

Replacement Housing Plan

Centre City
Development
Corporation

401 B Street, Fourth Floor
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St. Joseph's Park Project

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ATTACHMENT A

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I. INTRODUCTION

The Centre City Development Corporation (“CCDC”), on behalf of the Redevelopment Agency of the City of San Diego (“Agency”) has authorized the preparation of a replacement housing plan to be undertaken in connection with the land acquisition activities associated with the implementation of the Centre City Redevelopment Plan for the proposed Centre City Development project area, future use as a public park called St. Joseph’s Park (the “Project”). This Replacement Housing Plan (the “Replacement Housing Plan”) for the proposed St. Joseph’s Park Project has been prepared pursuant to Section 33413.5 of the California Health and Safety Code. Section 33413.5 mandates that the Replacement Housing Plan shall include the following components:

- 1) Proposed project;
- 2) General location of the very-low, low and moderate income dwelling units which will, or may be, removed or destroyed as a result of the project;
- 3) General location and intentions for the development of the replacement housing;
- 4) Means of financing such development;
- 5) Schedule for the construction of the replacement housing;
- 6) Period for which these units will remain affordable; and
- 7) A finding that the replacement housing does not require approval of the voters pursuant to Article XXXIV of the California Constitution.

II. DEFINITIONS

Very-Low-Income Household

Persons and families whose gross incomes do not exceed 50 percent of the area median income adjusted for family size.

Low-Income Household

Persons and families whose gross incomes exceed 50 percent but do not exceed 80 percent of the area median income adjusted for family size.

Moderate-Income Household

Persons and families whose gross incomes exceed 80 percent but do not exceed 120 percent of the area median income adjusted for family size.

Affordable Owner-Occupied Housing Cost

Section 50052.5 of the California Health and Safety Code states that for any owner-occupied housing, “affordable housing costs” shall not exceed the following:

- For very-low-income households the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.
- For lower-income households whose gross incomes exceed the maximum income for very-low income households and do not exceed 70 percent of the area median income adjusted for family size, the product of 30 percent times 70 percent of the area median income adjusted for family size. In addition, for any lower-income household that has a gross income that equals or exceeds 70 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 30 percent of the gross income of the household.
- For moderate-income households whose gross incomes exceed the maximum income for lower-income households and do not exceed 30 percent of the gross income of the household, nor exceed the 110 percent of the area median income adjusted for family size, the product of 35 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. In addition, for any moderate-income household that has a gross income that equals or exceeds 110 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 35 percent of the gross income of the household.

Affordable Renter-Occupied Housing Cost

Section 50053 of the California Health and Safety Code states that for any rental housing development, “affordable rent,” including a reasonable utility allowance, shall not exceed:

- For very-low-income households, the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.
- For lower-income households whose gross incomes exceed the maximum income for very-low-income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower-income households with gross incomes that exceed 60 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that

affordable rent be established at a level not to exceed 30 percent of gross income of the household.

- For moderate-income households, the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those moderate income households whose gross incomes exceed 110 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

Replacement Dwelling Unit

For this Replacement Housing Plan, “Replacement Dwelling Unit” means a dwelling unit developed or constructed pursuant to Section 33413 in replacement of a dwelling unit destroyed or removed from the low- and moderate-income housing market by the Agency and which is decent, safe, and sanitary, contains at least the same number of bedrooms and other living areas as the dwelling unit destroyed or removed, and is available at affordable housing cost to low- and moderate-income households.

Developed by the Agency

For this Replacement Housing Plan, “developed by the Agency” means that the Agency has contracted directly with a building contractor for the construction or rehabilitation of dwelling units.

III. REPLACEMENT HOUSING REQUIREMENTS

Section 33413(a) of the California Health and Safety Code requires that whenever low- or moderate-income household dwelling units are destroyed or removed from the housing market as part of a redevelopment project which is subject to a written agreement with a redevelopment agency or where financial assistance has been provided by the agency, the agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low- or moderate-income, an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency.

When dwelling units are destroyed or removed after January 1, 2002, 100 percent of the replacement dwelling units shall replace dwelling units available at affordable housing cost in the same income level of very-low income households, lower-income households, and persons and families of low- and moderate-income, as the persons displaced from those destroyed or removed units.

