

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
TUESDAY, JULY 10, 2007
AT 9:00 A.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

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CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Peters at 10:03 a.m. Council President Peters recessed the meeting at 11:28 a.m. for the purpose of a break. Council President Peters reconvened the meeting at 11:35 a.m. with all Council Members present. The meeting was recessed by Council President Peters at 12:02 p.m. to reconvene at 2:00 p.m.

The meeting was reconvened by Council President Peters at 2:05 p.m. with Council President Pro Tem Young not present. Council President Peters recessed the meeting at 3:06 p.m. to convene the Housing Authority and thereafter the Redevelopment Agency. Council President Peters reconvened the regular meeting at 3:39 p.m. with all Council Members present. Council President Peters recessed the meeting at 3:54 p.m. to reconvene the Redevelopment Agency and thereafter reconvened the regular meeting with all Council Members present. Council President Peters recessed the regular meeting at 3:55 p.m. to reconvene the Redevelopment Agency. Council President Peters reconvened the regular meeting at 4:06 p.m. with all Council Members present. Council President Peters recessed the regular meeting at 4:07 p.m. to convene a Special Meeting of the Redevelopment Agency. Council President Pro Tem Young reconvened the regular meeting at 4:13 p.m. with Council President Peters not present. Council President Pro Tem Young recessed the regular meeting at 4:19 p.m. to reconvene the Housing Authority. Council President Pro Tem Young reconvened the regular meeting at 4:22 p.m. with all Council Members present and thereafter adjourned the regular meeting.

ATTENDANCE DURING THE MEETING:

- (1) Council Member Peters-present
- (2) Council Member Faulconer-present
- (3) Council Member Atkins-present
- (4) Council Member Young-present
- (5) Council Member Maienschein-present

- (6) Council Member Frye-present
 - (7) Council Member Madaffer-present
 - (8) Council Member Hueso-present
- Clerk-Maland (dlc/sr)

FILE LOCATION: MINUTES



ITEM-300: ROLL CALL

Clerk Maland called the roll:

- (1) Council Member Peters-present
- (2) Council Member Faulconer-present
- (3) Council Member Atkins-present
- (4) Council Member Young-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Hueso-present

NON-AGENDA COMMENT:

PUBLIC COMMENT-1:

Linda Warr commented on homelessness.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:42 a.m. – 10:44 a.m.)

PUBLIC COMMENT-2:

Don Stillwell commented on prayer and flag salute.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:44 a.m. - 10:47 a.m.)

PUBLIC COMMENT-3:

Hud Collins commented on the pension and financial crisis.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:47 a.m. - 10:50 a.m.)

PUBLIC COMMENT-4:

Homer Barrs commented on manufactured home parks.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:50 a.m. - 10:54 a.m.)

PUBLIC COMMENT-5:

Referred to Mayor: Clair Thelin commented on La Jolla Village.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:54 a.m. - 10:57 a.m.)

PUBLIC COMMENT-6:

James Hartline commented on campaign legality.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:58 a.m. - 11:01 a.m.)

PUBLIC COMMENT-7:

Mike Farmer commented on Petco Park.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 11:01 a.m. - 11:04 a.m.)

PUBLIC COMMENT-8:

Al Strohlein commented on alcohol in Pacific Beach.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 11:04 a.m. - 11:07 a.m.)

PUBLIC COMMENT-9:

Phil Hart commented on the strong mayor form of government.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 11:07 a.m. - 11:10 a.m.)

PUBLIC COMMENT-10:

Ron Boshun commented on Council actions.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 11:10 a.m. - 11:14 a.m.)

PUBLIC COMMENT-11:

Alex Atkin commented on pedicab theft.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 11:14 a.m. - 11:15 a.m.)

PUBLIC COMMENT-12:

Mohammed Karimi commented on the pedicab industry.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 11:15 a.m. - 11:18 a.m.)

PUBLIC COMMENT-13:

Mignon Scherer commented on global warming.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 11:18 a.m. - 11:21 a.m.)

PUBLIC COMMENT-14:

Jim Varnadore commented on City Heights' leadership.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 11:21 a.m. - 11:24 a.m.)

COUNCIL COMMENT:

None.

INDEPENDENT BUDGET ANALYST COMMENT:

None.

CITY ATTORNEY COMMENT:

None.

ITEM-30: Approval of Council Minutes.

TODAY'S ACTION IS:

Approval of Council Minutes for the meetings of:

APPROVED

05/07/2007
05/08/2007
05/14/2007
05/15/2007
05/21/2007
05/22/2007

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:12 a.m.)

MOTION BY MADAFFER TO APPROVE. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-31: Neighborhood House Association Day.

MAYOR SANDER'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1286 Cor. Copy) ADOPTED AS RESOLUTION R-302797

Commending Neighborhood House Association for the exemplary work they do each and every day;

Proclaiming July 10, 2007, to be "Neighborhood House Association Day" in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:19 a.m.)

MOTION BY YOUNG TO ADOPT. Second by Atkins. Passed by the following vote:
Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea,
Madaffer-yea, Hueso-yea.



ITEM-32: Señora Diana Montoya Day.

COUNCILMEMBER ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-1238) ADOPTED AS RESOLUTION R-302798

Commending Señora Diana Montoya for her 40 years of service to the San Diego community from behind the counter of her tortilla kitchen at the San Diego Museum of Man;

Proclaiming July 10, 2007 to be “Señora Diana Montoya Day” in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:12 a.m. – 10:19 a.m.)

MOTION BY ATKINS TO ADOPT. Second by Peters. Passed by the following vote:
Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea,
Madaffer-yea, Hueso-yea.

ITEM-33: Otay Water District Day.

COUNCILMEMBER FRYE'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1279) ADOPTED AS RESOLUTION R-302799

Proclaiming July 10, 2007, to be "Otay Water District Day" in the City of San Diego;

Commending the Otay Water District and the City of San Diego Water Department for furthering the accessibility of recycled water through a joint partnership.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:26 a.m. – 10:32 a.m.)

MOTION BY FRYE TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-50: Amending Chapter 2, Article 6, Division 18 of the San Diego Municipal Code Relating to the Parking Advisory Board.

(Citywide.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 6/5/2007, Item 52. (Council voted 8-0):

(O-2007-30) ADOPTED AS ORDINANCE O-19647 (New Series)

Amending Chapter 2, Article 6, Division 18 of the San Diego Municipal Code, by amending Sections 26.1801, 26.1802, and 26.1803, all relating to the Parking Advisory Board, to increase the total membership on the Parking Advisory Board

from 14 members to 17 members; to require that nine members of the Board shall constitute a quorum and that the concurring vote of at least nine members shall be required to take any action; and to make other needed changes in organization, grammar, and punctuation, to clarify the meaning of these Code sections.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-51: Water, Sewer Monthly Billing Report.

(See Water Department PowerPoint Presentation dated 6/18/2007; Reports to the City Council No. 07-111 and 07-071; and Executive Summary Sheet from Water Department on Stormdrain Monthly Billing Report. Citywide.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 6/18/2007, Item 151. (Council voted 7-0. Councilmember Madaffer not present):

(O-2007-155) ADOPTED AS ORDINANCE O-19648 (New Series)

Directing the Mayor, or his representative, to implement tier-rate adjustments, as described in Report to the City Council No. 07-071, every two months instead of every six months, by November of 2007 and continuing thereafter until the City returns to bi-monthly billing for water and sewer services;

Rescinding the authority to adopt monthly water and sewer billing in Resolution No. R-297388, and directing the Mayor, or his representative, to return to bi-monthly billing for water and sewer services by April of 2008, except for those customer accounts which the City reads the water meters on a monthly basis or where a different billing frequency is established by contract;

Declaring that this activity is not subject to the California Environmental Quality Act because it is not a "project," pursuant to Sections 15378 and 15060(c)(3) of the State CEQA Guidelines, nor will the activity result in a direct or reasonably foreseeable indirect physical change in the environment pursuant to Section 15060(c)(2).

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. Second by Atkins. Passed by the following vote: Peters-yea, Falconer-yea, Atkins-yea, Young-yea, Maisenschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-52: Joint Use Agreement with San Diego Unified School District for Edison Elementary School.

(Mid-City/City Heights Community Area. District 3.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 6/26/2007, Item 50. (Council voted 8-0):

(O-2007-157) ADOPTED AS ORDINANCE O-19649 (New Series)

Authorizing the Mayor, or his representative, to execute, for and on behalf of the City, a Twenty-Five Year Lease and Joint Use Agreement with the San Diego Unified School District for construction, operation, maintenance, and lease of turf fields at Edison Elementary School, under the terms and conditions set forth in the Agreement;

Declaring that this activity is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 (Existing Facilities).

NOTE: 6 votes required.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-100: Inviting Bids for the Construction of Ocean Beach/Hotel Circle North Bikeway Project.

(Mission Valley Community Area. District 6.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1181) ADOPTED AS RESOLUTION R-302800

Approving the plans and specifications for the construction of Ocean Beach/Hotel Circle North Bikeway (Project), on Work Order No. 581560;

Authorizing the Mayor, or his designee, after advertising for bids in accordance with law, to award the Project contract to the lowest responsible and reliable bidder in an amount not to exceed \$1,700,000, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves.

Declaring that this activity is covered under Mitigated Negative Declaration No. 40117. This activity is adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Therefore, the activity is not a separate project for purposes of CEQA review pursuant to State CEQA Guidelines Section 15060(c)(3). (BID-K083392C)

STAFF SUPPORTING INFORMATION:

The Ocean Beach/Hotel Circle North Bikeway project will extend the existing Ocean Beach bike path along the north side of Interstate 8 between Ocean Beach and Pacific Highway to the western terminus of Hotel Circle Place (approximately 3,900 feet to the east). The bikeway would provide non-vehicular traffic with a travel route between the Ocean Beach and Old Town areas and the retail centers of the Mission Valley area.

The path will connect the existing Class I facility to the west with the existing Class III facility along Hotel Circle. The majority of the path (the westerly 3,000 feet) will be constructed as a Class I bike path with a porous concrete surface (a Class I facility is a stand alone path that is separated from the adjacent roadway). The remaining section of the bike path near the Hotel Circle Place connection and within the baseball field area will be constructed as a Class III bike lane, and will be a shared use facility with field users and maintenance vehicles (a Class III facility is a shared use facility where bicycles and vehicles share the roadway width). The bikeway will be constructed as a ten foot wide path with porous concrete surface with an additional two-foot-wide shoulder and/or clear zone on either side and hydroseeded with a native mix for erosion control compatible with the surrounding vegetation. The bikeway will have access ramps at Morena Boulevard and Pacific Highway. In July 2006 the City executed Grant Agreement No. 40720-02 in the amount of \$2,000,000 with the State of California, Resources Agency. The funds from the grant will be used for the construction of the project. Under the grant agreement, the project shall be completed by March 1, 2008.

FISCAL CONSIDERATIONS:

The funds for this action are available in CIP-58-1560, Construction of Ocean Beach/Hotel Circle North Bikeway Project, State Grant, Fund 38992. The Auditors Certificate will be issued prior to contract award.

PREVIOUS COUNCIL/COMMITTEE ACTION:

- August 4, 2003, Resolution Number R-298284, Phase Funded Agreement for Consultant Services between the City of San Diego and Kimley-Horn and Associates, Inc.
- December 7, 2004, Resolution Number R-299939, a resolution of the Council of the City of San Diego authorizing the application for and expenditure of State Grant funds for San Diego River.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Community outreach efforts were conducted during the design of the project. The project was presented to the Mission Valley Unified Planning Committee in their meeting on October 6, 2004. The planning committee voted to approve the project conditioned upon the review of the environmental report and the motion passed 16-0-0. No comments were received from the Mission Valley Unified Planning Committee during the public review of the environmental document. Additionally, the project design was coordinated with members of the San Diego River Park Foundation and the Presidio Little League.

KEY STAKEHOLDERS:

The State of California, Resources Agency
Mission Valley Unified Planning Committee
The San Diego River Conservancy
The San Diego River Park Foundation
The Presidio Little League
Kimley-Horn and Associates

Boekamp/Haas

Staff: Jamal Batta - (619) 533-3769
Peter A. Mesich - Deputy City Attorney

FILE LOCATION: CONT-ZONDIROS CORPORATION

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-101: Additional Funding for Contract Change Order No. 1 for Asphalt Overlay Group II FY 2007.

(Citywide.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1223) ADOPTED AS RESOLUTION R-302801

Approving Change Order No. 1, dated May 7, 2007, issued in connection with the contract with Superior Ready Mix, dba SRM Contracting & Paving for the street repairs, said contract having been filed in the Office of the City Clerk as Document No. RR-302357, together with the changes set forth therein, amounting to a net increase in the contract price of \$1,868,995;

Authorizing the expenditure of an amount not to exceed \$1,897,005 from Fund No. 30300 CIP-59-001.0, Annual Allocation-Resurfacing City Streets, solely and exclusively, to provide funds for the above Change Order No. 1 and related costs;

Authorizing the City Auditor and Comptroller to transfer excess budgeted funds, if any, to appropriate reserves on advice from the administering department;

Declaring that the above activity is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301(c) as the repair or maintenance of existing highways and streets.

STAFF SUPPORTING INFORMATION:

On February 20, 2007, City Council Resolution R-302357 authorized the advertising and award of "Asphalt Overlay Group II, FY07". \$3,910,540 was authorized for the construction contract, \$117,316 for Construction Contingency, \$156,422 for project management costs, and \$195,527 for Construction Inspection costs, for a total project cost of \$ 4,379,805. The contract was awarded to Superior Ready Mix, dba SRM Contracting and Paving Inc. in the amount of \$3,910,540.

The original advertisement included two "additive alternates" to award \$525,495 of additional cold milling and asphalt overlay, and \$1,343,500 of asphalt inlay. Council originally approved the additive alternates on February 20, 2007. At that time, funding was not available. Since the base contract has already been awarded, these additive alternates must now be added by contract change order. 1.3 miles of overlay will be provided by this change order. Additional cold milling is required on some streets whose condition has deteriorated further and requires more extensive prep work prior to overlay. Asphalt Inlay is a method of providing permanent repair for isolated areas of a street with significant cracking, when overlay of the entire street is not warranted.

Approximately 504,000 square feet of these areas will be repaired in various communities citywide. A list of these areas is attached. Also attached is a table summarizing overall street resurfacing program activity for FY2007.

Funding is now available to award the additive alternates which will be added to the contract by Contract Change Order #1, increasing the total contract amount to \$5,779,535. An additional \$9,321 for Project Management and \$18,689 for Inspection will be needed to accommodate the work added by this change order, for a total project cost increase of \$1,897,005, and a new total project cost of \$6,276,810.

FISCAL CONSIDERATIONS:

Funding in the amount of \$1,897,005 is available in CIP-59-001.0, Annual Allocation-Resurfacing City Streets, Fund 30300.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Resolution R-302357, adopted on February 20, 2007 authorized the advertising and award of this contract.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

These spot repairs are not expected to significantly impact traffic. If any temporary lane closures are required, the contractor will notify the residents by posting signs in advance.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Citizens will be notified by the contractor prior to the start of paving operations on their street. The prime contractor who will receive the additional funds from this change order is Superior Ready Mix, dba SRM Contracting and Paving, and the sub-contractor for these items of work is Pavement Recycling Systems, Inc.

Aud. Cert. 2700812.

Staff: Mary Wolford - (619) 527-7515
Thomas C. Zeleny - Deputy City Attorney

FILE LOCATION: CONT. - SRM Contracting & Paving W.O. 576510

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-102: Second Amendment to the Agreement with T.Y. Lin International for First Avenue Bridge over Maple Canyon.

(Uptown Community Area. District 2.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1021) ADOPTED AS RESOLUTION R-302802

Authorizing the Mayor to execute, for and on behalf of the City, a Second Amendment to the Agreement with T.Y. Lin International dated November 11, 2003, for engineering services for the design of First Avenue Bridge over Maple Canyon Project (Project), under the terms and conditions set forth in the Second Amendment to the Agreement with T.Y. Lin International;

Authorizing the expenditure of an amount not to exceed \$160,173 from CIP-52-554.0, Fund No. 79512, Uptown Developer Impact Fee (DIF) for the purpose of funding the consultant amendment for providing funds for the project;

Authorizing the Mayor, or designee, for and on behalf of the City, to make application to the Highway Bridge Program (HBP) for the project;

Authorizing the Mayor, or designee, to take all necessary actions to secure funds from the HBP for the project;

Authorizing the City Auditor and Comptroller to increase the Fiscal Year 2007 Capital Improvements Program Budget in CIP-52-554.0, First Avenue Bridge Over Maple Canyon, Fund 38071, HBP, by \$144,000;

Authorizing the City Auditor and Comptroller to appropriate and expend \$144,000 from CIP-52-554.0, First Avenue Bridge Over Maple Canyon, in Fund 38701, HBP, for the design of the Project, contingent upon the City Auditor and Comptroller first certifying that the funds will be on deposit with the City Treasurer;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess funds, if any, to the appropriate reserves;

Declaring that this activity is not subject to CEQA per CEQA Guidelines Sections 15060(c)(2).

STAFF SUPPORTING INFORMATION:

The First Avenue Bridge over Maple Canyon (Bridge No. 57C-416) was built in 1931 and is a steel truss arch bridge spanning Maple Canyon Open Space. It has been certified as a historic structure by the City of San Diego Historical Resources Board and the California Department of Parks and Recreation. The proposed project provides for the seismic retrofit, rehabilitation of the bridge deck, removal of existing lead paint, installation of historic lights, and repainting the entire bridge structure to its original color. This project is eligible for Federal funds under the Highway Bridge Program (HBP) and Paint Program.

On November 17, 2003, per Resolution R-298585, the City of San Diego Council authorized the Consultant Agreement with T.Y. Lin International to provide engineering services for the design of First Avenue Bridge over Maple Canyon Project.

On February 3, 2006, per Resolution R-301204, the City of San Diego Council authorized the First Amendment to the Agreement to provide additional work that was not included in the original Contract and add additional HBP funds into the project for that purpose. Changes in the scope of work were due to unforeseen changes in the original seismic retrofit design strategy that required additional structural engineering, additional environmental analysis and processing requirements, and utility relocation coordination.

Because this bridge was a steel truss bridge, in 2006 CalTrans was required to conduct a Fracture Critical Members inspection in addition to the routine biannual inspection. As a result, the City of San Diego was notified of corroded members that needed to be replaced as a part of this project. The Second Amendment to the Agreement with T.Y. Lin International will provide for additional professional services to address the corroded members. The extra work will include structural design calculations, member replacement design plan layouts, and construction specifications.

FISCAL CONSIDERATIONS:

The funding for this second amendment is currently available in the project, Fund 79512, Uptown Developer Impact Fee. In addition, the City of San Diego will apply for Federal grant funding in an amount of \$144,000, Fund 38701, Highway Bridge Program, which will be added to the project. Matching funds in the amount of \$36,000 are available in the project.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

- Resolution R-298585, dated November 17, 2003, for Consultant Agreement with T.Y. Lin International.
- Resolution R-301204, dated February 3, 2006, for First Amendment to Agreement with T.Y. Lin International.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

- Staff presented and coordinated the project with the Uptown Community Planning Board. The Board supported and approved the project.

KEY STAKEHOLDERS:

City of San Diego, CalTrans, TY Lin International, City of San Diego Historical Board, California Department of Parks and Recreation.

Boekamp/Haas

Aud. Cert. 2700700.

Staff: Dave Zoumaras - (619) 533-3138
Peter Mesich - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

- * ITEM-103: Proposition 50 Grant from State of California Department of Health Services for Water Security Projects.

(See Executive Summary Sheet dated 5/29/2007 and Water Department's 6/20/2007 PowerPoint.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-1275) ADOPTED AS RESOLUTION R-302803

Authorizing the Mayor, or his designee, to execute, for and on behalf of the City, a Proposition 50 Funding Agreement for the Project, any Amendments and Claims for Reimbursement thereto, for water security to assure that minimum safe drinking water standards are met, under the terms and conditions set forth in the Funding Agreement;

Authorizing the City Engineer or other registered engineer as designated by the Mayor, to execute the Budget and Expenditure Summary, Certificate of Project Completion and Final Release forms;

Designating revenues from the Water Fund, Fund No. 41500 water rates, charges and assessments, bond proceeds and financing as the dedicated source of revenue for matching funds required under the Funding Agreement in the amount of \$10,000,000 and additional funding of at least \$3,001,930 for remaining project costs, subject to the covenants and conditions of the Master Installment Purchase Agreement on file in the Office of the City Clerk as Document No. OO-18536-2, as amended and supplemented from time to time, with said dedication to remain in full force and effect until such Funding Agreement is fully discharged, unless modification or change of such dedication is approved in writing by the State of California;

Authorizing the City Auditor and Comptroller to accept, appropriate, and expend up to \$10,000,000 in Grant funds solely and exclusively for Project purposes, contingent upon first furnishing one or more certificates certifying that the funds are, or will be, on deposit with the City Treasurer;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess funds, if any, to the appropriate reserves;

Declaring that the acceptance of the Grant is not a project and is therefore not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15060(c)(2). Any construction activities regarding the Project will be subject to further environmental review.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 6/20/2007, NR&C voted 3 to 0 to approve. (Councilmembers Faulconer, Maienschein, and Frye voted yea. Councilmember Hueso not present.)

SUPPORTING INFORMATION:

In September 2004, under the Proposition 50 Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, CDHS solicited projects for drinking water source protection, water security, reduced demand on Colorado River water, small community water systems, community water systems, disinfection byproduct treatment facilities, and demonstration projects/studies for contaminant treatment/removal. On April 17, 2006, based upon favorable ranking by CDHS, the City's Water Department submitted a full project application for Water Department Security Upgrade projects. These projects will provide security protection enhancements and upgrades to water supply, treatment, and distribution systems. A Security Advisory Group (SAG) comprised of key Water Department staff worked with a certified consultant (Sandia National Laboratories Risk Assessment Methodology for Water) to identify and inspect critical assets. The result of this assessment is the proposed water security upgrades in the CDHS grant application. The security upgrades will include physical barriers, detection equipment, delay measures, and an intertie connection to prevent disruption of drinking water deliveries.

On September 29, 2006, a Letter of Commitment (LOC) for P50-3710020-011 was issued by CDHS for the City's Water Department security upgrades project. The LOC outlines the terms and conditions the City must meet prior to issuance of a funding agreement - including the authorizations contained within this Resolution.

Implementation of the security upgrades is not anticipated to result in increased levels of staffing. The security upgrades will be monitored and maintained by existing Water Department staff. In addition, City staff is currently in negotiations with an outside agency to provide the City with additional security upgrade funds which will be used to offset City costs. The funds will be used to complete components of this security upgrade while improving the region's drinking water reliability. The agreement will be brought to City Council for approval in spring/summer 2007.

FISCAL CONSIDERATIONS:

This project will fulfill a critical need in the continued goal to supply a safe and reliable source of water. Total project costs are estimated to be: Water Security – CIP-75-931.0/CIP-75-931.6/CIP-75-931.8, \$7.7 million; SD 17 Flow Control Facility – CIP-73-314.0, \$15.3 million.

Of the total project cost, \$10 million will be grant funded. Between 70% and 80% of the remaining \$13 million will be reimbursed with bond proceeds, either from the Subordinated Water Revenue Notes, Series 2007A or a following water revenue debt issuance in Fiscal Year 2008. Project expenses not grant funded or bond reimbursed will be cash funded. The Water Department has sufficient capacity to issue additional debt following the rate increases approved by the City Council on February 26, 2007.

The CDHS initial grant offer is \$10.0 million. If awarded, grant reimbursements would occur over multiple fiscal years.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This item was approved on consent at the Natural Resources and Culture Committee meeting of June 20, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Due to the nature of the security issues involved in this project, there has been no active solicitation of community participation and public outreach.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Citywide Water Customers

Barrett/Haas

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-104: Grant from the National Endowment for the Arts (NEA) for Art Conservation Treatment and Display.

(Citywide.)

COMMISSION FOR ARTS AND CULTURE'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1186) ADOPTED AS RESOLUTION R-302804

Authorizing the Mayor, or his designee, for and on behalf of the City to apply for, accept and administer funds from the NEA Access to Artistic Excellence for the conservation treatment and display of 19 early California paintings from the City's art collection;

Authorizing the Mayor, or his designee, to submit all documents, negotiate and execute all agreements necessary, including any amendments, to comply with the grant requirements, and to carry out and administer all obligations, responsibilities and duties under the grant;

Declaring the Commission's Fiscal Year 2008 administrative and grant match fund will provide the \$35,000 in necessary matching funds;

Authorizing the City Auditor and Comptroller to accept, appropriate and spend funds if grant funding is secured, to establish a fund for the purpose of handling the accounting to facilitate the process of tracking revenue and expenditures for this program.

SUPPORTING INFORMATION:

The City of San Diego's art collection was established in the 1900s. The collection is administered by the Commission and features notable works by several painters of the California Impressionist School. Several of the significant paintings in the collection require urgent conservation treatment. The grant from the National Endowment for the Arts (NEA) and matching funds will be used to conserve nineteen (19) early California paintings. The funding will also be used to make these paintings accessible by ensuring the prominent display in City buildings of the paintings once conserved. The Commission has arranged for the staff at the Balboa Art Conservation Center (BACC) to conduct the conservation treatments.

FISCAL CONSIDERATIONS:

The National Endowment for the Arts projects that \$35,000 will be granted to the Commission in Fiscal Year 2008 on condition that the City provides a one-to-one funding match. The Commission's Fiscal Year 2008 administrative and grant match fund will provide the matching funds contingent upon approval of the Fiscal Year 2008 budget.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

In 2005, a City Council resolution approved \$33,000 in funding from The Getty to conduct an in-depth conservation survey of major fine artworks in the collection, which included the nineteen paintings. The Balboa Art Conservation Center (BACC) was selected to conduct that study. The BACC staff provided examinations with treatment proposals for artworks still in need of treatment.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEYSTAKEHOLDERS AND PROJECTED IMPACTS: N/A

Hamilton/Froman

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-105: Fireman's Fund Heritage Grant Program.

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1248) ADOPTED AS RESOLUTION R-302805

Authorizing the Mayor, or his delegate, to accept a grant of \$35,000 from Fireman's Fund Heritage Program for the purchase of Self Contained Breathing Apparatus (SCBA) equipment for the San Diego Fire Department (SDFD);

Authorizing the Mayor, or his delegate, to apply to Fireman's Fund for an additional \$16,500 for rescue equipment and facility upgrades for the SDFD;

Authorizing the City Auditor and Comptroller to accept, appropriate, and expend funds from this grant program;

Authorizing the City Auditor and Comptroller to establish a special interest-bearing fund for this grant program.

STAFF SUPPORTING INFORMATION:

Fireman's Fund Insurance Company began its Fireman's Fund Heritage Program in 2004. The program awards monies to fire departments throughout the country. In 2004, San Diego Fire-Rescue Department was the recipient of \$250,000 towards its Community Emergency Response Team (CERT), via the Fireman's Fund Heritage Program. In 2006, San Diego Fire-Rescue Department (SDFD) sought an additional \$35,000 from Fireman's Fund Heritage Program, for the acquisition of Self Contained Breathing Apparatus (SCBA) equipment. This equipment would include face piece fit testing apparatus with adapters and laptop computers utilizing software required to facilitate annual testing of SCBA's as mandated by federal standards. SDFD uses its own specially trained personnel to maintain and test SCBA's. The acquisition of additional equipment via the grant funding will allow these specialists to perform required testing on an annual schedule, ensuring proper fit and the long-term respiratory health of firefighting personnel. Fireman's Fund has awarded \$35,000 to SDFD for this purpose.

Additional funding is available to San Diego Fire-Rescue via Fireman's Fund Heritage Program. A total of \$16,500 is offered, \$6,000 of which may be applied to the acquisition of rescue equipment (pulleys, ropes, slings, harnesses for technical rescue work) for Fire Station #4 and \$10,500 applied to general facility upgrades to Fire Station #1. SDFD seeks to request this additional funding.

FISCAL CONSIDERATIONS:

\$35,000 has been awarded to San Diego Fire-Rescue; there are no matching fund requirements and there is no impact to the General Fund. There would also be no matching fund requirements or impact to the General Fund resulting from any subsequent awards.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Firefighting personnel and the San Diego community at large are the key stakeholders. Protecting the health and safety of personnel engaged in fire suppression, Self Contained Breathing Apparatus facilitate the successful outcome of firefighting at the scene, ultimately ensuring the safety of victims and property owners as well. The purchase of additional rescue related equipment will accomplish similar goals.

Jarman/Olen

Staff: Deputy Chief Jeff Carle - (619) 533-4303
William J. Gersten - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-106: UC Berkeley/CA Office of Traffic Safety – Seatbelt Compliance Grant/Click It or Ticket Campaign.

(Citywide.)

STAFF’S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1284) ADOPTED AS RESOLUTION R-302806

Authorizing the Chief of Police, for and on behalf of the City of San Diego, to submit an application for, accept, expend and manage an \$85,818.60 grant fund from the California Office of Traffic Safety administered by UC Berkeley for a project to increase seatbelt use/compliance through an enforcement campaign called Click It or Ticket;

Authorizing the execution of all aspects of fund and program operation, including any amendments, extension, augmentations, or renewals from the State of California for identical or closely related purposes; and to certify that the City will comply with all applicable statutory or regulatory requirements;

Declaring that this authorization shall be valid for a period of up to five years, provided funding for this purpose is made available by the State of California;

Declaring that any resources received hereunder shall be used to supplement and not to supplant expenditures controlled by this body.

STAFF SUPPORTING INFORMATION:

The National Highway Traffic Safety Administration requires every state to conduct an annual survey to establish the state's seat belt use rate. Since 2002, California has conducted a program of increased seat belt enforcement through the use of paid overtime to local law enforcement agencies during the national mobilization campaigns. It is the goal of the Click It or Ticket Program to increase statewide seat belt usage to 93.7% by July 2007 through a seat belt enforcement campaign conducted for a 21-day period in May and June.

This year, UC Berkeley will administer and coordinate the Click It or Ticket Program for the California Office of Traffic Safety. Funds provided by this grant will be utilized to increase seat belt enforcement activity by the San Diego Police Department on an overtime basis for enforcement personnel, and for support and administrative time to meet grant reporting requirements.

FISCAL CONSIDERATIONS:

All costs of this expenditure are to be funded by an \$85,818.60 grant. No City funds are required. There is no requirement to continue grant-funded activities, expenditures or programs after grant funds are depleted or terminated. Federal law requires that these funds supplement and not supplant funds otherwise available to law enforcement.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On April 4, 2005, in Resolution R-300275, Council authorized the Chief of Police on behalf of the City to apply for, accept, manage and expend funds for the Seat Belt Compliance Campaign including any extensions or amendments.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The campaign will be conducted throughout the city with public outreach achieved through a media campaign prior to initiation of the Click It or Ticket program.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders are NHTSA, OTS, the San Diego Police Department and the driving public. The projected impact of a higher seat belt usage rate is a reduction in a serious injury or fatal traffic collisions.

Lansdowne/Olen

Staff: Donna J. Warlick - (619) 531-2221
Linda L. Peter - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-107: Settlement of Property Damage Claim of Mary Williams.

(District 3.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1188) ADOPTED AS RESOLUTION R-302807

A Resolution approved by the City Council in Closed Session on Tuesday, June 12, 2007, by the following vote: Council President Peters-yea; Faulconer-yea; Atkins-yea; Council President Pro Tem Young-yea; Maienschein-yea; Frye-yea; Madaffer-yea; Hueso-yea.

Authorizing the sum of \$54,609.71 in the settlement of each and every claim against the City, its agents and employees, resulting from the Property Damage Claim of Mary Williams;

Authorizing the expenditure of an amount not to exceed \$54,609.71 from the Metropolitan Waste Water Department, Fund No. 41506. The City Auditor and Comptroller is to issue two separate checks, first check made payable to Mary Williams in the amount of \$50,532.21 and second check made payable to Service Master in the amount of \$4,077.50.

STAFF SUPPORTING INFORMATION:

The Proposed settlement would resolve all claims arising from a sewer backup which occurred on February 3, 2007, at 4126 Hilldale Road.

FISCAL CONSIDERATIONS:

Settlement will be paid from the Metropolitan Wastewater Fund.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

It will be heard in Closed Session June 12, 2007. This item was considered in Closed Session on June 12, 2007, the City Council approved the settlement amount of \$54,609.73. City Council 8 to 0 with all Council Members present. The motion was made by Councilmember Madaffer and the second by Councilmember Atkins.

Bych/Goldstone

Aud. Certs. 2700774 and 2700775.

Staff: Janice Ellis - (619) 236-7705
Christine M. Fitzgerald - Chief Deputy City Attorney

NOTE: The Auditor's Certificate was not requested prior to Closed Session. The vote taken in Open Session shall be the official vote.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-108: Appointments and Reappointment to the Ethics Commission.

(See memorandum from Mayor Sanders dated 6/21/2007.)

MAYOR SANDERS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-1287) ADOPTED AS RESOLUTION R-302808

Confirming the following appointments and reappointment by the Mayor of the City of San Diego, to serve as members of the San Diego Ethics Commission, for terms ending as indicated below:

<u>NAME</u>	<u>CATEGORY</u>	<u>TERM ENDING</u>
Krishna Haney (Little Italy, District 2) (Replacing Karen Thomas, who does not wish to seek reappointment)	“Declined to State”	June 30, 2011

Richard Valdez Democrat June 30, 2011
(Scripps Ranch, District 5)
(Replacing Charles Dick Jr.,
who does not wish to seek
reappointment)

Larry Westfall “Declined to State” June 30, 2011
(North Park, District 3)
(Reappointment)

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-109: Appointments and Reappointments to the Park & Recreation Board.

(See memorandums from Mayor Sanders dated 5/11/2007, 6/13/2007, and 6/21/2007.)

MAYOR SANDERS’ RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-1295) ADOPTED AS RESOLUTION R-302809

Council confirmation of the following appointments by the Mayor of the City of San Diego, to serve as members of the Park and Recreation Board, for the terms ending as indicated:

<u>NAME</u>	<u>TERM ENDING</u>
Bruce Brown (Mira Mesa, District 5) (Replacing Aurora Cudal, who has resigned)	March 1, 2008

Vicki Granowitz
(North Park, District 3)
(Replacing Darlene Gould Davies,
whose term expired) March 1, 2009

Roz King
(Encanto, District 4)
(Replacing Robert Robinson, whose term expired) March 1, 2009

Evonne Schulze
(Rolando, District 7)
(Replacing Jim Austin, who has resigned) March 1, 2008

Michael Stepner
(Mission Hills, District 2)
(Replacing Kevin Faulconer, who has resigned) March 1, 2008

Subitem-B: (R-2007-1253) ADOPTED AS RESOLUTION R-302810

Council confirmation of the following appointment by the Mayor of the City of San Diego, to serve as a member of the Park and Recreation Board, for the term ending as indicated:

<u>NAME</u>	<u>TERM ENDING</u>
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Rick Bussell (Linda Vista, Council District 6) (Replacing Bob Otilie, who does not seek reappointment)	March 1, 2008
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Subitem-C: (R-2007-1254) ADOPTED AS RESOLUTION R-302811

Council confirmation of the following reappointments by the Mayor of the City of San Diego, to serve as members of the Park and Recreation Board, for the terms ending as indicated:

<u>NAME</u>	<u>TERM ENDING</u>
Ginny Barnes (Carmel Valley, District 1) (Reappointment)	March 1, 2008
Norman Greene (College Area, District 7) (Reappointment)	March 1, 2008
Dan Mazzella (Uptown, District 3) (Reappointment)	March 1, 2008
Wilbur Smith (Clairemont, District 6) (Reappointment)	March 1, 2008
Olivia Puentes-Reynolds (San Carlos, District 7) (Reappointment)	March 1, 2009

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-110: Appointments and Reappointments to the Parking Advisory Board.

(See memorandum from Mayor Sanders dated 6/11/2007.)

MAYOR SANDERS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-1228) ADOPTED AS RESOLUTION R-302812

Confirming the following appointments and reappointments by the Mayor of the City of San Diego, to serve as members of the Parking Advisory Board, for terms ending as indicated:

<u>NAME</u>	<u>CATEGORY</u>	<u>TERM ENDING</u>
Ernestine Bonn (North Park, District 3) (Replacing Steve Russell)	Council District 3 Representative	December 31, 2008
John Cunningham (Downtown, District 2) (Replacing Paul Chacon)	Council District 2 Representative	December 31, 2008
Diana Spyridonidis (North Park, District 3) (Replacing Scott Kessler)	Business Improvement District	December 31, 2008
Roberta Eidemiller (College Area, District 7)	Council District 7 Representative	December 31, 2007
Frank Alessi (Carmel Valley, District 1)	Downtown Community Parking District	December 31, 2008
Martin Mosier (La Jolla, District 1)	Council District 1 Representative	December 31, 2008
Paul Robinson (Downtown, District 2)	At-Large Representative	December 31, 2008

Linda Stanley (Clairemont, District 6)	Council District 6 Representative	December 31, 2008
Polly Gillette (Otay Mesa, District 8)	Mid-City Community Parking District	December 31, 2007
John Pilch (San Carlos, District 7)	Community Planning Committee	December 31, 2007
Cindy Lehman (Point Loma, District 2)	Uptown Community Parking District	December 31, 2007

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-111: Amending the 2007 Legislative Calendar to Include Additional Meetings of the Audit Committee.

COUNCILMEMBER FAULCONER'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1273) ADOPTED AS RESOLUTION R-302813

Amending the schedule of meetings for the City Council and Standing Committees of the City Council for the period January 1, 2007 through December 31, 2007, to add meetings of the Audit Committee to the calendar on July 16, 2007, September 10, 2007, and October 15, 2007, at 9:00 a.m.;

Directing the City Clerk to post and publish, as necessary, the notice of such meetings with the date, time, and location thereof and make necessary preparations and arrangements therefore.

NOTE: This item is not subject to Mayor's veto.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-112: Araceli "Cheli" Mohamed Day.

COUNCILMEMBER ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-1258) ADOPTED AS RESOLUTION R-302814

Commending Araceli "Cheli" Mohamed for her passionate commitment to the advancement of women throughout San Diego's LGBT community and congratulating her for being this year's recipient of the San Diego Gay and Lesbian Center's "Woman of the Year" Award;

Proclaiming June 16, 2007 to be "Araceli 'Cheli' Mohamed Day" in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-113: Rehabilitation Nurse Coordinators Network Day.

COUNCILMEMBER ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-1227) ADOPTED AS RESOLUTION R-302815

Congratulating the Rehabilitation Nurse Coordinators Network for its success and growth over the past twenty years;

Proclaiming July 15, 2007, to be "Rehabilitation Nurse Coordinators Network Day" in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-114: Excusing Councilmember Maienschein from Attending the Council Meeting of June 5, 2007 and Natural Resources and Culture Committee Meeting of June 4, 2007.

COUNCILMEMBER MAIENSCHIEIN'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1218) ADOPTED AS RESOLUTION R-302816

Excusing Councilmember Brian Maienschein from attending the regularly scheduled City Council meeting on June 5, 2007, and the Committee on Natural Resources and Culture (NR&C) meeting on June 4, 2007, due to a family emergency.

NOTE: This item is not subject to the Mayor's veto.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-115: Declaring a Continued State of Emergency Regarding the Discharge of Raw Sewage from Tijuana, Mexico.

(District 8.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-1210) ADOPTED AS RESOLUTION R-302817

Declaring a Continued State of Emergency regarding the discharge of raw sewage from Tijuana, Mexico.

FILE LOCATION: GEN'L – State of Emergency Regarding the Discharge of Raw Sewage from Tijuana, Mexico

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

- * ITEM-116: Declaring a Continued State of Emergency Due to Severe Shortage of Affordable Housing in the City.

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-1229) ADOPTED AS RESOLUTION R-302818

Declaring a Continued State of Emergency Due to Severe Shortage of Affordable Housing in the City of San Diego.

FILE LOCATION: GEN'L – State of Emergency Due to Severe Shortage
of Affordable Housing in the City of San Diego

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

- * ITEM-117: Grant Application to the State of California Pollution Control Financing Authority Under the Sustainable Communities Grant and Loan Program for Funding for the Barrio Logan Community Plan Update.

(Barrio Logan Community Area. District 8.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2008-1) ADOPTED AS RESOLUTION R-302819

Authorizing the Mayor, or his designee, for and on behalf of the City, to submit an application to the State of California Pollution Control Financing Authority for a \$350,000 grant and \$150,000 loan under the Sustainable Communities Grant and Loan Program, to assist in funding the Barrio Logan Community Plan Update.

STAFF SUPPORTING INFORMATION:

The City Planning & Community Investment Department proposes to seek funding from the Sustainable Communities Grant and Loan Program (SCGL) administered by the State of California to assist in funding the Barrio Logan Community Plan Update. The SCGL Program funds transportation and land use planning projects that promote sustainable development growth policies, programs and projects. SCGL may fund specific plans, portions of specific plans, alternative transportation studies, finance plans, redevelopment plans, engineering studies, public projects and other projects that promote sustainable development principles.

The total anticipated cost for the plan update process is approximately \$1,700,000 to \$2,100,000. The update process will utilize up to \$1,000,000 in secured funds from CCDC. Further, the San Diego Unified Port District has committed up to \$ 100,000 toward plan update costs. Based on the secured commitments to date, the update has an approximate \$500,000 funding gap which the SCGL would assist in covering.

As part of the update process, City staff and a consultant team will engage the community of Barrio Logan in creating the new policies and regulations that are intended to identify a collective vision for the community; create a guide for future development; provide adequate buffers between incompatible land uses; reduce traffic conflicts; apply pedestrian-oriented design principals; encourage affordable housing; updating the zoning ordinance, expand the existing redevelopment area boundaries; and provide adequate public facilities.

City staff is currently working on a request for proposals (RFP) to solicit a multi-disciplinary consulting team to conduct the public outreach and plan update process. Staff anticipates issuing the RFP in July and selecting a consultant by September. The City is also in the process of forming a stakeholder committee for the plan update.

If the City of San Diego is awarded the Sustainable Communities grant and/or loan, staff will return to City Council as well as the Redevelopment Agency to authorize accepting and expending the grant and loan funds. It is anticipated that the loan will be repaid using Barrio Logan Redevelopment Tax Increment funds.

If funding is received, studies that are needed for the community plan update process would be funded through the SCGL grant and loan proceeds. City Council action is required to approve the application for funding, and to accept and expend grant and loan funds should they be received.

FISCAL CONSIDERATIONS:

None with this action. If the proposed application is approved, up to \$500,000 in State of California Pollution Control Financing Authority grant and loan funds would be available for the Barrio Logan Community Plan Update.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On April 24, 2007, the City Council, acting as the Redevelopment Agency, approved the transfer of up to \$1,500,000 in funds from the Centre City Development Corporation to the City of San Diego for the update of the Barrio Logan Community Plan.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS:

Grant and loan funding would assist in augmenting the cost of the public outreach process which is considered one of the primary objectives of the plan update process.

KEY STAKEHOLDERS and PROJECTED IMPACTS:

If grant and loan funding is received, City staff will identify and work with key stakeholders throughout the process.

Anderson/Waring

Staff: Lara Gates - (619) 236-6006
Marianne Greene - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:33 a.m. – 10:41 a.m.)

CONSENT MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-330: Prohibition of Superstores. In the Matter of Overriding the Mayor's Veto of the Ordinance Prohibiting Superstores pursuant to San Diego Charter Section 285.

OVERRIDE FAILED/UPHELD MAYOR'S VETO

(See Veto Message by Mayor Sanders.)

Pursuant to San Diego Charter section 285, the Council shall reconsider the Ordinance Prohibiting Superstores O-2007-41 Revised Copy (Council passed as O-19625), which was vetoed by the Mayor on June 15, 2007. If after such reconsideration, at least five members of the Council vote in favor of passage, the Ordinance Prohibiting Superstores shall become effective notwithstanding the Mayor's veto, subject to the thirty day provision in San Diego Charter section 17. The regulations for the prohibition of superstores will amend the Land Development Code (LDC) and Local Coastal Program (LCP) as detailed below.

The Ordinance Prohibiting Superstores O-2007-41 Revised Copy (Council passed as O-19625) would amend the following Code provisions: Chapter 11, Article 3, Division 1; Chapter 12, Article 7, Division 1; Chapter 13, Article 1, Divisions 5 and 6; Chapter 14, Article 1, Divisions 1 and 5; Chapter 14, Article 3, Division 3; and Chapter 15, Article 5, Division 2; thereby prohibiting the establishment of "Superstores" citywide. "Superstores" are defined as retail establishments that exceed 90,000 square feet gross floor area, sell a wide range of consumer goods, and sell items not subject to California sales tax from more than 10% of the sales floor area. This definition excludes discount warehouse stores and discount retail stores that sell more than half of their items in large quantities or in bulk, and charge a membership fee.

The proposed amendments to the Land Development Code constitute an amendment to City of San Diego's Local Coastal Program (LCP) and must be certified by the Coastal Commission to be effective in the Coastal Overlay Zone. If the City Council approves the proposed amendments to the Land Development Code, some of the regulations will be effective outside the Coastal Overlay Zone thirty days from final Council action, and the associated LCP amendment will be submitted to the California Coastal Commission for review and adoption of all remaining provisions.

The LCP amendment will not become effective within the Coastal Overlay Zone until unconditionally certified by the California Coastal Commission. If you wish to be noticed of the Coastal Commission hearing on this issue, prior to the close of the City Council public hearing, you must submit a request in writing to City of San Diego, Development Services Department, 1222 First Avenue, MS-501, San Diego, CA 92101, Attention: Amanda Lee.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:06 p.m. – 2:59 p.m.)

MOTION BY ATKINS TO OVERRIDE THE MAYOR'S VETO. Second by Young.
Failed. Yeas-1348; Nays-2567.

Motion by Frye to require conditional use permit and also to require economic and
community impact report. Second by Peters. Peters withdrew his second.



ITEM-331: North Park Maintenance Assessment District – Reballot.

(See Report to the City Council No. 07-069 Rev. North Park Community Area.
District 3.)

(First Public Hearing was held on May 14, 2007, Item S402.)

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-1001 Cor. Copy) NOTED AND FILED

Considering the protests, approving Assessment Engineer's Report, ordering and
conforming the augmented assessments, and ordering the improvements,
maintenance and/or services, in the matter of the North Park Maintenance
Assessment District.

Subitem-B: (R-2007-1005) NOTED AND FILED

Approving Fiscal Year 2008 Budget for the North Park Maintenance Assessment
District.

Subitem-C: (R-2007-1307) NOTED AND FILED

Authorizing the appropriation of funds for the North Park Maintenance
Assessment District.

STAFF SUPPORTING INFORMATION:

REQUESTED ACTION:

This City Council action will increase the Fiscal Year 2008 assessments for the North Park Maintenance Assessment District. The District is generally located north of Upas and Juniper Streets, south of Monroe Avenue, west of Interstate 805, and east of Georgia Street.

Projects authorized by the current District have largely been completed. In response to the limited services the current District can provide, and in reaction to community outreach which identified a need for enhanced future community improvements and services within the District, community representatives have requested that the City initiate proceedings to allow for an increase in assessments beyond the amount currently authorized.

STAFF RECOMMENDATION:

Authorize the commencement of the 45-day balloting period as required by law and schedule a public hearing for July 10, 2007.

EXECUTIVE SUMMARY:

Authorize the commencement of the 45-day balloting period as required by law and schedule a public hearing for July 10, 2007.

FISCAL CONSIDERATIONS:

Approximately \$533,937 will be assessed to property owners within the District in Fiscal Year 2008. The City owns 78 assessable parcels in the District, and it is estimated that the General Fund impact will increase from \$3,136.50 to \$4,426.46. The District will be entitled to a contribution from Gas Tax Fund 30219 in the amount of \$20,221. These funds have already been requested as part of the Fiscal Year 2008 budget process. The proposed Fiscal Year 2008 Budget for the District is as follows:

	FY 2008 <u>(1)(2)</u>	Maximum Authorized <u>(2)(3)</u>
OPENING FUND BALANCE		
Carryover Fund Balance	\$480,449	--
EXPENSES		
Personnel	\$ 38,952	\$ 38,952
Contractual Services	\$205,205	\$205,205
Neighborhood Services	\$442,507	\$442,507
Miscellaneous Services	\$ 17,084	\$ 17,084
Incidentals	\$ 31,352	\$ 31,352
Utilities	<u>\$ 50,751</u>	<u>\$ 50,751</u>
TOTAL EXPENSES	\$785,851	\$785,851
REVENUES		
Assessments	\$534,175	\$534,175
Interest	\$ 15,500	\$ 15,500
City Contributions – Gas Tax	<u>\$ 18,134</u>	<u>\$ 18,134</u>
TOTAL REVENUES	\$567,809	\$567,809
CLOSING FUND BALANCE	\$262,407	--

- (1) FY 2008 IS THE City's Fiscal Year 2008, which begins July 1, 2007 and ends June 30, 2008.
- (2) Individual line item expenses may be higher or lower than shown on an annual basis.
- (3) Maximum authorized annual assessment subject to cost-indexing provisions contained in Assessment Engineers Report.

Annual assessments were calculated by an assessment engineer for parcels within the District and are based on each parcel's equivalent benefit unit (EBU), which is equivalent to one single family dwelling unit. This rate is impacted by parcel land use, benefit, acreage of non-residential properties, and location of properties. The proposed rate for Fiscal Year 2008 would be \$30.28 per EBU.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The District was originally established in April 1996, balloted for compliance with Proposition 218 in 1998, with provisions for additional improvements to be maintained by the District. The additional improvements were determined through a process of community participation and input, and property owners approved the re-engineering of the District with 61.5% of the weighted vote.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The membership of the North Park Maintenance Assessment District Citizen's Advisory Committee (NP CAC), consists of representatives from the following community organizations: Greater North Park Planning Committee, North Park Community Association, Altadena Neighborhood Association, El Cajon Boulevard Business Improvement District, North Park Law Enforcement Committee, San Diego County Apartment Association, North Park Redevelopment Project Area Committee, Burlingame Neighborhood Association and North Park Main Street. The committee also provides for one (1) Homeowner/Resident position.

The committee member organizations passed resolutions in support of re-engineering the District on the following dates:

1. North Park Project Area Committee: December 13, 2005
2. North Park Main Street: December 14, 2005
3. Greater North Park Planning Committee: January 17, 2006
4. North Park Community Association: January 25, 2006
5. Burlingame Neighborhood Association: February 3, 2006
6. El Cajon Business Improvement Association: February 13, 2006
7. Altadena Neighborhood Association: February 24, 2006
8. San Diego County Apartment Association: April 3, 2007

Additionally, the North Park Maintenance Assessment District CAC passed the following motions:

1. February 12, 2007 - Approved Fiscal Year 2008 Reballot Budget
2. March 12, 2007 - Approved North Park Assessment Engineer's Report

The North Park Maintenance Assessment District CAC has been gathering input and reviewing improvement areas and service levels for the past 17 months. In a survey of property owners located within the District in early 2006, nearly 80% of respondents were in favor of the re-engineering of a new district with a broader range of permissible improvements and services. Additionally, a "North Park Town Hall" meeting was conducted on April 8, 2006, in part to discuss the proposed re-engineering of the District and gather additional community input.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

In addition to the major stakeholder organizations mentioned above, residential property owners are approximately assessed 74% and commercial property owners 24% of the total revenue collected in the District. Under the proposed action, resident property owners will see an annual increase of \$11.59, while commercial property owner's increases will vary depending upon the relative acreage of their parcels.

LoMedico/Reynolds/CB

Staff: Clay Bingham – (619) 533-6724
Elizabeth Coleman - Deputy City Attorney

FILE LOCATION: STRT-M-413(2008)(34)

COUNCIL ACTION: (Time duration: 10:06 a.m. - 10:11 a.m.;
2:59 p.m - 3:03 p.m.)

Council President Peters opened the hearing.

Testimony in favor by Phillis Shess and Dean Peterson.

Council President Peters closed the hearing and directed the City Clerk Elizabeth Maland to tabulate the ballots.

City Clerk Elizabeth Maland announced that the election has been conducted according to Assessment Proceedings. Ms. Maland announced that the ballots in opposition exceed the ballots in favor, with the weighted majority vote in opposition, and that the proposed augmentation to the North Park Maintenance Assessment District and annual assessment have failed. Ms. Maland then certified the results of the election and submitted them to the City Council.



ITEM-332: Del Mar Heights Road Maintenance Assessment District Formation.

(See Report to the City Council No. 07-069 Rev. Torrey Pines Community Plan Area. District 1.)

(First Public Hearing was held on May 14, 2007, Item S401.)

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-998 Cor. Copy) NOTED AND FILED

Considering the protests, approving Assessment Engineer's Report, ordering the creation of the Assessment District, confirming the Assessments, and ordering the improvements, maintenance and/or services, in the matter of the Del Mar Heights Road Maintenance Assessment District.

Subitem-B: (R-2007-1007) NOTED AND FILED

Approving Fiscal Year 2008 Budget for the Del Mar Heights Road Maintenance Assessment District.

Subitem-C: (R-2007-1006 Cor. Copy) NOTED AND FILED

Establishing ~~a fund and~~ an interest-bearing fund for the Del Mar Heights Road Maintenance Assessment District and authorizing the City Auditor and Comptroller to appropriate and expend from that fund.

STAFF SUPPORTING INFORMATION:

REQUESTED ACTION:

This City Council action is to start the process to form a new maintenance assessment district to maintain landscaping improvements along certain sections of Del Mar Heights Road.

Under the guidelines of Proposition 218, all property owners receiving benefit from the improvements within the district have an opportunity to vote in favor or in opposition to the formation of this maintenance assessment district: community driven or developer driven. This request is community driven.

STAFF RECOMMENDATION:

~~Authorize the commencement of the 45-day balloting period as required by law and schedule a public hearing for July 10, 2007.~~

1. Adopt the resolution initiating proceedings for the formation of the Del Mar Heights Road Maintenance Assessment District;
2. Adopt the resolution preliminarily approving the engineer's report submitted in connection with the proposed formation of the Del Mar Heights Road Maintenance Assessment District;
3. Adopt the resolution of intention to form the Del Mar Heights Road Maintenance Assessment District and to levy and collect Fiscal Year 2008 annual assessments on the Del Mar Heights Road Maintenance Assessment District.

SUMMARY:

This action authorizes the ballot protest proceedings to form the Del Mar Heights Road Maintenance Assessment District. If approved by the property owner vote, this action also authorizes the Fiscal Year 2008 assessment and budget. The District is located in the Torrey Pines Community Planning Area along the Del Mar Heights Road corridor bounded by Crest Canyon Open Space park to the north, Torrey Pines State Reserve to the south, the City of Del Mar to the west, and Interstate 5 to the east.

The purpose of the District is to fund the enhanced maintenance of landscaped and hardscaped improvements including identified medians, curbs, and gutters.

FISCAL CONSIDERATIONS:

Approximately \$ 51,034 will be assessed to the property owners within the District in Fiscal Year 2008. The City owns one assessable parcel in the District. The General Fund impact is \$22.90 for FY 2008. The District will be entitled to a contribution from the Gas Tax Fund 30219 in the amount of \$4,188. These funds are included in the proposed Fiscal Year 2008 Budget Process.

The proposed Fiscal Year 2008 budget for the District is as follows:

	<u>FY 2008</u>	<u>Maximum Authorized</u>
EXPENSES		
Personnel	\$1,500	\$4,505
Landscape Contract	\$7,178	\$34,183
Incidentals	\$801	\$1,841
Administration	\$3,000	\$3,686
Utilities (energy, water utilities & storm drain fee)	\$0	\$719
Repayment to MAD Formation Fund (one-time expense)	<u>\$30,000</u>	<u>\$0</u>
TOTAL EXPENSES	\$42,479	\$44,934
REVENUES		
Assessments	\$51,034	\$52,590
City Contributions - Gas Tax	<u>\$4,188</u>	<u>\$5,824</u>
TOTAL REVENUES	\$55,222	\$58,414
FUND BALANCE (Carryover & Reserve)		
Allocated Reserve/Carryover (20% of operating budget)	\$8,495	\$8,987
Required Minimum Reserve (10% of operating budget)	<u>\$4,248</u>	<u>\$4,493</u>
TOTAL FUND BALANCE	\$12,743	\$13,480

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The majority of the assessments will be borne by residences within the community. The community submitted a petition and was granted use of City formation funding in September 2005. The Torrey Pines Planning Group endorsed the formation at its October 12, 2006 meeting. The Del Mar Heights Rd. Advisory Group has supported the effort and, in conjunction with the Planning Group, held a community outreach and information meeting on March 8, 2007. Some community opposition to this formation has been expressed.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders in the area are the local residences, the Del Mar Union High School District, Safeway Stores Inc., Longs Drug Inc., and several smaller businesses. Information and outreach efforts are being made to all stakeholders.

