

**SPECIAL REDEVELOPMENT AGENCY MEETING
NOVEMBER 30, 2010**

The meeting called to order as the City Council at 2:04 p.m. by Council President Hueso with Council Member DeMaio not present.

Roll Call Lightner, Faulconer, Gloria, Young, DeMaio,
Frye, Emerald, and Council President Hueso

Andrea Tevlin, Independent Budget Analyst
Tom Haynes, Independent Budget Analyst
Mary Jo Lanzafame, City Attorney
Elizabeth Maland, City Clerk

The meeting adjourned as the City Council at 2:18 p.m.

The meeting reconvened as the Special Redevelopment Agency meeting by Chair Hueso at 2:18 p.m. with Agency Member DeMaio not present.

Adoption

4. Fiscal Year 2011 Corporation Budget Amendment and Amendment to the Contract with the firm Morrison & Foerster LLP-General (Districts 2 and 8)

(RA-2011-38)

That the Redevelopment Agency of the City of San Diego ("Agency")

Item 1. Amend the Corporation's Fiscal Year 2011 ("FY11") Administrative Budget, increasing the overall budget by \$500,000 to accommodate expenses in Legal Consultant line item for pending litigation and

Item 2. Approve an amendment to the contract with the firm Morrison & Foerster LLP in the amount of \$500,000, for a total contract amount not to exceed \$600,000.

This activity is not a "project" under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378. Therefore, pursuant to CEQA Guidelines Section 15060(c)(3), the activity is not subject to CEQA.

Centre City Development Corporation Report no. CCDC-10-55 dated, November 24, 2010.

Staff: Margarita Garcia, 533-7131
Agency Counsel: Charles Jagolinzer

Returned to staff.

SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES-NOVEMBER 30, 2010

Adoption

S41. **Loan Modification Agreement for the El Pedregal Family Apartments (District 8)**

(RA-2011-46)

Approve and authorize the Executive Director, or designee, to enter into a Loan Modification Agreement between the Agency and SYEP Associates, a California limited partnership, for the El Pedregal Family Apartments.

The City of San Diego has previously certified the information contained in a Mitigated Negative Declaration (MND) for this Project, referenced by MND No. 106926. The project was adequately addressed in the MND, and there is no substantial change in circumstance, additional information or Project changes to warrant additional environmental review.

Housing Impact: The EL Pedregal Family Apartments have created 44 affordable housing rental units (plus one manager unit) for households earning between 30-60% of the Area Median Income. The units shall remain affordable for 55 years.

Redevelopment Agency Report no. RA-10-49 dated, November 24, 2010.

Staff: Xavier Del Valle, 236-6260

Robert Chavez, 236-6263

Agency Counsel: Elisa Cusato

Motion by Member Emerald to Adopt (with DeMaio not present)

Seconded by Chair Hueso

Passed by the following Vote: 7-0

Redevelopment Agency Resolution and Document numbers R-04583 and D-04583.

The meeting adjourned as the Special Redevelopment Agency meeting at 2:38 p.m.

The meeting reconvened as the Special Redevelopment Agency with City Council at 2:39 p.m. by Chair Hueso with Member DeMaio not present.

SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES-NOVEMBER 30, 2010

Adoption

S40. First Implementation to Agreement to the Disposition and Development Agreement for the Mercado Del Barrio Project, and First Implementation Agreement to the Affordable Housing Agreement for the Estrella del Mercado Apartments (District 8)

(RA-2011-45)

Item 1. Approve the First Implementation Agreement to the Disposition and Development Agreement between the Agency and Shea Mercado, LLC for implementation of the Mercado del Barrio Project.

Item 2. Approve the First Implementation Agreement to the Affordable Housing Agreement between the Agency and Mercado CIC, L.P. for implementation of the Estrella del Mercado Apartments.

On July 6, 2010, the Agency certified Addendum No. 203874 to the Barrio Logan Redevelopment Project Area Environmental Impact Report No. 90-0133/SCH No. 90010287, and adopted the Mitigation Monitoring and Reporting Program, in accordance with Section 15164 of the California Environmental Quality Act Guidelines.

Housing Impact: The Estrella del Mercado Apartments will create 91 affordable housing rental units (plus one manager unit) for households earning between 30-60% of the Area Median Income. The units shall remain affordable for 55 years.

Redevelopment Agency Report no. RA-10-48 dated, November 24, 2010.

