

(RA-95-10) COR.COPY
06/07/95
REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. 2519
ADOPTED ON JUNE 6, 1995

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO AUTHORIZING THE TRANSFER OF THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$3,700,000) FROM THE CENTRE CITY REDEVELOPMENT PROJECT'S LOW AND MODERATE INCOME HOUSING FUNDS TO BE TRANSFERRED TO THE HOUSING TRUST FUND WITH CONDITIONS THERETO AND FINDINGS OF BENEFIT TO THE CENTRE CITY REDEVELOPMENT PROJECT.

WHEREAS, the Redevelopment Agency of The City of San Diego (the "Agency") is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Centre City Redevelopment Project (the "Project"); and

WHEREAS, in accordance with the California Community Redevelopment Law, codified as California Health and Safety Code section 33000 et seq. (the "Law"), the Agency has set aside twenty percent (20%) of all tax increment funds ("Set-Aside Funds") generated by the Project for the purpose of increasing and improving the supply of low- and moderate-income housing available at affordable housing cost; and

WHEREAS, the Council of The City of San Diego has directed that three million seven hundred thousand dollars (\$3,700,000) of the Project's Set-Aside Funds be allocated to the City's Housing Trust Fund, on a one-time only basis, to be spent in accordance with the Law; and

WHEREAS, the Law provides that Set-Aside Funds shall be used to provide housing for specific income groups, and that a finding of benefit to the redevelopment project from which the funds are derived must be made by the Agency and Council prior to the allocation of Set-Aside Funds outside of the redevelopment project area; and

WHEREAS, the Agency has also adopted Redevelopment Agency Policy 100-1 which allows for the use of Set-Aside Funds outside a

redevelopment project area provided the findings of benefit are made as required by the Law; and

WHEREAS, the Centre City Development Corporation ("CCDC"), which implements the Project on behalf of the Agency, and the San Diego Housing Commission, which oversees the Housing Trust Fund, desire to facilitate the use of the Set-Aside Funds as directed by the City Council; and

WHEREAS, the Agency and the Housing Trust Fund had previously provided financial assistance to the Barrio Logan Redevelopment Project's Mercado Apartments; and

WHEREAS, on May 16, 1995, by Resolution No. 2516, the Agency authorized the direct transfer of four hundred twenty-five thousand dollars (\$425,000) from Fund 98881 to Fund 98902, from the three million seven hundred thousand dollars (\$3,700,000), for the purpose of providing funding for close-out costs associated with the Mercado Apartments; and

WHEREAS, on January 26, 1993, the Agency adopted the Social Issues Policies Working Strategy (the "Strategy"); and

WHEREAS, CCDC has proposed allocating monies from the Project's Set-Aside Funds to implement the Strategy; and

WHEREAS, CCDC and the Housing Commission shall continue to work together to develop projects which are of benefit to both entities and to utilize funds transferred to the Housing Trust Fund from the Project's Set-Aside Funds in a manner compatible with the Law; NOW, THEREFORE,

BE IT RESOLVED, by the Redevelopment Agency of The City of San Diego, that it hereby authorizes the transfer of three million seven hundred thousand dollars (\$3,700,000) to the San Diego Housing Trust Fund to be spent according to the terms and conditions of this Resolution.

BE IT FURTHER RESOLVED, that notwithstanding the above, the Agency acknowledges the previous transfer of four hundred twenty-five thousand dollars (\$425,000) of these funds to provide close-out costs for the Mercado Apartments.

BE IT FURTHER RESOLVED, that the Agency finds and declares, based upon the findings set forth in Attachment A, attached hereto and incorporated herein by this reference, that a portion of the monies allocated to the Housing Trust Fund, with that amount to be mutually determined by the Agency and the Housing Trust Fund, shall be administered by the Housing Trust Fund to help implement the Social Issues Strategy, and that the provision of housing as contemplated in the Social Issues Strategy shall be of benefit to the Centre City Redevelopment Project.

BE IT FURTHER RESOLVED, that projects proposed by the Housing Trust Fund staff to help implement the Social Issues Strategy shall receive the concurrence of the Executive Vice-President of CCDC, prior to the

award of funding to a prospective grantee.

BE IT FURTHER RESOLVED, that the remaining funds transferred to the Housing Trust Fund shall be utilized in the following manner:

1. That funds shall be allocated to projects located within or outside the Project's area. If funds are allocated to projects outside of the Project's area, there shall first be a hearing in which the City Council and the Redevelopment Agency adopt resolutions, consistent with the Law as it is presently and may be amended from time to time, finding and determining that the proposed project(s) is of benefit to the Project's area, and that a similar project(s) is not practicable in the Project's area.

2. That projects proposed by the Housing Trust Fund using the Project's Set-Aside Funds outside of the Project's area shall be presented to CCDC's Board of Directors for a recommendation to the City Council and the Redevelopment Agency of appropriate findings of benefit.

BE IT FURTHER RESOLVED, that the Project's Set Aside Funds shall be utilized in the following manner:

1. That projects utilizing the Set-Aside Funds shall be consistent with the housing element of the Project as contained in the Centre City Redevelopment Plan, as it may be amended from time to time, on file in the office of the City Clerk as Document No. OO-17767.

2. That Set-Aside Funds transferred to the Housing Trust Fund shall be deposited into a separate account, and any interest earned shall be added to the principal of such account and expended in accordance with this resolution.

3. That projects receiving Set-Aside Funds shall record income and occupancy covenants acceptable to the Executive Director of the Agency, and the Housing Commission shall monitor compliance with such income and occupancy covenants.

4. That the Housing Commission shall provide the Agency with quarterly reports regarding the expenditure of the Set-Aside Funds in a form acceptable to the Agency. The reports shall include the current balance of funds in the Set-Aside account and interest earned thereon; money expended to date; projected expenditures; and compliance with income and occupancy covenants.

APPROVED: JOHN W. WITT, General Counsel

By

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Deputy Counsel

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