Reynolds/LoMedico/CB

Staff: Clay Bingham – (619) 533-6724
Pedro De Lara, Jr. – Deputy City Attorney

FILE LOCATION: STRT-M-510(2008)(37)

COUNCIL ACTION: (Time duration: 10:04 a.m. - 10:06 a.m.;
3:03 p.m. - 3:04 p.m.)

Council President Peters opened the hearing.

Testimony in favor by Bob Lewis.

Council President Peters closed the hearing and directed the City Clerk Elizabeth Maland to tabulate the ballots.

City Clerk Elizabeth Maland announced that the election has been conducted according to Assessment Proceedings. Ms. Maland announced that the ballots in opposition exceed the ballots in favor, with the weighted majority vote in opposition, and that the proposed augmentation to the Del Mar Heights Road Maintenance Assessment District and Annual Assessment have failed. Ms. Maland then certified the results of the election and submitted them to the City Council.



ITEM-333: Business Improvement Districts – FY 2008 Annual Appropriation Process.

(Centre City, College Area, Greater North Park, La Jolla, Mid-City, Mission Beach, Ocean Beach, Old San Diego, Pacific Beach, San Ysidro, Southeastern San Diego, and Uptown Community Areas. Districts 1, 2, 3, 4, 7, and 8.)

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-1239) ADOPTED AS RESOLUTION R-302820

Approving the Fiscal Year 2008 Budget Reports for specified Business Improvement Districts.

Subitem-B: (R-2007-1240) ADOPTED AS RESOLUTION R-302821

Resolution of Intention to levy and collect annual assessments from businesses within specified Business Improvement Districts for Fiscal Year 2008, and noticing the public hearing.

STAFF SUPPORTING INFORMATION:

REQUESTED ACTIONS:

At the first Council date (July 9 or 10, 2007):

1. Approve the FY 2008 Budget Reports for each specified Business Improvement District (BID) (Adams Avenue, City Heights, College Area, Diamond, Downtown, El Cajon Boulevard Central, El Cajon Boulevard Gateway, Gaslamp, Hillcrest, La Jolla, Little Italy, Mission Hills, North Park, Ocean Beach, Old Town, Pacific Beach, and San Ysidro); and
2. Declare the Council's intention to levy and collect annual assessments from businesses within each specified BID, and set July 30, 2007, as the noticed public hearing date.

At the second Council date (the noticed public hearing on July 30, 2007):

1. Confirm the FY 2008 Budget Reports for each specified BID and levy the annual assessments for those BID's; and
2. Authorize the Mayor to execute the FY 2008 operating agreements with the non-profit associations for the specified BID's.

STAFF RECOMMENDATIONS:

Adopt the requested actions.

EXECUTIVE SUMMARY:

The California Streets and Highways Code authorizes the City to establish Business Improvement Districts (BID's), to levy and collect an assessment from businesses within the BID's, and to apply these assessments toward improvements and activities that benefit the businesses within their respective BID's. The City established each of the BID's by adopting an ordinance that details the street ranges to be included within each BID, the categorization of the types of businesses within each BID, and in some cases, the size of the businesses as determined by the number of employees. The assessment levels, as determined by these factors, are also detailed in each ordinance.

Under State law, the City Council must annually review and approve the Budget Reports for the BID's. In addition, the City Council must annually authorize the levying of the assessments as established in the respective ordinances and hold a noticed public hearing on the matter. Once authorized, the BID assessments are collected by the City Treasurer at the same time and in the same manner as the City's business tax.

The City collects approximately \$1.3 million annually in BID assessments from about 12,000 businesses; these funds are accounted for separately in the City's accounting system and are provided to non-profit associations (whose memberships include the businesses in the respective BID's) under an operating agreement. Generally, funds are remitted to the non-profit associations on a reimbursement basis to manage BID programs in the respective BID's, though working capital advances are permitted under certain circumstances. State law also provides that the Budget Reports shall identify any surplus or deficit revenues to be carried over from a previous fiscal year. These funds are identified in the Budget Reports as Estimated Unexpended Assessments to be carried forward and Estimated Outstanding Operating Advances. In approving the Budget Reports, the City Council appropriates the assessments to be collected and the prior year surplus funds.

In FY 2007, the City approved the Budget Reports for, and authorized the levying of assessments on businesses within, the following BID's: Adams Avenue, City Heights, College Area, Diamond, Downtown, El Cajon Boulevard Central, El Cajon Boulevard Gateway, Gaslamp, Hillcrest, La Jolla, Little Italy, Midway, Mission Hills, North Park, Ocean Beach, Old Town, Pacific Beach, and San Ysidro. However, due to a claim filed against the City in March 2007 by the North Bay Association of San Diego (the non-profit association for the Midway BID) and circumstances giving rise to that claim, it is recommended that the City neither levy assessments within the Midway BID in FY 2008, nor enter into an operating agreement with the North Bay Association of San Diego for the management of the Midway BID in FY 2008.

FISCAL CONSIDERATIONS:

Because the City does not retain any of the BID assessments for administrative or other purposes, there is a zero net fiscal impact for collecting and disbursing the BID assessments.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

R-301539 and R-301540 (June 19, 2006); R-301855 and R-301856 (July 18, 2006).

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The non-profit associations that manage the BID's hold regular meetings and publish regular newsletters, which are distributed to the businesses within the respective BID's. Organizational budgets and work plans are developed by the respective boards and approved at their meetings.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Businesses within the respective BID's are the key stakeholders and beneficiaries of community improvements and business marketing and development. Residents and property owners may also benefit from public improvements and enhanced business services.

Waring/Anderson/MDB

Staff: Meredith Dibden Brown – (619) 236-6485
Michael D. Neumeier – Deputy City Attorney

FILE LOCATION: STRT-L-27-(2008)(32)

COUNCIL ACTION: (Time duration: 11:25 a.m. – 11:28 a.m.)

MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-334: Preliminary Bond Items for Parkside Terrace Apartments.

(See San Diego Housing Commission Report No. HAR 07-13. Centre City Community Area. District 2.)

SAN DIEGO HOUSING COMMISSION'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1220) ADOPTED AS RESOLUTION R-302823

Approving the issuance of the Bonds by the Authority for the purpose of financing the Project, with respect to the Authority under Section 147(f) of the Internal Revenue Code of 1986;

Declaring that the City does not warrant the creditworthiness of the Bonds or guarantee, in any way, the payment of the Bonds. No moneys of the City will be pledged or applied to the repayment of the Bonds.

SUPPORTING INFORMATION:

Parkside Terrace is a proposed new construction project to be located on the north side of Island Avenue between 13th and 14th Streets in the East Village neighborhood of downtown San Diego. The project would create a total of 77 multifamily rental units including 28 studios, 15 one-bedroom, 29 two-bedroom, and 5 three-bedroom apartments. Wakeland, a 501(c)(3) non-profit housing developer, will be responsible for the construction and development of the project.

Parkside Terrace will provide 76 rental units for occupancy, and at rents affordable to low and very-low income households: 13 units will be restricted at 50% Area Median Income (AMI) (\$31,050 for a household of three) and 63 units will be restricted at 60% AMI (\$37,250 for a household of three). In addition, one two-bedroom unit will be reserved for an on-site manager and will not be occupancy-restricted.

The \$18 million allocation that will be sought from CDLAC is approximately 15% higher than the amount for which the project is currently being underwritten (\$16 million). The developer has requested this cushion to account for possible increases in the bond amount due to increases in construction costs or decreases in the assumed interest rate. Of the total \$16 million estimated bond issuance amount, approximately \$11.6 million in housing revenue bonds will be used to finance the construction of the project and will be paid off at conversion to permanent financing.

The permanent bond amount is estimated to be approximately \$4.4 million and will be based upon project costs, revenues, and interest rates at the time of bond issuance.

FISCAL CONSIDERATIONS:

Approval of these preliminary actions does not commit the Housing Authority to issue bonds. Should the Housing Authority at a later date authorize the issuance of bonds for the project, the bonds would not constitute a financial liability to the Housing Authority or the City of San Diego because security for repayment of the bonds would be limited to the value of the property and its revenues. Neither the faith and credit nor the taxing power of the City or the Authority would be pledged to the payment of the bonds.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On September 14, 2004, the Redevelopment Agency approved an Owner Participation Agreement ("OPA") with Oak Shelter Systems, LLC to develop a mixed-use project on the subject site. In 2005, Oak Shelter Systems determined that the project was no longer financially feasible and asked to terminate the OPA.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On February 28, 2007, the CCDC board recommended that the Redevelopment Agency: 1) terminate the original OPA with Oak Shelter Systems, LLC; 2) approve a new OPA with Parkside Terrace, L.P.; and 3) grant design review approval of the proposed project. On April 27, 2007, the Housing Commission recommended approval of these preliminary bond items.

ENVIRONMENTAL REVIEW:

Under the 2006 Final Environmental Impact Report (FEIR) for Centre City, an Environmental Secondary Study is prepared by CCDC for all developments in the Centre City area in order to evaluate the project's compliance with the Downtown Community Plan and Planned District Ordinance and, therefore, the findings and conclusions of the FEIR. A Secondary Study was completed for Parkside Terrace and the project was found to be in compliance with those planning documents. As a result, no further environmental review is required.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Low and very-low income households are the intended residents of the project. Wakeland will develop the project. American Baptist Churches of the Pacific Southwest, a California nonprofit corporation, doing business as Transformation Ministries currently owns the site. It is anticipated that Red Capital Markets will act as the tax credit investor and that Wells Fargo Bank, N.A. and California Community Reinvestment Corporation will provide debt for the project.

Fisher/Morris

NOTE: See the Housing Authority Agenda of July 10, 2007, for a companion item.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:39 p.m. - 3:39 p.m.)

MOTION BY FAULCONER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-335: Preliminary Bond Items for Colina Park North Apartments.

(See Report to the City Council No. HAR-07-018. City Heights Community Area. District 7.)

SAN DIEGO HOUSING COMMISSION'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-1296) ADOPTED AS RESOLUTION R-302824

Approving the issuance of Bonds by the Housing Authority of the City of San Diego for the Colina Park North Apartments, pursuant to Section 147(f) of the Internal Revenue Code of 1986;

Declaring that the City does not warrant the creditworthiness of the Bonds or guarantee, in any way, the payment of the Bonds. No moneys of the City will be pledged or applied to the repayment of the Bonds.

SUPPORTING INFORMATION:

Colina Park North is an existing multifamily property located at 4333 Dawson Avenue in the community of City Heights. The project was built in 1968 and consists of two buildings, a laundry room, sixty open parking spaces, four carports, a swimming pool, and recreation room. The 64 units are composed of the following bedroom mix: 14 studios, 39 one-bedroom, and 11 two-bedroom apartments. The developer proposes to spend approximately \$1 million to rehabilitate the property.

