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(R-2007-1075)

RESOLUTION NUMBER R- **302735**

ADOPTED ON JUN 27, 2007

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE ISSUANCE AND SALE BY THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO OF TAX ALLOCATION BONDS, NOTES OR LOANS IN ONE OR MORE SERIES TO FINANCE AND REFINANCE PORTIONS OF THE COSTS OF THREE REDEVELOPMENT PROJECTS IN SAID CITY KNOWN AS THE SOUTHCREST REDEVELOPMENT PROJECT, THE CENTRAL IMPERIAL REDEVELOPMENT PROJECT AND THE MOUNT HOPE REDEVELOPMENT PROJECT; SUBORDINATING CERTAIN PAYMENTS THEREFROM; AND APPROVING CERTAIN RELATED MATTERS.

WHEREAS, the Redevelopment Agency of the City of San Diego [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] [the "Law"] and the powers of said Agency include the power to issue bonds and borrow money for any of its corporate purposes; and

WHEREAS, separate redevelopment plans for the Southcrest Redevelopment Project, the Central Imperial Redevelopment Project and the Mount Hope Redevelopment Project [collectively, the "Project Areas"] have been adopted and approved and all requirements of law for, and precedent to, the adoption and approval of said redevelopment plans have been duly complied with; and

WHEREAS, the redevelopment plans for the Project Areas contemplate that the Agency will, from time to time, issue bonds, notes or other evidences of indebtedness permitted by the Law to finance and refinance portions of the cost of redevelopment in each applicable Project Area; and

WHEREAS, the Agency has previously issued bonds for each of the Project Areas and the Agency has been informed and believes that it is necessary and desirable to issue additional indebtedness to refinance a portion of the existing indebtedness and to finance and refinance further portions of the costs of redevelopment in the Project Areas; and

WHEREAS, the Public Facilities Financing Authority of the City of San Diego [the "Authority"] is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated as of May 14, 1991 as amended and restated on October 29, 2002, by and between the Agency and the City of San Diego, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California [the "Act"], and the Authority is authorized pursuant to Article 4 [Section 6584 et seq.] of the Act [the "Marks-Roos Act"] to issue Authority bonds, notes and other obligations for the purpose of financing the acquisition of Agency bonds, notes and other obligations of, or for the purpose of making loans to, the Agency; and

WHEREAS, the Agency intends to borrow money [the "Agency Loans"] from the Authority pursuant to one or more loan agreements [the "Loan Agreements"] to finance and refinance to above mentioned redevelopment activities and the Authority intends to issue its bonds [the "Authority Bonds"] under one or more indentures of trust [each, an "Indenture"] to provide funds make the Agency Loans to the Agency; and

WHEREAS, the Authority intends to sell the Authority Bonds to RBC Dain Rauscher, Inc., doing business under the trade name RBC Capital Markets, and to Backstrom McCarley Berry & Co., LLC [collectively, the "Underwriters"] under one or more bond purchase contracts [each a "Bond Purchase Contract"] by and among the Agency, the Authority and the

Underwriters, all in accordance with Section 33640 of the Law and the Marks-Roos Act; NOW,
THEREFORE,

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

Section 1. Pursuant to said Section 33640 of the Law, the Council hereby approves the issuance and sale by the Agency of additional Agency obligations, in the form of bonds, notes, loans or otherwise, in one or more series, for the Project Areas as follows: the Southcrest Redevelopment Project, in an aggregate original principal amount not to exceed \$20,000,000; the Central Imperial Redevelopment Project, in an aggregate original principal amount not to exceed \$18,000,000 and the Mount Hope Redevelopment Project, in an aggregate original principal amount not to exceed \$4,000,000 [collectively, the "Agency Loans"]. Said Agency Loans shall be issued in one or more series under the Loan Agreements in accordance with the Law and the Marks-Roos Act in such manner and under such terms and conditions as shall be acceptable to the Agency to provide funds to finance and refinance portions of the costs of one or more of the Project Areas.

Section 2. Said Agency Loans may be issued so that the interest thereon shall be excluded from federal income taxation under the Internal Revenue Code of 1986 (as amended) or not so excluded or part excluded and part not excluded and may be issued bearing a fixed interest rate or a variable interest rate or part fixed and part variable; provided, that no Agency Loan shall bear interest at a rate in excess of the maximum rate permitted by Section 33646 of the Law or have a maturity date in excess of forty years from the date of issuance.

Section 3. The Agency is hereby authorized and directed to prepare, approve and distribute i) its resolutions, trust agreements, fiscal agent agreements, loan agreements and/or similar documents authorizing the issuance of, and establishing the terms and conditions of, the

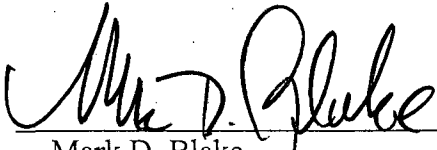
hereinabove approved Agency Loans, ii) one or more official statement(s) for the sale of such Agency Loans or the payments represented thereby and iii) one or more Bond Purchase Contracts setting forth the details of the sale of Agency Loans to the Authority and the sale of the Agency Loans (or the payments related thereto) by the Authority to the Underwriters, and the Agency is hereby further authorized and directed to prepare, publish and distribute such other notices, documents, certificates, opinions and instruments as the Agency shall deem necessary or desirable to effectuate the sale of Agency Loans hereinabove approved and any and all prior and future such actions taken by the Agency and the Authority consistent with this resolution (including, but not limited to, the delegation of certain limited actions related to the issuance and sale of the Agency Loans and the Authority Bonds to one or more duly authorized officers of the Agency) shall be, and shall be deemed to be, the duly authorized actions of the Agency with respect thereto hereby approved.

Section 4. The City Council hereby approves the sale of the Authority Bonds by the Authority to the Underwriters for the purpose of making the Agency Loans to the Agency under the Indenture(s) upon such terms as shall be acceptable to the Authority, and further hereby approves any and all other prior and future actions of the Authority related to the purchase and sale of the Authority Bonds and the making of the Agency Loans consistent with this resolution.

Section 5. The City Council hereby pledges and agrees that so long as the Agency Loans and any indebtedness payable on a parity with the Agency Loans remain outstanding, any and all payments which the City may from time to time elect to receive from the Project Areas pursuant to the redevelopment plans for the Project Areas and Sections 33607.5 and 33607.7 of the Law for the Project Areas shall be and shall remain subordinate to the payments pledged from the Project Areas to pay principal and interest on the Agency Loans.

Section 6. This Resolution shall take effect upon adoption.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By: 
Mark D. Blake
Chief Deputy City Attorney


MDB:jdf
05/01/07
Or.Dept:Financial Mgt
MMS 4781
Companion: RA-2007-106

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at their meeting of JUN 12 2007, 2007.

ELIZABETH S. MALAND
City Clerk

By: 
Deputy City Clerk

Approved: 6-27-07
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor