

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
MONDAY, OCTOBER 27, 2008
AT 2:00 P.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 2:05 p.m. Council President Peters recessed the meeting at 3:03 p.m. for the purpose of a break. Council President Peters reconvened the meeting at 3:11 p.m. with all Council Members present. Council President Peters recessed the meeting at 5:00 p.m. for the purpose of a break. Council President Peters reconvened the meeting at 5:07 p.m. with Council Member Maienschein not present. The meeting was adjourned by Council President Peters at 7:06 p.m.

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 (sr)

FILE LOCATION: MINUTES



[ITEM-1:](#) 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-not present

FILE LOCATION: MINUTES



[ITEM-10:](#) INVOCATION

Invocation was given by Jason Frye, Humanist Association of San Diego.

FILE LOCATION: MINUTES



[ITEM-20:](#) PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Maienschein.

FILE LOCATION: MINUTES

CLOSED SESSION ITEMS:

Conference with Legal Counsel - existing litigation, pursuant to California Government Code Section 54956.9(a):

**CS-1 *City of San Jose v. Operating Engineers Local Union No. 3, et al.*
California Supreme Court Case No. S162647**

REFERRED TO CLOSED SESSION OF TUESDAY, OCTOBER 28, 2008

CDCA Assigned: A. Hersh

The *City of San Jose v. Operating Engineers Local Union No. 3, et al.*, matter is a case pending before the California Supreme Court, on the following issue: Does the Public Employment Relations Board have the exclusive initial jurisdiction to determine whether certain "essential" public employees covered by Meyers-Milias-Brown Act (Cal. Government Code §§ 3500 3511) have the right to strike, or does that jurisdiction rest with the superior court? In closed session, the City Attorney will brief the Mayor and the City Council on the status of this matter and the City's Amicus Brief in support of the City of San Jose.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 6:51 p.m. - 6:51 p.m.)

Council President Peters closed the hearing.

**CS-2 *Valerie O'Sullivan v. City of San Diego*
San Diego Superior Court Case No. GIC 826918; Court of Appeal Case No. 826918;**

***La Jolla Friends of the Seals, et al v. National Oceanic and Atmospheric
Administration National Marine Fisheries Service, et al.*
U.S. District Court Case No. 08cv1847 WQH POR**

REFERRED TO CLOSED SESSION OF TUESDAY, OCTOBER 28, 2008

DCA Assigned: G. Schaefer

In the first case, a Superior Court Judge rendered a judgment against the City and ordered the City to dredge Children's Pool Beach. The City unsuccessfully appealed the dredging order and the City is in the process of acquiring the necessary federal and state permits to dredge. In the second case, a non-profit organization and a citizen recently sued the City and the Federal Government over whether a federal permit is necessary to remove a seal colony at Children's Pool and whether a rope barrier must be installed during the seal pupping season. The City Attorney needs to discuss in closed session with the Mayor and City Council compliance with the Superior Court's dredging order, related legal issues and the status of the new federal case.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 6:51 p.m. - 6:51 p.m.)

Council President Peters closed the hearing.

**CS-3 *Citizens for Responsible Equitable Environmental Development v. City of San Diego*
San Diego Superior Court Case No. GIC871259**

*Citizens for Responsible Equitable Environmental Development, et al. v.
City of San Diego*
San Diego Superior Court Case No. GIC876017

REFERRED TO CLOSED SESSION OF TUESDAY, OCTOBER 28, 2008

DCA Assigned: M. Dickenson

These matters involve California Environmental Quality Act challenges to the City Council's approvals of condominium conversions. The City Attorney will update the Mayor and the City Council on the status of litigation closed session.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 6:51 p.m. - 6:51 p.m.)

Council President Peters closed the hearing.

