

RESOLUTION NUMBER R- 312767

DATE OF FINAL PASSAGE DEC 12 2019

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE REPAYMENT OF A UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 108 LOAN RELATED TO THE VALENCIA BUSINESS PARK PROPERTY AND RELATED ACTIONS.

WHEREAS, in 1996, the former Southeastern Economic Development Corporation, on behalf of the former Redevelopment Agency of the City of San Diego (Former RDA), acquired the approximately 14-acre vacant Potter Tract generally located at Imperial Avenue and Valencia Parkway with redevelopment tax increment revenue; and

WHEREAS, in 1998, the Former RDA and City of San Diego (City) were awarded a \$2.515 million Section 108 Loan (Loan) from the United States Department of Housing and Urban Development (HUD) and used these federal funds, in conjunction with tax increment funds, to prepare and improve the Potter Tract for future development as an industrial business park;

WHEREAS, pursuant to the terms of the Loan, seventy-two (72) new jobs are required to be created on the Potter Tract property and at least 51% of these new jobs must be held by or available to low- and moderate-income persons; and

WHEREAS, pursuant to Assembly Bill x1 26 enacted June 28, 2011, and subsequent related legislation (collectively, the Dissolution Laws), the Former RDA dissolved as of February 1, 2012, and the City, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), became responsible for fulfilling the enforceable obligations, disposing of the properties and other assets, and unwinding the affairs of the Former RDA; and

WHEREAS, on December 2, 2013, the Successor Agency received a finding of completion from the California Department of Finance (DOF), confirming that the Successor Agency completed three payments of unencumbered funds to the San Diego County Auditor-Controller for pro rata distribution to the local taxing entities in accordance with the Dissolution Laws; and

WHEREAS, the DOF's issuance of the finding of completion entitled the Successor Agency to, among other things, prepare and submit its Long-Range Property Management Plan for the orderly disposition of the Former RDA's non-housing assets; and

WHEREAS, the Successor Agency eventually prepared its Amended and Restated Long-Range Property Management Plan (ARPMP); and

WHEREAS, on September 21, 2015, the Oversight Board adopted Resolution No. OB-2015-14, approving the ARPMP; and

WHEREAS, on October 15, 2015, the DOF issued a letter unconditionally approving the ARPMP; and

WHEREAS, consistent with California Health and Safety Code section 34191.5(c)(2), the ARPMP requires the Successor Agency to dispose of the Former RDA's properties, including transferring designated properties to the City for future development in accordance with historical redevelopment objectives (Future Development Sites); and

WHEREAS, consistent with the ARPMP, the Successor Agency conveyed ownership of most of the Future Development Sites to the City, including the remaining approximately 4.33 acres of vacant property of the Potter Tract generally located at 5515-5565 Stevens Way (Valencia Business Park Property); and

WHEREAS, the City seeks to cause the economic development of the Valencia Business Park Property in accordance with historical redevelopment objectives for the benefit of the health, safety and welfare of the City; and

WHEREAS, the obligation to HUD to create new jobs on the Valencia Business Park Property in satisfaction of the Loan requirements negatively impacts the economic viability of future development of the Valencia Business Park Property; and

WHEREAS, HUD requested that the City repay the Loan because of the delay in developing the Valencia Business Park Property since the date HUD funded the Loan; and

WHEREAS, the City intends to repay the Loan to remove the Loan job creation requirements from the Valencia Business Park Property; and

WHEREAS, HUD's regulations require that the City use non-federal funds to repay the Loan; NOW, THEREFORE,

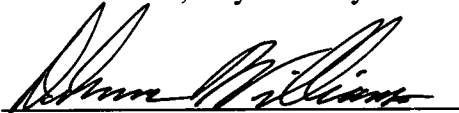
BE IT RESOLVED, by the Council of the City of San Diego (Council), as follows:

1. The Chief Financial Officer is authorized to appropriate and transfer an amount not to exceed \$1,707,700.28 in Fund 400265 to Fund 100000 to repay the Loan.
2. The Chief Financial Officer is authorized to appropriate and expend in Economic Development, Business Area 1316, an amount not to exceed \$807,299.72 in Fund 400008 to repay the Loan.
3. The Chief Financial Officer is authorized to appropriate and expend in Economic Development, Business Area 1316, an amount not to exceed \$1,707,700.28 in Fund 100000 to repay the Loan.
4. The Mayor or designee is authorized and directed to appropriate and expend an amount not to exceed \$2,515,000.00 to repay the Loan.

5. The Mayor or designee is further authorized, on behalf of the City, to sign and enter into all documents and take all other actions necessary or desirable to repay the Loan and remove the Loan job creation requirements from the Valencia Business Park Property.

APPROVED:

MARA W. ELLIOTT, City Attorney

By:   
Delmar G. Williams  
Deputy City Attorney

DGW: jdf  
10/28/19  
Or. Dept: Economic Dev't  
Doc. No.: 2212442

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of DEC 10 2019

ELIZABETH S. MALAND  
City Clerk

By:   
Deputy City Clerk

Approved: 12/12/19  
(date)

  
KEVIN L. FAULCONER, Mayor

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

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on DEC 10 2019, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Ward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery	<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"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Georgette Gómez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage DEC 12 2019

(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.

(Seal)

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

By *Harvey Rios*, Deputy

Office of the City Clerk, San Diego, California  
Resolution Number R- 312767