Colina Park North will provide 63 rental units for occupancy by, and at rents affordable to, low and very low income households: 13 units will be restricted at 50% Area Median Income (AMI) (\$31,050 for a household of three) and 50 units will be restricted at 60% AMI (\$37,250 for a household of three). In addition, one two-bedroom unit will be reserved for an on-site manager and will not be occupancy-restricted.

The total development cost of the project is estimated to be approximately \$8.5 million. The anticipated bond amount is \$4 million. Other sources of financing include federal tax credits, developer equity, and a deferred developer fee. No local affordable housing funds are anticipated.

FISCAL CONSIDERATIONS:

There are no fiscal impacts to the Housing Commission, City, or Housing Authority associated with the requested actions. Approval of the bond inducement and TEFRA resolutions do not commit the Housing Authority to issue bonds. Housing mortgage revenue bonds do not constitute a debt of the City of San Diego. If bonds are ultimately issued for the project, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources. Neither the faith and credit nor the taxing power of the City or the Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission's annual administrative fee.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Hamilton San Diego Apartments, LLC will present their proposal for Colina Park North Apartments to the City Heights Planning Group in the near future.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Low and very-low income households are the intended residents of the project. Hamilton San Diego Apartments, LLC will develop the project. Citigroup Global Markets, Inc. will provide debt for the project; at present, an equity provider has not been identified.

Fisher/Morris

NOTE: See the Housing Authority Agenda of July 10, 2007, for a companion item.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 4:18 p.m. – 4:18 p.m.)

MOTION BY MADAFFER TO ADOPT. Second by Hueso. Passed by the following vote: Peters-recused, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-336: Four actions related to Owner Participation Agreement, Barrio Logan Redevelopment Plan Amendment and Associated Actions for Los Vientos Family Apartment Project.

(See Redevelopment Agency Report RTC-07-22/RTC-07-098. Barrio Logan Community Area. District 8.)

STAFF'S RECOMMENDATION:

Introduce the following ordinance in Subitem A and adopt the resolutions in Subitems B, C, and D:

Subitem-A: (O-2007-161 Rev. Copy) INTRODUCED AS AMENDED; TO BE
ADOPTED TUESDAY, JULY 24, 2007

Introduction of an Ordinance approving and adopting the Second Amendment to the Redevelopment Plan for the Barrio Logan Redevelopment Project.

Subitem-B: (R-2007-1262) ADOPTED AS RESOLUTION R-302825

Making certain findings relating to the use of Housing Set-Aside Funds outside source project areas including City Heights, North Park, and North Bay for the development of Los Vientos Family Apartments in the Barrio Logan Redevelopment Project Area.

Subitem-C: (R-2007-1263) ADOPTED AS RESOLUTION R-302826

Certifying that the information contained in the Mitigated Negative Declaration (MND) No. 103439 has been completed in compliance with the California Environmental Quality Act (CEQA) and State CEQA Guidelines and that said report reflects the independent judgment of the City of San Diego as Lead Agency;

Stating for the record that the Mitigated Negative Declaration has been reviewed and considered prior to approving the Project and Owner Participation Agreement;

Adopting the Mitigation, Monitoring and Reporting Program.

Subitem-D: (R-2007-1264) ADOPTED AS RESOLUTION R-302827

Approving the Redevelopment Agency entering into an Owner Participation Agreement for the Los Vientos Family Apartments Project in the Barrio Logan Redevelopment Project Area.

STAFF SUPPORTING INFORMATION:

An Owner Participation Agreement is proposed to authorize and obligate the Redevelopment Agency to assist the Los Vientos Family Apartments Project by providing financial assistance with a residual receipts loan in an amount not to exceed \$8,298,000. The developer is AMCAL Multi-Housing, Inc., dba AMCAL Los Vientos Fund, L.P. (the Developer). The Developer has proposed the development of a new 89-unit rental housing project located at 1629 and 1668 National Avenue, within the Barrio Logan Redevelopment Project Area (the Project).

The Project is proposed to be developed on two separate parcels equaling 1.04 acres located at 1629 and 1668 National Avenue (the Project Site). The surrounding development includes light industrial, commercial, and residential buildings. The Project Site is predominantly vacant requiring the demolition of one small, dilapidated residential building. Furthermore, the Developer owns the Project Site and no other property acquisition is necessary for project implementation.

The Project is proposed to include 50 two-bedroom units, 35 three-bedroom units, and 4 four-bedroom units, all but one with restricted rents for 55 years to levels affordable to households earning up to 30%, 40%, 50%, and 60% of Area Median Income. The Project's design consists of two U-shaped, 4-story buildings with subterranean parking. The Gross Building Area (GBA) is approximately 85,920 sq. ft., with a total of 163 parking spaces, or approximately 1.8 spaces per unit. Amenities will include a community room with offices, a kitchen, computer room, tot lots/play areas, BBQ, and planters. Regarding environmental impacts, a Mitigated Negative Declaration was approved and certified by the Council for the Project on March 26, 2007. The Project Site is fully entitled.

FISCAL CONSIDERATIONS:

The total project cost is \$32,545,000 and is proposed to be funded with Affordable Housing 9% tax credits, private financing, deferred developer fee, Federal Home Loan Bank Affordable Housing Program funds, and Agency 20% Low and Moderate Income Housing Set-Aside Funds. The Developer plans to apply to the State for tax credits on July 12, 2007. Project savings and/or additional revenues will be used to reduce the Agency financing contribution.

Keyser Marston Associates has been used to verify the validity of the project pro forma. This work supports the project cost estimates and verifies that the project financing terms are substantially consistent with the financing guidelines provided for the Agency's Affordable Housing Collaborative Program.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On July 25, 2006, the Agency approved the pooling of the Agency's 20% Low and Moderate Income Housing Set-Aside Funds for the purpose of funding projects such as the Los Vientos Project. On March 26, 2007, the City Council approved a CPA/Rezone and entitlements.

OTHER RECOMMENDATIONS:

On May 24, 2007, the Agency's Affordable Housing Collaborative Executive Loan Committee (ELC) voted 4-0 in favor of the Project's concept and proposed financing structure.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On October 19, 2005, January 29, 2007, and May 30, 2007, the Project was presented to the Barrio Logan PAC, at which times PAC voted in support of the Project's concept and proposed OPA and Redevelopment Plan Amendment.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

The Project is expected to provide significant community enhancement and valuable affordable housing for the Barrio Logan community.

Weinrick/Waring

Staff: Robert Chavez - (619) 236-6263
Carol A. Leone - Deputy City Attorney

NOTE: This is a Joint Public Hearing with the Redevelopment Agency. See the Redevelopment Agency Agenda of July 10, 2007, for a companion item.

FILE LOCATION: SUBITEM A - NONE
SUBITEM B - MEET
SUBITEM C - MEET
SUBITEM D - MEET

COUNCIL ACTION: (Time duration: 3:39 p.m. - 3:53 p.m.
4:06 p.m. - 4:07 p.m.)

MOTION BY HUESO TO INTRODUCE THE ORDINANCE IN SUBITEM A AS AMENDED BY REMOVING SECTION 2 AND TO ADOPT THE RESOLUTIONS IN SUBITEMS B, C, AND D. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-337: Three actions related to Owner Participation Agreement and Associated Actions for the Verbena Project.

(See Redevelopment Agency Report RTC-07-23/RTC-07-099. San Ysidro Community Area. District 8.)

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-1299) ADOPTED AS RESOLUTION R-302828

Certifying that the information contained in MND No. 41718 has been completed in compliance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines and that said report reflects the independent judgment of the City of San Diego as Lead Agency;

Stating for the record that the Mitigated Negative Declaration has been reviewed and considered prior to approving the Project and the Owner Participation Agreement;

Adopting the Mitigation, Monitoring and Reporting Program.

Subitem-B: (R-2007-1300) ADOPTED AS RESOLUTION R-302829

Approving the Redevelopment Agency entering into an Owner Participation Agreement for the Verbena Affordable Apartments Project in the San Ysidro Redevelopment Project Area.

Subitem-C: (R-2007-1302) ADOPTED AS RESOLUTION R-302830

Making certain findings relating to the use of Housing Set-Aside Funds outside of the City Heights, North Park, North Bay, and Naval Training Center Redevelopment Project Areas for the development of the Verbena Affordable Apartments Project in the San Ysidro Redevelopment Project Area.

STAFF SUPPORTING INFORMATION:

An Owner Participation Agreement is proposed to authorize and obligate the Redevelopment Agency to assist the Verbena Project by providing financial assistance with a residual receipts loan in an amount not to exceed \$5,586,000. The Developer is Chelsea Investment Corporation, dba Verbena San Ysidro, L.P. (the Developer). The Developer has proposed the development of a new 80-unit rental housing project located at 3774 Beyer Boulevard, within the San Ysidro Redevelopment Project Area (the Project).

The Project is proposed to be developed on seven contiguous parcels equaling 6.8 acres and located at 3774 Beyer Boulevard (the Project Site). The surrounding development includes primarily single and multi-family housing. The Project Site is vacant with no demolition required. Furthermore, the Developer is under a Purchase and Sale Agreement with the existing property owner to acquire the entire Project Site. No additional property acquisition is necessary for project implementation.

The Project is proposed to include 27 two-bedroom units and 53 three-bedroom units, all but one with restricted rents for 55 years to levels affordable to households earning up to 30%, 40%, 50%, and 60% of Area Median Income. The Project's design consists of 27 two-story triplex buildings located throughout the Project Site. Each triplex structure contains two 2-story three-bedroom units, and one single-story two-bedroom unit, all sitting on top of ground floor private garages. All units have attached one-or two-car garages. The Gross Building Area (GBA) is approximately 91,415 SF, with a total of 177 parking spaces, or approximately 2.2 spaces per unit. Amenities will include a community room, computer center, classroom space, a tot lot and open space. Regarding environmental impacts, a Mitigated Negative Declaration was certified by the Council for the Project on March 8, 2005. The Project Site is fully entitled.

FISCAL CONSIDERATIONS:

The total project cost is \$28,861,000 and is proposed to be funded with Affordable Housing 9% tax credits, private financing, deferred developer fee, Federal Home Loan Bank Affordable Housing Program funds, and Agency 20% Low and Moderate Income Housing Set-Aside Funds. The Developer plans to apply to the State for tax credits on July 12, 2007. Project savings and/or additional revenues will be used to reduce the Agency financing contribution. Keyser Marston Associates has been used to verify the validity of the project pro forma. This work supports the project cost estimates and verifies that the project financing terms are substantially consistent with the financing guidelines provided for the Agency's Affordable Housing Collaborative Program.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On July 25, 2006, the Agency approved the pooling of the Agency's 20% Low and Moderate Income Housing Set-Aside Funds for the purpose of funding projects such as the Verbena Project. On March 8, 2005, the City Council approved a PDP for the Project.

OTHER RECOMMENDATIONS:

The Agency's Affordable Housing Collaborative Executive Loan Committee (ELC) reviewed the Project and voted in support (2-1) on June 15, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On August 17, 2004 and May 15, 2007, the Project was presented to the San Ysidro Planning and Development Group (SYPDG), at which times SYPDG voted in support of the Project's concept and/or proposed OPA. There is no Project Area Committee (PAC) in San Ysidro.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

The Project is expected to provide significant community enhancement and valuable affordable housing for the San Ysidro community.

Weinrick/Waring

Staff: Robert Chavez - (619) 236-6263
Kendall D. Berkey - Deputy City Attorney

NOTE: See the Redevelopment Agency Agenda of July 10, 2007, for a companion item.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:53 p.m. - 3:54 p.m.)

MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-338: Three actions related to Owner Participation Agreement and Associated Actions for the El Pedregal Family Apartments Project.

(See Redevelopment Agency Report RTC-07-21/RTC-07-097. San Ysidro Community Area. District 8.)

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-1304) ADOPTED AS RESOLUTION R-302831

Approving the Redevelopment Agency entering into an Owner Participation Agreement for the El Pedregal Family Apartments Project in the San Ysidro Redevelopment Project Area.

Subitem-B: (R-2007-1305) ADOPTED AS RESOLUTION R-302832

Making certain findings relating to the use of Housing Set-Aside Funds outside of the Naval Training Center Redevelopment Project area for the development of the El Pedregal Family Apartments Project in the San Ysidro Redevelopment Project.

Subitem-C: (R-2007-1303) ADOPTED AS RESOLUTION R-302833

Certifying Environmental Review for the El Pedregal Family Apartments Project located in the San Ysidro Redevelopment Project Area.

STAFF SUPPORTING INFORMATION:

An Owner Participation Agreement is proposed to authorize and obligate the Redevelopment Agency to assist the El Pedregal Family Apartments Project by providing financial assistance with a residual receipts loan in an amount not to exceed \$3,606,000. The developer is Global Premier Development, dba SYEP Associates (the Developer). The Developer has proposed the development of a new 45-unit rental housing project located at 104 Averil Road, within the San Ysidro Redevelopment Project Area (the Project).

The Project is proposed to be developed on two adjacent parcels equaling 2.24 acres located at 104 Averil Road (the Project Site). Surrounding development includes primarily multi-family housing, single family housing, and commercial uses. The Project Site is vacant with no demolition required. Furthermore, the Developer is under a purchase and sale agreement with the existing property owner to acquire the property. No additional property acquisition is necessary for the Project.

The Project is proposed to include one two-bedroom unit, 20 three-bedroom units, and 24 four-bedroom units, all but one with restricted rents for 55 years to levels affordable to households earning up to 30%, 40%, 50%, and 60% of Area Median Income. The Project's design consists of two 2- and 3-story buildings with subterranean parking. The Gross Building Area (GBA) is approximately 70,110 sq. ft., with a total of 107 parking spaces, or approximately 2.0 spaces per unit. Amenities will include recreation/play facilities, computer room, multipurpose center, education programs, and picnic area. Regarding environmental impacts, a Mitigated Negative Declaration was certified by the City for the Project on June 13, 2007. The Project Site is fully entitled.

FISCAL CONSIDERATIONS:

The total project cost is \$20,027,000 and is proposed to be funded with Affordable Housing 9% tax credits, private financing, deferred developer fee, Federal Home Loan Bank Affordable Housing Program funds, and Agency 20% Low and Moderate Income Housing Set-Aside Funds. The Developer plans to apply to the State for tax credits on July 12, 2007. Any Project savings and/or additional revenues will be used to reduce the Agency financing contribution.

Keyser Marston Associates has been used to verify the validity of the project pro forma. This work supports the project cost estimates and verifies that the project financing terms are substantially consistent with the financing guidelines provided for the Agency's Affordable Housing Collaborative Program.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On July 25, 2006, the Agency approved the pooling of the Agency's 20% Low and Moderate Income Housing Set-Aside Funds for new project developments. On October 17, 2006, the Agency approved an ENA for the Project.

OTHER RECOMMENDATIONS:

On May 24, 2007, the Agency's Affordable Housing Collaborative Executive Loan Committee (ELC) voted 4-0 in favor of the Project's concept and proposed financing structure.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On October 17, 2006, January 16, 2007, and May 15, 2007, the Project was presented to the San Ysidro Planning and Development Group (SYPDG), at which times SYPDG voted in support of the Project's concept and proposed OPA.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

The Project is expected to provide significant community enhancement and valuable affordable housing for the San Ysidro community.

Weinrick/Waring

Staff: Robert Chavez - (619) 236-6263
Kendall D. Berkey - Deputy City Attorney

NOTE: See the Redevelopment Agency Agenda of July 10, 2007, for a companion item.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:54 p.m. - 3:55 p.m.)

MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-339: Approval of Participation and Administration Agreements in San Diego City Employees' Retirement System (SDCERS) Group Trust.

(Continued from the meetings of June 18, 2007, Item 200, and June 26, 2007, Item S400, last continued at the request of City Attorney and Councilmember Frye, for further review.)

SAN DIEGO CITY EMPLOYEES' RETIREMENT SYSTEM'S RECOMMENDATION:

Take the following actions:

CONTINUED TO TUESDAY, SEPTEMBER 4, 2007

Approving the attached Participation and Administration Agreement between SDCERS and the Unified Port District; and

Approving the attached Participation and Administration Agreement between SDCERS and the Airport Authority; and

Approving the attached Participation and Administration Agreement between SDCERS and the City of San Diego;

Directing the City Attorney to prepare the appropriate resolutions in accordance with Charter Section 40.

SUPPORTING INFORMATION:

Along with the City, the Port and the Airport Authority participate in SDCERS under City Charter Section 149 and San Diego Municipal Code Sections 24.1801 et seq. These provisions allow a public agency to contract with SDCERS to participate in the SDCERS Trust Fund, after the City Council makes a finding that the public agency is eligible and approves the contract between the agency and SDCERS. In 2002, the City Council found that the Port and the Airport Authority were eligible to participate in SDCERS under Charter Section 149, and approved the initial contracts between SDCERS and each agency.

Under Charter Section 149 and Municipal Code Section 24.1806, all funds contributed by a contracting public agency and its employees must be held in trust and used only to pay benefits and necessary expenses related to administering the retirement benefits of that agency.

In order to carry out the intent of these provisions, and prevent the use of any contracting agency's plan assets to pay the liabilities associated with another agency's plan, tax counsel advised SDCERS to establish a Group Trust, within which SDCERS would administer each public agency's plan as a separate trust. Based on this advice, on March 16, 2007, the SDCERS Board unanimously approved a "Declaration of Trust" establishing the SDCERS Group Trust effective July 1, 2007. At that same time, the Board unanimously approved the three attached Participation and Administration Agreements with the City, the Port and the Airport Authority.

The Port and Airport Authority Boards have unanimously approved their respective Participation and Administration Agreements. Municipal Code Section 24.18020(j) requires that the Participation and Administration Agreements between SDCERS and each contracting public agency be approved by the City Council by Resolution.

A Council vote to approve the Participation and Administration Agreements of the City, Port, and Airport will ensure that the plan assets associated with each plan sponsor currently participating in SDCERS are unavailable to satisfy the liabilities of each other plan sponsor's plan. Both the Port and Airport Boards have made it clear that the participation of their assets in the SDCERS Group Trust is critical to their continued participation in SDCERS. If the City Council does not approve their Participation and Administration Agreements, the Port and Airport may be forced to seek out another pension alternative to SDCERS.

FISCAL CONSIDERATIONS:

There is no financial impact associated with this action.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders are the City, Port, and Airport Authority, as well as their employees and retirees. Council approval of the three SDCERS Group Trust Participation and Administration Agreements will assure the employees and retirees of all three agencies that the assets in their retirement plans are safe from claims by or against the other SDCERS-administered plans.

Hebrank/Wescoe

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 3:05 p.m. - 3:06 p.m.)

MOTION BY FAULCONER TO CONTINUE TO TUESDAY, SEPTEMBER 4, 2007, FOR FURTHER REVIEW. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-S500: SEDC's 2007 Tax Allocation Bond Issuance.

(See Southeastern Economic Development Corporation's Reports SEDC-07-008 and SEDC-07-004; and memorandum from Carolyn Y. Smith dated 7/2/2007. Southeastern San Diego Community Area. Districts 4 and 8.)

**SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION'S
RECOMMENDATION:**

Adopt the following resolution:

(R-2007-1170 Cor. Copy 2) ADOPTED AS RESOLUTION R-302822

Declaring the City Council of the City of San Diego ratifies its vote of June 12, 2007 and approving the issuance and sale by the Bonds for the purposes and in the amounts set forth in the Resolution;

Finding that, after a public hearing held in accordance with Section 6586.5 of the Marks-Roos Act, there will be a significant public benefit within the meaning of Section 6586 of the Marks-Roos Act in that the sale of the Authority Bonds by the Authority on behalf of the Agency under the Marks-Roos Act will produce demonstrable savings in effective interest rate, bond preparation, bond underwriting or issuance costs and approving the financing of the public capital improvements.

SUPPORTING INFORMATION:

Pursuant to Government Code Section 6586.5, the City Council is required to conduct a public hearing relative to any project financed by a joint powers authority, and make a finding of public benefit after such public hearing is held. The notice of public hearing is required to be published at least five days prior to the hearing. On June 12, 2007, the City Council voted to, among other things, approve the issuance of tax allocation bonds, note or loans in one or more series to finance and refinance the costs for Southcrest Redevelopment Project, the Central Imperial Redevelopment Project, and the Mount Hope Redevelopment Project Areas (collectively, the Bonds). The Bonds will be issued by the Public Facilities Financing Authority, a joint powers authority between the City and the Redevelopment Agency. The Agency has learned that the notice of the public hearing for the June 12, 2007 meeting was defective. Therefore, the Council is requested to reaffirm its vote to approve the issuance of the Bonds by the Agency, affirm its finding of public benefit and ratify all acts taken by the Agency in connection with the issuance of the Bonds.

STAFF RECOMMENDATION:

That the City Council reaffirm its June 12, 2007 vote approving, among other things, the issuance and sale by the Redevelopment Agency of the City of San Diego of its tax allocation bonds, note or loans in one or more series to finance and refinance portions of the costs for Southcrest Redevelopment Project, the Central Imperial Redevelopment Project, and the Mount Hope Redevelopment Project, find public benefit for the project for which the Bonds are being issued, and ratify all actions taken by the Agency in connection with the Bonds.

BACKGROUND:

Pursuant to Government Code Section 6586.5, the City Council is required to approve bond financing and make a finding of public benefit after a public hearing is held of which a notice of the hearing is published at least five days prior to the scheduled hearing. On June 12, 2007 the City Council voted to approve the issuance by the Agency of tax allocation bonds in an amount not to exceed \$40,000,000. A copy of the staff report discussing the project and the Bonds is attached hereto as Exhibit A. While SEDC published the required notices on May 2, 2007 and May 17, 2007, the action before the City Council will cure the defective noticing with respect to the June 12, 2007 hearing. In accordance with the provisions of Government Code Section 6586.5, the public notice for the Council's July 10, 2007 meeting was published on July 3, 2007.

PREVIOUS COUNCIL ACTIONS:

On June 12, 2007, the City Council approved the issuance by the Agency of its 2007 Tax Allocation Bonds.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Public notices for the hearings of May 15, 2007, May 22, 2007, and July 10, 2007, were published as required.

Smith

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 4:14 p.m.- 4:18 p.m.)

MOTION BY MADAFFER TO ADOPT. Second by Hueso. Passed by the following vote: Peters-recused, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Fryenay, Madaffer-yea, Hueso-yea.

REPORT OUT OF CLOSED SESSION:

None.

NON-DOCKET ITEMS:

None.

ADJOURNMENT:

The meeting was adjourned by Council President Pro Tem Young at 4:22 p.m.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 4:22 p.m. - 4:22 p.m.)