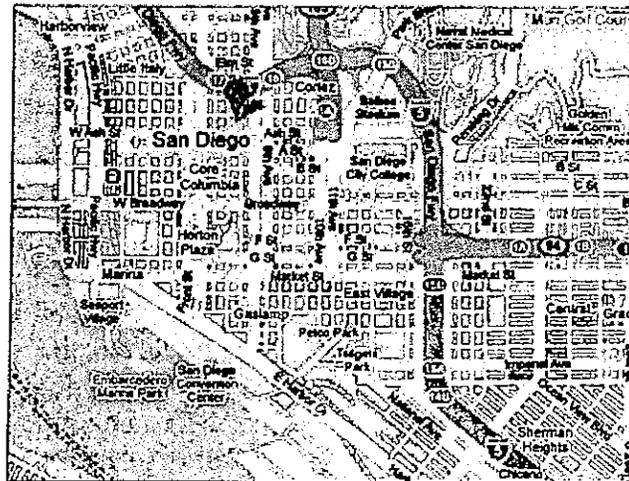
Section 33413(f) of the California Health and Safety Code modifies these requirements as follows:

Notwithstanding subdivision (a), the agency may replace destroyed or removed dwelling units with a fewer number of replacement dwelling units if the replacement dwelling units meet both of the following criteria:

1. The total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the destroyed or removed units. Destroyed or removed units having one or no bedroom are deemed for this purpose to have one bedroom.
2. The replacement units are affordable to the same income level of households as the destroyed or removed units.

IV. PROJECT DESCRIPTION AND LOCATION

The Agency is considering the acquisition of land for the public purpose of redevelopment and proposed future use for the development of a new public park in the Cortez Community of downtown San Diego. The proposed St. Joseph's Park Project is bounded by 3rd and 4th Avenues and Ash and Beech Streets, as shown on the map below.



The proposed Project will require the acquisition of 3 ownership parcels, which are occupied by one 76 room SRO Hotel and 7 commercial and nonprofit tenants. The residential dwelling units located within the Centre City Manor Hotel are the subject of this Replacement Housing Plan.

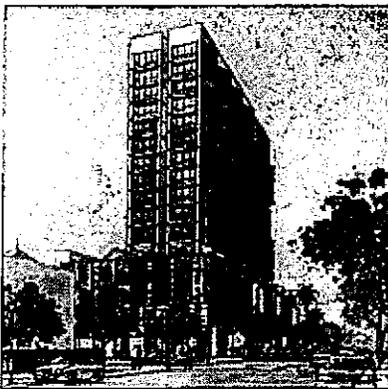
V. RESIDENTIAL UNITS TO BE REPLACED

The subject residential properties consist of one (1) Single Room Occupancy (SRO) hotel containing 78 dwelling units. Epic agents personally interviewed 45 tenants residing at the Centre City Manor SRO Hotel. Based on the interviews conducted and discussions with onsite property managers, it is expected that all tenants will fall into the very-low income or low income categories. Many of the interviewed residents expressed a desire to continue living in the downtown area in a similar type of dwelling. Many of the residents have special needs and are at risk for homelessness.

VI. GENERAL LOCATION OF REPLACEMENT HOUSING TO BE REHABILITATED, DEVELOPED OR CONSTRUCTED

Pursuant to California Health & Safety Code Section 33413, the Agency will, within four years, rehabilitate, develop or construct, or cause to be rehabilitated, developed or constructed, for rental or sale to persons and families of very low income an equal number of dwelling units that have an equal number of bedrooms as those to be removed. The replacement dwelling units will be located within the downtown area of San Diego in close proximity to the Project Area (5 blocks South/East of the Centre City Manor).

The Agency is contemplating a replacement apartment building at Ninth & Broadway (the "Development"), which will consist of 248 very low and low income living units, studios and one bedroom units. The Development will include 140 living units and 36 studios. Of the 140 living units and 36 studios, 88 will be designated as supportive housing units for people with special needs who are homeless or at risk of becoming homeless, of which 25 will be financed by the Mental Health Services Act to target transitional-age youth with diagnosis of severe mental illness.



Proposed Ninth & Broadway Affordable Housing Apartment

VII. FINANCING OF REPLACEMENT HOUSING

The Development will be financed through the Redevelopment Agency, Multifamily Housing Program, Mental Health Services Act Program, Low Income Housing Tax Credit Program, and Affordable Housing Program.

VIII. TIME TABLE FOR REPLACEMENT HOUSING

The Agency, through agreements with development entities, will complete within four years of the date the units are destroyed, construction and/or rehabilitation of replacement housing units necessary to satisfy all very-low and low income affordable dwelling units or bedrooms discussed in this Replacement Housing Plan. The Development is anticipated to be completed in the spring of 2013.

The units will remain affordable for 55 years.

IX. NON-APPLICABILITY OF ARTICLE XXXIV OF THE CALIFORNIA CONSTITUTION

It is hereby found and determined that the replacement housing to be developed and constructed under this replacement housing plan does not require approval of the voters of the City of San Diego pursuant to Article XXXIV of the California Constitution in that the replacement housing units meet one or more of the exemption criteria.

X. PROVISION FOR PUBLIC REVIEW AND COMMENT

In accordance with Section 33413.5, a draft Replacement Housing Plan was made available for 30 days for review and comment by the general public and other public agencies. No Comments were received.