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(R-2013-57)

RESOLUTION NUMBER R- 307599

DATE OF FINAL PASSAGE JUL 31 2012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE EXECUTION AND RECORDING OF CONVEYANCE INSTRUMENTS TO ACCOMPLISH THE REVERSAL OF THE PRIOR TRANSFER OF REAL PROPERTY ASSETS AND OTHER ASSETS THAT OCCURRED BETWEEN THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO AND THE CITY OF SAN DIEGO.

WHEREAS, from its formation in 1958 until its elimination on February 1, 2012, the Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City), and there are presently fourteen such project areas; and

WHEREAS, the Former RDA dissolved as of February 1, 2012, in accordance with a deadline for elimination of all redevelopment agencies throughout California set forth in Assembly Bill x1 26 (AB 26), as modified by the California Supreme Court in a final opinion issued on December 29, 2011, in litigation designated as Case No. S194861; and

WHEREAS, at the time of the Former RDA's dissolution, the City, in its capacity as the successor agency to the Former RDA (Successor Agency), became vested with all of the Former RDA's authority, rights, powers, duties, and obligations under the California Community Redevelopment Law and, by operation of law, received all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former RDA; and

WHEREAS, the Successor Agency is winding down the Former RDA's affairs in accordance with AB 26, enacted on June 28, 2011, and Assembly Bill 1484, enacted on June 27, 2012; and

WHEREAS, pursuant to Council Resolution No. R-306680 and Redevelopment Agency Resolution No. R-04654, both adopted effective March 15, 2011, the Former RDA transferred to the City various real property assets and other assets in March 2011 (the Prior Asset Transfers) in order to accomplish important municipal and other public purposes in accordance or consistent with the redevelopment plans adopted for the redevelopment project areas in the City; and

WHEREAS, the Prior Asset Transfers included: (i) the recording of quitclaim deeds to transfer fee title ownership of numerous real property assets from the Former RDA to the City; (ii) the recording of deeds of trust in the City's favor against certain real property assets retained in the Former RDA's ownership to secure the repayment of certain indebtedness owed by the Former RDA to the City; and (iii) the execution of assignment and assumption agreements to transfer other assets related to the transferred real property assets from the Former RDA to the City, including accounts receivable and evidences of indebtedness, assignment of rents and leases, rents, leases, promissory notes, deeds of trust, security instruments and agreements, other accounts receivable and agreements, and other rights of the Former RDA to receive payments of funds and/or other consideration; and

WHEREAS, several months after the Prior Asset Transfers, the State Legislature enacted AB 26, which, among other things, instituted a so-called "claw-back" provision in California Health and Safety Code section 34167.5, authorizing the State Controller to review the activities of the Former RDA to determine whether any ineligible asset transfers have occurred after January 1, 2011 between the Former RDA and the City or any other public agency, and to order the reversal of the ineligible asset transfers and the transfer of the pertinent assets to the Successor Agency; and

WHEREAS, relying upon the claw-back provision, the State Controller issued a written order to the City dated April 20, 2012 (Order), requiring the City to reverse all asset transfers from the Former RDA to the City that occurred after January 1, 2011, except to the extent that the City has contractually committed a particular asset to a third party prior to June 28, 2011 (i.e., the date of enactment of AB 26); and

WHEREAS, as described in Agenda Report No. 12-097 to the City Council (Staff Report), the City must now reverse the Prior Asset Transfers in accordance with the Order, which will involve: (i) the City's transfer, and the Successor Agency's acceptance, of fee title ownership of the real property assets identified in Attachment No. 1 to the Staff Report (collectively, the Real Property Assets); (ii) the City's reconveyance of the deeds of trust presently encumbering the real property assets identified in Attachment No. 2 to the Staff Report (collectively, the Encumbered Assets); and (iii) the City's assignment, and the Successor Agency's assumption, of all assets related to the Real Property Assets, including net revenues (after deducting operating expenses) derived from the Real Property Assets during the period of the City's ownership, accounts receivable and evidences of indebtedness, assignment of rents and leases, rents, leases, promissory notes, deeds of trust, security instruments and agreements, other accounts receivable and agreements, and other rights to receive payments of funds and/or other consideration (collectively, the Other Assets); NOW, THEREFORE,

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

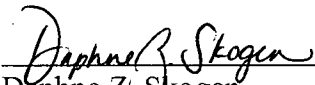
1. The Mayor or designee is authorized to execute and record, on the City's behalf, the conveyance instruments necessary to accomplish the reversal of the Prior Asset Transfers (collectively, the Conveyance Instruments), including: (a) the quitclaim deeds for the transfer of fee title ownership of the Real Property Assets from the City to the Successor Agency, in

substantially the form of Attachment No. 4 to the Staff Report; (b) the reconveyance of the deeds of trust against the Encumbered Assets, in substantially the form of Attachment No. 5 to the Staff Report; and (c) the assignment and assumption agreement for the transfer of the Other Assets from the City to the Successor Agency, in substantially the form of Attachment No. 6 to the Staff Report. A copy of all Conveyance Instruments, when executed (and recorded in the San Diego County Recorder's Office, where appropriate), shall be placed on file with the City Clerk.

2. The Mayor or designee is authorized, on the City's behalf, to take all reasonable and necessary actions and to execute and record all reasonable and necessary documents to implement and carry out the purposes of this Resolution, including without limitation the City's transfer of the Real Property Assets and Other Assets to the Successor Agency and the City's reconveyance of the deeds of trust against the Encumbered Assets, utilizing the appropriate Conveyance Instruments, and on such other terms and conditions deemed by the Mayor or designee to be in the best interests of the City, subject to the approval of the City Attorney.

3. The Mayor or designee is authorized to administer the City's obligations, responsibilities, and duties to be performed under the terms of this Resolution and the Conveyance Instruments.

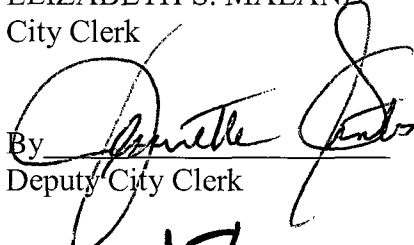
APPROVED: JAN I. GOLDSMITH, City Attorney

By  \_\_\_\_\_  
Daphne Z. Skogen  
Deputy City Attorney

DZS:nja  
07/19/12  
Or.Dept:Mayor  
Companion to: R-2013-59  
Doc. No. 405411

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 23 2012

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 7.31.12  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

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JERRY SANDERS, Mayor