

RESOLUTION NUMBER R- 306049
DATE OF FINAL PASSAGE AUG 03 2010

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE CHIEF FINANCIAL OFFICER TO APPROPRIATE AND EXPEND HUD SECTION 108 LOAN FUNDS FOR THE MOUNT HOPE STREET LIGHT IMPROVEMENTS AND PRIORITIZING THE USE OF SECTION 108 LOAN FUNDS FOR COMPLETION OF THIS CONSTRUCTION.

WHEREAS, on September 10, 2002, the Council of the City of San Diego (City Council) adopted Resolution No. R-297047 authorizing the City Manager to apply to the U.S. Department of Housing and Urban Development (HUD) for a \$3.535 million Section 108 loan to be used for public improvements in the Southeastern San Diego community; and

WHEREAS, the Section 108 loan application of the City of San Diego (City) specified that \$101,000 of the Section 108 loan was to be transferred from the City to the Southeastern Economic Development Corporation (SEDC) to construct public improvements in the Mt. Hope Redevelopment Project Area including the installation of new and replacement of substandard street lights on several residential streets south of Market Street (Mt. Hope Street Light Improvements); and

WHEREAS, pursuant to the authorization set forth in Resolution R-297047, the City obtained and accepted the loan proceeds for the Mt. Hope Street Light Improvements in June 2008; and

WHEREAS, after payment of fees related to obtaining the Section 108 loan, \$98,675 of the Section 108 loan proceeds intended for the Mt. Hope Street Light Improvements remains available for the construction of the improvements; and

WHEREAS, to date, the Mt. Hope Street Light Improvements have not been constructed because of delays in the project scoping and environmental review processes and a lack of administrative capacity to implement the project; and

WHEREAS, in July 2009, the City's Engineering & Capital Projects Department (E&CP) agreed to provide services to administer and complete the Mt. Hope Street Light Improvements in combination with the installation of new street medians on Market Street in the Mt. Hope neighborhood, which combined project is henceforth referred to as the Mt. Hope Market Street Median & Street Light Project; and

WHEREAS, in addition to the Section 108 loan funds for the Mt. Hope Street Light Improvements, on June 1, 2009 and November 23, 2009, pursuant to Resolution Nos. R-304940 and R-305430 respectively, City Council authorized the appropriation and expenditure of a total of \$617,900 in Community Development Block Grant – Recovery (CDBG-R) funds from Fund 600000 to construct the Mt. Hope Market Street Median & Street Light Project, CIP S-10088; and

WHEREAS, CDBG-R funds can be expended on both the Mt. Hope Street Light Improvements and the Mt. Hope Market Street median improvements, but Section 108 loan funds can only be expended on the Mt. Hope Street Light Improvements consistent with the City's Section 108 loan application to HUD; and

WHEREAS, the City must expend the Section 108 loan funds for the Mt. Hope Street Light Improvements in order to meet its commitments to HUD, or else must defease the Mt. Hope portion of the Section 108 loan;

NOW, THEREFORE,

BE IT RESOLVED, that the Chief Financial Officer is authorized to increase by \$98,675 the Fiscal Year 2011 Capital Improvements Program Budget in CIP S-10088, the Mt. Hope Market Street Median & Street Light Project, with funds which are currently in Fund 200423, HUD Section 108 MLK Senior Center, for the sole purpose of completing the Mt. Hope Street Light Improvements;

BE IT FURTHER RESOLVED, by the Council of the City of San Diego, that the Chief Financial Officer is authorized to appropriate and expend \$98,675 in HUD Section 108 loan funds from CIP S-10088, Mt. Hope Market Street Median & Street Light Project, which funds are currently in Fund 200423, HUD Section 108 MLK Senior Center, for the sole purpose of completing the Mt. Hope Street Light Improvements;

BE IT FURTHER RESOLVED, that with regard solely to the construction and completion of the Mt. Hope Street Light Improvements, Section 108 loan funds shall be expended prior to any expenditure of CDBG-R funds;


BE IT FURTHER RESOLVED, that this resolution shall take effect immediately upon its passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 

Kenneth So
Deputy City Attorney

KS:js
07/07/2010
Or.Dept: E&CP
R-2011-39
PL#2010-00428

 306049

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 27 2010

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 8.3.10
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor