

**CITY COUNCIL OF THE CITY OF SAN DIEGO  
SUPPLEMENTAL DOCKET NUMBER 2  
MONDAY, FEBRUARY 10, 2014, AT 2:00 PM  
CITY ADMINISTRATION BUILDING  
COUNCIL CHAMBERS – 12<sup>TH</sup> FLOOR  
202 “C” STREET  
SAN DIEGO, CA 92101**

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ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

RESOLUTIONS:

ITEM-S403: Consideration of Nominees to the San Diego Housing Commission.

**ITEM DESCRIPTION:**

The Council is asked to fill four seats on the San Diego Housing Commission. The Board is a Charter Section 43 Board. The Council is asked to fill vacancies under Charter Section 43(c), as the Mayor did not take action to fill seats within 45 days of vacancies.

According to Municipal Code Section 98.0301, the Commission shall consist of seven members. Two commissioners appointed pursuant to this Section shall be tenants of housing authority units and at least one commissioner so appointed shall be over 62 years of age.

Subitem A: The Council is asked to appoint two general members to the Housing Commission.

Nominated are:

- Roberta Spoon, nominated for reappointment by Council President Gloria, for a term ending January 2, 2017.
- Gary Gramling, nominated for reappointment by Councilmember Kersey, for a term ending January 2, 2017.
- William Encinas, nominated for appointment by Councilmember Alvarez, for a term ending January 2, 2017.

Subitem B: The Council is asked to appoint two tenants of a housing authority unit, one per Municipal Code must be over 62 years of age.

Nominated are:

- Margaret Davis, nominated by Council President Gloria to replace Allen Sims as the tenant of a Housing Authority Unit over the age of 62, for a term ending January 2, 2016.
- Kellee Hubbard, nominated by Council President Gloria to replace Khadija Basir, for a term ending January 2, 2016.

**TODAY'S ACTIONS ARE:**

Adopt the following resolutions:

Subitem-A: (R-2014-447)

Council confirmation of the following appointments by the Council of the City of San Diego, in compliance with San Diego Charter Section 43(c), to serve as members of the San Diego Housing Commission, for terms ending as indicated:

<b><u>NAME</u></b>	<b><u>CATEGORY</u></b>	<b><u>TERM ENDING</u></b>
	General Member	January 2, 2017
	General Member	January 2, 2017

Subitem-B: (R-2014-448)

Council confirmation of the following appointments by the Council of the City of San Diego, in compliance with San Diego Charter Section 43(c), to serve as members of the San Diego Housing Commission, for terms ending as indicated:

<b><u>NAME</u></b>	<b><u>CATEGORY</u></b>	<b><u>TERM ENDING</u></b>
Margaret Davis College Area, District 9) (Filling the seat previously held by Allen Sims)	Designated Tenant of a Housing Authority Unit, Over 62	January 2, 2016
Kellee Hubbard (Redwood Village, District 4) (Filling the seat previously held by Khadija Basir)	Designated Tenant of a Housing Authority Unit	January 2, 2016

**This item 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).**

ITEM-S404: Approval of Sixth Recognized Obligation Payment Schedule, for the period covering July 1, 2014, through December 31, 2014, and the associated Six-Month Successor Agency Administrative Budget.

**ITEM DESCRIPTION:**

The Successor Agency is in the process of winding down the operations of the former Redevelopment Agency of the City of San Diego. Under the Dissolution Laws, the Recognized Obligation Payment Schedule (ROPS) is the governing document as to payments that are allowed to be made by the Successor Agency during each applicable six-month period. The proposed ROPS is for the ROPS 6 (ROPS 14-15B) period covering July 1, 2014, through December 31, 2014.

**STAFF'S RECOMMENDATION:**

Adopt the following resolution:

(R-2014-449)

A Resolution of the City Council of the City of San Diego, acting in its capacity as the Board of the Successor Agency to the Redevelopment Agency of the City of San Diego, (i) Approving the Sixth Recognized Obligation Payment Schedule for January through June 2014 (ROPS 6), (ii) Approving the administrative budget associated with ROPS 6, and (iii) Authorizing the Mayor and Chief Financial Officer to carry out certain related actions.

