

RESOLUTION NUMBER R- 291104

ADOPTED ON DEC 08 1998

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO, CALIFORNIA APPROVING THE ISSUANCE BY THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO OF TAX ALLOCATION BONDS IN TWO SERIES TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT IN SAID CITY KNOWN AS THE CITY HEIGHTS REDEVELOPMENT PROJECT, RELEASING AND SUBORDINATING CERTAIN CITY REVENUES AND APPROVING CERTAIN RELATED MATTERS.

WHEREAS, the Redevelopment Agency of The City of San Diego, California (the "Agency"), is a redevelopment agency (a public body, corporate and politic) duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part I of Division 24 of the Health and Safety Code of the State of California, commencing with Section 33000) (the "Law") and the powers of said Agency include the power to issue bonds for any of its corporate purposes; and

WHEREAS, a redevelopment plan for a redevelopment project known and designated as the "City Heights Redevelopment Project" has been adopted and approved and all requirements of law for, and precedent to, the adoption and approval of said plan have been duly complied with; and

WHEREAS, the plan contemplates that the Agency will issue its bonds to finance and refinance a portion of the cost of such redevelopment project; and

WHEREAS, the Agency has been informed and believes that it is necessary and desirable to issue bonds in two series to finance a portion of the costs of the City Heights Redevelopment Plan; and

WHEREAS, The City of San Diego (the "City") and the Agency previously formed the San Diego Redevelopment Financing Authority (the "Authority") under the Marks-Roos Local Bond Pooling Act, Section 6584 et seq. of the Government Code of the State of California (the "Marks-Roos Act"), and the Agency intends to sell said bonds to the Authority for resale to the underwriter selected by the Agency all in accordance with Section 33640 of the Law and Sections 6588 and 6589 of the Marks-Roos Act; and

WHEREAS, this Council on April 6, 1992 adopted its Resolution No. R-279727 pursuant to Section 33676 of the Law electing to receive the additional portions of taxes allocated to the Agency for the City Heights Redevelopment Project specified in said Resolution No. R-279727 and the City wishes, pursuant to Section 33676(d) of the Law, to amend said Resolution No. R-279727 to elect not to receive any portion of the additional allocation of taxes pursuant to Section 33676 in any year during which any of the hereinafter described Bonds remain outstanding; and

WHEREAS, the City has previously loaned \$6,087,408 of its funds (the "City Expenditures") to pay a portion of the costs of the City Heights Redevelopment Plan and the City wishes to be reimbursed (with interest) for said City Expenditures on a basis subordinate to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN DIEGO:

1. Pursuant to said Section 33640, the City Council hereby approves the issuance by the Agency of the City Heights Redevelopment Project Tax Allocation Bonds, Series A and of the City Heights Redevelopment Project Tax Allocation Capital Appreciation Bonds, Series B in an aggregate principal and maturity amount sufficient to provide \$13,300,000 net proceeds to the Agency (exclusive of reserve fund deposit, capitalized interest, original issue discount, Underwriters' discount and all issuance costs) (collectively, the "Bonds"), all in order to provide funds to finance a portion of the City Heights Redevelopment Project, said Bonds to be issued in accordance with the Law in such manner and under such terms and conditions as shall be acceptable to the Agency.

2. The City hereby approves the purchase and resale of the Bonds by the Authority under such terms and conditions as shall be acceptable to the Agency and the Authority.

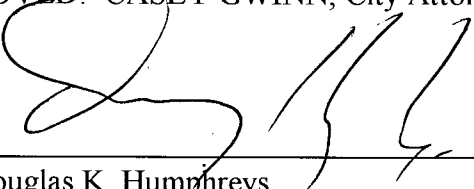
3. The City hereby elects not to receive any portion of the additional allocation of taxes described in Resolution No. R-279727 adopted pursuant to Section 33676 of the Law for any fiscal year during which any of the Bonds (or any bonds issued to refund the Bonds) are outstanding and hereby amends Resolution No. R-279727 to that effect. Notice of this amendment to Resolution No. R-279727 shall be given by the City to the Agency and to both the Treasurer-Tax Collector and the Auditor-Controller of the County of San Diego, all in accordance with and with the effect described in Section 33676(d) of the Law.

4. The City hereby agrees and confirms that the lien on the tax revenues derived under Section 33670 of the Law from the City Heights Redevelopment Project Area for the repayment of City Expenditures shall be subordinate to the lien on said tax revenues for payment of principal of, interest and premium (if any) on the Bonds herein above approved, and, further hereby agrees and confirms that no repayment of City Expenditures shall be made by the Agency

which would preclude or interfere with the complete and timely payment of principal of, interest and premium (if any) on the herein above approved Bonds in accordance with their terms within the constraints imposed by any tax increment limitation required by the Law.

5. This Resolution shall take effect upon adoption.

APPROVED: ~~CASEY GWINN~~, City Attorney

By   
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Douglas K. Humphreys  
Deputy City Attorney

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