

**REDEVELOPMENT AGENCY MEETING
FEBRUARY 23, 2010**

The meeting called to order as the City Council at 10:00 a.m. by Council President Hueso with Council Member Young not present.

Roll Call Lightner, Faulconer, Gloria, Young, DeMaio,
Fyre, Emerald, Council President Hueso

Andrea Tevlin, Independent Budget Analyst
Mary Jo Lanzafame, City Attorney
Elizabeth Maland, City Clerk

The meeting adjourned as the City Council at 3:00 p.m.

The meeting reconvened as the Redevelopment Agency at 3:00 p.m. by Chair Hueso with Agency Members Young and Fyre not present.

Non-Agenda Public Comment: None

1. Approval of minutes:

January 12, 2010, special 10:00 a.m.
January 12, 2010, 2:00 p.m.
February 2, 2010

Motion by Member Emerald to Approve (with Young and Fyre not present)
Seconded by Chair Hueso
Passed by the following Vote: 6-0

Adoption

2. **Third Amendment to the Agreement with Kane, Ballmer & Berkman for As-Needed Special Legal Services (Districts 2, 3, 6, 7 and 8)**

(RA-2010-51)

- Item 1. Approve the Third Amendment to the Agreement with Kane, Ballmer & Berkman for As-Needed Special Legal Services.
- Item 2. Authorize the City Chief Financial Officer, as delegated, to appropriate, encumber, and expend funds of up to \$850,000. Additional expenditures up to the revised Contract Cap of \$5,825,000 are contingent on subsequent appropriation and certification that funds are or will be on deposit in the City Treasury.

REDEVELOPMENT AGENCY MINUTES

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Adoption

2. Third Amendment to the Agreement with Kane, Ballmer & Berkman for As-Needed Special Legal Services (Districts 2, 3, 6, 7 and 8)

(Continued)

This activity is statutorily exempt from CEQA pursuant to State CEQA Guidelines, Section 15262.

Redevelopment Agency Report no. RA-10-09, dated February 17, 2010.

Staff: Eliana Barreiros, 236-6267

Maureen Ostrye, 236-6270

Agency Counsel: Diane Young

Comptroller Certificate Number: CC 3000003034

Motion by Chair Pro Tem Faulconer to Adopt (with Young not present)

Seconded by Chair Hueso

Passed by the following Vote: 7-0

Redevelopment Agency Resolution and Document numbers R-04483 and D-04483 .

3. Agreement Related to the Development and Transfer of the City Heights Square Mini Park (District 3)

That the Redevelopment Agency:

(RA-2010-53)

Sub-item A (Grant of Temporary Easement and Remaining Encroachment and Agreement)

Item 1. Approve the Grant of Temporary Easement and Remaining Encroachment and Agreement between the Redevelopment Agency of the City of San Diego and City Heights Realty, LLC authorize the Executive Director or designee to execute the Agreement.

(RA-2010-54)

Sub-item B (Cooperation Agreement)

Item 1. Approve the Cooperation Agreement by and between the Redevelopment Agency of the City of San Diego and the City of San Diego for the design and construction of the City Heights Square Mini Park and authorize the Executive Director or designee to execute the Agreement; and

Item 2. Approve the Grant Deed whereby the Agency transfers fee title to real property known as the City Heights Square Mini Park to the City of San Diego as a public park and authorize the Executive Director or designee to execute the Grant Deed upon completion of the park improvements.

REDEVELOPMENT AGENCY MEETING MINUTES – FEBRUARY 23, 2010

Adoption

3. **Agreement Related to the Development and Transfer of the City Heights Square Mini Park (District 3)**

(Continued)

The activities are covered under City Heights Square Project No. 146605 (Subsequent Addendum to Mitigated Negative Declaration approved by City Council and certified by the Agency Board on December 2, 2008. Any construction related activities shall be subject to the Mitigation Monitoring and Reporting Program (MMRP) adopted for the project. The activities are adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review pursuant to State CEQA Guidelines Section 15162(c.)

Redevelopment Agency Report no. RA-10-06, and RTC-10-01, dated February 17, 2010.

Council Companion Item no. 332

Staff: Karina Danek, 236-6537

Melissa Garcia, 236-6546

Agency Counsel: Kendall Berkey

Motion by Member Gloria to Adopt

Seconded by Chair Hueso

Passed by the following Vote: 8-0

Redevelopment Agency Resolution and Document numbers R-04484 and D-04484, R-04485 and D-04485; and City Council Resolution numbers R-305626 and R-305627.

