

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
FOR THE REGULAR MEETING OF
TUESDAY, SEPTEMBER 30, 2014
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

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Pursuant to California Senate Bill 343 (Section 54957.5(b) of the Brown Act), late-arriving documents related to City Council meeting agenda items which are distributed to the legislative body prior to and during the Council meeting are available for public review in the Office of the City Clerk on the second floor of the City Administration Building, 202 C Street, San Diego, CA 92101. This relates to those documents received after the agenda is publicly noticed and during the 72 hours prior to the start of the meeting. Please note: Approximately one hour prior to the start of the Council Meeting, the documents will be available just outside Council Chambers in the lobby of the 12th floor of the City Administration Building in a binder labeled “SB 343.” Late-arriving materials received during the City Council meeting are available for review by making a verbal request of City Clerk staff located in Council Chambers.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:

The following item will be considered in the afternoon session which is scheduled to begin at 2:00 p.m.

ITEM-S500: Approval of Agreement Regarding Expenditure of Excess Redevelopment Bond Proceeds. (Districts 1-9.)

ITEM DESCRIPTION:

The Successor Agency possesses Excess Non-Housing Bond Proceeds in the estimated amount of \$60,721,656. This estimate includes proceeds shown in the Successor Agency’s cash balance report as of June 30, 2014, and does not reflect the expenditure of proceeds during the Recognized Obligation Payment Schedule (ROPS) 14-15A period or the potential defeasance of certain redevelopment bonds. The Agency desires to transfer the Excess Bond Proceeds to the City to enable the City to use such funds, consistent with the basic purposes for which the bonds were sold, to undertake redevelopment projects and activities that were not previously funded or that are currently in progress under existing contracts and need to be completed in a timely manner.

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2015-164)

Approving the Agreement Regarding Expenditure of Excess Redevelopment Bond Proceeds (Agreement), which requires the Successor Agency's transfer of the Excess Bond Proceeds to the City and the City's expenditure of the Excess Bond Proceeds in accordance with the Bond Spending Plan included as Exhibit 2 to the Agreement;

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

Authorizing the City Comptroller to accept the Successor Agency's transfer of Excess Bond Proceeds and deposit those proceeds into a dedicated account or accounts separate from the City's General Fund in accordance with the Agreement;

Authorizing the City's Chief Financial Officer to appropriate and expend the Excess Bond Proceeds in a manner consistent with the Agreement;

Authorizing the Mayor, or designee, to execute, on the City's behalf, all documents that effectuate the provisions and intent of the Agreement, including documents that accomplish the City's acceptance of the Successor Agency's assignment or partial assignment of any contracts executed by the Successor Agency or the former Redevelopment Agency of the City of San Diego Former (Former RDA) related to activities to be funded by the Excess Bond Proceeds.

Subitem-B: (R-2015-165)

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).

Acting in its capacity as the board of the Successor Agency, as follows:

Approving the Agreement;

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

Authorizing the City Comptroller to cause the Successor Agency's transfer of the Excess Bond Proceeds to the City under the Agreement;

Authorizing the Mayor, or designee, to execute, on the Successor Agency's behalf, all documents that effectuate the provisions and intent of the Agreement, including documents that accomplish the Successor Agency's assignment or partial assignment to the City of any contracts executed by the Successor Agency or the Former RDA related to activities to be funded by the Excess Bond Proceeds.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

Pursuant to Code Section 34171(b), the Successor Agency will request a distribution of Redevelopment Property Tax Trust Fund (RPTTF) on each applicable Recognized Obligation Payment Schedule (ROPS) as may be necessary to cover the estimated project management costs associated with the implementation of the Bond Spending Plan by the City or its designees on the Successor Agency's behalf in accordance with the Bond Spending Plan. The Successor Agency will transfer ROPS-approved RPTTF to the City or its designees to pay for actual project management costs. The City may delegate a portion of the work associated with expenditure of the Excess Bond Proceeds to Civic San Diego, a California nonprofit public benefit corporation, in accordance with existing consultant agreements between the City and Civic San Diego, as may be amended in the future.

To the extent RPTTF is not approved on the ROPS to pay for actual project management costs, the City will not be obligated to implement the Bond Spending Plan and may elect in its sole discretion to return unexpended Excess Bond Proceeds to the Successor Agency. If the City continues to administer projects under the Bond Spending Plan in the absence of ROPS-approved RPTTF, then the City's project management costs would need be covered by a portion of the Excess Bond Proceeds (if eligible for this purpose under the applicable bond documents) or by another, non-redevelopment funding source available to the City.

This Agreement will not relieve the Successor Agency from paying, and will not transfer the Successor Agency's obligation to pay, the outstanding debt service obligations owed with respect to the Excess Bond Proceeds. The Successor Agency will continue paying all such obligations in compliance with each approved ROPS.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION: N/A

Phillips/Graham

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