

**REDEVELOPMENT AGENCY MEETING**

**JULY 27, 2010**

The meeting called to order as the City Council at 2:03 p.m. by Council President Hueso with all Council Members present.

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

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

The meeting adjourned as the City Council at 2:18 p.m.

The meeting reconvened as the Redevelopment Agency meeting at 2:18 p.m.

**Adoption**

**6. Housing Set-Aside Tax Allocation Bonds and Four Series of Tax Allocation Bonds for the City Heights, Crossroads, Naval Training Center, and San Ysidro Redevelopment Project Areas (Districts 2, 3, 4, 6, 7 & 8)**

Redevelopment Agency:  
(RA-2011-7)

Item 1. Approve the issuance of Housing Set-Aside Tax Allocation Bonds ("TAB"), 2010 Series A, approve related documents, authorize the Executive Director or designee to Set the final terms of the sale, and make related determinations.

Item 2. Make certain findings of benefit related to the use of Housing Funds outside the City Heights, Crossroads, NTC, North Bay, North Park and San Ysidro Projects for the debt service on the Housing TAB.

(RA-2011-6)

Item 3. Approve the issuance of four services of TAB for the CH, CR, NTC and SY Projects; approve related documents; authorized Executive Director or designee to set the final terms of the bonds sale and approve related matters.

Item 4. Authorize the City Attorney to appoint Best Best & Kreiger Bond & Disclosure Counsel for the TABs, Series 2010 with total compensation not to exceed \$294,809 paid from bond proceeds.

## REDEVELOPMENT AGENCY MINUTES

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**6. Housing Set-Aside Tax Allocation Bonds and Four Series of Tax Allocation Bonds for the City Heights, Crossroads, Naval Training Center, and San Ysidro Redevelopment Project Areas (Districts 2, 3, 4, 6, 7 & 8)**

(Continued)

(RA-2011-8)

Item 5. Amend the Fiscal Year 2011 Redevelopment Agency budget:

- a. To authorize the City Chief Financial Officer, as delegated to appropriate and expend the following amounts for the repayment to U.S. Bank N.A:
  - 1) \$12,211,076 from the NTC TAB Series 2010A proceeds for the NTC non-housing line of credit ("LOC");
  - 2) \$2,011,123.24 from the CH TAB series 2010 B for the CH non-housing LOC;
  - 3) From the Housing Set-TAB; \$5.6M for the NTC housing LOC, \$4,153M for the CH housing LOC; \$8.58M for the NB housing LOC; and \$7.3M for the NP housing LOC.
- b. To authorize the City Chief Financial Officer, as delegated to appropriate and expend the following amounts:
  - 1) \$1,694,410 from the CH TAB series 2010 B for repayment of the developer loan for the City Heights Square project;
  - 2) \$2,979,381.34 from the SY TAB Series 2010B for repayment of developer loans from the Las Americas;
  - 3) From the Housing Set-Aside TAB: \$1,030,905 for repayment of the developer loan for La Boheme, \$1,606,715.34 for repayment of developer loan for CH Office and Townhomes, \$2,925M for Flordia St. Apartments, \$1.9M for the CH Home in the Heights, \$315,000 froCH, HELP, and \$3,015M for Fairmount 26; \$5.104M for Estrella del Mercado.

(RA-2011-8)

Item 5. Amend the Fiscal Year 2011 Redevelopment Agency budget:

- c. To authorize the City Chief Financial Officer, as delegated to appropriate and transfer funds:
  - 1) as necessary from available Housing Set-Aside funds in the CH, Crossroads, NTC, NB, NP and SY Project funds for the Supplemental Reserve Funds and FY 2011 debt service on the Housing TAB once established in the Deb Service Schedule of the final Official Statement.
  - 2) for FY2011 debt service, once established in the Debt Service Schedule of the final Official Statements, as necessary from available:
    - i) CH funds for debt service on the 2010A & B TAB,
    - ii) Crossroads funds for debt service on the 2010A TAB,
    - iii) NTC funds for debt service on the 2010A TAB,
    - iv) SY funds for debt service on the 2010A and 2010B TAB,
    - v) remaining bond funds as necessary.