6. **Hotel Sandford (1301 Fifth Avenue) Owner Participation Agreement between the Redevelopment Agency of the City of San Diego and San Diego Housing Commission and Relocation Plan-Cortez Redevelopment District of the Expansion sub Area of the Centre City Redevelopment Project (District 2)**

(RA-2010-60)

That the Redevelopment Agency of the City of San Diego (“Agency”) adopts a resolution

- Item 1. Approving the Owner Participation Agreement (OPA) between the Agency and the San Diego Housing Commission (“Commission”) for the acquisition and rehabilitation of the Hotel Sandford property (“Property”), including an Agency loan from its low and moderate-income housing funds in the not-to-exceed amount of \$6,095,000.

REDEVELOPMENT AGENCY MEETING MINUTES – FEBRUARY 23, 2010

Adoption

6. Hotel Sandford (1301 Fifth Avenue) Owner Participation Agreement between the Redevelopment Agency of the City of San Diego and San Diego Housing Commission and Relocation Plan-Cortez Redevelopment District of the Expansion sub Area of the Centre City Redevelopment Project (District 2)

(Continued)

- Item 2. Making certain determinations relating to the Relocation Plan in accordance with Title 25, Code of California Regulations Section 6010 and adopting and approving the Relocation Plan; and
- Item 3. Authorizing the Agency's Executive Director, or designee, to execute the OPA and sign all documents necessary to carry out and implement the OPA.

This activity is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15331 (Entitled "Historical Resource Restoration/Rehabilitation") in that the project will involve the rehabilitation and restoration of a designated historic resource in a manner consistent with the Secretary of the Interior's standards for the treatment of historic properties. The activity does not fall within any of the classes of projects for which a categorical exemption may not be applied (Pub. Resources Code Section 21084). Moreover, the activity triggers none of the exceptions to the application of a categorical exemption set forth in CEQA Guidelines Section 15300.2. Therefore, the application of the categorical exemption(s) set forth under CEQA Guidelines Section 15326 and 15331 is appropriate for this activity.

Because of the utilization of Build America Bonds financing (a federal government funding Source) by the Commission to acquire the Property, the building's rehabilitation must be reviewed for compliance with the National Environmental Policy Act (NEPA), which is the federal counterpart to CEQA. The proposed activity is categorically excluded under NEPA, pursuant to 24 CFR Part 58.35(a)(3)(ii).

Centre City Development Corporation Report no. CCDC-10-05 and CCDC-10-02 dated, February 17, 2010.

Council Companion Item no.333 and Housing Authority Companion Item no. 1

Staff: John Collum, 533-7124
Agency Counsel: Kevin Reisch
Comptroller Action Number: CC 3000003035

Motion by Member Chair Pro Tem Faulconer to Adopt
Seconded by Member Young
Passed by the following Vote: 8-0

Redevelopment Agency Resolution and Document numbers R-04486 and D-04486a (Relocation Plan), D-04486b OPA; City Council Resolution number R-305628; and Housing Authority Resolution number HA-1450 .

REDEVELOPMENT AGENCY MEETING MINUTES – FEBRUARY 23, 2010

Adoption

4. Funding and Resolution for Multi-Purpose Bldg. at the North Chollas Community Park in the Crossroads Project Area (Districts 4 and 7)

(RA-2010-17)

Item 1. Authorize the Executive Director, or designee to transfer \$65,000 of the previously appropriated \$952,000 to the City Fund 200357 (Fund Title: Crossroads Redevelopment CIP Contributions) and into CIP #S-00654 to complete the design and to prepare the construction documents and the bid package for the construction of a Multi-Purpose Building in the North Chollas Community Park.

Item 2. Authorize the Chief Financial Officer, as delegated, to transfer \$65,000 of the previously appropriated \$952,000 from the Agency to the City and into CIP #S-00654 (CIP Title: Chollas Community Park Improvements-Phase 1C and Fund 200357; Fund Title: Crossroads Redevelopment CIP Contributions).

Item 3. Authorize the Executive Director, or designee, to submit the Agency Resolution, upon approval, to the California Infrastructure and Economic Development Bank as part of a Redevelopment Agency loan application, making certain finding pursuant to Cal. Government Code Section 63041, based upon the information submitted in the record.

(RA-2010-49)

Item 4. Pursuant to Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations Set forth in Title 26 of the Code of Federal Regulations, the Agency declares its official intent to reimburse itself with proceeds of a future borrowing for certain expenditures and undertaken and to be undertaken for the installation and construction of the Multi-Purpose Building and related improvements at the North Chollas Community Park.

This activity is covered under Mitigated Negative Declaration No. 98-0150, North Chollas Community Park. In January 2009, this proposed improvement project was found in "Substantial Conformance" with the Mitigated Negative Declaration No. 98-0150. Therefore, the activity is not a separate project for purposes of CEQA review pursuant to State CEQA Guidelines Section §15060(c)(3) and no further environmental review is necessary.

Redevelopment Agency Report no. RA-10-02, dated February 18, 2009.