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

**STAFF SUPPORTING INFORMATION:**

**FISCAL CONSIDERATIONS:**

The fiscal impact to the Successor Agency is dependent upon the review and potential challenge of ROPS 6 by the CAC, DOF, and State Controller. The Dissolution Laws limit the “administrative cost allowance” available to the Successor Agency to three percent of the amount disbursed from the RPTTF to the Successor Agency, which is approximately \$2,214,000 based on the ROPS 6. The actual level of funds that the City may utilize in fulfilling its role as the Successor Agency will not be known until the CAC, Oversight Board, DOF, and State Controller review and potentially challenge items listed in ROPS 6.

Total disbursements toward enforceable obligations during the ROPS 6 period are \$133,880,558, which is funded with \$57,853,620 of funds on hand from the Former RDA, including Bond Proceeds, Other Funds, and Reserves, approximately \$2,161,000 from Administrative Cost Allowance from RPTTF, and a disbursement of \$73,812,583 from the RPTTF for enforceable obligations.

Any costs to the Successor Agency beyond those allowed by the Dissolution Laws would impact the City's General Fund. These costs could be offset by increased property tax revenues distributed to the City. Specifically, a portion of the tax increment revenue previously allocated to the Former RDA is reallocated as general property taxes through semi-annual distributions on January 2 and June 1 from the CAC to the City and other local taxing entities, to the extent that the Successor Agency does not need the continued property tax revenue in order to pay enforceable obligations. Based on the calculation of prior semi-annual distributions, the City receives approximately 21% of the general property taxes that are reallocated to local taxing entities from the residual balance of the RPTTF in accordance with the Dissolution Laws. For instance, the City received an allocation of approximately \$7.9 million from the CAC's distribution of the RPTTF residual balance of approximately \$37.1 million on January 2, 2014, corresponding to ROPS 5.

In advance of the Former RDA's approval of the First Amended and Restated EOPS, the Office of the City Attorney issued a memorandum dated January 27, 2012, explaining potential risks to the City's General Fund associated with actions to be taken and payments to be made by the Successor Agency. One continuing risk is that insufficient funds may be made available to the Successor Agency to pay for all of its reasonable administrative costs in winding down the Former RDA's operations.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

- On January 10, 2012, the City Council designated the City to serve as the Successor Agency under the Dissolution Laws.
- On February 13, 2012, the City Council adopted a resolution establishing certain policies and procedures that govern operation of the Successor Agency.
- On April 25, 2012, the City Council, in its capacity as the Successor Agency, adopted the Third Amended and Restated EOPS, ROPS 1, and ROPS 2, as well as the ROPS 2 administrative budget.
- On July 31, 2012, the City Council, in its capacity as the Successor Agency, adopted ROPS 4 as well as the ROPS 4 administrative budget.
- On September 9, 2013, the City Council, in its capacity as the Successor Agency, adopted ROPS 5 as well as the ROPS 5 administrative budget.

Phillips/Coalson

Primary Contact\Phone: Andrew Phillips\619-533-7127, MS 51D  
City Attorney Contact: Reisch, Kevin

ITEM-S405: Approve Certain Actions Related to the Reinstatement of the Loan Agreement Pertaining to the Phase II Expansion of the San Diego Convention Center.

**ITEM DESCRIPTION:**

Approval of Certain Actions Related to the Reinstatement of the Loan Agreement Pertaining to the Phase II Expansion of the San Diego Convention Center.

**TODAY'S ACTIONS ARE:**

Adopt the following resolutions:

Subitem-A: (R-2014-451)

A Resolution of the City Council of the City of San Diego approving certain actions related to the Reinstatement of a Loan Agreement concerning bond debt for the Phase II Expansion of the San Diego Convention Center.

