



Good Neighbors

San Diego  
Housing Commission

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# REPORT

**DATE ISSUED:** November 2, 2005

**ITEM NO: 103**

**REPORT NO.:** HCR05-97  
For the Agenda of November 18, 2005

**SUBJECT:** Sale of the Property Located at 1625 Newton Avenue (District 8)

## SUMMARY

**Issue 1:** Should the San Diego Housing Commission determine the property located at 1625 Newton Avenue to be surplus in accordance with the provisions of California Health and Safety Code Section 34315.7?

**Recommendation 1:** That the Housing Commission determine the property located at 1625 Newton Avenue to be surplus in accordance with California Health and Safety Code 34315.7, which determination allows the Housing Commission to sell the subject property to the Redevelopment Agency of the City of San Diego.

**Issue 2:** Should the Housing Commission recommend to the Housing Authority of the City of San Diego the sale of 1625 Newton Avenue to the Redevelopment Agency of the City of San Diego under the provisions of Subsection (b) of California Health and Safety Code 34315.7 on terms and conditions as set forth in the Purchase and Sale Agreement (Attachment 1) and that the documentation of such sale be approved by General Counsel of the Housing Commission?

**Recommendation 2:** That the Housing Commission recommends the Housing Authority approve the following actions:

1. Authorize the Housing Commission to dispose of the office facility located at 1625 Newton Avenue to the Redevelopment Agency of the City of San Diego under Subsection (b) of California Health and Safety Code Section 34315.7 for Six Million Eighty-Five Thousand Seven Hundred and Thirty Dollars (\$6,085,730) on terms and conditions set forth in the Purchase and Sale Agreement (PSA) as approved by General Counsel of the Housing Commission;



2. Authorize the President and Chief Executive Officer (CEO) or designee to execute all documents, receive funds and make any expenditures necessary to implement this agreement.

**Fiscal Impact:** Proceeds of the Six Million Eighty-Five Thousand Seven Hundred and Thirty Dollars (\$6,085,730) from the sale of Newton Avenue will be used in the purchase of the Housing Commission's new office building at the Smart Corner, as previously approved.

**Equal Opportunity Statement:** The Redevelopment Agency of the City of San Diego is not a certified Disadvantaged, Woman Owned or Disabled Veteran Business Enterprise.

**Environmental Review:** This project has been reviewed by City Environmental Analysis Staff and determined to be exempt from CEQA pursuant to CEQA Guidelines Section 15301. See Determination of Exemption (Attachment 2).

**Previous Related Actions:** On July 18, 2003, the Housing Commission voted to recommend the Housing Authority approve a PSA with Lankford & Associates, Inc., for the Housing Commission's proposed office building (Report HCR02-063).

On July 29, 2003, the Housing Authority approved the PSA with Lankford & Associates, Inc., (HAR03-004).

On March 23, 2005, the Housing Commission approved, and forwarded to the Housing Authority for final approval, the staff recommendation that the Housing Commission be authorized to sell to and lease back its main offices at 1625 Newton Avenue from Concordia Communities, LLC. (HCR05-27).

On September 27, 2005, the Housing Authority rejected the offer from Concordia Communities, LLC to purchase 1625 Newton Avenue; directed Housing Commission staff to enter into negotiations with Centre City Development Corporation (CCDC) for the purchase and sale of the Property; and directed staff to present a PSA with CCDC for the property for consideration within sixty-(60) days (HAR05-014 and HAR05-014 (Supplemental)).

**Affordable Housing Impact:** The Newton Avenue property will be used for affordable housing. The specific nature of the housing to be provided will be determined in the future with input from the Council members from Districts 2 and 8 and from the Downtown and Barrio Logan communities.



## **BACKGROUND**

Proceeds from the sale of Newton Avenue are required by the Housing Commission for the purchase of its new office facility to be located at the Smart Corner as previously approved. Construction is scheduled to be completed in November of 2006.

With the purchase of the new office facility, the existing office building located at 1625 Newton Avenue will no longer be needed by the Housing Commission and will become surplus property.

## **DISCUSSION**

As directed by the Housing Authority on September 27, 2005, staff from the Housing Commission and CCDC have negotiated a PSA for the property at 1625 Newton Avenue. The PSA includes the following provisions that differ from the previously approved agreement with Concordia Communities, LLC:

1. The purchase price will be Six Million Eighty-Five Thousand Seven Hundred and Thirty Dollars (\$6,085,730), which is within the market value range established by a prior appraisal. This price represents an increase over the proposed sale price to Concordia Communities, LLC of Thirty-Five Thousand Seven Hundred and Thirty Dollars (\$35,730). This additional amount reflects the cost of a Limited Geotechnical and Geologic Fault Investigation completed for Concordia Communities, LLC by Geocon Inc., purchased from Concordia by the Housing Commission, and provided to CCDC for future use;
2. The proposed closing will take place on the earlier of October 31, 2006, or the closing for the Housing Commission's purchase of the Smart Corner office facility. Should it be necessary, the Redevelopment Agency has agreed to allow the Housing Commission to remain at Newton Avenue for up to ninety-(90) days after closing at no cost. Therefore, there will be no need for a leaseback of the Newton Avenue property.
3. The property continues to be sold in an "as-is" condition. However, the Redevelopment Agency of the City of San Diego possesses certain specific powers under the Polanco Redevelopment Act regarding assessment of cost for clean-up of hazardous materials, if any, at the property, and has agreed that no responsibility will accrue to the Housing Commission for clean-up under the Polanco Redevelopment Act, but the Redevelopment Agency is not agreeing to indemnify the Housing Commission with respect to hazardous materials, if any, at the property;
4. The Housing Commission will receive a fifty-(50) percent share of any profit resulting from a future sale of the Newton Avenue property by the Redevelopment Agency of the City of San Diego to a third party.



For the Housing Commission Agenda of November 18, 2005  
Sale of the Property Located at 1625 Newton Avenue (District 8)  
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The proposed actions within this report will ensure that the Housing Commission has the necessary funding in place to meet its obligation for the purchase of its new office facility at the Smart Corner while at the same time maximizing the opportunity for the creation of affordable rental and/or for-sale housing at the Newton Avenue property.

Upon the execution of a binding PSA between the Housing Commission and the Redevelopment Agency of the City of San Diego, CCDC will seek direction to develop a re-use strategy for the property from the newly elected Council members in Districts 2 and 8. Outreach for community input will include both the Downtown and Barrio Logan communities.

Respectfully submitted,

Approved by,

Steve Snyder  
Director of Facilities

Elizabeth C. Morris  
Chief Executive Officer

Steve Snyder 578-7545

Attachment 1 Purchase and Sale Agreement  
Attachment 2 Determination of Environmental Exemption



# Attachment - 1

## PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("Agreement") is entered into as of this \_\_\_ day of \_\_\_\_\_, 2005, by and between the San Diego Housing Commission, a public agency ("Seller") and the Redevelopment Agency of the City of San Diego ("Purchaser").

### RECITALS

A. Seller owns the fee interest in and to that certain parcel of real property located at 1625 Newton Avenue, San Diego, California, more particularly described on Exhibit "A," attached hereto, together with all improvements and structures (the "Property").

B. Seller desires to sell the Property to Purchaser, and Purchaser desires to purchase the Property from Seller, and after such sale, Seller and Purchaser desire for Seller to continue to occupy the Property for a period not to exceed ninety (90) days.

### AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which are acknowledged, Purchaser and Seller hereby agree as follows:

1. **PROPERTY.** The term "Property" shall mean all of the following:

1.1 Real Property. That certain parcel of real property located at 1625 Newton Avenue, San Diego, California, more particularly described on Exhibit "A" (the "Real Property");

1.2 Appurtenances. All rights, privileges and easements appurtenant to the Real Property, including, without limitation, all minerals, oil, gas and other hydrocarbon substances on and under the Real Property, as well as any development rights, air rights, and water rights relating to the Real Property which are owned by Seller, and any other easements, rights-of-way or appurtenances which run with the Real Property and are used in connection with the beneficial use and enjoyment of the Real Property (collectively, the "Appurtenances");

1.3 Improvements. All buildings, improvements and structures constructed on the Real Property (collectively, the "Improvements"); and

1.4 Tenant Leases. Seller's interest as of the close of Escrow in all leases and rental agreements concerning the Property (collectively, the "Tenant Leases"), which Tenant Leases as of the date hereof are listed in the Exhibit "B."



1.5 Property Contracts. Seller's interest as of the close of Escrow in all agreements or understandings concerning the Property by which Purchaser would be bound following the Close of Escrow (collectively, the "Property Contracts"), which Property Contracts as of the date hereof are listed in the Exhibit "C."

2. **PURCHASE AND SALE**. In consideration of the mutual covenants in this Agreement, and on the terms and conditions set forth herein, Seller agrees to sell the Property in fee simple and "As-Is" to Purchaser, and Purchaser agrees to purchase the Property "As-Is" from Seller, as provided herein.

3. **DEFINITIONS**. As used in this Agreement, the following terms shall have the following meanings:

3.1 ALTA Survey. "ALTA Survey" shall have the meaning ascribed to it in Section 7.1.4 of this Agreement.

3.2 Approved Exceptions. "Approved Exceptions" shall have the meaning ascribed to it in Section 8 of this Agreement.

3.3 Appurtenances. "Appurtenances" shall have the meaning ascribed to it in Section 1.2 of this Agreement.

3.4 Base Purchase Price. "Base Purchase Price" shall have the meaning ascribed to it in Section 4.1 of this Agreement.

3.5 Closing. "Closing" shall mean the close of Escrow as provided herein.

3.6 Closing Date. "Closing Date" shall mean the date on which the Closing occurs, which shall be the earliest of: (i) the date of the Smart Corner Closing; (ii) October 31, 2006; or (iii) such earlier date as the parties may mutually agree.

3.7 Deferred Purchase Price. "Deferred Purchase Price" shall have the meaning ascribed to it in Section 4.2 of this Agreement.

3.8 Effective Date. "Effective Date" shall mean the date first set forth above.

3.9 Escrow. "Escrow" shall mean and refer to the escrow depository and disbursement services to be performed by Escrow Agent pursuant to the provisions of Section 5 below.

3.10 Escrow Agent. "Escrow Agent" shall mean Chicago Title Company, located at 925 B Street, San Diego, California, 92101.

3.11 Grant Deed. "Grant Deed" shall mean a duly executed and acknowledged grant deed conveying fee simple title to the Real Property from Seller to Purchaser. The Grant Deed shall include a deed restriction requiring payment of the Deferred Purchase Price to Seller.



3.12 Hazardous Materials. “Hazardous Materials” shall have the meaning ascribed to it in Section 9.7 of this Agreement.

3.13 Immediately Available Funds. “Immediately Available Funds” shall mean a bank wire transfer or a certified bank or cashier’s check.

3.14 Improvements. “Improvements” shall have the meaning ascribed to it in Section 1.3 of this Agreement.

3.15 Material. “Material” shall have the meaning ascribed to it in Section 14.6 of this Agreement.

3.16 Opening of Escrow. “Opening of Escrow” shall mean the date that the parties cause the Escrow to be opened with Escrow Agent, which date shall be no later than two (2) business days after the Effective Date.

3.17 Phase I. “Phase I” shall have the meaning ascribed to it in Section 7.1.5 of this Agreement.

3.18 Phase II. “Phase II” shall have the meaning ascribed to it in Section 7.1.6 of this Agreement.

3.19 Property. “Property” shall have the meaning ascribed to it in Section 1 of this Agreement.

3.20 Property Contracts. “Property Contracts” shall have the meaning ascribed to it in Section 9.6 of this Agreement.

3.21 Purchaser. “Purchaser” shall mean the Redevelopment Agency of the City of San Diego. Under no circumstances shall Purchaser assign all or any of Purchaser’s interest in this Agreement prior to Closing without the written consent of Seller.

3.22 Real Property. “Real Property” shall have the meaning ascribed to it in Section 1.1 of this Agreement.

3.23 Rent Roll. “Rent Roll” shall have the meaning ascribed to it in Section 7.1.1 of this Agreement.

3.24 Smart Corner Closing. “Smart Corner Closing” shall mean the closing of the Seller’s purchase of the Smart Corner Property.

3.25 Smart Corner Property. “Smart Corner Property” shall mean that certain parcel of real property and the improvements thereon, which are described in and which Seller has agreed to purchase pursuant to that certain Purchase and Sale Agreement and Escrow Instructions, dated July 29, 2003, by and between Seller and CJUF-Smart Corner, LLC, including any and all extensions and addenda thereto.



