

COUNCIL, CITY ATTORNEY, CITY MANAGER COMMENT

REQUEST FOR CONTINUANCE

The Council will now consider requests to continue specific items.

=== LEGISLATIVE SCHEDULE ===

Special Hearings

ITEM-330: Fiscal Year 2004-2005 Appropriation Ordinance.

CITY MANAGER'S RECOMMENDATION: Conducting the second public hearing and introduction and adoption of the ordinance.

Adoption Agenda, Discussion, Other Legislative Items

ITEM-331: In the Matter of Giving Direction to the City Attorney and City Manager Regarding Disposition of Mt. Soledad Natural Park and Disposition of the Case Paulson versus City of San Diego. La Jolla Community Area. (Dist. 1)

CITY ATTORNEY'S RECOMMENDATION: Adopt the resolution.

Noticed Hearings

ITEM-332: Issuance of a Multifamily Revenue Bonds for Hillside Gardens Apartments. Darnall Community Area. (Dist. 7)

SAN DIEGO HOUSING COMMISSION'S RECOMMENDATION: Adopt the resolution.

Non-Docket Items

Adjournment in Honor of Appropriate Parties

Adjournment

=== EXPANDED CITY COUNCIL AGENDA ===

ADOPTION AGENDA, DISCUSSION, HEARINGS

SPECIAL HEARING:

ORDINANCE TO BE INTRODUCED, READY FOR DISPENSING WITH THE READING
AND ADOPTION:

ITEM-330: Fiscal Year 2004-2005 Appropriation Ordinance.

CITY MANAGER'S RECOMMENDATION:

Conducting the second public hearing and introduction and adoption of the following ordinance:

(O-2005-1)

Introduction and adoption of an Ordinance adopting the Annual Budget for the Fiscal Year 2004-2005 and appropriating the necessary money to operate the City of San Diego for said Fiscal Year.

NOTE: Today's action is the second public hearing and adoption of the Ordinance pursuant to Charter Section 71. In accordance with Charter Section 16, this ordinance is effective upon introduction. See Item 200 on the docket of Monday, July 19, 2004, for the first public hearing.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

RESOLUTION:

ITEM-331: In the Matter of Giving Direction to the City Attorney and City Manager Regarding Disposition of Mt. Soledad Natural Park and Disposition of the Case Paulson versus City of San Diego.

(See City Attorney Report dated 6/28/04. La Jolla Community Area. District-1.)

CITY ATTORNEY'S RECOMMENDATION:

Adopt the following resolution:

(R-2005-69)

Direct the City Attorney to take appropriate action to rescind the sale of the portion of Mt. Soledad Natural Park that was sold in 1998 to the Mt. Soledad War Memorial Association for \$106,000;

After the rescission of the sale of the subject portion of Mt. Soledad Natural Park, the City Manager, with the advice and assistance of the City Attorney, is directed to lease the subject portion of land to the Mt. Soledad War Memorial Association;

Direct the City Attorney to develop for the November 2004 Municipal Election, a ballot measure that puts before the voters of the City of San Diego the authorization for the City of San Diego to sell a portion of Mt. Soledad Natural Park, including land leased to the Mt. Soledad War Memorial Association for maintenance of its war memorial, for fair-market value to a private owner to maintain the property, as open space;

Upon the passage of the ballot measure at the November 2004 Municipal Election, the City Manager, with the advice and assistance of the City Attorney, is directed to develop a constitutionally proper means of selling the subject portion of Mt. Soledad Natural Park for preservation of open space.

ADOPTION AGENDA, DISCUSSION, HEARINGS

NOTICED HEARING:

ITEM-332: Issuance of a Multifamily Revenue Bonds for Hillside Gardens Apartments.

(Darnall Community Area. District-7.)

SAN DIEGO HOUSING COMMISSION'S RECOMMENDATION:

Adopt the following resolution:

(R-2005-24)

Approving the issuance of bonds by the Housing Authority of the City of San Diego, for the acquisition and rehabilitation of Hillside Gardens Apartments, pursuant to Section 147(f) of the Internal Revenue Code of 1986.

SUPPORTING INFORMATION:

The San Diego Housing Commission recommends that the City Council adopt a resolution approving the Housing Authority's official intent to issue multifamily housing revenue bonds for up to \$27 million for the Hillside Gardens Apartments. The Housing Commission also requests that the City Council hold a noticed, public hearing, in accordance with Section 147 (f) of the Internal Revenue Code of 1986. These actions are required by the Internal Revenue Code in order for the interest on the bonds to be tax-exempt.

Approval of the recommended items will in no way commit the Housing Authority to issue bonds for the project. The recommended actions do not represent any commitment by the Housing Authority or the applicant to proceed with the financing of the project. If bonds are eventually issued, the financial risks associated with the project will be minimal since repayment of the bonds will be guaranteed by a third party.

The Project

The Hillside Gardens Apartments are located at 5802 University Avenue in Council District 7. The project currently consists of 380 units, with 95 units restricted at 65% of the area median income (\$44,550 for a family of four). Without future involvement by the Housing Authority, the current restrictions on the property will expire in 2005, and the restricted units would convert to market rents. The Housing Commission is currently working with the developer, to preserve the rental restrictions on a portion of the project's units. As part of a new financing, the Housing Commission is analyzing the feasibility of issuing multifamily housing revenue bonds for the project. A bond financing would require that at least 20% of the units (76) would be restricted at 50% AMI (\$34,250 for a family of four).

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-332: (Continued)

SUPPORTING INFORMATION: (Continued)

Prior Actions

On November 14, 2003, the Housing Commission approved the selection of bond counsel and a financial advisor to work on the project. In addition, the Housing Commission recommended that the Housing Authority and City Council take the initial steps to issue bonds for the project. On November 18, 2003, the Housing Authority adopted a resolution setting forth the official intent to issue bonds for the project. Due to a problem with docketing, the City Council resolution and the public hearing did not appear on the agenda at that time.

Future Actions

Approval of the recommended items would permit an application to be submitted to the State for an allocation of bond issuing authority. If the project receives a bond allocation, specific authorization to issue bonds for the project will be sought from the Housing Commission and Housing Authority at a future date. At that time, staff and its financing consultants will have completed all feasibility analysis for the project. Also, at that time, a set of substantially final bond documents will be presented to the Housing Authority for approval.

ECM/CF/PGA

NON-DOCKET ITEMS

ADJOURNMENT IN HONOR OF APPROPRIATE PARTIES

ADJOURNMENT