Staff: Xavier Del Valle, 236-6260

Robert Chavez, 236-6263

Agency Counsel: Monique Tayyab

Motion by Member Young to Adopt (with DeMaio not present)

Seconded by Chair Hueso

Passed by the following Vote: 7-0

Redevelopment Agency Resolution and Document numbers R-04584 and D-04584a and D-04584b.

The meeting adjourned as the Special Redevelopment Agency meeting at 2:38 p.m.

The meeting reconvened as the Special Redevelopment Agency with City Council at by Chair Hueso at 2:39 p.m. with Agency Member DeMaio not present.

SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES-NOVEMBER 30, 2010

Joint Public Hearing

7. Monarch School Project (west side of Newton Avenue between 16th Street and Sigbee Street)-Proposed Amended and Restated Disposition and Development Agreement with Ground Lease with Option to Purchase, Acquisition Agreement and Leaseback-East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment (District 8)

That the Redevelopment Agency of the City of San Diego ("Agency") adopts a resolution:

(RA-2011-47)(Cor.Copy)

- Item 1. Approving the Summary Report prepared in accordance with Section 33433 of the California Community Redevelopment Law in order to inform the Agency and the Public about the proposed Amended Agreement;
- Item 2. Finding and determining that the consideration to be received by the Agency under the terms of the Amended Agreement is not less than the estimated fair re-use value at the use and with the covenants and conditions and development costs authorized by the Amended Agreement;
- Item 3. Finding and determining that the ground leasing and rehabilitation of the building and improvements of the 1625 Newton Avenue property ("Newton Property") and the acquisition and leaseback of the 808 West Cedar Street property ("Cedar Property") in accordance with the proposed Amended Agreement will assist in the elimination of blight in the Centre City Redevelopment Project Area, and is consistent with the Fourth Implementation Plan for the Horton Plaza and Centre City Redevelopment Project ("Implementation Plan") adopted pursuant to California Health and Safety Code Section 33490;
- Item 4. Approving the Amended Agreement which establishes the terms and conditions for the real property transactions between the Agency and Monarch School Project and includes the forms of the Ground Lease with an option to purchase the Newton Property and the Acquisition Agreement and Leaseback of the Cedar Property;
- Item 5. Authorizing the Executive Director of the Agency, or designee, to execute the Amended Agreement, the Ground Lease, the Acquisition Agreement, the Leaseback and all other implementing documents, and take any actions necessary and appropriate to implement the documents subject to all conditions set forth in the Amended Agreement; and
- Item 6. Approving the design of the rehabilitation of the Newton Property building and improvements based upon the Basic Concept/Schematic Drawings attached to the Amended Agreement.

SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES-NOVEMBER 30, 2010

Joint Public Hearing

7. Monarch School Project (west side of Newton Avenue between 16th Street and Sigbee Street)-Proposed Amended and Restated Disposition and Development Agreement with Ground Lease with Option to Purchase, Acquisition Agreement and Leaseback-East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment (District 8)

(Continued)

This project is covered under the Final Environmental Impact Report (FEIR) for the Centre City Redevelopment Plan certified by the Agency on March 14, 2006 (Resolution R-04001), and subsequent addenda to the FEIR certified by the Agency on August 3, 2007 (Agency Resolution S-04193) and April 21, 2010 (Agency Resolutions R-04508 and R-04510) in compliance with CEQA. The FEIR is a "Program EIR" prepared in compliance with State CEQA Guidelines Section 15168. An Environmental Secondary Study (ESS) dated October 2010 has been prepared in accordance with CEQA and State and local guidelines. The ESS concludes, among other things, that (I) the environmental impacts of the proposed project were adequately addressed in the FEIR, (ii) the proposed project is within the scope of the development program described in the FEIR, and (iii) no further environmental documentation is required under CEQA.

Centre City Development Corporation Report no. CCDC-10-56 and CCDC-10-20 dated, November 24, 2010.

Council Companion Item no. 333.

Jeff Graham, Vice President, Redevelopment, Centre City Development Corporation presented staff report and slide presentation.

Public testimony in favor by Garry Smith, and Robert McNamara.

Staff: Jeff Graham, 533-7181

Agency Counsel: Charles Jagolinzer

Motion by Chair Pro Tem Faulconer to Adopt (with DeMaio not present)

Seconded by Chair Hueso

Passed by the following Vote: 7-0

Redevelopment Agency Resolution and Document numbers R-04585 and D-04585; and City Council Resolution number R-306399.

SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES-NOVEMBER 30, 2010

Adoption

5. **Financial Assistance Agreement with Endangered Habitats Conservancy and Ocean Discovery Institute for the Swan Canyon Restoration Project (District 3)**

Redevelopment Agency:

(RA-2011-43)

Item 1. Make necessary findings that the improvements to be completed in Swan Canyon, located on City of San Diego owned property within the City Heights Redevelopment Project Area (Project Area) will be of benefit to the Project Area, that there are no other reasonable means of financing the improvements, that the improvements will assist in the elimination of blight within the Project Area, and the improvements are consistent with the Fourth Implementation Plan adopted on June 19, 2009 for the City Heights Redevelopment Project.

Item 2. Approve the Financial Assistance Agreement by and between the Redevelopment Agency of the City of San Diego and Endangered Habitats Conservancy and Ocean Discovery Institute for the Swan Canyon Restoration Project located in the City Heights Redevelopment Project Area for an amount not to exceed \$135,000 and authorize the Agency Executive Director or designee to execute the Agreement.

Item 3. Authorize the City Chief Financial Officer, as delegated to appropriate encumber and expend City Heights funds of up to \$135,000 contingent on first furnishing a certificate that funds are, or will be, on deposit in the City Treasury.

The activity is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15304(i) and 15333.

Redevelopment Agency Report no. RA-10-42 and Report to Council RTC-10-137 dated, November 24, 2010.

Council Companion Item no. 334.

Staff: Karina Danek, 236-6535

Melissa Garcia. 236-6547

Agency Counsel: Charles Jagolinzer

Comptroller Certificate Number: CC3000003730

Motion by Member Gloria to Adopt

Seconded by Chair Hueso

Passed by the following Vote: 8-0

**Redevelopment Agency Resolution and Document numbers R-04586 and D-04586; and
City Council Resolution number R -306400**

SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES-NOVEMBER 30, 2010

Adoption

6. **Morley Green (Park) in Linda Vista (District 6)**

Redevelopment Agency:

(RA-2011-31)(Rev.Copy)

Item 1. Approve the Grant Deed whereby the Agency transfers fee title to Morley Green Park to the City; and

Item 2. Approve the Cooperation Agreement between the City and the Redevelopment Agency And authorize the Agency Executive Director to execute said Agreement.

The activity is categorically exempt from CEQA Guidelines Section 15061(b (3)).

Redevelopment Agency Report no. RA-10-41 and Report to Council RTC-10-138 dated, November 24, 2010.

Council Companion Item no. 335.

Staff: Eliana Barreiros, 236-6267

Michael Lengyel, 236-6269

Agency Counsel: Charles Jagolinzer

Motion by Member Frye Adopt

Seconded by Member Emerald

Passed by the following Vote: 8-0

Redevelopment Agency Resolution and Document numbers R-04587 and D-04587; and City Council Resolution number R-306401.

The meeting adjourned as the Special Redevelopment Agency Meeting at 2:55 p.m.

The meeting reconvened as the City Council at 2:55 p.m. by Council President/Chair Hueso Joint Special Redevelopment Agency and Special Housing Authority with all Agency Members present.

SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES-NOVEMBER 30, 2010

Adoption

S42. Approval of the Owner Participation Agreement and Associated Actions for the Mission Apartments Project within the North Bay Redevelopment Project Area (District 2)

(RA-2011-40)(Cor.Copy)

- Item 1. Approve the Owner Participation Agreement (OPA) and authorize the Executive Director or designee to execute the OPA with the AMCAL Mission Fund, L.P. (Developer) for the implementation of the Mission Apartments Project.

- Item 2. Authorize the City Chief Financial Officer, or designee to appropriate and expend up to \$6.0 million pursuant to the Owner Participation Agreement associated with the Mission Apartments Project from North Bay Redevelopment Project Area 20% Low and Moderate Income Housing Funds, contingent on certification by the City Comptroller that funds are available for this purpose in the City Treasury.

- Item 3. Approve the Basic Concept Drawings for the Mission Apartments Project.

- Item 4. Amend the FY 2011 North Bay Redevelopment Project Area Budget (Capital Projects Fund) to include \$75,000 designated for "North Bay Unallocated Projects" and accept the Developer's payment of \$75,000 as a non-refundable contribution for costs pertaining to the Owner Participation Agreement.