**Conference with Legal Counsel - anticipated litigation - significant exposure to litigation,
pursuant to California Government Code Section 54956.9(b):**

CS-4 Number of Potential Cases: Up to 50 (Voluntary Compliance Program Filing)

REFERRED TO CLOSED SESSION OF TUESDAY, OCTOBER 28, 2008

DCA Assigned: W. Chung

In closed session, the Mayor requests that Outside Counsel provide advice relating to the Pension System Changes included in the Voluntary Compliance Program Filing that may affect the pension benefits of employees, retirees and their beneficiaries, including, but not limited to consideration and taking possible action on the claim and settlement offer of Judie Italiano.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 6:51 p.m. - 6:51 p.m.)

Council President Peters closed the hearing.

Conference with Labor Negotiator, pursuant to Government Code Section 54957.6:

CS-5 Agency Negotiator: Scott Chadwick, Jay Goldstone

Employee Organizations: AFSCME Local 127

REFERRED TO CLOSED SESSION OF TUESDAY, OCTOBER 28, 2008

DCA Assigned: A. Hersh and B. Gersten

The Mayor and City Council will be updated on the status of negotiations regarding pension retirement contribution issues contained in Article 44 of the City-Local 127 Memorandum of Understanding.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 6:51 p.m. - 6:51 p.m.)

Council President Peters closed the hearing.

Conference with Legal Counsel - existing litigation, pursuant to California Government Code Section 54956.9(a):

**CS-6 *Friends and Concerned Citizens of University City, et al. v. City of San Diego*
SDSC No. 37-2007-00078058-CU-TT-CTL**

REFERRED TO CLOSED SESSION OF TUESDAY, OCTOBER 28, 2008

This litigation is regarding a proposed development at Costa Verde. Outside counsel will brief the City Council on the status of this matter per a requirement in the engagement contract that the City Council be updated on the progress of the case in closed session.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 6:51 p.m. - 6:51 p.m.)

Council President Peters closed the hearing.



[ITEM-150:](#) Supporting Proposition A, the San Diego County Regional Fire Protection Ballot Measure.

(See Independent Budget Analyst's Report No. 08-103; October 13, 2008, PowerPoint; County of San Diego's Analysis of Proposition A; and Sign on San Diego's article regarding Proposition A.)

TODAY'S ACTION IS:

Take the following actions:

(R-2009-535) ADOPTED AS RESOLUTION R-304300

Supporting Proposition A, the “San Diego County Regional Fire Protection Ballot Measure”;

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

**AD HOC FIRE PREVENTION AND RECOVERY COMMITTEE’S
RECOMMENDATION:**

On 10/13/2008, Fire voted 3 to 0 to move this item to the full City Council to endorse Proposition A. (Councilmembers Peters, Maienschein, and Madaffer voted yea.)

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:11 p.m. – 3:48 p.m.)

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



ITEM-151: City of San Diego Debt Policy, 2008. (Citywide.)

(See Report to the City Council No. 08-157; Independent Budget Analyst Reports No. 07-92 and 07-70; Chief Operating Officer’s 9/18/2007, memorandum; Revised City of San Diego June 2007 Debt Policy; Department of Finance’s June 2007 Debt Policy, 7/25/2007, PowerPoint, and 6/6/2007, PowerPoint.)

STAFF’S RECOMMENDATION:

Adopt the following resolution:

(R-2009-443 Cor. Copy) ADOPTED WITH DIRECTION AS
RESOLUTION R-304301

Accepting the updates reflected in the City of San Diego Debt Policy, 2008.

SUPPORTING INFORMATION:

In November 2007, the City Council approved the City of San Diego Debt Policy (“Debt Policy”). Consistent with the Government Finance Officers Association (“GFOA”) recommended practices and with examples of debt policies of other comparable municipalities and rating agency guidelines, this formal policy established guidelines for the City pertaining to debt instruments/securities issued by the City in public or private bond markets.

The Debt Policy addresses the following: purpose and need for financing; creditworthiness objectives; types of debt; affordability targets; structure and term of city indebtedness; method of issuance and sale; financing team role and selection process; refunding considerations; and post issuance administration.

Pursuant to Resolution R-303153, passed by City Council on November 6, 2007, Debt Management was directed to return to City Council on an annual basis for a review of the Debt Policy. Recommended substantive changes are notated in the attached copy of the Debt Policy on pages 11, 14, 17, 20, 21, 29 and 37. Minor changes, such as clarifying or grammatical changes, are not notated as they do not change the context or concepts set forth in the document.

In the motion approving the Debt Policy, City Council requested that a redevelopment debt policy, a CIP prioritization policy, and a variable rate and derivatives policy all be developed and presented to the Budget and Financing Committee (“Committee”) by the end of Fiscal Year 2008. At this time, the Redevelopment Agency is developing the redevelopment debt policy, and anticipates it will present the policy to City Council by the end of Fiscal Year 2009. Revised Council Policy 800-14, “Prioritizing CIP Projects” was approved by City Council on May 30, 2008 and is included in the updated Debt Policy.

Based on the City Council discussion at the January 28, 2008, meeting and training regarding the use of variable rates and derivatives, Debt Management has removed any references to these types of instruments in the Debt Policy.

Pursuant to Resolution R-303153, it was also recommended that the existing San Diego Housing Commission (“Housing Commission”) Multifamily Mortgage Revenue Bond Program be reviewed and updated, as appropriate, by the end of Fiscal Year 2008. The updated Housing Commission’s Multifamily Mortgage Revenue Bond Program Policy was brought to the City Council by the Housing Commission where it was reviewed, noted and filed by the City Council on September 23, 2008, and is included in the updated Debt Policy.

Concurrent with the annual Debt Policy review, and pursuant to Resolution R-303153, Debt Management was asked to provide an informational report and include the following: a discussion of developments in the financial markets; the City's projected forward calendar for financings; schedules showing all outstanding debt of the City and related entities that are subject to the Debt Policy, and all long term liabilities of the City, including pension and retiree healthcare costs that are not subject to the Debt Policy. This information has been compiled and is provided in the full staff report.

FISCAL CONSIDERATIONS:

None specific to this action.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

The initial Debt Policy was presented to the Budget and Finance Committee (the "Committee") on June 6, 2007, July 25, 2007, and September 26, 2007. On September 26, 2007, the Committee adopted and recommended the Debt Policy to the City Council with certain changes and additions. On November 6, 2007, the City Council approved the Debt Policy.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

There were no community participation or outreach efforts.

KEY STAKEHOLDERS AND PROJECTED IMPACTS (if applicable): None.

Kommi/Lewis

Staff: Elizabeth Kelly – (619) 236-6932
Brant C. Will – Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 6:52 p.m. – 6:59 p.m.)

MOTION BY ATKINS TO ADOPT WITH DIRECTION TO THE INDEPENDENT BUDGET ANALYST TO TRACK THE VARIABLE RATE AND DERIVATIVES POLICY AND REPORT TO COUNCIL WHEN IT IS DEVELOPED. 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-152: Resolution in Favor of Statewide Ballot Proposition 11, the Voters FIRST Act.

(See Intergovernmental Relations Department's October 3, 2008, memorandum; and October 8, 2008, PowerPoint.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2009-474 Cor. Copy) ADOPTED AS RESOLUTION R-304302

Supporting Statewide Ballot Proposition 11, the "Voters FIRST Act";

Declaring that no public funds shall be used in the campaign for or against the measure.

RULES, OPEN GOVERNMENT, AND INTERGOVERNMENTAL RELATIONS COMMITTEE'S RECOMMENDATION:

On 10/8/2008, Rules voted 3 to 2 to support Statewide Ballot Proposition 11, Voters FIRST Act and to send to Council a resolution in favor for the consent agenda. (Councilmembers Peters, Frye, and Madaffer voted yea. Councilmembers Young and Hueso voted nay.)

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:11 p.m. – 2:12 p.m.)

MOTION BY MADAFFER TO ADOPT. Second by Frye. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-nay, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.



ITEM-153: Resolution Opposing Statewide Ballot Proposition 6, the Safe Neighborhoods Act.

(See Intergovernmental Relations Department's October 3, 2008, memorandum; and October 8, 2008, PowerPoint.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2009-472 Cor. Copy) ADOPTED AS RESOLUTION R-304303

Opposing Statewide Ballot Proposition 6, the "Safe Neighborhoods Act";

Declaring that no public funds shall be used in the campaign for or against the measure.

RULES, OPEN GOVERNMENT, AND INTERGOVERNMENTAL RELATIONS COMMITTEE'S RECOMMENDATION:

On 10/8/2008, Rules voted 5 to 0 to oppose Statewide Ballot Proposition 6, the Safe Neighborhoods Act, and to send to Council a resolution in opposition for the consent agenda. (Councilmembers Peters, Young, Frye, Madaffer, and Hueso voted yea.)

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:13 p.m. – 2:13 p.m.)

MOTION BY MADAFFER TO ADOPT. Second by Frye. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.



ITEM-154: Resolution Opposing Statewide Ballot Proposition 8, Eliminates Right of Same-Sex Couples to Marry Act.

(See Intergovernmental Relations Department's October 3, 2008, memorandum; and Intergovernmental Relations Department's October 8, 2008. PowerPoint.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2009-473 Cor. Copy) ADOPTED AS RESOLUTION R-304304

Opposing Statewide Proposition 8, the "California Marriage Protection Act";

Declaring that no public funds shall be used in the campaign for or against the measure.

RULES, OPEN GOVERNMENT, AND INTERGOVERNMENTAL RELATIONS COMMITTEE'S RECOMMENDATION:

On 10/8/2008, Rules voted 4 to 1 to oppose Statewide Ballot Proposition 8, Eliminates Right of Same-Sex Couples to Marry Act, and to send to Council a resolution in opposition for the consent agenda. (Councilmembers Peters, Frye, Madaffer, and Hueso voted yea. Councilmember Young voted nay.)

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:13 p.m. – 3:03 p.m.)

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



ITEM-200: Two actions related to 2009 Bonds – Water System (Refunding and New Money). (Citywide.)

(See Reports to the City Council No. 08-148 and 08-147; memorandum from Mary Lewis and Laksmi Kommi dated 10/9/2008; and memorandum from Beryl Bailey Rayford dated 10/1/2008.)

STAFF'S RECOMMENDATION:

Introduce the following ordinance in Subitem A and adopt the resolution in Subitem B:

Subitem-A: (O-2009-48) INTRODUCED AS AMENDED, TO BE ADOPTED
MONDAY, NOVEMBER 10, 2008

Introduction of an Ordinance Introduction of an Ordinance approving the form of, and authorizing the issuance of the Public Facilities Financing Authority of the City of San Diego Water Revenue Bonds, refunding Series 2009A and Series 2009B (payable solely from installment payments secured by Net System Revenues of the Water Utility Fund of the City of San Diego) and approving an indenture and first supplement thereto, approving the form and authorizing the execution and delivery of an Amended and Restated Master Installment Purchase Agreement and 2009A and 2009B Supplements thereto, and approving 2009A and 2009B Continuing Disclosure Certificates relating to Installment Purchase financings, authorizing the City Attorney to appoint bond counsel and disclosure counsel, and approving certain other agreements and actions in connection therewith.

NOTE: 6 votes required Pursuant to Section 99 of the City Charter.

Subitem-B: (R-2009-435) PENDING APPROVAL, REDOCKETED
NOVEMBER 10, 2008

Approving the form of a Preliminary Official Statement relating to an issue of Water Revenue Bonds, Refunding Series 2009A (payable solely from Installment Payments Secured by Net System Revenues of the Water Utility Fund of the City of San Diego) and a 2009A Bond Purchase Agreement, and approving certain other actions in connection therewith.

