

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
FOR THE REGULAR MEETING OF
TUESDAY, OCTOBER 6, 2015
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

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ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
ORDINANCES TO BE INTRODUCED WITH RESOLUTIONS TO BE ADOPTED:

The following item may be considered in the morning session which is scheduled to begin at 10:00 a.m.

ITEM-S500: Ordinance amending the San Diego Municipal Code relating to misuse of disabled person placards and license plates, and resolution establishing civil penalty for violations.

ITEM DESCRIPTION:

This Action is to amend the San Diego Municipal Code (SDMC) by adding Sections 86.0150 and 86.0151, which allows for the enforcement of disabled person placard and license plate misuse. This Action also authorizes a penalty of \$740 for a violation of Section 86.0150.

STAFF'S RECOMMENDATION:

Introduce the following ordinance and adopt the resolution:

Subitem-A: (O-2016-16)

Introduction of an Ordinance amending Chapter 8, Article 6, of the San Diego Municipal Code by adding new Sections 86.0150 and 86.0151, all relating to the misuse of disabled person placards and related enforcement.

Subitem-B: (R-2016-157)

Declaring that the penalty for a violation of Section 86.0150 of the San Diego Municipal Code will be \$740, to be added to the Parking Citation Fee Schedule, and subject to review and modification as the City Council deems appropriate;

Declaring that when a violation of subdivision (b), (c), or (d) of Section 4461 of the California Vehicle Code, relating to misuse of disabled person placards and license plates, is enforced as a parking violation, the penalty will be \$740, to be added to the Parking Citation Fee Schedule, and subject to review and modification as the City Council deems appropriate;

Declaring that when a violation of subdivision (c) of Section 4463 of the California Vehicle Code, relating to misuse of a disabled person placard, is enforced as a parking violation, the penalty will be \$740, to be added to the Parking Citation Fee Schedule, and subject to review and modification as the City Council deems appropriate;

Declaring that in addition to any assessment levied pursuant to any other law, an additional assessment equal to ten percent of the penalty established by the City Council for a violation of Section 86.0150 of the San Diego Municipal Code, or violations of Sections 4461 and 4463 of the California Vehicle Code as parking violations, will be imposed, and will be added to the Parking Citation Fee Schedule, and subject to review and modification as the City Council deems appropriate.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

The City of San Diego will not incur any additional expense as a result of this proposal. In fact, based upon the current number of annual misdemeanor citations issued at the Qualcomm facility alone, this would generate substantial revenue for the City. For instance, The San Diego Police Department issues approximately 400 misdemeanor citations per year for misuse of disabled person placards. If you multiply the 400 citations at \$740 per ticket that would generate \$296,000 in revenue for the city. The flagrant and willful misuse of placard (s) has increased substantially. It is estimated that 60 percent of the placards issued in California are currently being misused. There's an exponential loss of revenue for the City when a parking meter is being occupied unlawfully and the enforcement of such actions are not enforced.

Assembly Bill 144 authorizes a city to adopt civil penalties of not less than \$250 and not more than \$1,000 for various misuses of a Disabled Persons (DP) placard or license plate. Fines adopted by other jurisdictions for violations of disabled person placard ordinances include:

Sacramento \$975
San Francisco \$935
Oakland \$513

It is proposed the City adopt a civil penalty of \$740. The increase for this resolution/ordinance is warranted due to the flagrant and willful misuse of a placard or plate (vs the parking of a vehicle in a disabled parking space and forgetting to properly displaying a DP placard).

In addition to the increased revenue created by adopting this ordinance, the City would save law enforcement and City Attorney resources by allowing the enforcement of the unlawful use DP placards and license plates as parking violations instead of misdemeanors.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION: None.

Ramirez/Chadwick

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ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

RESOLUTIONS:

The following item may be considered in the morning session which is scheduled to begin at 10:00 a.m.

ITEM-S501: Approve Certain Actions Related to the Reinstatement of the Loan Agreement for Naval Training Center Site Purchase. (Districts 1-9.)