This activity will not result in a direct or reasonably foreseeable indirect physical change in the environment, and is not subject to CEQA pursuant to CEQA Guidelines Section 15060 (c)(2).

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6. **Housing Set-Aside Tax Allocation Bonds and Four Series of Tax Allocation Bonds for the City Heights, Crossroads, Naval Training Center, and San Ysidro Redevelopment Project Areas (Districts 2, 3, 4, 6, 7 & 8)**

(Continued)

Redevelopment Agency Report no. RA-10-35, and Report to Council RTC-10-099, dated July 21, 2010.

Council Companion Item no.333

Maureen Ostrye, Project Manager, Redevelopment Agency, presented staff report and slide presentation.

Public testimony in favor by Alan Pentiu. The following in favor did not speak Tara Richards, Ceci Doty, Kim Elliott, Allen Haynie, Dave Gatzke and Sue Reynolds.

Public testimony in opposition by Jarvis Ross.

Staff: Maureen Ostrye, 236-6270  
Alfonso Gastelum, 236-6538  
Agency Counsel: Brant Will

Motion by Member Gloria to Adopt (with Frye not present)  
Seconded by Chair Hueso  
Passed by the following Vote: 7-0

**Redevelopment Agency Resolution and Document numbers R-04547 and D-04547; R-04548; R-04549 and D-04529; and City Council Resolution numbers R-306070 and R-306071;**

The meeting adjourned as the Redevelopment Agency at 2:47 p.m.

The meeting reconvened as the City Council at 2:47 p.m.

The meeting adjourned as the City Council at 2:53 p.m.

The meeting reconvened as the Redevelopment Agency at 2:53 p.m.

REDEVELOPMENT AGENCY MEETING MINUTES-JULY 27, 2010

**Adoption**

**7. Housing Enhancement Loan Program FY 2011 Findings of Benefit (Districts 3, 4, 6 & 7)**

Redevelopment Agency:  
(RA-2010-112)

Item 1. Approving and adopting findings that allow for the use of low-and moderate-income housing tax increment set-aside funds outside the College Grove Redevelopment Project Area for the College Grove Redevelopment Housing Enhancement Loan Program.

(RA-2010-113)

Item 2. Approving and adopting findings that allow for the use of low-and moderate-income housing tax increment set-aside funds outside the Crossroads Redevelopment Project Area for the Crossroads Redevelopment Housing Enhancement Loan Program.

(RA-2010-114)

Item 3. Approving and adopting findings that allow for the use of low-and moderate-income housing tax increment set-aside funds outside the Grantville Redevelopment Project Area for the Grantville Redevelopment Housing Enhancement Loan Program.

(RA-2010-115)

Item 4. Approving and adopting findings that allow for the use of low-and moderate-income housing tax increment set-aside funds outside the Linda Vista Redevelopment Project Area for the Linda Vista Redevelopment Housing Enhancement Loan Program.

(RA-2010-116)

Item 5. Approving and adopting findings that allow for the use of low-and moderate-income housing tax increment set-aside funds outside the North Park Redevelopment Project Area for the North Park Redevelopment Housing Enhancement Loan Program.

The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment, and is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060 (c)(2).

Redevelopment Agency Report no. RA-10-30, and Report to Council RTC-10-092, dated July 21, 2010.

Council Companion Item no. 334

REDEVELOPMENT AGENCY MEETING MINUTES-JULY 27, 2010

**Adoption**

**7. Housing Enhancement Loan Program FY 2011 Findings of Benefit (Districts 3, 4, 6 & 7)**

(Continued)

Public testimony in opposition by Cynthia Conger.