STAFF SUPPORTING INFORMATION:

The 2009A Water Bonds will refund the \$57 million principal of the Water Revenue Notes, Series 2007A, which are due on January 30, 2009, and refund certain maturities of the 1998 Water Revenue Certificates if that results in a net present value savings of at least 3%, consistent with the City's Debt Policy. The legal documents authorize the issuance of the 2009A bonds in an amount not to exceed \$309 million. Of this amount, \$245 million authorizes to refund the outstanding 1998 Certificates. The City will only refund portions of the 1998 Certificates which are cost effective under the market conditions present at the time of the pricing of the bonds.

The 2009B Water Bonds would refund the \$150 million principal of the Water Revenue Notes, Series 2008A, and fund the requirements of the CIP Program through approximately June 2010 in an amount of \$150 million. Issuing the 2009 Bonds in two series (2009A and 2009B) enables the City to borrow funds no earlier than the time the proceeds are needed. The financing documents submitted for the City Council approval include: the Indenture, First Supplement Indenture, Amended and Restated Master Installment Purchase Agreement (MIPA), 2009A and 2009B Supplement to the MIPA, 2009A and 2009B Continuing Disclosure Certificates, 2009A Bond Purchase Agreement, 2009A Preliminary Official Statement (POS), and the 2009 Bonds City Ordinance and 2009A Resolution approving the Preliminary Official Statement and the Bond Purchase Agreement. The details of each document are described more fully in the Staff Report.

Only the 2009A Bonds can be sold through the proposed Council actions. Staff will return to the City Council requesting approval of the 2009B Preliminary Official Statement and the Bond Purchase Agreement prior to the issuance of the 2009B Bonds.

An extensive preparation and review process was undertaken in developing the 2009A Preliminary Offering Statement (POS), the marketing document for the 2009A Bonds. In accordance with the Controls and Procedures established by the Disclosure Practices Working Group (DPWG), a Financing Group consisting of the Disclosure Counsel, City Disclosure Counsel, Financial Advisor, City Attorney's Office, Debt Management, and Water Department staff, identified all the informational requirements for the long term public bond offering of the Water enterprise and methodically developed the document over a 6-8 month period. An engineering and financial feasibility study on the bond offering was conducted and the findings were disclosed in the POS.

The 2009A Financing Team consisting of the Financing Group described above, the bond counsel, and the underwriting syndicate reviewed the form and the content of the POS at various Financing Team document review sessions. Finally, the Disclosure Practices Working Group (DPWG) reviewed the document in August and on October 1, and 2, 2008, and authorized the docketing of the POS for the City Council approval. Consistent with the DPWG Controls and Procedures, necessary certifications from various officials involved in the preparation or review of the disclosures including the Mayor, the City Attorney, and the Chief Financial Officer, will be distributed to the City Council prior to the Council hearing.

FISCAL CONSIDERATIONS:

Based on interest rates as of October 2, 2008, the portion of the 2009A Bonds used to repay the 2007A Notes is an estimated \$62.7 million. The annual estimated debt service is \$4.4 million with an estimated total debt service of \$132.6 million over a 30-year term. For comparison purposes, the City Council authorized not-to-exceed interest rate of 7.00%, the annual debt service on the bonds is estimated to be \$5.1 million with the total annual debt service at \$152 million over a 30-year term.

Assuming the entire outstanding principal on the 1998 Certificates is refunded with the 2009A or 2009B Bonds generating at least 3% in net present value savings, the new annual debt service will be an estimated \$12.1 million, FY 2010-FY 2015, and \$25.3 million, FY 2016-FY 2029, which is approximately \$800,000 lower than the current annual debt service on the 1998 Certificates. The repayment term on the refunded portion will remain unchanged at 21 years.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Water Department conducted Proposition 218 noticing process as part of the approval for the rate increases necessary to support bond issuances projections from FY 2009 to FY 2011. Pursuant to Proposition 218, the City provided property owners 45 days of advance notice of the Council's formal consideration of the rate increases. Notices were mailed to property owners of record and City of San Diego water bill customers, advising them that the City Council would hold hearings on February 26, 2007, to consider adoption of the proposed water rate increases. The hearings were held as scheduled and the rate increases were subsequently approved by the Council.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Business entities involved in this transaction are Morgan Stanley & Co., and J.P. Morgan Securities Inc. (co-senior managers); Estrada Hinojosa, Ramirez & Co., Inc, and Siebert Branford Shank & Co. LLC (co-managers); Hawkins Delafield & Wood LLP (disclosure counsel); Nixon Peabody LLP. (underwriters' counsel); Fulbright & Jaworski LLP (bond counsel); Wells Fargo Bank, National Association (trustee); CDM (feasibility consultant), and Montague DeRose and Associates LLC (financial advisor).