Council Companion Item no. 331

REDEVELOPMENT AGENCY MEETING MINUTES – FEBRUARY 23, 2010

Adoption

4. **Funding and Resolution for Multi-Purpose Bldg. at the North Chollas Community Park in the Crossroads Project Area (Districts 4 and 7)**

(Continued)

Staff: Tracy Reed, 236-6543
Michael Lengyel, 236-6269
Agency Counsel: Kendall Berkey

Motion by Member Young to Adopt
Seconded by Member Emerald
Passed by the following Vote: 8-0

Redevelopment Agency Resolution numbers R-04487 and R-04488; City Council Resolution number R-305625 .

7. **Fiscal Year 2009 Audited Financial Statements Pertaining to the Operations of the Corporation-General (Districts 2 and 8)**

(RA-2010-59)

That the Redevelopment of the City of San Diego (“Agency”) receives and files the Fiscal Year 2009 (FY 09) Audited Financial Statements of the Centre City Development Corporation (“Corporation”).

Centre City Development Corporation Report no. CCDC-10-08 dated, February 17, 2010.

Staff: Andrew Phillips, 533-7127
Agency Counsel: Kendall Berkey

Motion by Member Chair Pro Tem Faulconer to Adopt
Seconded by Member Emerald
Passed by the following Vote: 8-0

Redevelopment Agency Resolution and Document numbers R-04489 and D-04489.

REDEVELOPMENT AGENCY MEETING MINUTES – FEBRUARY 23, 2010

Adoption

5. Educational Revenue Augmentation Fund, Community Development Block Grant Repayments, Assessed Valuation Decline, Agency Debt to the City, and Associated Budget Amendments (Districts 2, 3, 4, 6, 7 and 8)

Should the Redevelopment Agency:
(RA-2010-57)

Item 1. Adopt a resolution to authorize the City Chief Financial Officer as delegated to unencumber funds in the amount of \$11,457,209 previously reserved for payment to the Educational Revenue Augmentation Fund (ERAF) during Fiscal Year 2009.

(RA-2010-58)

Item 2. Adopt a resolution to (a) amend the Agency's Program Budgets for the Redevelopment Projects administered by Centre City Development Corporation, Southeastern Economic Development Corporation, and the City's Redevelopment Division to facilitate the anticipated ERAF payment for Fiscal Year 2010 per AB X4-26; and (b) authorize the City's Chief Financial Officer, as delegated to remit payment estimated at \$55,702,952 to the ERAF For Fiscal Year 2010.

(RA-2010-55)

Item 3. Adopt a resolution to amend the Agency's Program Budgets as recommended to reduce appropriations to levels that are supported by the respective FY 10 Redevelopment Project Area Assessed Valuation for certain Redevelopment Project Areas.

Item 4. Direct staff to prepare a CDBG Loan Repayment Agreement for consideration by the Agency Board, pursuant to the terms and schedule for repayment as contained in this staff report.

Item 5. Direct staff to prepare a Budget Amendment for approval by the Agency Board to facilitate payment of deferred accounts payable liabilities to the City.

This activity is not a "project" and therefore exempt from CEQA pursuant to State CEQA Guidelines Section 15060(c)(3).

REDEVELOPMENT AGENCY MEETING MINUTES – FEBRUARY 23, 2010

Adoption

5. **Educational Revenue Augmentation Fund, Community Development Block Grant Repayments, Assessed Valuation Decline, Agency Debt to the City, and Associated Budget Amendments (Districts 2, 3, 4, 6, 7 and 8)**

(Continued)

Redevelopment Agency Report no. RA-10-11 and Report to Council no. RTC-10-015, dated February 17, 2010.

Council Companion Item no. 330

Janice Weinrick, Deputy Executive Director Redevelopment Agency, presented staff report and slide presentation.

Staff: Janice Weinrick, 236-6250

Scott Mercer, 236-6242

Agency Counsel: Kendall Berkey

Motion by Member Gloria To Direct Staff To Prepare A Community Development Block Grant Loan Repayment Agreement For Consideration By The City Council, Pursuant To The Terms And Schedule For Repayment As Contained In The Staff Report. Direct Staff To Prepare Any Required Documents For Consideration By The City Council To Accept Payment Deferred Accounts Payable Liabilities By The Agency.

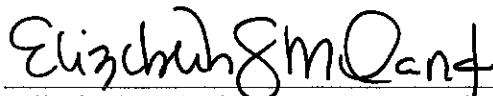
Seconded by Chair Hueso

Passed by the following Vote: 8-0

Redevelopment Agency Resolution numbers R-04490, R-04491 and R-04992.

Adjournment

The meeting adjourned as the Redevelopment Agency with City Council at 5:30 p.m.



Elizabeth S. Maland, Secretary Redevelopment Agency
of the City of San Diego (jis)