ITEM DESCRIPTION:

The former Redevelopment Agency (RDA) and the City entered into a Cooperation Agreement dated June 26, 2000, which the City agreed to sell to the RDA the majority of the Naval Training Center (NTC) site for the purchase price of \$8.3 million, payable by the RDA on a deferred basis as a seller "carryback loan," accruing interest at the rate of 8% per annum. This was denied by the Department of Finance as an enforceable obligation. Senate Bill 107 (SB 107) adds a new provision allowing a City and its counterpart successor agency to reinstate, on modified terms, a previously-invalidated Agreement between the City and its counterpart RDA under which the City transferred real property to the RDA for a lawful purposed and the RDA agreed to pay the City for the real property.

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

SUB-ITEM A is being presented to the Council in its capacity as the board of the local redevelopment successor agency, officially known as "the City of San Diego, solely in its capacity as the designated successor agency of the Redevelopment Agency of the City of San Diego, a former public body, corporate and politic" (Successor Agency).

Subitem-A: (R-2016-169)

Finding and determining that the foregoing recitals are true and correct;

Declaring that the Council received and heard any and all oral and written objections relating to the Reinstated Loan Agreement, and to other matters pertaining to this transaction, and all such oral and written objections are overruled;

Finding the Naval Training Center (NTC) purchase price loan memorialized in the Original Loan Agreement was for legitimate redevelopment purposes;

Approving the Reinstated Loan Agreement, which requires the Successor Agency's repayment to the City of the Reinstated Loan Amount of \$11,989,376, plus future accrued interest, utilizing monies available through the semi-annual Redevelopment Property Tax Trust Fund (RPTTF) distributions corresponding to each Recognized Obligation Payment Schedule (ROPS), provided the Reinstated Loan Amount may be adjusted per Recital I and Section 4(f) of the Reinstated Loan Agreement;

Authorizing and directing the Mayor, or designee, to execute the Reinstated Loan Agreement, on the Successor Agency's behalf, and to carry out the Successor Agency's obligations under the Reinstated Loan Agreement;

Authorizing and directing the Successor Agency staff to include the Reinstated Loan Agreement, including the full repayment of the Reinstated Loan Amount plus accrued interest, as an enforceable obligation line item in each ROPS, and to request an allocation of property taxes for this purpose from the residual balance of the RPTTF on a semi-annual basis in each ROPS to the extent that sufficient funds are available in the residual balance under the formula in Code Section 34191.4(b)(3) imposing a maximum annual limitation on aggregate repayments toward reinstated loan agreements;

Authorizing the City Comptroller to cause the Successor Agency's transfer of all semi-annual installment payments of the Reinstated Loan Amount to the City under the Reinstated Loan Agreement until the Reinstated Loan Amount has been fully repaid and to allocate all such installment payments as follows: (a) twenty percent (20%) to the City's Low and Moderate Income Housing Asset Fund (Fund No. 200708), and (b) eighty percent (80%) to the City's Capital Outlay Fund, consistent with the provisions of San Diego Charter Section 77.

Subitem-B: (R-2016-170)

Finding and determining that the foregoing recitals are true and correct;

Declaring that the Council received and heard any and all oral and written objections relating to the Reinstated Loan Agreement, and to other matters pertaining to this transaction, and all such oral and written objections are overruled;

Finding the NTC purchase price loan memorialized in the Original Loan Agreement was for legitimate redevelopment purposes;

Approving the Reinstated Loan Agreement, which requires the Successor Agency's repayment to the City of the Reinstated Loan Amount of \$11,989,376, plus future accrued interest, utilizing monies available through the semi-annual RPTTF distributions corresponding to each ROPS, provided the Reinstated Loan Amount may be adjusted per Recital I and Section 4(f) of the Reinstated Loan Agreement;

Authorizing and directing the Mayor, or designee, to execute the Reinstated Loan Agreement, on the City's behalf, and to carry out the City's obligations under the Reinstated Loan Agreement;

Authorizing the City Comptroller to accept the Successor Agency's transfer of semi-annual installment payments of the Reinstated Loan Amount to the City under the Reinstated Loan Agreement until the Reinstated Loan Amount has been fully repaid and to allocate all such installment payments as follows: (a) twenty percent (20%) to the City's Low and Moderate Income Housing Asset Fund (Fund No. 200708), and (b) eighty percent (80%) to the City's Capital Outlay Fund, consistent with the provisions of San Diego Charter Section 77.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