Kommi/Lewis

Aud. Cert. 2900263.

Staff: Michael J. Frattali - (619) 235-5834
 Lourdes M. Epley - Deputy City Attorney

FILE LOCATION: Subitem A: None
 Subitem B: Meet

COUNCIL ACTION: (Time duration: 3:52 p.m. – 6:50 p.m.)

MOTION BY MADAFFER TO INTRODUCE THE ORDINANCE IN SUBITEM A AS AMENDED BY CHANGING THE INTEREST RATE LIMITATION FROM 7 PERCENT TO 10 PERCENT AND ADOPT STAFF'S RECOMMENDATION. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-nay, Madaffer-yea, Hueso-yea.



ITEM-201: Delegation of Authority to the City Treasurer to Invest Funds. (Citywide.)

(See City Treasurer's Investment Policy, Pooled Investment Funds dated November 2008.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2009-470) ADOPTED AS RESOLUTION R-304306

Accepting the City Treasurer's Investment Policy for the Pooled Investment Fund dated November 2008;

Delegating the authority to invest or to reinvest the City's Operating and Capital Improvement Funds to the City Treasurer for a period of one year commencing on November 20, 2008, and expiring on November 20, 2009, provided, however, that the Treasurer shall make monthly reports to this City Council about such transactions.

STAFF SUPPORTING INFORMATION:

The California Government Code (CGC) has vested authority with the City Council to invest or to reinvest funds of the City or to sell or exchange securities purchased. Under CGC Section 53607, the City Council may delegate this authority to the City Treasurer for a period of one (1) year. Prior to the enactment of this superseding legislation in 1997, the City Treasurer had the authority to invest the funds of the City under CGC Section 53635 and City Charter Section 45. The City Council now annually delegates this authority to the City Treasurer. City Council Resolution R-303199, adopted on November 20, 2007, was the last time the Council delegated this authority.

The City Treasurer has an established Investment Policy which is annually presented to Council for acceptance per CGC §53646. The foremost objective of the Investment Policy is the safety of principal. This objective helps mitigate market risk by investing primarily in the highest rated U.S. government debt. The secondary objective of the Investment Policy is liquidity which is attained through the separation of the City's Investment Pool into two portfolios (Core & Liquidity). The Liquidity portfolio is designed and invested in securities that will meet the City's anticipated cash flow needs for the next six months consistent with CGC §53646.

On September 30, 2008, the Investment Advisory Committee recommended approval of the City's investment Policy with its proposed change. The City Treasurer and Investment Division staff report semi-annually the results of the portfolio performance, investment strategy, and any proposed changes to the investment Policy to the Investment Advisory Committee, which was established in 1990.

Changes to the proposed 2008 Investment Policy include:

1. Page 6, Section VII. Removal of the language requiring the City Treasurer to submit a copy of the Investment Policy and investment reports to the California Debt and Investment Advisory Commission.

This change is being proposed due to the passage of California S.B. 1124, which eliminates this requirement.

FISCAL CONSIDERATIONS:

There would be no fiscal impact associated with the request.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION: Not applicable.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: Not applicable.

KEY STAKEHOLDERS AND PROJECTED IMPACTS (if applicable): Not applicable.