This activity will not result in a direct or reasonably foreseeable indirect physical change in the environment, and therefore is not subject to CEQA pursuant to State CEQA Guidelines Section 15060 (c)(2). A Mitigated Negative Declaration Number 52078 was prepared in accordance with the CEQA Guidelines and certified by City Council concurrently with the approval of the Community Plan Amendment and Planned Development Permit for the Mission Apartments Project on July 12, 2010.

Redevelopment Agency Report no. RA-10- 44 dated, November 17, 2010.

Council Companion Item no. 336, and Housing Authority Item no. 4

Staff: Krissy Toft, 236-6259

Robert Chavez, 236-6263

Agency Counsel: Charles Jagolinzer

Comptroller Certificate Number: CC3000003733

Motion by Chair Pro Tem Faulconer to Adopt

Seconded by Chair Hueso

Passed by the following Vote: 8-0

Redevelopment Agency Resolution and Document numbers R-04588 and D-04588;

City Council Resolution number R-306399.

SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES-NOVEMBER 30, 2010

1. Approval of the minutes of:
October 12, 2010

Motion by Agency Member Emerald to Approve
Seconded by Chair Hueso
Passed by the following Vote: 8-0

Adoption

2. **Island Inn (202 Island Avenue)-Assignment, Assumption and Refinance Agreement-
Marina Redevelopment District of the Centre City Redevelopment Project Area
District 2)**

(RA-2011-42)

That the Redevelopment Agency of the City of San Diego (“Agency”) approves the Assignment, Assumption and Refinance Agreement, Amendment to Promissory Note, Amendment to Deed of Trust, and Subordination Agreement (collectively referred to as the “agreement”) between the Agency, 197 Partners, a California general partnership (“Assignor”) and Island Inn, L.P. (“Assignee”) and authorizes the Executive Director, or designee, to take such actions necessary to execute and administer the Agreements.

This activity is not a “project” for purposes of the California Environmental Quality Act (CEQA) because it does not fit within the definition of a “project” set forth in Public Resources Code Section 21065 or State CEQA Guidelines Section 15378. Thus, this activity is not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3)

See Centre City Development Corporation Report no. CCDC-10-52 dated, November 24, 2010.

Public testimony in favor by Garry Smith, and Robert McNamara in favor not present.

Staff: A.J. Magana, 533-7125
Agency Counsel: Monique Tayyab

Motion by Chair Pro Tem Faulconer to Adopt
Seconded by Chair Hueso
Passed by the following Vote: 8-0

**Redevelopment Agency Resolution and Document numbers R-04589 and D-04589a,
D-04589b, D-04589c and D-04589d .**

SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES-NOVEMBER 30, 2010

Adoption

**3. J Street Inn (222 J Street)-Assignment and Assumption Agreement-Marina
Redevelopment District of the Centre City Redevelopment Project (District 2)**

(RA-2011-39)

That the Redevelopment Agency of the City of San Diego ("Agency") approves the Assignment and Assumption Agreement, Amendment to Promissory Note, and Amendment to Deed of Trust (collectively referred to as the "Agreement") between the Agency, 197 Partners, a California general partnership ("Assignor") and J Street Inn, L.P. ("Assignee") and authorizes the Executive Director, or designee, to take such actions necessary to execute and administer the Agreements.

This activity is not a "project" for purposes of the California Environmental Quality Act (CEQA) because it does not fit within the definition of a "project" set forth in Public Resources Code Section 21065 or State CEQA Guidelines Section 15378. Thus, this activity is not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3)

See Centre City Development Corporation Report no. CCDC-10-53 dated, November 24, 2010.

Staff: A.J. Magana, 533-7125

Agency Counsel: Monique Tayyab

Motion by Chair Pro Tem Faulconer to Adopt

Seconded by Chair Hueso

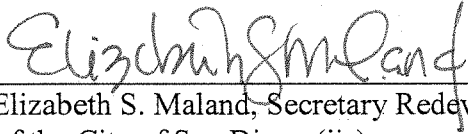
Passed by the following Vote: 8-0

**Redevelopment Agency Resolution and Document numbers R-04590 and D-04590a,
D-04590b and D-04590c.**

SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES-NOVEMBER 30, 2010

Adjournment

The meeting adjourned as the Special Redevelopment Agency meeting at 3:15 p.m.



Elizabeth S. Maland, Secretary Redevelopment Agency
of the City of San Diego (jis)