

RESOLUTION NUMBER R- 308074

DATE OF FINAL PASSAGE APR 10 2013

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING THE TRANSFER OF
APPROPRIATION OF CERTAIN FUNDS, AS WELL AS THE
DE-APPROPRIATION OF REDEVELOPMENT FUNDS,
RELATED TO CERTAIN CAPITAL IMPROVEMENT
PROGRAM PROJECTS IN THE CROSSROADS AND CITY
HEIGHTS REDEVELOPMENT PROJECT AREAS

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

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; 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 (AB 1484), enacted on June 27, 2012 (collectively, the Dissolution Laws); and

WHEREAS, prior to the enactment of the Dissolution Laws, the City and the Former RDA entered into that certain Cooperation Agreement for Payment of Costs Associated with Certain Redevelopment Agency Funded Projects dated February 28, 2011 (Original Cooperation Agreement), pursuant to Resolution No. R-306632 adopted by the Council and Resolution No. R-04618 adopted by the Former RDA's board of directors; and

WHEREAS, the Original Cooperation Agreement, as subsequently modified by the First Amendment dated March 11, 2011, the Second Amendment dated March 15, 2011, and the Third Amendment dated August 8, 2011 (collectively, the Amended Cooperation Agreement), requires the Former RDA to transfer specified funds to the City in annual installments for the City's use in implementing various redevelopment projects, activities and programs on the Former RDA's behalf throughout the City's redevelopment project areas; and

WHEREAS, since March 2011, the Former RDA has transferred substantial funds to the City in accordance with the Amended Cooperation Agreement, and the City has transferred some of those funds and other redevelopment funds into the Capital Improvements Program (CIP) to be used for specific CIP Projects located in certain redevelopment project areas; and

WHEREAS, in a letter dated December 27, 2012, the State Department of Finance (DOF) objected to the inclusion of the Amended Cooperation Agreement as an enforceable obligation in the Successor Agency's third Recognized Obligation Payment Schedule covering the period of January through June 2013 (ROPS 3), and concluded that the Amended Cooperation Agreement has been retroactively invalidated by operation of the Dissolution Laws; and

WHEREAS, the Council has decided not to initiate litigation to challenge the DOF's rejection of the Amended Cooperation Agreement in ROPS 3; and

WHEREAS, the City must transfer the CIP budget appropriation of \$47,610.69 related to one CIP Project, must de-appropriate the Cooperation Agreement funds and other redevelopment funds in multiple CIP Projects, and must transfer such de-appropriated funds to the Successor Agency so that the Successor Agency is able to (i) make any payments owed to the San Diego County Auditor-Controller (County Auditor) as a result of a two-part due diligence review of the Successor Agency's account balances under the Dissolution Laws and (ii) comply with an anticipated written audit report from the State Controller demanding the City's prompt return of the Cooperation Agreement funds to the Successor Agency; and

WHEREAS, the de-appropriated CIP Projects will remain open so that they can be completed using a future appropriation of other available funding sources, such as non-redevelopment funds in the City's possession or excess non-housing bond proceeds in the Successor Agency's possession; NOW, THEREFORE,

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

1. The Chief Financial Officer is authorized to transfer the Capital Improvements Program (CIP) budget appropriation of \$47,610.69 from CIP S00910, University Avenue Sidewalk from 54th to 68th Streets, to CIP S00654, Chollas Community Park within Fund 200357, Crossroads Redevelopment Contribution.

2. The Chief Financial Officer is authorized to reduce the CIP budget by de-appropriating the following amounts:

(a) \$887,000 in Fund 200357, Crossroads Redevelopment Contribution, CIP S00654, Chollas Community Park;

(b) \$200,000 in Fund 200357, Crossroads Redevelopment Contribution, CIP S00910, University Avenue Sidewalk from 54th to 68th Streets;

(c) \$198,905 in Fund 200600, City Heights Redevelopment Contribution, CIP S01070, City Heights Square Mini Park;

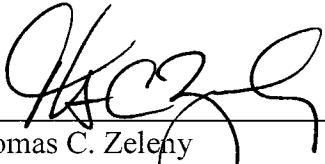
(d) \$900,000 in Fund 200641, City Heights Redevelopment Contribution – 2010 City Heights Tax Exempt Bonds, CIP S00673, Home Avenue Park; and

(e) \$2,817,000 in Fund 200641, City Heights Redevelopment Contribution – 2010 City Heights Tax Exempt Bonds, of which \$612,000 is from CIP S12023, 50th/53rd & Meade Colina Park Sidewalks, \$270,000 is from CIP S12024, Altadena/52nd Colina Park Sidewalks, and \$1,935,000 is from CIP S12025, Colina Park Neighborhood Street Lights.

3. The purpose of each de-appropriation of funding in this Resolution is to allow the transfer of de-appropriated funds from the City to the Successor Agency so that the Successor Agency is able to (i) make any payments owed to the County Auditor as a result of a two-part due diligence review of the Successor Agency's account balances under the Dissolution Laws and (ii) comply with an anticipated written audit report from the State Controller demanding the City's prompt return of the Cooperation Agreement funds to the Successor Agency.

APPROVED: JAN I. GOLDSMITH, City Attorney

By



Thomas C. Zeleny
Chief Deputy City Attorney


TCZ/KR:nja
04/04/13
Or.Dept: Civic San Diego
Doc. No. 533604
Comp. R-2013-569, R-2013-570, R-2013-571

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 8 2013

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 4/10/13
(date)


BOB FILNER, Mayor

Vetoed: _____
(date)

BOB FILNER, Mayor