3.26 Seller. “Seller” shall mean the San Diego Housing Commission, a public agency or its permitted assignee.

3.27 Tenants. “Tenants” shall have the meaning ascribed to it in Section 9.5 of this Agreement.

3.28 Tenant Leases. “Tenant Leases” shall have the meaning ascribed to it in Section 1.4 of this Agreement.

3.29 Title Company. “Title Company” shall mean Chicago Title Company.

3.30 Title Policy. “Title Policy” shall mean a CLTA Standard Owner’s policy insuring Purchaser’s fee simple title to the Real Property, with liability in the amount of the Purchase Price, insuring that fee title to the Real Property vests with the Purchaser subject only to Approved Exceptions. Notwithstanding the foregoing or anything to the contrary set forth herein, Purchaser may require an ALTA Owner’s policy of title insurance, provided that Purchaser pays all costs and expenses with respect to such ALTA policy of title insurance which are in excess of the costs of the CLTA Standard Owner’s policy.

3.31 Title Report. “Title Report” shall mean the preliminary title report issued by Title Company, dated April 29, 2004, covering the Real Property.

#### **4. PURCHASE PRICE.**

4.1 Base Purchase Price. The base purchase price for the Property shall be Six Million Eighty-Seven Thousand Six Million Eighty-Five Thousand Seven Hundred Thirty and No/100 Dollars (\$6,085,730.00) (“Base Purchase Price”), and shall be paid by Purchaser, with Immediately Available Funds, deposited with Escrow Agent at least one (1) day before the Closing.

4.2 Deferred Purchase Price.

(a) Agreement to Pay Deferred Purchase Price. Purchaser hereby covenants and agrees that in the event Purchaser sells all or any part of the Property for a cumulative consideration in excess of the Base Purchase Price, Purchaser shall pay to Seller the “Deferred Purchase Price” to be established and collected as hereinafter provided.

(b) Deferred Purchase Price Defined. The Deferred Purchase Price shall equal fifty percent (50%) of the “Cumulative Gross Sales Price”.

(c) Cumulative Gross Sales Price Defined. “Cumulative Gross Sales Price” shall mean the gross cumulative amounts in fact paid by buyer(s) of an interest in the Property from the Purchaser, consisting of cash and the face amount of notes or other evidence of indebtedness paid or delivered by such buyer(s), without deduction or credit for closing costs or expenses, financing costs (including points), insurance, commission, tax service, credit reports or other charges or expenses paid by or chargeable to such buyer(s).



(d) Timing of Payment. In the event of a Sale, the Purchaser shall pay to the Seller the Deferred Purchase Price on or before the close of escrow between Purchaser and any buyer(s) of interests in the Property from the Purchaser or other delivery or recordation of the deed evidencing the same.

## 5. ESCROW.

5.1 Establishment of Escrow. No later than two (2) business days after the Effective Date, Purchaser and Seller shall open the Escrow, with Escrow Agent.

### 5.2 **Intentionally Left Blank.**

5.3 Closing. Escrow shall close on the Closing Date, subject to the terms and conditions of this Agreement after satisfaction of all of the conditions, contingencies and requirements of this Agreement has occurred. Provided, however, and notwithstanding anything to the contrary contained herein, after Closing, Seller may continue to exclusively occupy the Property (subject to the Tenant Leases) at no cost to Seller for a period not to exceed ninety (90) days. Possession of the Property (subject to the Tenant Leases) shall be delivered to Purchaser not later than ninety (90) days after Closing. No rent or other consideration of any kind whatsoever shall be owed from Seller to Purchaser during the period of Seller's exclusive occupancy of the Property after Closing. Purchaser shall have no liability whatsoever for the acts or omissions of Seller during Seller's exclusive occupancy of the Property. Purchaser and the Centre City Development Corporation shall be named as additional insureds on Seller's general liability insurance policy on or before closing and shall remain as additional insureds during the period of Seller's exclusive occupancy of the Property.

5.4 Escrow Instructions. This Agreement, along with the general provisions of the Escrow shall serve as escrow instructions to the Escrow Agent. The parties agree to execute such additional supplemental escrow instructions not inconsistent with this Agreement as Escrow Agent may reasonably require in order to facilitate the consummation of the transactions contemplated in this Agreement, and otherwise to conform to the usual practice of Escrow Agent, provided such instructions do not conflict with the provisions hereof. In the event of such conflict, the terms and conditions of this Agreement shall prevail.

5.5 Procedure For Closing. On the Closing Date, Escrow Agent shall close the Escrow by performing the following acts:

5.5.1 Recording the Grant Deed;

5.5.2 Issuing the Title Policy;

5.5.3 Prorating the taxes, costs and expenses as provided in Section 14 of this Agreement;



5.5.4 Disbursing the following amount to Seller: the Purchase Price, less (i) any prorated amounts and charges to be paid by or on behalf of Seller, and (ii) any costs and expenses to be paid by Seller pursuant to this Agreement;

5.5.5 Preparing and delivering to both Seller and Purchaser one signed original copy of the Escrow Agent's closing statements showing all receipts and disbursements of the Escrow; and

5.5.6 Delivering the Title Policy.

5.6 Escrow Costs. Purchaser and Seller shall each pay 50% of all costs and charges of the Escrow, provided, however Seller shall pay the cost of the CLTA Title Policy as described in Section 3.30, above. If Purchaser requires an ALTA Title Policy as described in Section 3.30, above, Purchaser pays all costs and expenses with respect to such ALTA policy of title insurance which are in excess of the costs of the CLTA Standard Owner's policy.

## **6. CONDITIONS TO CLOSING.**

6.1 Conditions Precedent to Closing for Benefit of Seller. Seller's obligation to close shall be conditioned upon the satisfaction or waiver of the following conditions precedent, on or before Closing or as otherwise provided below:

6.1.1 The deposit by Purchaser into Escrow at least one (1) day prior to Closing of Immediately Available Funds equal to the Purchase Price;

6.1.2 The deposit by Purchaser into Escrow at least one (1) day prior to Closing of Immediately Available Funds equal to all expenses to be paid by Purchaser pursuant to this Agreement;

6.1.3 The performance by Purchaser of Purchaser's obligations, covenants and agreements under this Agreement within the time provided for such performance;

6.1.4 The deposit by Purchaser into Escrow of all documents and instruments reasonably required by Escrow Agent and/or Title Company to complete the Closing; and

6.1.5 Purchaser is substantially in compliance, and will be substantially in compliance at the Closing, with each and every covenant, condition and representation in this Agreement.