**NOTE:** Subitem A is not subject to the Mayor's veto.

Subitem-B: (R-2014-452)

**SUB-ITEM B 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)**

A Resolution of the City Council of the City of San Diego, acting in its capacity as the Board of the Successor Agency to the Redevelopment Agency of the City of San Diego, approving certain actions related to the Reinstatement of a Loan Agreement concerning bond debt for the Phase II Expansion of the San Diego Convention Center.

**NOTE:** Subitem B is not subject to the Mayor's veto.

**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 2012-2013 base year is approximately \$34.6 million.

The residual balance amount distributed in the 2013-2014 comparison year is approximately \$53.9 million. After applying the 50% Increase Formula, the aggregate amount of payments toward reinstated loans to be made in the 2014-2015 fiscal year, which corresponds to the calculation for the 2013-2014 comparison year, is approximately \$9.66 million.

The Successor Agency will request repayment of the Reinstated Loan Amount for the Phase II Improvements (or any future reinstated loans) up to the initial annual cap of \$9.66 million through a combination of ROPS 14-15A and ROPS 14-15B, which collectively encompass the 2014-2015 fiscal year. The Successor Agency will cause 20% of the loan repayment amounts to be deposited into the City's Housing Fund, to be used by the City, as housing successor to the Former 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 General Fund. As a result of the modified terms affecting the Reinstated Loan Agreement, the City's General Fund is expected to receive substantially less funds under the Reinstated Loan Agreement than would have been received under the Original Debt Agreement. The modified terms include, for example, the retroactive recalculation of accumulated interest at the very low LAIF Rate, the application of the LAIF Rate to the future accrual of interest, and the transfer of 20% of loan repayments into the Housing Fund. However, the DOF's invalidation of the Original Debt Agreement is not being challenged in litigation, such that any repayments received under the Reinstated Loan Agreement 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 2015-2016 fiscal year and beyond is uncertain at this time and will depend on a number of factors. This amount for the 2015-2016 fiscal year will be identified in January 2015, after the CAC has completed the RPTTF distribution corresponding to ROPS 14-15B.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

- On April 1, 2011, the City Council approved the Original Debt Agreement and made related determinations concerning the redevelopment purposes of the Phase II Improvements pursuant to Code Sections 33445 and 33679.

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

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

Phillips/Chadwick

Primary Contact\Phone: Andrew Phillips\619-533-7127, MS 51D  
City Attorney Contact: Will, Brant C.

ITEM-S406: Consideration of Nominees for Appointment to the Mission Bay Park Committee.

**TODAY'S ACTION IS:**

Adopt the following resolution:

(R-2014-429 Cor. Copy)

Council confirmation of the following appointments and reappointments by the Council of the City of San Diego, in compliance with San Diego Charter Section 43(c), to serve as members of the Mission Bay Park Committee, for the terms ending as indicated:

<b><u>NAME</u></b>	<b><u>CATEGORY</u></b>	<b><u>TERM ENDING</u></b>
William Earley (Point Loma, District 2) (Filling the seat previously held by William Gardner, who is termed out)	At-Large Member	June 30, 2015
Giovanni Ingolia (Ocean Beach, District 2) (Filling the seat previously held by Lani Lutar)	District 2 Representative	June 30, 2015
Kevin Konopasek (San Carlos, District 7) (Reappointment)	District 2 Representative	June 30, 2015
Paul Robinson (Downtown, District 3) (Reappointment)	At-Large Member	June 30, 2015
Matt Spencer (Pacific Beach, District 2) (Reappointment)	At-Large Member	June 30, 2015
Darlene Walter (Jamul) (Filling the seat previously held by Patrick Owen)	Non-Hotel Lessee Representative	June 30, 2014

Declaring that pursuant to Council Policy 000-13, for purposes of deliberation and consideration of appointment, it is determined that Darlene Walter is a resident of San Diego County, but not the City of San Diego, and has unique qualifications to serve as a member of the Committee, therefore, a conscious exception to Council Policy 000-13 is hereby declared.