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(A)

6/12

RESOLUTION NUMBER R- 302737

DATE OF FINAL PASSAGE JUN 27 2007

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO TRANSFERRING FUNDS AND MAKING CERTAIN FINDINGS WITH RESPECT TO THE PAYMENTS FOR CONSTRUCTION OF ON-SITE AND OFF-SITE IMPROVEMENTS FOR THE CORTEZ HILL FAMILY CENTER (PHASE TWO) PROJECT IN THE CORTEZ REDEVELOPMENT DISTRICT OF THE EXPANSION SUB AREA OF THE CENTRE CITY REDEVELOPMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of the City of San Diego, ["Agency"] is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Cortez Redevelopment District Area of the Centre City Redevelopment Project ["Project Area"]; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Agency proposes to pay for all or part of the construction of on-site and off-site improvements for the Cortez Hill Family Center Project (Phase Two) in the Cortez Redevelopment District; and

WHEREAS, Centre City Development Corporation ["Corporation"] has reviewed and recommends that the Council of the City of San Diego consent to, and Agency authorize, the Corporation to bid and construct the on-site and off-site improvements on the Cortez Hill Family Center (Phase Two) in the Cortez Redevelopment District; and

WHEREAS, the Agency has duly considered all conditions of the proposed payment for improvements and believes that the payment by the Agency of all or part of the cost of construction of these improvements by the Agency is in the best interest of the City and health, safety, morals and welfare of its residents, and is in accord with the public purposes and provisions of applicable State and local law requirements; NOW, THEREFORE,

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

1. That it authorizes the transfer of \$150,753 from City Fund #10249 to Redevelopment Agency Fund #98881 for construction of the Phase Two project.

2. That it finds and determines that the construction of the on-site and off-site improvements in the Cortez Redevelopment District for which the Agency proposes to pay are of benefit to the Project Area, that it finds and determines that no other reasonable means for financing the proposed construction for which the Agency proposes to pay is available to the community, and that it finds and determines that the proposed construction will assist in eliminating blighting conditions inside the Project Area.

3. That it finds and determines that the construction of said on-site and off-site improvements are consistent with the Implementation Plan adopted for the Project Area by the Agency on June 21, 1994, as Document No. 2141, pursuant to California Health and Safety Code section 33490. All of the above findings are more fully described in Attachment A hereto.

4. That it consents to the payment by the Agency for all of the costs of the construction identified above.

5. That it authorizes the City Clerk to deliver a copy of this resolution to the Executive Director and members of the Agency.

6. That the total amount for the contract and agreement shall not exceed Four Million, One Hundred Thousand dollars (\$4,100,000).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By Carol A. Leone
Carol A. Leone
Deputy City Attorney

CAL:cfq
05/08/07
Or.Dept:CCDC
Aud.Cert.:
R-2007-1086
Redevelopment: Companion RA-2007-108
MMS#4602

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

ELIZABETH S. MALAND
City Clerk

By Jana Richard
Deputy City Clerk

Approved: 6.27.07
(date)

JSL
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

ATTACHMENT A

FINDINGS

SUBJECT IMPROVEMENTS:

REQUEST TO BID THE CONSTRUCTION OF THE CORTEZ HILL FAMILY CENTER (PHASE 2) – CORTEZ REDEVELOPMENT DISTRICT OF THE EXPANSION SUB AREA OF THE CENTRE CITY REDEVELOPMENT PROJECT

I. FINDINGS OF BENEFIT

The subject improvements for which the Redevelopment Agency of the City of San Diego (the “Agency”) proposes to pay will benefit the Centre City Redevelopment Project or the immediate neighborhood in which the Project area is located in that:

- A. The downtown area is heavily impacted by urban homelessness, so the proposed addition of a kitchen, dining room, offices and play area to an existing homeless housing facility will allow the facility to better serve its residents and the neighborhood by providing a more appropriate environment for families with children, increasing space for supportive services leading to self-sufficiency, and creating more homeless housing when rooms currently used as offices are converted to housing units.
- B. These improvements are within the Cortez Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project, adjacent to underdeveloped properties and/or properties that have been designated as historic and will not likely be redeveloped in the near future.
- C. The construction of the project on the site located at Beech Street and Ninth Avenue will occur in the Cortez Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project. The improvements will enhance portions of the above-mentioned redevelopment district for the benefit of nearby users as well as residents.
- D. The installation of public improvements will correct certain adverse health and safety conditions.
- E. The building and public improvements will act as a catalyst providing an incentive for private investment in the rehabilitation of the adjacent areas.
- F. The Project will create unique “sense of community” areas.
- G. The Project will encourage pedestrian uses.

- H. Revitalizing the above-mentioned district by upgrading the public right of way with street furnishings including trees, lights, and enhanced sidewalk paving.

II. NO OTHER REASONABLE MEANS OF FINANCING

There are no other reasonable means available to the community for financing the subject improvements for which the Agency proposes to pay in that:

City of San Diego

- A. The Fiscal Year 2007 Budget for the City of San Diego (City) increased approximately .14% from \$2.552 billion to \$2.556 billion. Over the last several years, as the City's CIP has grown and revenues have leveled off, the City has developed phase funding to use available cash and minimize the issuance of bond proceeds. This is a means whereby large projects may be budgeted and contracted for in an efficient manner that maximizes the City's use of available funds.
- B. The City's capital improvement budget is funded primarily with water and sewer fees, developer impact fees, grant funds, enterprise fund revenues, Facility Benefit Assessment funds, Gas Tax and Transnet funds. The Fiscal Year 2007 Capital Improvement Program Budget decreased 25% from the Fiscal Year 2006 Budget. The Fiscal Year 2007 CIP Budget provides for the sewer upgrade of the City's Metropolitan and Municipal Wastewater System, water projects, Parks and Recreation projects, library projects, transportation projects and special projects. This is mainly attributable to the City temporarily being unable to access the bond market.
- C. Most major tax revenue categories continue to show signs of growth. Moderate growth is anticipated for most Fiscal Year 2007 major revenues which are composed of property tax, sales tax, transient occupancy tax, franchise fees and other miscellaneous revenues.
- D. The Agency's Fiscal Year 2007 Capital Improvements Budget (CIP) was adopted on May 31, 2006. The CIP and the Agency's Budget were developed in accordance with City and Council Policy, and each project activity was evaluated and incorporated in the respective budgets. Projects are funded based on need and the availability of appropriate funding sources.
- E. The City's CIP Budget totals \$293.7 million, a decrease of \$95.9 million over Fiscal Year 2006.

III. ELIMINATION OF BLIGHTING CONDITIONS

The payment of funds toward the cost of the construction and installation of the subject improvements will assist in the elimination of one or more blighting conditions inside the Cortez Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project, and the proposed improvements are consistent with the Implementation Plan adopted for the Project pursuant to Health and Safety Code 33490, in that:

- A. The improvements will enhance the neighborhood and replace inadequate public improvements. The proposed off-site improvements will remove and replace these adverse conditions, upgrading to match the improvements on nearby streets. The building improvements will complete the City's commitment to the community, and remove the on-site blighting conditions which currently exist.
- B. The improvements will act as a catalyst providing an incentive for private investment, thereby contributing to the removal of economic blight.
- C. The location of streetlight standards will be adjusted and added to increase the level of lighting along the public sidewalks and streets.
- D. "Improvements to existing water and sewer lines, streets, sidewalks, parkways, and lighting in the public right-of-way" as a means to contribute to blight removal is included on page 4 of the work program of the Implementation Plan adopted June 15, 2004 pursuant to Health and Safety Code 33490.