The failure of Purchaser to perform or make any delivery described above by the Closing Date shall constitute a material breach of this Agreement by Purchaser, provided that the conditions to such performance or delivery have not been expressly waived by Seller in writing.

6.2 Conditions Precedent to Closing for Benefit of Purchaser. Purchaser's obligation to Close shall be conditioned upon the satisfaction or waiver of each of the following conditions precedent:



6.2.1 The deposit by Seller into Escrow of the Grant Deed conveying fee simple title to the Real Property to Purchaser;

6.2.2 Performance by Seller of all of Seller's obligations, covenants and agreements to be performed under this Agreement within the time provided for such performance;

6.2.3 The deposit by Seller into Escrow of Seller's affidavit that Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7761(a)(30) of the Internal Revenue Code of 1986, as amended. The affidavit shall be in the form prescribed by federal regulations;

6.2.4 The deposit by Seller into Escrow of a duly executed FTB Form 590 or other evidence that withholding of any portions of the Purchase Price is not required by the Revenue and Taxation Code of California;

6.2.5 The deposit by Seller into Escrow of all documents and instruments reasonably required by Escrow Agent and/or Title Company to complete the Closing;

6.2.6 Title Company being ready, willing and able to issue the Title Policy, subject only to the Approved Exceptions set forth in Section 8, in an amount not less than the Purchase Price of the Property;

6.2.7 As of the Closing Date, there exists no lease, tenancy or occupancy agreement affecting the Property or any part of the Property, except as approved, in writing by the Purchaser or which is an Approved Exception;

6.2.8 Seller is substantially in compliance, and will be substantially in compliance at the Closing, with each and every covenant, condition and representation in this Agreement; and

6.2.9 The deposit by Seller into Escrow at least one (1) day prior to Closing of Immediately Available Funds equal to all expenses to be paid by Seller pursuant to this Agreement.

The failure of Seller to perform or make any delivery described above by the Closing Date shall constitute a material breach of this Agreement by Seller, provided that the conditions to such performance or delivery have not been expressly waived by Purchaser in writing.

6.3 Waiver By Seller. If any of the foregoing conditions precedent set forth in Section 6.1 has not been satisfied in accordance with their terms, the conditions set forth in Section 6.1 may be waived by Seller unilaterally; and if so waived, such conditions shall be of no further effect hereunder. Any such waiver shall be effective only if the same is (i) expressly waived in writing signed by Seller, and (ii) delivered to Purchaser. If any of the conditions set forth in Section 6.1 are not satisfied, or waived, then this Agreement may be terminated as provided in Section 6.5.



6.4 Waiver By Purchaser. If any of the foregoing conditions precedent set forth in Section 6.2 has not been satisfied in accordance with their terms, the conditions set forth in Section 6.2 may be waived by Purchaser unilaterally, and if so waived, such conditions shall be of no further effect hereunder. Any such waiver shall be effective only if the same is (i) expressly waived in writing signed by Purchaser, and (ii) delivered to Seller. If any of the conditions set forth in Section 6.2 are not satisfied, or waived, then this Agreement may be terminated as provided in Section 6.5.

6.5 Failure of Conditions. If the conditions set forth in Sections 6.1 or 6.2 are not satisfied prior to expiration of the time period required for such satisfaction or expressly waived in writing, either party (provided such party is not in default hereunder) may unilaterally terminate this Agreement and the Escrow by giving written notice of termination to Escrow Agent (with a copy to the other party). After receipt of such written notice to terminate, the other party shall have ten (10) business days to cure any alleged non-satisfaction of a condition or other default under this Agreement as specified in the written notice of termination. If such matter remains unsatisfied or the default remains uncured after the expiration of such ten (10) day period, then this Agreement shall terminate at the close of business on such tenth (10<sup>th</sup>) day. Any such termination of this Agreement shall not release the defaulting party from liability hereunder. Any termination of this Agreement as a result of a failure of one of the conditions precedent for the benefit of Purchaser set forth in Section 6.2, above, then all funds, if any, deposited by Purchaser with Seller or Escrow Agent shall be returned to Purchaser, less any fees charged by Escrow Agent.

## **7. SELLER'S DISCLOSURES AND PURCHASER'S ACKNOWLEDGEMENTS AND APPROVALS.**

7.1 Disclosures. Purchaser hereby acknowledges that Seller has disclosed to Purchaser and that Purchaser has received and hereby approves each of the following:

7.1.1 a rent roll and security deposit report (collectively, the "Rent Roll") as of a recent date listing all Tenant Leases, which Rent Roll is attached hereto as Exhibit D and made a part hereof;

7.1.2 true and correct copies of all Tenant Leases (including all amendments and modifications thereto);

7.1.3 the Title Report;

7.1.4 the ALTA/ACSM Land Title Survey (the "ALTA Survey") of the Real Property, dated as of July 20, 2004, issued by Nasland Engineering, including without limitation Purchaser acknowledges that Seller has disclosed and Purchaser accepts title to the Property subject to any and all encroachments and easements shown thereon;

7.1.5 the Phase I Environmental Assessment Report (the "Phase I") for the Property, dated as of July 30, 2003, issued by Alisto Engineering Group;



7.1.6 the Phase II Environmental Assessment Report (the “Phase II”) for the Property, dated as of November 25, 2003, issued by Alisto Engineering Group;

7.1.7 that the Property is located within a flood plain; and

7.1.8 that the Property is located within the Alquist-Priolo fault zone.

7.2 Waiver. Notwithstanding the foregoing, Purchaser hereby agrees and acknowledges that Purchaser is purchasing the Property “As-Is” and without warranty; provided, however, that Purchaser reserves the right to take any legal action against the preparer of any such reports or studies regarding work performed on Seller’s behalf.

**8. TITLE AND POSSESSION.** Seller shall deliver title to the Property to Purchaser free of any exceptions to title other than those exceptions shown on the Title Report and/or the ALTA Survey (the “Approved Exceptions”). Possession of the Property shall be delivered to Purchaser not later than ninety (90) days after the Close of Escrow. Possession of the Property shall be delivered to Purchaser subject to the Tenant Leases.

**9. SELLER’S REPRESENTATIONS AND WARRANTIES.** Seller hereby represents and warrants to Purchaser, which representations and warranties are true, correct and complete as of the date hereof and shall be true, correct and complete as of the Closing Date.