Staff: Ulysses Panganiban, 236-6261

Michele St. Bernard, 236-6531

Agency Counsel: Kendall Berkey

Comptroller Certificate Number: CC3000003404

Motion by Member Gloria to Adopt (with Frye not present)

Seconded by Chair Hueso

Passed by the following Vote: 7-0

**Redevelopment Agency Resolution numbers R-04550, R-04551, R-04552, R-04553 and R-04554; and City Council Resolution numbers R-306072, R-306073, R-306074, R-306075 and R-306076.**

**Joint Public Hearing**

**8. Fire Station No. 2 (Bayside) (southeast corner of Pacific Highway and Cedar Street)-  
Centre City Development Permit/Coastal Development Permit/Planned Development  
Permit and Design Review-Little Italy Redevelopment District of the Expansion Sub  
Area of the Centre City Redevelopment Project (District 2)**

(RA-2011-3)

Item 1. Adopt a Resolution making certain findings on the basis of a Secondary Study that certain activities implementing the Centre City Redevelopment Plan relating to the proposed Bayside Fire Station No. 2 Project do not require the preparation of additional environmental documentation.

(RA-2011-2)

Item 2. Adopt a Resolution approving the basic concept plans and schematic drawings for the Bayside Fire Station No. 2 Project located within the Centre City Redevelopment Project Area.

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**Joint Public Hearing****8. Fire Station No. 2 (Bayside) (southeast corner of Pacific Highway and Cedar Street)-  
Centre City Development Permit/Coastal Development Permit/Planned Development  
Permit and Design Review-Little Italy Redevelopment District of the Expansion Sub  
Area of the Centre City Redevelopment Project (District 2) (Continued)**

This Project is covered under the Final Environmental Impact Report (FEIR) for the Centre City Redevelopment Plan certified by the Redevelopment Agency ("Agency") on March 14, 2006 (Resolution R-04001) in compliance with the California Environmental Quality Act (CEQA). The FEIR is a "Program EIR" prepared in compliance with State CEQA Guidelines Section 15168. In accordance with Agency's procedures, an Environmental Secondary Study (ESS) has been prepared which has made certain findings with respect to the impacts on the environment compared to the analysis performed in the FEIR.

Acting as the "lead agency" for purposes of CEQA review, the Agency will make certain findings, consistent with State CEQA Guidelines Section 15168 and the Agency's CEQA procedures, to the effect that (i) the environmental impacts of the proposed Project were adequately addressed in the FEIR, (ii) the proposed Project is within the scope of the development program described in the FEIR, and (iii) no further environmental documentation is required under CEQA. Such findings are set forth in the draft Agency resolution accompanying this item. Acting as the "responsible agency" for purposes of CEQA review in accordance with State CEQA Guidelines Section 15096, the Council will state for the record that it has reviewed and considered the FEIR, Addenda, and Secondary Study.

Centre City Development Corporation Report no. CCDC-10-24 and CCDC-10-07, dated July 21, 2010.

Council Companion Item no. 336

Brad Richter, Project Manager, Centre City Development Corporation, presented staff report and slide presentation.

Public testimony in favor by Gary Smith

Public testimony in opposition by Frank Stiriti.

Staff: Brad Richter, 533-7115

Agency Counsel: Nina Fain

Motion by Chair Pro Tem Faulconer

Seconded by Member Emerald

Passed by the following Vote: 8-0

**Redevelopment Agency Resolution and Document numbers R-04555, R-04556 and D-04556; and City Council Resolution number R-306078.**

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Non-Agenda Public Comment:

None

1. **Approval of minutes:**

June 14, 2010, special

June 15, 2010, special

June 21, 2010, special

Motion by Member Emerald to Approve

Seconded by Chair Hueso

Passed by the following Vote: 8-0

**Adoption**

2. **Ninth and Broadway Affordable Housing Project (southeast corner of Broadway and Ninth Avenue)-State Multifamily Housing Program Funding Application-East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (District 2)**

(RA-2011-5)

That the Redevelopment Agency of the City of San Diego ("Agency") approves the Resolution authorizing the Agency to apply as a co-applicant for the State's Multifamily Housing Program (MHP) for the Ninth and Broadway affordable housing project.