Granewich/Lewis

Staff: Kent Morris - (619) 533-6313
 Lourdes M. Epley - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 6:59 p.m. – 7:06 p.m.)

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



ITEM-202: The Boulevard Extension of Time, Project No. 152601. An application for an Extension of Time request for Site Development Permit and Vesting Tentative Map, Easement Abandonment and Public Right-of-Way Vacation. (Greater North Park Community Plan Area. District 3.)

Matter of approving, conditionally approving, modifying, or denying an application for an Extension of Time request for an approved but not yet utilized Site Development Permit and Vesting Tentative Map, Easement Abandonment and Public Right-of-Way Vacation which authorized the demolition of existing structures and the construction of a six-story, mixed-use project with 175 residential units (including affordable units) and commercial/office space on a 1.54-acre site located on the north side of El Cajon Boulevard, between Florida and Alabama Streets, in the CL-1 and MR-800B Zones of the Mid-City Communities Planned District, within the Greater North Park Community Plan Area, Council District 3.

(See Report to Planning Commission No. PC-08-049/Site Development Permit No. 540162/Vesting Tentative Map No. 540163/Easement Abandonment No. 576335/Public Right-of-Way Vacation No. 576332/Project No. 152601.)

STAFF'S RECOMMENDATION:

Take the following actions:

Subitem-A: (R-2009-346) ADOPTED AS AMENDED AS RESOLUTION R-304307

Granting approval of Site Development Permit No. 143667, to allow a three (3) year extension of time for Site Development Permit No. 540162, the Boulevard project;

Certifying findings supported by minutes, maps and exhibits, all of which are herein incorporated by reference, with respect to Site Development Permit No. 540162, an extension of time to Site Development Permit No. 143667;

That Site Development Permit No. 540162, an extension of time to Site Development Permit No. 143667, is granted to AMPROP North Park, LLC, Owner/Permittee under the terms and conditions set forth in the permit attached hereto and made a part hereof;

Directing the City Attorney to prepare the appropriate resolution according to Section 40 of the City Charter.

Subitem-B: (R-2009-347) ADOPTED AS RESOLUTION R-304308

Certifying findings supported by minutes, maps and exhibits, all of which are herein incorporated by reference, with respect to Vesting Tentative Map No. 540163, which is an Extension of Time for Vesting Tentative Map No. 172036, Public Right-of-Way Vacation No. 576332, which is an Extension of Time for Public Right-of-Way Vacation No. 143669 and Easement Abandonment No. 576335, which is an Extension of Time for Easement Abandonment No. 188003;

That, based on the Findings hereinbefore adopted by the City Council, Vesting Tentative Map No. 540163, including the waiver of the requirement to underground existing overhead utilities, Public Right-of-Way Vacation No. 576332, and Easement Abandonment No. 576335, which are Extensions of Time for previously approved permits, are hereby granted to AMPROP NORTH PARK LLC, Applicant/Subdivider;

Directing the City Attorney to prepare the appropriate resolution according to Section 40 of the City Charter.

OTHER RECOMMENDATIONS:

Planning Commission on August 7, 2008, voted 5-0-2, to approve.

Ayes: Naslund, Griswold, Ontai, Otsuji, Golba
Not present: Schultz, Smiley

The Greater North Park Community Planning Group has recommended approval of this project.

STAFF SUPPORTING INFORMATION:

REQUESTED ACTION:

A three-year Extension of Time for a previously approved mixed-use development consisting of 175 residential units, including onsite affordable housing and commercial space on a 1.54-acre site located on the north side of El Cajon Boulevard, between Florida Street and Alabama Street, within the Greater North Park Community Plan area.

STAFF RECOMMENDATION:

Recommend that the City Council approve the Extension of Time for Site Development Permit No. 540162, Vesting Tentative Map No. 540163, Public Right-of-Way Vacation No. 576332 and Easement Abandonment No. 576335, to allow a three-year Extension of Time to Site Development Permit No. 143667, Vesting Tentative Map No. 172036, Public Right-of-Way Vacation No. 143669 and Easement Abandonment No. 188003.

