing Master Plan; and

WHEREAS, the purpose of the Agreement is to set forth terms for negotiating the Development and Disposition Agreement (DDA) by which the City will agree to transfer ownership of the Property to the Developer and the Developer will agree to construct the Project on the Property; and

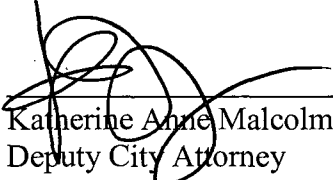
WHEREAS, the Agreement specifies that the parties will negotiate in good faith to prepare the DDA; the negotiation term will be 180 days, with an optional 90-day extension; the Project will be based upon the Developer's submitted response to the RFQ/P; and the Developer will submit a non-refundable \$50,000 deposit to cover the City's administrative costs in negotiating and preparing the DDA; NOW, THEREFORE,

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

1. The Agreement, a copy of which is on file in the Office of the City Clerk as Document No. RR- **310147**, is approved.
2. The Mayor, or designee, is authorized to execute the Agreement and sign all documents necessary and appropriate to carry out and implement the Agreement.

3. The Chief Financial Officer, as delegated, is authorized to accept the Developer's deposit in the amount of \$50,000 and \$100,000, and to appropriate and expend such funds as contemplated under the Agreement.


APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Katherine Anne Malcolm
Deputy City Attorney

KAM:als
09/24/2015
10/12/2015 Cor.Copy
Or.Dept: Civic San Diego
Doc. No.: 1094270_2

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of DEC 08 2015.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk


KEVIN L. FAULCONER, Mayor

Approved: 12/11/15
(date)

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on DEC 08 2015, by the following vote:

| Councilmembers | Yeas | Nays | Not Present | Recused |
|----------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| Sherr Lightner | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lorie Zapf | <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"/> |
| Chris Cate | <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 DEC 15 2015

(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 Tenarity*, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 310147