

RESOLUTION NUMBER R- 305090
DATE OF FINAL PASSAGE JUL 22 2009

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO (i) MAKING CERTAIN FINDINGS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445 FOR THE EXPENDITURE OF FUNDS OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO [AGENCY] TO REPAY PRINCIPAL AND INTEREST OF THE PORTION OF HUD 108 LOAN NO. B-03-MC-06-0542 RECEIVED BY THE CITY OF SAN DIEGO [CITY] IN THE AMOUNT OF \$101,000 TO FUND PUBLIC IMPROVEMENTS IN THE MOUNT HOPE REDEVELOPMENT PROJECT AREA [PROJECT AREA]; (ii) AUTHORIZING THE ACCEPTANCE AND DEPOSIT INTO FUND NO. 200423 OF AGENCY FUNDS IN THE AMOUNT OF \$101,000 AND APPROXIMATELY \$5,000 IN INTEREST, TO BE RECEIVED IN PAYMENTS IN FY 2010 IN THE AMOUNT NOT TO EXCEED \$35,660 AS ALLOCATED IN THE FY 2010 AGENCY BUDGET FOR THE PROJECT AREA AND IN FY 2011 AND FY 2012 AS SUBSEQUENTLY BUDGETED BY THE AGENCY, TOWARD THE REPAYMENT OF PRINCIPAL AND INTEREST OF THE PORTION OF HUD 108 LOAN NO. B-03-MC-06-0542 TO FUND THE PUBLIC STREETLIGHT IMPROVEMENTS; AND (iii) AUTHORIZING THE EXPENDITURE OF THE AMOUNT OF \$101,000 AND APPROXIMATELY \$5,000 IN INTEREST, COMMENCING WITH \$35,660 AS THE JULY 2009 AND JANUARY 2010 DEBT SERVICE PAYMENTS, TO HUD TOWARD REPAYMENT OF THE PORTION OF HUD 108 LOAN NO. B-03-MC-06-0542 TO FUND THE PUBLIC STREETLIGHT IMPROVEMENTS.

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 Mount Hope Redevelopment Project Area [Project Area]; and

WHEREAS, in order to implement the Redevelopment Plan for the Project Area, the Agency approved the Fourth 5-Year Implementation Plan for the period of July 2009 – June 2014; and

WHEREAS, the Fourth 5-Year Implementation Plan identifies the need to alleviate crime and the lack of public safety, to alleviate depreciated and stagnant property values, and to improve existing public infrastructure; and

WHEREAS, on September 10, 2002, pursuant to Resolution No. R-297047, the City Council [Council] for the City of San Diego [City] authorized the City's submission of an application for a Section 108 Loan Guarantee (B-03-MC-06-0542) to the United States Department of Housing and Urban Development [HUD]; and

WHEREAS, the Section 108 Loan Guarantee, as revised by the City in September 2003, sought HUD 108 Loan funds for specific improvements including, without limitation, \$101,000 in HUD 108 Loan funds for public improvements in the Project Area which would be repaid by the use of Agency tax increment revenue; and

WHEREAS, the Agency proposes to contribute and expend \$101,000 and approximately \$5,000 in interest from Fund No. 400405 to the City to Fund No. 200423, to be used toward the repayment of the portion of HUD 108 Loan No. B-03-MC-06-0542 [HUD 108 Loan] received by the City which the City commits to use to fund the installation of new and replacement of substandard streetlights, as part of the Mount Hope Market Street Median and Street Light Project, on various streets located within the Project Area south of Market Street between 41st Street and 43rd Street, as identified in Attachment "1" attached to the SEDC Report No. 09-008 and incorporated herein by this reference; and

WHEREAS, the Agency has allocated an amount not to exceed \$35,660 in the Fiscal Year 2010 Budget for the Project Area to be used by the City to make the July 2009 and January 2010 debt service payments, including principal and interest, toward repayment of the portion of HUD 108 Loan to fund the public streetlight improvements in the Project Area; the Agency will

budget in Fiscal Years 2011 and 2012 the balance of the repayment, including principal and interest, of the portion of the HUD 108 Loan to fund the public streetlight improvements in the Project Area; and

WHEREAS, the Agency desires to repay the portion of HUD 108 Loan, including principal and interest, to fund the public streetlight improvements, as part of the Mount Hope Market Street Median and Street Light Project, because the City presently has insufficient funding for the Project; and

WHEREAS, pursuant to Section 33445 of the California Community Redevelopment Law (Cal. Health & Safety Code § 33000 et seq.), the Agency is authorized to pay for all or part of the land for and/or the installation and construction of any building, facility, or other improvement in the Project Area which is publicly owned; and

WHEREAS, the City will manage the administration and construction of the Project and will own and be responsible for maintaining the streetlight improvements upon completion; and

WHEREAS, the Council of the City has duly considered the proposed transaction described above and the proposed Agency financial contribution toward the repayment of the portion of HUD 108 Loan to be used to fund the public streetlight improvements of the Project and finds that the transaction and the payment by the Agency toward the Project are in the best interests of the Project Area, the City and the safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local law requirements; and

WHEREAS, this activity to repay a portion of the HUD 108 Loan and the Mount Hope Market Street Median and Street Light Project for which this loan repayment refers to have been reviewed for compliance in accordance with the California Environmental Quality Act [CEQA]

and is categorically exempt from CEQA pursuant to State CEQA Guidelines Sections 15301(c), Existing Facilities, and the National Environmental Policy Act [NEPA]; NOW, THEREFORE,

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

1. That the Council finds and determines:

(a) That the installation of new and replacement of substandard streetlights as part of the Mount Hope Market Street Median and Street Light Project [Improvements] to be constructed within the Mount Hope Redevelopment Project Area [Project Area], for which the Agency proposes to pay via repayment of the portion of HUD 108 Loan No. B-03-MC-06-0542 [HUD 108 Loan], using Agency tax increment funds from the Project Area, are of benefit to the Project Area and the immediate neighborhood in which the Project Area is located, as follows:

(1) The Improvements are within the Project Area.

