

(R-2003-61)

RESOLUTION NUMBER R- 296785

ADOPTED ON JUL 09 2002

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 NOT TO EXCEED \$4,000,000 AGGREGATE PRINCIPAL AMOUNT OF TAX ALLOCATION REFUNDING BONDS TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT IN SAID CITY KNOWN AS THE MOUNT HOPE REDEVELOPMENT PROJECT

WHEREAS, the Redevelopment Agency of the City of San Diego, California [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) [Law] and the powers of the 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 "Mount Hope 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 for the Mount Hope Redevelopment Project contemplates that the Agency will issue its bonds to finance and refinance a portion of the cost of the Mount Hope Redevelopment Project; and

WHEREAS, the Agency previously issued \$1,200,000 original principal amount of Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995A (Tax-Exempt) and \$3,955,000 original principal amount of Mount Hope Redevelopment Project Tax Allocation Bonds, 1995B (Taxable) [collectively Prior Bonds] to finance a portion of the cost of the Mount Hope Redevelopment Project;

WHEREAS, the City has previously loaned the Agency approximately \$18,000,000 to finance a portion of the cost of the public improvements in the Mount Hope Redevelopment Project [Mount Hope City Loans]; and

WHEREAS, the Agency has been informed and believes that it is necessary and desirable to issue an additional series of bonds [Bonds] on a parity with the Prior Bonds to refund and repay a portion of the Mount Hope City Loans; and

WHEREAS, the City intends to use the amounts received from the repayment of the Mount Hope City Loans to make moneys available to the Agency to finance certain publicly owned public improvements in the Southcrest, Central Imperial and Mount Hope Redevelopment Projects, all of which improvements will be of benefit to the Mount Hope Redevelopment Project; and

WHEREAS, the City has previously subordinated to payments on the Mount Hope City Loans to the payments on the Prior Bonds and intends that payments on the remaining portions of the Mount Hope City Loans shall be made on a basis subordinate to the Bonds on the Prior Bonds; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego as follows

1. Pursuant to said section 33640 and 33641(b) of the Law, the City Council hereby

approves the issuance by the Agency of a series of the Agency's Mount Hope Redevelopment Project Tax Allocation Refunding Bonds in an aggregate principal amount not to exceed \$4,000,000 to provide funds to refinance a portion of the Mount Hope Redevelopment Project by current refunding a portion of the Mount Hope City Loans, 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. Pursuant to section 33445(a) of the Law, the City Council hereby a) determines that the repayments of a portion of the Mount Hope City Loan and the subsequent new loans to the Agency to finance publicly owned public improvements in the Southcrest, Central Imperial and Mount Hope Redevelopment Projects are all of the benefit to the Mount Hope Redevelopment Project or the immediate neighborhood in which the Mount Hope Redevelopment Project is located, b) that no other reasonable means of financing such public improvements are currently available to the community and c) that such improvements will assist in the elimination of one or more blighted conditions inside the Mount Hope Redevelopment Project area or provide housing for low- and moderate-income person and are consistent with the implementation plan adopted for the Mount Hope Redevelopment Project area.

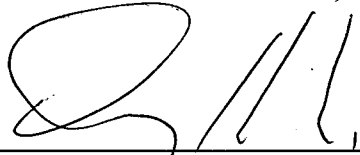
3. The City hereby agrees and confirms that the lien on the tax revenues derived under section 33670 of the Law from the Mount Hope Redevelopment Project area for the repayment of the remaining Mount Hope City Loans shall be subordinate to the lien on said tax revenues for payment of principal of, interest and premium (if any) on the Bonds hereinabove approved and on the Prior Bonds, and, further hereby agrees and confirms that no future repayment of Mount Hope City Loans 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 hereinabove approved Bonds or the Prior Bonds in accordance with their terms within the constraints imposed by any tax increment limitation required by the Law.

4. The limitation imposed by section 620.6 of the Redevelopment Plan for the Mount Hope Redevelopment Project is applicable to bonded indebtedness of the Mount Hope Redevelopment Project including the hereinabove approved Bonds, but does not impose a limitation on the amount of Mount Hope City Loans or other indebtedness.

5. This Resolution shall take effect upon adoption.

APPROVED: CASEY GWINN, City Attorney

By 

Douglas K. Humphreys
Deputy City Attorney

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06/27/02
Or.Dept:SEDC
Aud.Cert: n/a
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