EXECUTIVE SUMMARY:

The 1.54-acre site is located on the north side of El Cajon Boulevard between Florida Street and Alabama Street, in the CL-1 and MR-800B zones of the Mid-City Communities Planned District Ordinance, the Transit Area Overlay Zone, the Residential Tandem Parking Area Overlay Zone and the FAA Part 77 Noticing area, within the Greater North Park Community Plan area.

Approval of the requested Extension of Time would extend the expiration date of the previously approved permits by three years.

The previously approved project allowed the demolition of existing structures and the construction of a seven-story, mixed-use structure with 180 residential units (including seven live/work units) and two commercial units. The project also included 308 structured parking spaces and the provision of onsite affordable housing units, as described in detail in the attached Planning Commission Report No. PC-05-069, dated March 3, 2005 (Attachment 5).

On September 12, 2006, the applicant requested a Substantial Conformance Review (SCR), which was approved by Development Services on October 18, 2007. This SCR allowed a reduction of five residential units, for a total of 175 units where 180 units were previously approved and allowed 96 one-bedroom units where 60 units were previously approved and 72 two-bedroom units where 113 were previously approved. The seven live/work units and two commercial units would remain part of the project. This reduction in units resulted in the removal of one story, creating four residential stories above parking where five stories were previously approved. The unit reduction also created a new parking requirement of 267 spaces where 304 spaces were previously required. The applicant would provide 278 parking spaces, which is 11 spaces more than required.

The SCR also included a clarification of the inclusionary housing requirements for this project. The original Site Development Permit included a condition that the applicant provide 27 for-sale affordable housing units, to be available to households earning between 100 and 120 percent of the Area Median Income (AMI). The approved SCR clarified that the applicant could also satisfy the affordable housing requirement by providing for-rent affordable housing units to households earning between 50 and 60 percent AMI.

This option is allowed under the Inclusionary Housing Ordinance and was reviewed and approved by Development Services and by San Diego Housing Commission staff.

The Site Development Permit Resolution and the Vesting Tentative Map Resolution included with this Extension of Time application have been updated to reflect the approved SCR described above.

FISCAL CONSIDERATIONS:

All costs associated with processing this project are recovered from a deposit account maintained by the applicant.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

On April 19, 2005, the City Council voted 9-0 to approve the project.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Planning Commission: On March 10, 2005, the Planning Commission voted 6-0-0 to recommend approval of the project to the City Council. On August 7, 2008, the Planning Commission voted 5-0-2, on consent, to recommend approval of the Extension of Time request to the City Council.

Community Planning Group: On January 18, 2005, the Greater North Park Community Planning Group voted 12-0-1 to recommend approval of the project. On June 17, 2008, the Greater North Park Community Planning Group voted 11-0-0 to recommend approval of the Extension of Time request.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

AmProp North Park, LLC, Owner & American Property Enterprises, Applicant

Broughton/Anderson/PG

NOTE: The Extension of Time is covered under The Boulevard, Permit no. 143667. The project is adequately addressed in Mitigated Negative Declaration No. 49662, dated February 15, 2005. There are no changes in circumstances, additional information or project changes to warrant additional environmental review. Therefore, The Extension of Time is not a separate project for purposes of CEQA review pursuant to State CEQA Guidelines Section 15060(c)(3).

Staff: Paul Godwin – (619) 446-5103

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

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:49 p.m. – 3:50 p.m.)

MOTION BY ATKINS TO ADOPT STAFF'S RECOMMENDATION AS AMENDED BY ADDING A CONDITION TO THE PERMIT NOT ALLOWING ANY IN-LIEU FEE. Second by Young. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

REPORT OUT OF CLOSED SESSION:

None.

NON-DOCKET ITEMS:

None.

ADJOURNMENT:

The meeting was adjourned by Council President Peters at 7:06 p.m.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 7:06 p.m. – 7:06 p.m.)