(2) The Improvements will enhance portions of the Project Area to benefit the residents and nearby users by providing a well-lit street and sidewalk area.

(3) The Improvements will improve the safety of residents and nearby users by providing additional lighting along the streets south of Market Street between 41st Street and 43rd Street.

(b) That no other reasonable means of financing the Improvements is available to the community (i.e. the City of San Diego [City]), as follows:

(1) The City's Capital Improvement Project [CIP] Budget is funded primarily with water and sewer fees, a one-half-cent local sales tax for transportation improvements, development impact fees, State and Federal grants and/or the issuance of bonds. The Fiscal Year 2010 CIP Budget supports construction projects such as the development of park

land, the construction of sewer pump plants, the acquisition of land for City use, the installation of traffic signals or street lighting systems, and the construction and remodeling of City facilities.

(2) The CIP Budget was developed in accordance with City and Council Policy, and each project activity was evaluated and incorporated in the Budget. Projects are funded based on need and the availability of appropriate funding sources for that particular project. The City's CIP budget for Fiscal Year 2010 totals \$480.7 million, a reduction of \$106.3 million from Fiscal Year 2009 primarily due to one-time financing and Proposition 1B funds included in the Fiscal Year 2009 CIP Budget for capital deferred maintenance.

(3) Funding from the CIP Budget for this Project is presently unavailable as other priority public infrastructure projects have been allocated for available CIP funds in this fiscal year.

(c) That the payment of Agency funds for the cost of the installation of the Improvements will assist in the elimination of blighting conditions within the Project Area, as follows:

(1) The Improvements will upgrade deficient public right-of-way space with new lighting which will improve the image of residential areas of the Project Area.

(2) The Improvements will upgrade public infrastructure that does not presently meet City's street lighting standards for residential corridors.

(3) The Improvements will help eliminate economically blighting conditions in that the neighborhood will be enhanced with lighting that may assist in deterring crime and provide incentives for private investment, improved maintenance and increased consumer activity in the surrounding areas.

(4) The Improvements will correct and upgrade substandard lighting infrastructure and will minimize the possibility of pedestrian incidents and hazards by providing increased lighting.

(d) That the Improvements are consistent with the Fourth 5-Year Implementation Plan adopted on June 19, 2009, for the Project Area pursuant to California Health and Safety Code section 33490; a copy of said Plan is on file with the Agency as Document No. D-04405i, as follows:

(1) The Improvements address the Implementation Plan's goals and objectives including:

- i. Provide neighborhood amenities.
- ii. Preserve and rehabilitate existing residential areas.
- iii. Alleviate the lack of public safety along the Project site.
- iv. Install public improvements to encourage private investment.
- v. Improve existing public infrastructure and circulation.

(e) All of the findings set forth herein above are more fully described in the document titled "Findings" attached to the SEDC Report No. 09-008 as Attachment "3" and incorporated herein by this reference.

2. That the Council authorizes the City to accept and deposit into Fund No. 200423 certain Agency funds in the amount of \$101,000 and in the approximate amount of \$5,000 in interest, to be received in payments in Fiscal Year 2010 in an amount not to exceed \$35,660 as allocated by the Agency in the Fiscal Year 2010 Budget for the Project Area and in Fiscal Years 2011 and 2012 as subsequently budgeted by the Agency, contingent upon the City Comptroller

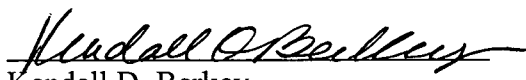
certifying the availability of funds, to be used solely toward the repayment of the portion of HUD 108 Loan received by the City to fund the installation of new and replacement of substandard streetlights, as part of the Mount Hope Market Street Median and Street Light Project, on various streets located within the Project Area south of Market Street between 41st Street and 43rd Street.

3. That the lighting of the streetlights be the most energy efficient lighting possible for the vicinity of Market Street and this Project.

4. That the Council authorizes the Chief Financial Officer as delegated to Financial Management to appropriate and the City Comptroller to expend an amount of \$101,000 and approximately \$5,000 in interest, commencing with \$35,660 as the City's July 2009 and January 2010 debt service payments, to HUD toward repayment of the portion of HUD 108 Loan to fund the public streetlight improvements in the Project Area.

5. That in the event the Agency desires to issue bonds, notes, or other instruments of indebtedness of the Agency to carry out redevelopment projects, then any indebtedness of the Agency to the City of San Diego, including any interest accrued thereon, shall be deemed not to be a first pledge of tax increment allocations received by the Agency pursuant to California Health and Safety Code section 33670; and any indebtedness of the Agency to the City of San Diego, including any interest accrued thereon, shall be subordinate to any pledge of tax increments to bondholders or the holders of other such instruments of indebtedness.


APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Kendall D. Berkey
Deputy City Attorney

KDB:nda
07/10/09 Cor.Copy
07/15/09 Rev.Copy
Or.Dept:SEDC:Redev.Agency
R-2009-1320
MMS#9630
Comp. RA-2009-140

I hereby certify that the foregoing Resolution was passed by the City Council of the City of San Diego, at this meeting of JUL 14 2009.

ELIZABETH S. MALAND
City Clerk

By: 
Deputy City Clerk

Approved: 7-22-09
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor