

REDEVELOPMENT AGENCY OF  
THE CITY OF SAN DIEGO

RESOLUTION NUMBER R-\_\_\_\_\_

DATE OF FINAL PASSAGE \_\_\_\_\_

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO AMENDING THE FISCAL YEAR 2011-2012 PROGRAM BUDGETS FOR REDEVELOPMENT PROJECTS ADMINISTERED BY THE CENTRE CITY DEVELOPMENT CORPORATION, THE SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION, AND THE CITY REDEVELOPMENT DEPARTMENT IN ORDER TO PROVIDE FUNDS FOR THE CITY OF SAN DIEGO TO PAY THE FISCAL YEAR 2011-2012 REMITTANCE PURSUANT TO ASSEMBLY BILL X1 27.

WHEREAS, the Redevelopment Agency of the City of San Diego (Agency) is engaged in activities necessary to carry out and implement redevelopment plans in various geographical areas throughout the City of San Diego (City); and

WHEREAS, acting on the Agency's behalf, (i) the Centre City Development Corporation, Inc. (CCDC) administers redevelopment activities in the Centre City Redevelopment Project Area and the Horton Plaza Redevelopment Project Area, both located in the Downtown area of the City; (ii) the Southeastern Economic Development Corporation (SEDC) administers redevelopment activities in the Southeastern San Diego Merged Redevelopment Project Area, located in the Southeastern area of the City; and (iii) the City's Redevelopment Department (City Redevelopment) administers redevelopment activities in eleven redevelopment project areas throughout the City, including Barrio Logan, City Heights, College Community, College Grove, Crossroads, Grantville, Linda Vista, Naval Training Center, North Bay, North Park, and San Ysidro; and

WHEREAS, pursuant to Resolution Nos. R-04667, R-04668, and R-04669, all adopted effective June 27, 2011, the Agency approved the Program Budgets for Fiscal Year 2011-2012, which covers the period of time from July 1, 2011, through June 30, 2012, for the redevelopment projects managed, respectively, by CCDC, SEDC, and City Redevelopment (collectively, the Agency's FY 12 Program Budgets); and

WHEREAS, on June 28, 2011, after the final passage of the resolutions approving the Agency's FY 12 Program Budgets, Governor Edmund G. Brown Jr. approved Assembly Bill x1 26 (AB 26) and Assembly Bill x1 27 (AB 27), which had been earlier passed by the California Legislature; and

WHEREAS, AB 26 generally prevents redevelopment agencies from entering into new or amended obligations or contracts, and eliminates redevelopment agencies and winds down their operations; and

WHEREAS, AB 27 allows redevelopment agencies to remain in existence, and to gain an exemption from the provisions of AB 26, in exchange for the payment of substantial sums of money on an annual basis; and

WHEREAS, on July 18, 2011, the California Redevelopment Association and other parties filed litigation designated as Case No. S194861 (Litigation), challenging the validity of both AB 26 and AB 27, and it is anticipated that the California Supreme Court (Supreme Court) will issue a final written opinion in the Litigation by January 15, 2012; and

WHEREAS, AB 27 codified Part 1.9 of Division 24 of the California Health and Safety Code (Part 1.9), which now comprises a portion of the California Community Redevelopment Law; and

WHEREAS, on August 1, 2011, the City enacted Ordinance No. O-20078, whereby the City agreed to make specified remittances to the San Diego County Auditor-Controller (County Auditor) in order to continue the existence of the Agency under the “voluntary alternative redevelopment program” instituted by Part 1.9; and

WHEREAS, on August 2, 2011, as authorized by AB 27, the City and the Agency entered into that certain Remittance Agreement, a copy of which is on file with the Agency Secretary as Document No. D-04681 (Remittance Agreement), whereby the Agency will transfer a portion of its available net tax increment and other funds to the City, in an amount sufficient to enable the City to pay the remittances under AB 27 to the County Auditor; and

WHEREAS, the California Department of Finance (DOF) has calculated the City’s remittance amount under AB 27 for Fiscal Year 2011-12 at \$69,255,216, and the DOF has denied the City’s appeal seeking to reduce such amount by approximately \$13 million; and

WHEREAS, the Agency must now amend the Agency’s FY 12 Program Budgets in order to allow the Agency to transfer \$69,255,216 to the City, which in turn will remit \$69,255,216 to the County Auditor in two equal installments during Fiscal Year 2011-12, all in accordance with the Remittance Agreement and the provisions of AB 27; and

WHEREAS, the proposed amendments to the Agency’s FY 12 Program Budgets (FY 12 Program Budget Amendments) are identified in the “Redevelopment Agency Budget Amendment Accounting Detail” included as Attachment 2 to Staff Report No. RA-11-30 for this matter; NOW, THEREFORE,

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

1. The Agency approves the FY 12 Program Budget Amendments, a copy of which shall be placed on file with the Agency’s Secretary as Document No. D-\_\_\_\_\_.

2. The Agency authorizes the City's Chief Financial Officer, as delegated, to transfer the amount of \$69,255,216 from the Agency to the City in order to facilitate the City's remittance of \$69,255,216 to the County Auditor in two equal installments during Fiscal Year 2011-12, all in accordance with the Remittance Agreement and the provisions of AB 27.

3. The Agency's Executive Director, or designee, is authorized to execute all documents and take all actions on behalf of the Agency that are necessary and appropriate to carry out and implement the purposes set forth in this Resolution according to its terms, and to administer the Agency's obligations, responsibilities and duties to be performed hereunder.

4. This Resolution is contingent upon the Supreme Court's subsequent issuance of a final written opinion in the Litigation that upholds the validity of AB 27. If and when the Supreme Court issues a final written opinion that invalidates AB 27, then this Resolution shall become inoperative automatically, without any need for further action by the Agency.

APPROVED: JAN I. GOLDSMITH, General Counsel

By Kevin Reisch  
Kevin Reisch  
Deputy General Counsel

KR:nja  
11/21/2011  
Or.Dept:Redev.Agency  
RA-2012-11  
PL#2011-06517  
Comp. R-2012-288  
RA-2012-12

I hereby certify that the foregoing Resolution was passed by the Redevelopment Agency of the City of San Diego, at this meeting of \_\_\_\_\_.

REDEVELOPMENT AGENCY

By \_\_\_\_\_  
Jeannette Santos, Deputy Secretary

Approved: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Executive Director

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

\_\_\_\_\_  
JERRY SANDERS, Executive Director