This activity is covered under the Environmental Impact Report (FEIR) for the Centre City Redevelopment Plan (and all subsequent amendments) certified by the Redevelopment Agency pursuant to Resolution No. R-04001 adopted effective March 14, 2006, in compliance with the California Environmental Quality Act (CEQA). The FEIR is a "Program EIR" prepared in compliance with State CEQA Guidelines Section 15168. In connection with the approval of the Ninth and Broadway Project (Project) on December 9, 2009, the Corporation, on behalf of the Redevelopment Agency, caused the preparation of an Environmental Secondary Study dated June 2009 (Secondary Study), and made certain findings with respect to the Secondary Study to the effect that the Project will not result in any new or increase significant impact on the environment compared to the analysis performed in the FEIR. The environmental effects of the proposed activity were adequately address in the FEIR and the Secondary Study, and the proposed activity is within the scope of the development program described in the FEIR.

The proposed application for funding for the Project does not create new environmental concerns that are not already addressed in the FEIR and the Secondary Study. In accordance with State CEQA Guidelines Sections 15162 and 15168, no further environmental documentation is required with respect to the proposed application for funding.

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**Adoption**

2. **Ninth and Broadway Affordable Housing Project (southeast corner of Broadway and Ninth Avenue)-State Multifamily Housing Program Funding Application-East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (District 2)**

(Continued)

Centre City Development Corporation Report no. CCDC-10-27, dated July 21, 2010.

Public testimony in favor by Gary Smith and Robert McNamara

Staff: Eri Kameyama, 533-7177  
Agency Counsel: Kendall Berkey

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

**Redevelopment Agency Resolution number R-04557.**

**Adoption**

3. **Agreement with Keyser Marston Associates to Provide Economic/Financial Consultant Services for Analysis Necessary for the Preparation of Required Documents for a Proposed Amendment to Centre City Redevelopment Plan for the Centre City Project Area to Increase the Tax Allocation Limit-Centre City Redevelopment Project (District 2)**

That the Redevelopment Agency ("Agency") authorizes:  
(RA-2011-4)

- Item 1. The Centre City Development Corporation ("Corporation") to enter into an Agreement with Keyser Marston Associates (KMA), not to exceed \$286,200 to provide economic/financial consultant, services necessary for a proposed Amendment to the Centre City Redevelopment Plan ("Plan") for the Centre City Project Area ("Project Area") to increase the tax allocation limit (CAP).
- Item 2. The Chief Financial Officer, as delegated, to appropriate, encumber and expend Funds of up to \$286,200 allocated in the Fiscal Year 2010-2011 Budget for the Project Area to be used toward economic/financial consultant services by KMA, pursuant to an agreement between the Corporation and KMA, necessary for analysis of a proposed Amendment to the Plan for the Project Area to increase the CAP.



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**Adoption**

3. **Agreement with Keyser Marston Associates to Provide Economic/Financial Consultant Services for Analysis Necessary for the Preparation of Required Documents for a Proposed Amendment to Centre City Redevelopment Plan for the Centre City Project Area to Increase the Tax Allocation Limit-Centre City Redevelopment Project (District 2)**

(Continued)

This activity is not a "project" under the definition set forth in CEQA Guidelines Section 15378. Therefore, pursuant to CEQA Guidelines Section 15060 (c)(3), the activity is not Subject to CEQA.

Centre City Development Corporation Report no. CCDC-10-28, dated July 21, 2010.

Public testimony in favor by Gary Smith.

In opposition not present Jarvis Ross.

