

REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO



RESOLUTION NUMBER R- 04525

DATE OF FINAL PASSAGE JUN 28 2010

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO [AGENCY] (i) APPROVING THE REPAYMENT AGREEMENT BY AND BETWEEN THE AGENCY AND THE CITY OF SAN DIEGO [CITY] FOR THE REPAYMENT OF CERTAIN INDEBTEDNESS OF THE AGENCY TO THE CITY RELATED TO COMMUNITY DEVELOPMENT BLOCK GRANT [CDBG] FUNDS USED IN CONNECTION WITH REDEVELOPMENT ACTIVITIES; (ii) APPROVING THE AGENCY'S REPAYMENT TO THE CITY OF A TOTAL AMOUNT OF \$78,787,000 TO BE PAID ANNUALLY OVER A TEN YEAR PERIOD COMMENCING ON JUNE 30, 2010; AND (iii) APPROVING OTHER ACTIONS RELATED TO THE REPAYMENT AGREEMENT.

WHEREAS, the City Council of the City of San Diego [City] adopted Redevelopment Plans for the Centre City, Horton Plaza, Central Imperial, Gateway Center West, Southcrest, Mount Hope, Linda Vista, College Grove, Barrio Logan, City Heights, College Community, North Park, San Ysidro, Naval Training Center, North Bay, Crossroads, and Grantville Redevelopment Projects (collectively referred to herein as the Agency Redevelopment Project Areas, or individually referred to herein as an Agency Redevelopment Project Area); and

WHEREAS, the Implementation Plans approved by the Redevelopment Agency of the City of San Diego [Agency] for the respective Agency Redevelopment Project Areas provide for the implementation of certain activities necessary or appropriate to carry out the Redevelopment Plans for the respective Agency Redevelopment Project Areas; and

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law [Community Redevelopment Law], set forth at California Health and Safety Code section

33000 et seq., the Agency is engaged in activities necessary to execute and implement the Redevelopment and Implementation Plans for each of the Agency Redevelopment Project Areas; and

WHEREAS, pursuant to California Health and Safety Code section 33600, the Agency may accept financial or other assistance from any public source for the Agency's activities, powers, and duties, and expend any funds so received for any of the purposes of the Community Redevelopment Law; and

WHEREAS, pursuant to California Health and Safety Code section 33601, the Agency may borrow or accept financial or other assistance from the state or federal government or any other public agency for any Agency redevelopment project within its area of operation, and may comply with any conditions of such loan or grant; and

WHEREAS, the Agency, acting to carry out its public purposes of executing and implementing the Redevelopment Plans for the Agency Redevelopment Project Areas under the Community Redevelopment Law, borrowed money from the City on a long-term basis [Long-Term Debt]; and

WHEREAS, as part of the Long-Term Debt, the City provided capital assistance to the Agency consisting of Community Development Block Grant [CDBG] funds in the form of loans to the Agency [CDBG Debt] for investment in various Agency Redevelopment Project Areas; and

WHEREAS, in 2008, the Office of Inspector General [OIG] of the U.S. Department of Housing and Urban Development [HUD] audited the City's CDBG Program with specific attention to certain CDBG funded activities within the Agency Redevelopment Project Areas; and

WHEREAS, on December 30, 2008, OIG issued its audit report [2008 OIG Audit Report] to HUD's Office of Community Planning and Development, which report provided findings and recommendations including, without limitation, that the City and Agency execute written interagency agreements for certain CDBG debt totaling approximately One Hundred Thirty Nine Million Two Hundred One Thousand Nine Hundred Ninety Seven Dollars (\$139,201,997) and initiate repayment plans; and

WHEREAS, representatives of the Agency, the City and HUD have worked diligently to develop reasonable repayment schedules and terms to make meaningful payments in response to the OIG recommendations without undermining redevelopment efforts; and

WHEREAS, the Agency and the City desire to provide, by and through the proposed Repayment Agreement, the terms for the Agency's repayment of the CDBG Debt to the City in the total amount of Seventy Eight Million Seven Hundred Eighty Seven Thousand Dollars (\$78,787,000) to be paid annually over a ten year period in accordance with the Repayment Agreement; and

WHEREAS, the Agency hereby determines that the proposed repayment plan set forth in the Repayment Agreement serves a public purpose in that: (a) the Agency will be reducing its indebtedness to the City; (b) the City will benefit from the resolution of certain HUD concerns raised in the 2008 OIG Audit Report and from the provision of additional CDBG Program funds to be allocated to eligible projects and activities, used for administration and planning, and committed to defease certain outstanding HUD Section 108 Loan Guarantee Program loans; and (c) the City has benefitted, and will continue to benefit, significantly from the Agency's redevelopment projects which have resulted in City assets such as public improvements, parks, buildings and land, in increased revenues to the City in the form of transient occupancy tax, sales

tax and property tax, in economic revitalization within the City, in increased public infrastructure and improvements within the City such as improved streets, transit corridors, pedestrian walkways and storm drains, and in increased affordable housing within the City; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed Repayment Agreement and believes that it is in the best interests of those Agency Redevelopment Project Areas that will be reducing its indebtedness to the City and to the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law and requirements; NOW, THEREFORE,

BE IT RESOLVED, by the Redevelopment Agency of the City of San Diego [Agency], as follows:

1. That the Agency hereby approves the Repayment Agreement by and between the Agency and the City of San Diego, providing the terms for the Agency's repayment of the CDBG Debt to the City in the total amount of Seventy Eight Million Seven Hundred Eighty Seven Thousand Dollars (\$78,787,000) to be paid annually over a ten year period in accordance with the Repayment Agreement.

2. That the Agency hereby approves the Agency's scheduled repayments to the City in the total amount of Seventy Eight Million Seven Hundred Eighty Seven Thousand Dollars (\$78,787,000) to be paid annually over a ten year period commencing on June 30, 2010, upon certification from the Comptroller that funds are available.

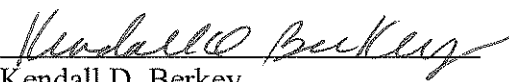
3. That the Agency Executive Director, or designee, is hereby authorized to execute the Repayment Agreement on behalf of the Agency; a copy of the Repayment Agreement when executed by the Agency and the City shall be placed on file in the office of the Secretary of the Agency as Document No. D-04525.

4. That the Agency Executive Director, or designee, is hereby authorized, on behalf of the Agency, to execute all documents necessary and appropriate to carry out and implement the Repayment Agreement, and to administer the Agency's obligations, responsibilities and duties to be performed under the Repayment Agreement.

5. That all repayments pursuant to the Repayment Agreement and any other obligations and indebtedness of the Agency to the City created by the Repayment Agreement shall be subordinate to any bonded indebtedness which has been issued or may be issued by the Agency and shall not be deemed a first pledge of tax increment allocations received by the Agency pursuant to California Health and Safety Code section 33670.

6. That nothing in this action by the Agency shall be deemed to forgive any portion of the CDBG Debt or to cease any interest accrual thereon.

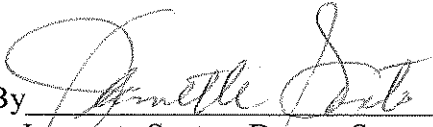
APPROVED: JAN I. GOLDSMITH, General Counsel

By 
Kendall D. Berkey
Deputy General Counsel

KDB:nda
05/21/10
06/23/10 Rev.Copy
Or.Dept:Redev.Agency
RA-2010-92
MMS#12184
Comp.:RA-2010-94
RA-2010-95
R-2010-863
R-2010-864

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of JUN 21 2010

REDEVELOPMENT AGENCY

By 
Jeannette Santos, Deputy Secretary

Approved: 6-28-10
(date)


JERRY SANDERS, Executive Director

Vetoed: _____
(date)

JERRY SANDERS, Executive Director

Passed by the Redevelopment Agency of The City of San Diego on JUN 21 2010, by the following vote:

Agency Members	Yeas	Nays	Not Present	Recused
Sherr Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<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"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carl DeMaio	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<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"/>
Ben Hueso	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


Date of final passage JUN 28 2010

AUTHENTICATED BY:

JERRY SANDERS
Executive Director of The City of San Diego, California.

(Seal)

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

By , Deputy

Office of the Redevelopment Agency, San Diego, California
Resolution Number R- 04525