

OVERSIGHT BOARD RESOLUTION NUMBER OB-2015-11

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE THIRD AMENDMENT TO THE AGREEMENT WITH JMJ INCORPORATED FOR MOBILE SECURITY PATROL SERVICES ON SUCCESSOR AGENCY PROPERTIES.

WHEREAS, the former Redevelopment Agency of the City of San Diego (Former RDA) administered the implementation of various redevelopment projects, programs, and activities within designated redevelopment project areas throughout the City of San Diego (City); and

WHEREAS, in accordance with Assembly Bill x1 26 (AB 26) enacted on June 28, 2011, the Former RDA dissolved as of February 1, 2012, at which time the City of San Diego, solely in its capacity as the designated successor agency to the Former RDA (Successor Agency), assumed the Former RDA's assets and obligations; and

WHEREAS, the Successor Agency is required to administer the winding down of the Former RDA's operations and to ensure compliance with the Former RDA's obligations in accordance with AB 26, as subsequently amended (collectively, the Dissolution Laws); and

WHEREAS, the Dissolution Laws specify that the Oversight Board and the California Department of Finance (DOF) must review and approve certain actions and decisions of the Successor Agency, including the Successor Agency's approval of each Recognized Obligation Payment Schedule (ROPS); and

WHEREAS, among other things, each ROPS shows the estimated payments owed by the Successor Agency to third parties for enforceable obligations during the upcoming six-month period and identifies the funding sources that will be used to make such payments; and

WHEREAS, the Oversight Board's adopted resolution approving prior ROPS included language that authorized the Successor Agency to enter into services contracts, management

contracts and similar contracts, and amendments to existing contracts of that nature, for items that are budgeted in the approved ROPS (Authorization for Services Contracts), consistent with California Health and Safety Code (HSC) sections 34171(d)(1)(F) and 34177.3(b); and

WHEREAS, the DOF issued a letter dated November 8, 2013 (November 2013 Letter) that effectively requires the Oversight Board and the DOF to approve all post-AB 26 services contracts, management contracts, and similar contracts, and post-AB 26 amendments to existing contracts of that nature, that will involve the Successor Agency's expenditure of funds; and

WHEREAS, one such contract amendment is the Third Amendment to the Agreement with JMJ Incorporated (Amendment), which extends the term of the agreement for up to five years and increases the expenditure of ROPS-approved funds by \$150,000 from the previous amount of \$100,000 for a total contract amount not to exceed \$250,000 for continued mobile security patrolling of Successor Agency properties; and

WHEREAS, a copy of the Amendment is included as Attachment A to the Staff Report dated August 17, 2015 accompanying this item; and

WHEREAS, the DOF issued a letter dated April 1, 2014, interpreting the Dissolution Laws to mean the Oversight Board must find that any post-AB 26 contract amendment for the provision of services is in the best interests of the local taxing entities in accordance with HSC section 34181(e) or that the contract amendment, including any increase in compensation or scope of services, is necessary for the administration or operation of the Successor Agency in accordance with HSC section 34171(d)(1)(F); and

WHEREAS, among other things, the Amendment will permit the Successor Agency to fulfill its statutory obligation to maintain the Successor Agency properties under (a) HSC section 34171(d)(1)(F), which states that an enforceable obligation is defined to include contracts or agreements necessary for the administration or operation of the successor agency, including, but

not limited to, agreements concerning costs of maintaining assets prior to disposition, (b) HSC section 34171(d)(1)(C) which defines an enforceable obligation to include obligations imposed by state law; and (c) HSC section 34177.3(b), which permits the Successor Agency to create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel, and procuring insurance; and

WHEREAS, the Amendment will benefit the local taxing entities and will be in their best interests, in that the performance of services under the Amendment, including unarmed random patrols of Successor Agency-owned properties for the purpose of deterring illegal activities, will permit the Successor Agency to fulfill important obligations for maintenance and upkeep of Successor Agency properties and allow the Successor Agency to have sufficient oversight its properties to minimize its exposure to damages, fines, or other penalties related to its property maintenance obligations; and

WHEREAS, the Amendment involved an increase in compensation in an amount of \$150,000; and

WHEREAS, the Amendment is necessary for the operation or administration of the Successor Agency because it permits the Successor Agency to fulfill its obligation to maintain the Successor Agency assets in accordance with local, State and Federal laws and will minimize risk or liability to Successor Agency as it will: (a) decrease the chance of injury to persons on and near Successor Agency properties by deterring illegal and often dangerous activities ; (b) assist Successor Agency to remedy the unsafe and unsightly condition of such properties by reporting safety issues to the Successor Agency, thereby adequately maintaining Successor Agency properties and stabilizing property values; (c) ensure compliance of such sites with local and state regulations related to property safety and site maintenance regulations; (d) facilitate

alleviation of blight in the communities in which such properties are located; and (e) reduce the Successor Agency's risk of violating its property maintenance obligations and being subject to damages, fines, or other penalties being pursued against the Successor Agency; and.

WHEREAS, the Successor Agency, or Civic San Diego as the contracting agent on its behalf, will pay for the services performed under the Amendment utilizing the funding sources shown in line item 272 of the ROPS;

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

1. The Board finds, in accordance with HSC section 34181(e), that the Amendment is in the best interests of the local taxing entities.
2. The Board finds, in accordance with HSC section 34171(d)(1)(F), that the provision of services under the Amendment, including any increase in compensation, is necessary for the administration or operation of the Successor Agency.
3. The Amendment is hereby approved.

**PASSED AND ADOPTED** by the Oversight Board at a duly noticed meeting of the Oversight Board held on August 17, 2015.



Chair, Oversight Board