Staff: Eli Sanchez, 533-7121

Agency Counsel: Kendall Berkey

Comptroller Certificate Number: CC3000003419

Motion by Chair Pro Tem Faulconer to Adopt

Seconded by Chair Hueso

Passed by the following Vote: 7-1-0

**Redevelopment Agency Resolution number R-04558.**

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Adoption

4. East Village/City Heights Building Demolition (1335 Market Street, 753 and 771 13th Street, 4332 University Avenue, and 725 and 735 13<sup>th</sup> Street ("Project"))-Approval of Increase in the Centre City Authorized Amount for Demolition of Buildings-East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project Area (District 2)

(RA-2010-117)

That the Redevelopment Agency of the City of San Diego ("Agency") approves an increase in the Centre City authorized amount by \$60,732 with Miller Environmental, Inc. ("Miller"), for a total Centre City authorized expenditure amount of \$204,732, for the demolition of five Agency-owned buildings located at 1335 Market Street, 753 and 771 13<sup>th</sup> Street, and 725 and 735 13<sup>th</sup> Street ("Project") in the East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project Area.

The project is categorically exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15301 (entitled "Existing Facilities") Section 15301 applies to a class of projects ("Class 1") that includes the operation, repair, maintenance, permitting, leasing, or minor alteration of existing public and private structures, facilities, mechanical equipment, or topographical features when the project involves negligible or no expansion of the existing use, Section 15301 identifies a number of example project, including the demolition and removal of small structures. The application of a categorically exemption to this project is not precluded by any of the exception set forth in State CEQA Guidelines Section 15300.2.

Centre City Development Corporation Report no. CCDC-10-16, dated July 21, 2010.

In favor did not speak Gary Smith.

Staff: Susan Diekman, 533-7142

Agency Counsel: Kendall Berkey

Comptroller Certificate Number: CC3000003418

Motion by Chair Pro Tem Faulconer to Adopt

Seconded by Member Emerald

Passed by the following Vote: 8-0

**Redevelopment Agency Resolution number R-04559.**

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**Adoption**

**5. Second Amendment to the Liberty Station Marketplace Ground Leases (District 2)**

That the Redevelopment Agency:

(RA-2011-9)

Approve the Second Amendment to the Liberty Station Marketplace Ground Lease Lot 20 of NTC-Unit No. 5. Authorize the Executive Director or designee to execute the Second Amendment to the Liberty Station Marketplace Ground Leases; and Authorize the Executive Director or designee to take all actions necessary in accordance with the Resolution.

(RA-2011-11)

Approve the Second Amendment to the Liberty Station Marketplace Ground Lease Lots 21 and 22 of NTC-Unit No. 5. Authorize the Executive Director or designee to execute the Second Amendment to the Liberty Station Marketplace Ground Leases; and Authorize the Executive Director or designee to take all actions necessary in accordance with the Resolution.

(RA-2011-10)

Approve the Second Amendment to the Liberty Station Marketplace Ground Lease Lot 23 of NTC-Unit No. 5. Authorize the Executive Director or designee to execute the Second Amendment to the Liberty Station Marketplace Ground Leases; and Authorize the Executive Director or designee to take all actions necessary in accordance with the Resolution.

This activity is not a "project" under the definition set forth in California Environmental Quality Act ("CEQA") Section 21065 and CEQA Guidelines Section 15378. Therefore pursuant to CEQA Guidelines Section 15060 (c)(3), this activity is not subject to CEQA.

Redevelopment Agency Report no. RA-10-36, dated July 21, 2010.

Staff: Libby Day, 236-6272

Agency Counsel: Diane Young

Motion by Chair Pro Tem Faulconer to Adopt

Seconded by Chair Hueso

Passed by the following Vote: 8-0

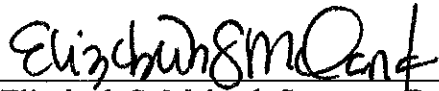
**Redevelopment Agency Resolution and Document numbers R-04560 and D-04560;  
R-04561 and D-04561; R-04562 and D-04562.**

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**Adjournment**

The meeting adjourned as the Redevelopment Agency at 3:59 p.m.



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