9.1 Representation and Warranty Regarding Seller’s Authority. This Agreement and all documents executed by Seller which are to be delivered to Purchaser and or the Escrow Agent at or prior to the Closing are, or on the Closing Date will be, duly authorized, executed and delivered by Seller.

9.2 Representation and Warranty Regarding Enforceability of Agreement. This Agreement and all documents required hereby to be executed by Seller shall be valid, legally binding obligations of, and enforceable against, Seller in accordance with their terms.

9.3 Representation and Warranty Pertaining to Real Estate and Legal Matters. Seller has not received written notice from any governmental authority advising Seller of the existence of any violation (or an alleged violation) relative to the Property of any applicable building codes, environmental, zoning, subdivision, and land use laws, the violation of which would have a material adverse effect upon the operation of the Property. To Seller’s knowledge, there are no pending or threatened legal or administrative proceedings or actions of any kind or character of which Seller is a party or by which the Property are bound, which, if adversely determined, would have a material adverse effect upon the Property, Seller’s ownership in the Property, or Purchaser’s right to occupy or utilize the Property in the manner presently contemplated. Notwithstanding the foregoing or anything else to the contrary contained herein, Purchaser has orally informed Seller that Purchaser purportedly discovered a substance under a portion of the Property that may or may not be a Hazardous Material, as further described in Section 11.5, below.



9.4 Representation and Warranty Pertaining to Rent Roll. To Seller's knowledge, the Rent Roll and other documents required to be delivered to Purchaser are true and correct in all material respects as of the dates set forth thereon.

9.5 Representation and Warranty Pertaining to Leases. The copies of the Tenant Leases and other agreements with the tenants (the "Tenants") under the Tenant Leases delivered (or to be delivered) to Purchaser are true and correct copies thereof, are in full force and effect, constitute the entire agreements with such Tenants relating to the leased portions of the Property, and have not been amended, modified or supplemented, except for such amendments, modifications and supplements delivered to Purchaser. Except as otherwise disclosed to Purchaser in writing, Seller has not received written notice of any material default or claim for setoff with respect to the Tenant Leases.

9.6 Representation and Warranty Regarding Operation of the Property Prior to Closing. Except for any agreements terminable at will without penalty or premium, neither Seller nor its agents have entered into any agreements or understandings concerning the Property by which Purchaser would be bound following the Close of Escrow other than the Tenant Leases and the agreements listed in Exhibit "C" attached hereto and made a part hereof (the "Property Contracts"). True, complete and correct copies of the Property Contracts have been (or will be) delivered to Purchaser. To Seller's knowledge, the Property Contracts are in full force and effect, without default by any party and without any claims made for the right of setoff, except as expressly provided by the terms of such Property Contracts or as disclosed to Purchaser in writing at the time of such delivery.

9.7 Representation and Warranty Regarding Hazardous Materials. Seller does not use, treat, store or dispose of, and has not knowingly permitted anyone else, to use, treat, store or dispose of, whether temporarily or permanently, any hazardous or toxic materials ("Hazardous Materials") at, on or beneath the Property. Seller has not received written notice of any violation affecting the Project under any federal, state or local law or regulation relating to Hazardous Materials, and Seller is not aware of any Hazardous Materials present at, on or beneath the Property, except as set forth in the Phase I and/or Phase II, if any. For the purpose of this Agreement, "Hazardous Materials" shall include any substances defined as "extremely hazardous substances," "hazardous substances," "hazardous materials," "hazardous waste," or "toxic substances," in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601, et seq., as amended; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. §§11001-11050, as amended; the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq., as amended; the Toxic Substances Control Act, 15 U.S.C. §2601, et seq., as amended; the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq.; and those substances defined as "hazardous waste" in Section 25117 of the California Health & Safety Code, as "infectious waste" in Section 25117.5 of the California Health & Safety Code, or as "hazardous substances" in Section 25316 of the California Health & Safety Code or "hazardous materials" as defined in Section 353 of the California Vehicle Code; and in the regulations adopted and publications promulgated pursuant to said laws.

9.8 Property to be Sold and Purchased "As-Is". Purchaser and Seller hereby agree that (i) except for the warranties and representations of Seller set forth in this Agreement,



Purchaser is purchasing the Property on an “As-Is” basis without relying on any communications that may have been made by Seller, or any of Seller’s agents or employees, with respect to the Property or Purchaser’s intended use thereof; (ii) the only representations and warranties made with respect to the Property are contained herein; and (iii) for purposes of this paragraph 9, Seller’s “knowledge” shall be deemed to include the knowledge of Elizabeth C. Morris, Carol Vaughan and Steve Snyder as of the Effective Date, and Seller’s “written notice” shall be deemed to include notices sent to the attention of one or more of said persons. The foregoing does not imply and shall not be deemed to require Seller’s independent investigation. Without limiting the generality of the foregoing, Purchaser shall be solely responsible for determining the condition of the Property and all aspects regarding the fees, charges and assessments relating to the Property.

**10. PURCHASER’S REPRESENTATIONS AND WARRANTIES.** Purchaser hereby represents and warrants to Seller, which representations and warranties are true, correct and complete as of the date hereof and shall be and are true, correct and complete as of the Closing Date.

10.1 Representation and Warranty Regarding Purchaser’s Authority. This Agreement and all documents executed by Purchaser which are to be delivered to Seller and or the Escrow Agent at or prior to the Closing are, or on the Closing Date will be and are, duly authorized, executed and delivered by Purchaser.

10.2 Representation and Warranty Regarding Enforceability of Agreement. This Agreement and all documents required hereby to be executed by Purchaser shall be valid, legally binding obligations of, and enforceable against, Purchaser in accordance with their terms.

10.3 Representation and Warranty Regarding Independent Investigation. Purchaser has made (or will make prior to Closing) all independent investigations Purchaser has deemed necessary with regard to the Property and Purchaser’s intended use thereof.

10.4 Property to be Sold and Purchased “As-Is”. Purchaser represents and warrants that Purchaser is purchasing the Property on an “As-Is” basis without relying on any communications that may have been made by Seller, or any of Seller’s agents or employees, with respect to the Property or Purchaser’s intended use thereof. Without limiting the generality of the foregoing, Purchaser shall be solely responsible for determining the condition of the Property and all aspects regarding the fees, charges and assessments relating to the Property.