Under the 50% Increase Formula described in Code Section 34191.4(b)(2)(A), the aggregate amount of payments made by the Successor Agency to the City toward reinstated loans in any given fiscal year is capped at an amount equal to fifty percent (50%) of the increase between the residual balance amount distributed to the local taxing entities during the 2012-2013 base Fiscal Year and the actual residual balance amount distributed to the local taxing entities during the comparison fiscal year. The residual balance amount distributed in the 2012-13 base year is approximately \$34.6 million. The residual balance amount distributed in the 2014-15 comparison year is approximately \$66.3 million. After applying the 50% Increase Formula, the aggregate amount of payments toward reinstated loans to be made in the 2015-16 Fiscal Year, which corresponds to the calculation for the 2013-14 comparison year, is approximately \$15.9 million.

The Successor Agency will request repayment of the Reinstated Loan (together with any other reinstated loan amount) up to the initial annual cap of \$15.9 million. The Successor Agency will cause 20% of the loan repayment amounts to be deposited into the City's Housing Fund (Low-Income Housing Asset Fund of the Housing Successor Agency or LIHAF), to be used by the City, as housing successor to the RDA, for valid affordable housing purposes. The Successor Agency will cause the remaining 80% of the loan repayment amounts to be deposited into the City's Capital Outlay Fund. As a result of the modified terms affecting the Reinstated Loan, the City's Capital Outlay Fund is expected to receive substantially less funds under the Reinstated Loan than would have been received under the Agreement. However, the California Department of Finance (DOF's) presumed invalidation of the Agreement is not being challenged in litigation, such that any repayments received under the Reinstated Loan will represent revenue that presently could not be obtained by the City through any other means.

The amount of funds available under the 50% Increase Formula for repayment of reinstated loans in the 2015-16 Fiscal Year and beyond is uncertain at this time and will depend on a number of factors. This amount for the 2015-16 Fiscal Year will be identified in January 2016, after the County Auditor has completed the Redevelopment Property Tax Trust Fund (RPTTF) distribution corresponding to Recognized Obligation Payment Schedule (ROPS) 15-16B, line item 618. Neither the Former RDA nor the Successor Agency has made any previous payments to the City under the Agreement. The principal amount of the NTC Purchase Price Loan is presently \$8,300,000. Code Section 34191.4(b), as modified by Senate Bill 107 (SB 107), requires all accumulated interest on a reinstated loan to be recalculated at an interest rate of three percent, compounded quarterly. Using this method, the recalculation of accumulated interest on the principal amount of the NTC Purchase Price Loan from the date of the conveyance of the NTC Redevelopment Site to the RDA (4/30/02) through the anticipated date of the Oversight Board meeting for approval of the loan reinstatement (10/19/15), is \$3,689,376. Thus, the outstanding balance, including principal and recalculated interest, of the NTC Purchase Price Loan that can be reinstated under SB 107 is \$11,989,376. Due to the recent passage of SB 107 on September 11, 2015, Successor Agency staff still needs to present the Reinstated Loan Pertaining to Naval Training Center Site Purchase Loan to the Council for approval in the near future. Successor Agency staff will present the Reinstated Loan for the Oversight Board's approval during the next scheduled meeting on October 19, 2015. This timing will allow the DOF to review and approve the Reinstated Loan Agreement before the DOF issues a final determination letter on ROPS 15-16B, which is expected by mid-December 2015.

The Successor Agency and the Oversight Board approved funding in ROPS 15-16B, line item 627 to make a first installment payment of \$500,000 under the Reinstated Loan. The Successor Agency will propose to continue making additional installment payments toward the reinstated NTC Purchase Price Loan in each successive ROPS, in an annual amount to be determined based on the overall availability of RPTTF during each applicable ROPS period and consistent with Code Section 34191.4(b).

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

The Council has approved various actions related to the formation of the Project Area and the implementation of the NTC Disposition and Development Agreement (DDA) since the late 1990s.

On January 10, 2012, the Council designated the City to serve as the Successor Agency.

On February 13, 2012, the Council adopted a resolution establishing certain policies and procedures that govern operation of the Successor Agency.

On July 28, 2014, the Council approved the reinstatement of the Certain Actions related to the Reinstatement of the Naval Training Center Site Purchase Loan under Code Section 34191.4(b).

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