

RESOLUTION NUMBER R- 309583

DATE OF FINAL PASSAGE APR 22 2015

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO, ACTING IN ITS CAPACITY AS THE BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, AUTHORIZING THE ACCEPTANCE OF UNENCUMBERED HOUSING FUNDS FROM THE CITY OF SAN DIEGO AND THE EXPENDITURE OF THOSE FUNDS FOR APPROVED ENFORCEABLE OBLIGATIONS, AS REQUIRED BY THE CALIFORNIA DEPARTMENT OF FINANCE.

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 *California Redevelopment Assn. v. Matosantos*, 53 Cal.4th 231 (2011); and

WHEREAS, pursuant to Resolution No. R-307238 adopted by the City Council effective January 12, 2012, the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), elected to serve as the successor agency to the Former RDA, and the City also elected to serve as housing successor to the Former RDA in order to retain housing assets and assume housing responsibilities; and

WHEREAS, at the time of the Former RDA's dissolution on February 1, 2012, the 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, Assembly Bill 1484, enacted on June 27, 2012, and subsequent legislation (collectively, the Dissolution Laws); and

WHEREAS, the Oversight Board, the San Diego County Auditor-Controller, the State Controller, and the State Department of Finance (DOF) possess certain rights and obligations under the Dissolution Laws with respect to the Successor Agency's administration of the Former RDA's operations; and

WHEREAS, pursuant to California Health and Safety Code section 34177(1), Successor Agency staff must prepare a Recognized Obligation Payment Schedule (ROPS) on a forward-looking basis for each six-month fiscal period, showing the payments to be made toward enforceable obligations and the funding source for the payments; and

WHEREAS, the City Council and the Oversight Board approved in its entirety, and the DOF approved subject to certain objections, the seventh ROPS covering the time period from January 1, 2015 through June 30, 2015 (ROPS 7), also known as ROPS 14-15B; and

WHEREAS, through a combination of a final determination letter for ROPS 7 dated December 17, 2014, a clarifying letter dated January 20, 2015, and a communication in late February 2015, all as described in Staff Report No. CSD-15-07 accompanying this Resolution (Staff Report), the DOF reclassified unencumbered housing funds of \$11,905,560 in the possession of the City as housing successor to the Former RDA and compelled the Successor Agency to expend those unencumbered funds for the payment of bond-related enforceable obligations listed in ROPS 7; and

WHEREAS, the DOF's decision to reclassify certain housing funds signifies that the DOF treated the housing funds not as reserve funds to be expended for restricted purposes per the accounting records of the Former RDA and the Successor Agency, but instead as unencumbered funds to be expended at the DOF's direction toward any enforceable obligations owed by the Successor Agency to third parties; and

WHEREAS, based on the DOF's decision in the ROPS 7 context, the Successor Agency anticipates that the DOF will reclassify additional unencumbered housing funds identified in the cash balance report for ROPS 7, up to approximately \$705,000, for the Successor Agency's payment of enforceable obligations listed in one or more future ROPS; and

WHEREAS, the Successor Agency estimates that the total amount of housing funds to be reclassified by the DOF, including funds already reclassified during the ROPS 7 review, will range from \$12.25 million to \$12.61 million, as described in the Staff Report; and

WHEREAS, the Successor Agency has exhausted its administrative remedies through the statutory meet-and-confer process on ROPS 7 to contest the DOF's decision reclassifying the unencumbered housing funds; and

WHEREAS, to ensure compliance with the DOF's decision, the City must transfer the unencumbered housing funds to the Successor Agency so that the Successor Agency will possess sufficient funds to pay enforceable obligations during the ROPS 7 time period and potentially future ROPS time periods, as required by the DOF; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, acting in its capacity as the board of the Successor Agency, as follows:

1. The Council authorizes and directs the City Comptroller, on the Successor Agency's behalf, to accept the transfer of unencumbered housing funds in the estimated range of

\$12.25 million to \$12.61 million from the City as housing successor to the Former RDA, as required by the DOF.

2. The Council authorizes and directs the City Comptroller, on the Successor Agency's behalf, to cause the expenditure of such unencumbered housing funds for approved enforceable obligation line items during the ROPS 7 time period and future ROPS time periods, as required by the DOF.

APPROVED: JAN I. GOLDSMITH, City Attorney

By Kevin Reisch
Kevin Reisch
Chief Deputy City Attorney

KJR:nja
03/17/15
Or.Dept: Civic San Diego
Document No. 973699
Comp. Reso. R-2015-487

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 06 2015.

ELIZABETH S. MALAND
City Clerk

By [Signature]
Deputy City Clerk

[Signature]
KEVIN L. FAULCONER, Mayor

Approved: 4/21/15
(date)

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on APR 06 2015, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage APR 22 2015

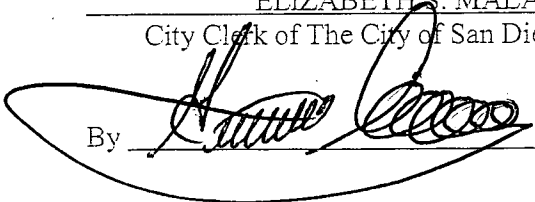
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

(Seal)

By  Deputy

Office of the City Clerk, San Diego, California

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