10.5 Representation and Warranty Regarding Hazardous Materials. Purchaser represents, warrants, acknowledges and agrees that: (i) Purchaser has performed all of the due diligence, inspections and testing, including without limitation geotechnical and environmental testing, that Purchaser deems necessary with respect to the Property; (ii) Purchaser agrees to purchase the Property “as-is” and on the terms and conditions set forth herein regardless of the existence of any Hazardous Materials that may have existed, may exist now or may exist in the future on, within, under, about or from the Property, or in or adjacent to any part of the Property, or in the soil, groundwater or soil vapor on or under the Property, or elsewhere, if any; (iii) Purchaser hereby irrevocably waives any and all rights Purchaser has or may in the future have,



at law or in equity (including without limitation under the Polanco Redevelopment Act, Division 24, Part 1, Chapter 4, Article 12.5 of the California Health and Safety Code, Sections 33459-33459.8, or any successor statute) against Seller, to receive compensation, damages, cost reimbursements or other consideration of any kind whatsoever as a result of Hazardous Materials that may have existed, may exist now or may exist in the future on, within, under, about or from the Property, or in or adjacent to any part of the Property, or in the soil, groundwater or soil vapor on or under the Property, or elsewhere, if any, under any law; provided, however, that (iv) nothing contained herein shall release any or all rights that Purchaser has or may in the future have against Seller's predecessors-in-interest, if any.

**11. Intentionally Left Blank**

**12. PRORATIONS AND APPORTIONMENTS.**

12.1 Revenues and Expenses. All revenues and all expenses of the Property shall be prorated and apportioned as of 12:01 a.m. on the Closing Date, so that Seller shall bear all expenses with respect to the Property and shall have the benefit of all income with respect to the Property through and including the period preceding the Closing Date. Any revenue or expense amount which cannot be ascertained with certainty as of the Closing Date shall be the subject of a final proration thirty (30) days after the Closing Date or as soon thereafter as the precise amounts can be ascertained. Seller shall deliver a statement setting forth such agreed prorations to Title Company. Title Company shall not be required to calculate any prorations.

12.2 Property Taxes. The Real Property is exempt from property taxes until the Closing. Purchaser shall be liable for all real property taxes affecting the Real Property from and after the Closing, if any.

12.3 Treatment of Expenses. Expenses to be prorated shall include water rates and sewer rates, if any; fees under any service contracts; gas, electricity and other utility charges; any unfixed meter charges, if any (apportioned on the basis of the last meter reading); license and permit fees and other expenses customarily prorated. If possible, in lieu of prorating, utilities and other expenses shall be contracted for in the name of Purchaser as of the Closing.

12.4 Payment of Taxes. Purchaser shall pay all taxes, including, but not limited to, sales tax or transfer taxes imposed upon the conveyance of the Property to Purchaser, if any.

12.5 Legal and Related Fees. Except as otherwise provided in this Agreement, Purchaser shall pay the legal fees and other fees incurred by Purchaser, and Seller shall pay the legal fees and other fees incurred by Seller.

12.6 Other Costs and Expenses. Except as otherwise provided in this Agreement and except for services requested by or exclusively benefiting only Purchaser, Seller shall pay all other costs and charges of the Escrow.



### **13. RIGHT TO TERMINATE AND RISK OF LOSS.**

13.1 Purchaser's Rights to Terminate. Purchaser shall advise Seller in writing of any information Purchaser receives which indicates that any representation or warranty made by Seller herein is untrue in any material respect. Seller shall have five (5) business days from receipt of Purchaser's notice to attempt to remedy the breach or inaccuracy in such representation or warranty. In the event Seller is unwilling or unable to remedy such inaccuracy within said period, Purchaser shall have the right, exercisable by giving notice to Seller and Escrow Agent within five (5) days after the expiration of Seller's five (5) business day cure period, either (i) to terminate this Agreement, or (ii) to consummate the transactions contemplated hereby. If Purchaser elects to close escrow after receiving written notice of any actual or alleged inaccuracy of Purchaser representations and warranties, Purchaser shall thereby waive any right or remedy concerning such inaccuracy.

13.2 Waiver of Damages. If Purchaser defaults hereunder and as a result Escrow fails to close, Seller shall have any and all rights and remedies allowed by law or in equity, including without limitation specific performance of this Agreement.

13.3 Material Damage or Destruction. In the event of "Material," as defined in Section 13.6, below, damage to or destruction of the Property prior to Closing, through no fault of Seller, Purchaser shall have the right, exercisable by giving notice to Seller within fifteen (15) days after receiving written notice of such damage or destruction, either (i) to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder except that (a) any money (including, without limitation, the Deposit and all interest accrued thereon) or documents in escrow shall be returned to the party depositing the same, and (b) Purchaser and Seller each shall be responsible for one-half of any title or escrow cancellation fee, or (ii) to accept the Property in its then condition and to proceed with the Closing with an abatement or reduction in the Purchase Price in the amount of the deductible for the applicable insurance coverage, in which case Purchaser shall be entitled to receive an assignment of all of Seller's rights to any insurance proceeds payable by reason of such damage or destruction. If Purchaser elects to proceed under clause (ii) above, Seller shall not compromise, settle or adjust any claims to such proceeds without Purchaser's prior written consent.

13.4 Eminent Domain. In the event that prior to the Closing, all or any "Material," as defined in Section 13.6, below, portion of the Property is subject to a taking or a threatened taking by public authority, Purchaser shall have the right, exercisable by giving notice to Seller within fifteen (15) days after receiving written notice of such taking, either (i) to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder except that (a) any money (including, without limitation, the Deposit and all interest accrued thereon) or documents in escrow shall be returned to the party depositing the same, and (b) Purchaser and Seller each shall be responsible for one-half of any title or escrow cancellation fee, or (ii) to accept the Property in its then condition and to proceed with the Closing without an abatement or reduction in the Purchase Price, in which case Purchaser shall be entitled to receive an assignment of all of Seller's rights to any condemnation award payable by reason of such taking. If Purchaser elects to proceed under clause (ii) above, Seller shall not compromise, settle or adjust any claims to such award without Purchaser's prior written consent.



13.5 Non-Material Taking or Damage. In the event that prior to the Closing, any Non-Material portion of the Property is damaged, destroyed or subject to a taking or a threatened taking by public authority, Purchaser shall accept the Property in its then condition and proceed with the Closing without any abatement or reduction in the Purchase Price, in which case Purchaser shall be entitled to receive an assignment of all of Seller's rights to (i) any applicable insurance proceeds; and/ or (ii) any condemnation award payable by reason of such taking. In the event of any such Non-Material damage, destruction or taking, Seller shall not compromise, settle or adjust any claims to such award without Purchaser's prior written consent.

13.6 Definition of Material. For the purpose of this Section 13, damage to the Property or a taking of a portion thereof shall be deemed to involve a Material portion thereof if the reasonably estimated cost of restoration or repair of such damage or the amount of the condemnation award with respect to such taking shall exceed One Hundred Thousand Dollars (\$100,000).

**14. BROKER'S COMMISSIONS.** Seller and Purchaser each hereby represents and warrants to one another that neither of them has engaged the services of any real estate agent or broker. Seller and Purchaser each agree that, to the extent any real estate commission or brokerage and/or finder's fee shall be earned or claimed in connection with this Agreement or the Close of Escrow hereunder, the payment of such fee or commission, and the defense of any action in connection therewith, shall be the sole and exclusive obligation of the party who requested the services of the broker and/or finder. In the event that any claim, demand or cause of action or brokerage and/or finder's fee is asserted against the party to this Agreement who did not request such services, the party through whom the broker or finder is making the claim shall indemnify, defend (with an attorney of the indemnitee's choice) and hold harmless the other from and against any and all such claims, demands and causes of action and expenses related thereto, including (without limitation) attorneys' fees and costs.

**15. NOTICES.** All notices under this Agreement shall be in writing and sent by (a) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered seven (7) business days after deposit, postage prepaid in the United States Mail, (b) by a nationally recognized overnight courier such as FedEx, in which case notice shall be deemed delivered one (1) business day after deposit with that courier, (c) by facsimile, in which case notice shall be deemed delivered one (1) business day after confirmation of receipt, or (d) by personal delivery, in which case notice shall be deemed delivered upon the actual date of delivery. All notices shall be delivered to the following addresses:

**If to Seller:**

San Diego Housing Commission  
Attn: Elizabeth Morris, Chief Executive Officer  
1625 Newton Avenue  
San Diego, CA 92113  
Tel: (619) 578-7533  
Fax: (619) 578-7360



**And To:**

San Diego Housing Commission  
Attn: Steve Snyder  
1625 Newton Avenue  
San Diego, CA 92113  
Tel: (619) 578-7545  
Fax: (619) 578-7360

**With a Copy To:**

CHRISTENSEN SCHWERDTFEGER & SPATH LLP  
Attn: Charles B. Christensen, Esq.  
550 West C Street, Suite 1660  
San Diego, CA 92101  
Tel: (619) 236-9343  
Fax: (619) 236-8307

**If to Purchaser:**

Redevelopment Agency of the City of San Diego  
c/o Centre City Development Corporation  
225 Broadway, Suite 1100  
San Diego, California 92101  
Attention: Executive Director

**If to Title Company/Escrow Agent:**

Chicago Title Company  
701 B Street, Suite 1700  
San Diego, California, 92101  
Tel: (619) 744-4400  
Fax: (619) 544-6279

The addresses above may be changed by written notice to the other party; provided however, that no notice of a change of address shall be effective until actual receipt of the notice.

**16. ASSIGNMENT.** Prior to closing, neither this Agreement nor any interest hereunder shall be assigned or transferred by Seller or Purchaser without the prior written consent of the other party. In connection with any said approved assignment, the assignee shall assume the assignor's obligation hereunder, but the assignor shall nevertheless remain liable therefor. As used in this Agreement, the terms "Purchaser" and "Seller" shall be deemed to include any assignee or other transferee of the initial Purchaser or Seller, as applicable.

**17. GENERAL PROVISIONS.**

17.1 Governing Law. This Agreement shall be interpreted and construed in accordance with California law.



17.2 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17.3 Captions. The captions in this Agreement are inserted for convenience of reference and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions of this Agreement.

17.4 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors, heirs and permitted assigns.

17.5 Modifications; Waiver. No waiver, modification, amendment, discharge or change of this Agreement shall be valid unless it is in writing and signed by the party against which the enforcement of the modification, waiver, amendment, discharge or change is sought.

17.6 Entire Agreement. This Agreement contains the entire agreement between the parties relating to the transactions contemplated by this Agreement and all prior or contemporaneous agreements, understandings, representations or statements, oral or written, are superseded.

17.7 Partial Invalidity. Any provision of this Agreement which is unenforceable, invalid, or the inclusion of which would adversely affect the validity, legality, or enforcement of this Agreement shall have no effect, but all the remaining provisions of this Agreement shall remain in full effect.

17.8 Survival. Except as otherwise expressly provided in this Agreement, all representations, warranties, covenants, agreements, indemnities and other obligations of Seller and Purchaser in this Agreement shall survive the Closing of this transaction.

17.9 No Third-Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties to this Agreement and their respective successors and assigns, any rights or remedies.

17.10 Time Of Essence. Time is of the essence in this Agreement.

17.11 Attorneys' Fees. If any legal action or any other proceeding, including arbitration or an action for declaratory relief, is brought to enforce this Agreement or because of a dispute, breach, default or misrepresentation in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which that party may be entitled. Prevailing party shall include without limitation (a) a party who dismisses an action in exchange for sums allegedly due; (b) the party that receives performance from the other party alleged to have breached a covenant or the party that receives a desired remedy; or (c) the party determined to be the prevailing party by a court of law.

17.12 Possession. Possession of the Property is to be given to Purchaser on the Closing.



17.13 Relationship. Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create a relationship of principal and agent or partnership or a joint venture between Purchaser and Seller or between either or both of them and any third party.

17.14 Purchaser Approval. Where this Agreement refers to an action or approval of the Purchaser, it shall mean the approval of the Chief Executive Officer of the San Diego Housing Commission, or designee, unless otherwise provided.

17.15 Exhibits and Recitals Incorporated. All exhibits referred to in this Agreement are hereby incorporated in this Agreement by this reference, regardless of whether or not the exhibits are actually attached to this Agreement. The Recitals to this Agreement are hereby incorporated in this Agreement by this reference.

17.16 Further Assurances. Purchaser and Seller agree to execute all such instruments and documents and to take all actions pursuant to the provisions hereof in order to consummate the purchase and sale herein contemplated and shall use their commercially reasonable efforts to accomplish the Close of Escrow in accordance with the provisions hereof.



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**SELLER:**

SAN DIEGO HOUSING COMMISSION, a public agency

By: \_\_\_\_\_  
Elizabeth C. Morris, President & CEO

APPROVED AS TO FORM AND LEGALITY:  
CHRISTENSEN SCHWERDTFEGER & SPATH LLP  
HOUSING COMMISSION GENERAL COUNSEL

By: \_\_\_\_\_  
Walter F. Spath III, Esq.

**PURCHASER:**

Redevelopment Agency of the City of San Diego

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM AND LEGALITY

MICHAEL AGUIRRE  
Agency General Counsel

By: \_\_\_\_\_  
Rachel Witt



## Exhibit A

### Legal Description of the Site

All that certain real property situated in the County of San Diego, State of California, described as follows:

THAT PORTION OF BLOCK 92 OF MANNASSE AND SCHILLER'S SUBDIVISION OF PUEBLO LOT 1157, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 209, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON JULY 11, 1870, INCLUDING THE CLOSED PORTION OF THE ALLEY IN SAID BLOCK WHICH LIES NORTHWESTERLY OF THE SOUTHEASTERLY LINE OF LOTS 18 AND 31 IN SAID BLOCK AND THE PROLONGATION OF SAID SOUTHEASTERLY LINE ACROSS SAID ALLEY, AND SOUTHEASTERLY OF A LINE CONCENTRIC AND PARALLEL WITH AND DISTANT 10.00 FEET SOUTHEASTERLY; MEASURED RADially AND AT RIGHT ANGLES, FROM THE CENTER LINE OF SPUR TRACT LEADING THROUGH SAID BLOCK 92.

EXCEPTING THEREFROM THE NORTHEASTERLY ONE-HALF OF MAIN STREET, FORMERLY "O" STREET, AS VACATED AND CLOSED TO PUBLIC USE ON OCTOBER 30, 1918, BY RESOLUTION NO. 24058 OF THE COMMON COUNCIL OF THE CITY OF SAN DIEGO.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF, LYING BELOW A DEPTH OF 500.00 FEET, MEASURED VERTICALLY, FROM THE CONTOUR OF THE SURFACE OF SAID PROPERTY; HOWEVER, GRANTOR, OR ITS SUCCESSORS AND ASSIGNS, SHALL NOT HAVE THE RIGHT FOR ANY PURPOSE WHATSOEVER TO ENTER UPON, INTO OR THROUGH THE SURFACE OF SAID PROPERTY, OR ANY PART THEREOF, LYING BETWEEN SAID SURFACE AND 500.00 FEET BELOW SAID SURFACE.



## **Exhibit B**

### **Tenant Leases**

Lease dated August 27, 2004, for Suite B with Bel-Born Management Company expired on March 6, 2005, and was subsequently extended to September 6, 2005. Seller is currently negotiating an extension of the Suite B lease as Seller may determine, in its discretion, is appropriate. Seller may enter into a lease or a lease extension for Suite B with Bel-Born Management Company, which lease or lease extension may extend beyond the Closing Date.



## **Exhibit C**

### **Property Contracts**

Janitorial Services- Capital Cleaning Contractors

Waste Disposal- EDCO Disposal Corporation

Landscaping- Aztec Landscaping, Inc.

HVAC- Comfort Cooling

Pest Control- Tibbet/American Pest Control

Elevator Service- ThyssenKrupp Elevator



## **Exhibit D**

### **Rent Roll**

Lease dated August 27, 2004 for Suite B with Bel-Born Management Company expired on 3/6/05 and was subsequently extended to September 6, 2005. Bel-Born Management Company has requested a 6 month lease extension or a lease extension on a month to month basis. Seller is currently negotiating an extension of the Suite B lease as Seller may determine, in its discretion, is appropriate. Seller may enter into a lease or a lease extension for Suite B with Bel-Born Management Company, which lease or lease extension may extend beyond the Closing Date. The rent under such lease or lease extension, if any, has not been determined.



Attachment 2 Determination of Exemption

DETERMINATION OF  
**ENVIRONMENTAL EXEMPTION**  
 Pursuant to the California Environmental Quality Act (CEQA) and State CEQA Guidelines

Agency: CITY OF SAN DIEGO

Project No.: N/A

Date: March 24, 2005

Action/Permit(s): San Diego Housing Commission Approval of Sale and Leaseback of Existing Building

Description of Activity: Sale and Leaseback of an Existing Building.

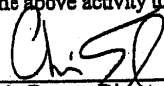
Location of Activity: 1625 Newton Avenue, City and County of San Diego.

**(CHECK BOXES BELOW)**

1.  This activity is EXEMPT FROM CEQA pursuant to:
- Section 15061(b) (3) of the State CEQA Guidelines (the activity is not a project as defined in Section 15378).
2.  This project is EXEMPT FROM CEQA pursuant to State CEQA Guidelines Section checked below:

ARTICLE 19 of GUIDELINES CATEGORICAL EXEMPTIONS (Incomplete list)		ARTICLE 18 of GUIDELINES STATUTORY EXEMPTIONS (Incomplete list)	
Section	Short Name	Section	Short Name
<input checked="" type="checkbox"/> 15301	Existing Facilities	<input type="checkbox"/> 15261	Ongoing Project
<input type="checkbox"/> 15302	Replacement or Reconstruction	<input type="checkbox"/> 15262	Feasibility and Planning Studies
<input type="checkbox"/> 15303	New Construction or Conversion of Small Structures	<input type="checkbox"/> 15265	Adoption of Coastal Plans and Programs
<input type="checkbox"/> 15304	Minor Alterations to Land	<input type="checkbox"/> 15268	Ministerial Projects
<input type="checkbox"/> 15305	Minor Alteration in Land Use	<input type="checkbox"/> 15269	Emergency Projects
<input type="checkbox"/> 15306	Information Collection	<input type="checkbox"/> Other	
<input type="checkbox"/> 15311	Accessory Structures		
<input type="checkbox"/> 15312	Surplus Government Property Sales		
<input type="checkbox"/> 15315	Minor Land Divisions		
<input type="checkbox"/> 15317	Open Space Contracts or Easements		
<input type="checkbox"/> 15319	Annexation of Existing Facilities and Lots for Exempt Facilities		
<input type="checkbox"/> 15325	Transfer of Ownership of Interest in Land to Preserve Open Space		
<input type="checkbox"/> Other			

It is hereby certified that the City of San Diego has determined the above activity to be exempt:



Chris Zirkle, Ass't Deputy Director  
 Environmental Analysis Section

Distribution:  
 Anne Lowry  
 Rick Thompson  
 Exemption or Project file

Revised 9/13/04 - AH

