



Memorandum

DATE ISSUED: April 23, 2008 Report No. SEDC 08-001

ATTENTION: Council President and Members of the San Diego City Council  
Honorable Chair and Members of the Redevelopment Agency  
Docket of April 29, 2008

SUBJECT: Authorizing the acceptance of \$450,000 from Agency of the City of San Diego for the FY 09 payment of a portion of the HUD Section 108 Loan #B-96-MC-06-0542-A due August 2008; authorizing the appropriation and expenditure of funds; and amending the FY08 SEDC Program Budget in Central Imperial Redevelopment Project Area to include the repayment of the loan to the City on behalf of Council District Four

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REQUESTED ACTION

1. Should the City Council authorize the acceptance of \$450,000 from the FY 09 – HUD Payment - Redevelopment Agency (Central Imperial Redevelopment Project Area); appropriate these funds into HUD Section 108 Fund 18514 for the FY 09 payment of a portion of the HUD Section 108 loan #B-96-MC-06-0542-A on behalf of Council District Four due August 2008; authorizing the appropriation and expenditure of funds, contingent on the certification of funds availability from the FY 2007 tax allocation bonds by the City Auditor and Comptroller.
2. Should the Redevelopment Agency of the City of San Diego (Agency), authorize the FY 09 payment of a portion of the HUD Section 108 Loan #B-96-MC-06-0542-A to the City of San Diego (City) in the amount of \$450,000 from Central Imperial Redevelopment Area's FY 2007 tax allocation bonds; authorizing the appropriation and expenditure of funds; and amending the FY08 SEDC Program Budget in Central Imperial Redevelopment Project Area to include the FY 09 payment of the loan to the City on behalf of Council District Four.

STAFF RECOMMENDATION TO THE CITY COUNCIL:

That the City authorize the acceptance of \$450,000 from the Agency (Central Imperial Redevelopment Project Area); appropriate these funds into HUD Section 108 Fund 18514 for the FY 09 payment of a portion of the HUD Section 108 loan #B-96-MC-06-0542-A on behalf of Council District Four's pledged annual Community Development Block Grant allocations; authorize the appropriation and expenditure of funds, contingent upon certification of funds availability of the FY 2007 tax allocation bonds by the City Auditor and Comptroller,

STAFF RECOMMENDATION TO THE REDEVELOPMENT AGENCY:

That the Agency authorize the FY 09 payment of a portion of the HUD Section 108 Loan #B-96-MC-06-0542-A to the City in the amount of \$450,000 from Central Imperial Redevelopment Area's FY 2007 tax allocation bonds due August 2008; authorize the appropriation and expenditure of funds; and amend the FY08 Southeastern Economic Development Corporation (SEDC) Program Budget in Central Imperial Redevelopment Project Area to include the repayment of the loan to the City on behalf of Council District Four.

SUMMARY:

On May 6, 1996, resolution number R-287278 was adopted by the San Diego City Council authorizing the submission of an application for a section 108 loan guarantee (B-96-MC-06-0542-A) to the United States Department of Housing and Urban Development (HUD) for the development of Potter Tract, Chollas Creek and Mountain View Community Center. The aforementioned resolution also authorized repayment of the Section 108 loan to be repaid from a portion of the Fourth Council District Community Development Block Grant annual allocation. In addition, the application to HUD and the Cooperation and Pledge Agreement between the Redevelopment Agency and the City of San Diego authorized the use of SEDC Tax Increment Revenues and/or land sale for the repayment of the Section 108 loan payments.

On May 15, 2007, the Agency approved FY08 Program budget for SEDC which included the proceeds anticipated from the taxable FY 07 Tax Allocation Bond proceeds in the Central Imperial Redevelopment Project Area.

On June 12, 2007, and reaffirmed on July 10, 2007, the City authorized issuance of the FY 2007 tax allocation bonds which included the budgeted bond proceeds amount of \$450,000 (net of the cost of issuance) proposed for the repayment of a portion of the HUD Section 108 Loan #B-96-MC-06-0542-A on behalf of the Council District Four.

Authorizing the acceptance of the \$450,000 FY 09 payment from the Agency for the portion of the HUD Section 108 Loan on behalf of the Council District Four will assist in the FY 09 payment of the Agency loan to the City.

SEDC may budget additional annual payments on the Agency loan from the City contingent on the availability of funds from future bond issuances and tax increment revenues generated by the Central Imperial Redevelopment Project Area.

FISCAL CONSIDERATIONS:

The \$450,000 payment is available from the FY 2007 taxable bond proceeds of Central Imperial Redevelopment Project Area.

PREVIOUS COUNCIL ACTIONS

Approval of the FY 2007 tax allocation bonds on June 12, 2007 and reaffirmed on July 10, 2007 by the City Council which included the proposed \$450,000 for the payment of a portion the Fourth Council District Section 108 Loan.

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Submitted by  
Dante Dayacap  
Director of Finance

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Approved by  
Carolyn Y. Smith  
President