



DATE ISSUED: February 3, 2004 CCDC-04-12

ATTENTION: Chair and Members of the Redevelopment Agency
Docket of February 10, 2004

SUBJECT: Replacement Housing Plan - Island-Market Centre (Oak Shelter
Systems, LLC) - East Village Redevelopment District

REFERENCE: Site Map
Replacement Housing Plan

STAFF CONTACT: Dale Royal, Senior Project Manager

SUMMARY

- Issue - Should the Redevelopment Agency approve the proposed Replacement Housing Plan for the Island-Market Centre mixed-use development project with affordable housing?
- Staff Recommendation - That the Redevelopment Agency approve the proposed Replacement Housing Plan for the Island-Market Centre mixed-use development project with affordable housing.
- Centre City Development Corporation Recommendation - The Item will be considered by the Board on January 28, 2004 and its recommendation will be provided orally at the Agency meeting.
- Centre City Advisory Committee (CCAC) Recommendation - The Item will be considered by the Board on January 21, 2004 and its recommendation will be provided orally at the Agency meeting.
- Other Recommendations - None.
- Fiscal Impact - There is no fiscal impact associated with this action. The project is the subject of a proposed Disposition and Development Agreement to be brought forward for approval at a later date, which may include Agency financial participation.

BACKGROUND

Pursuant to Section 33413.5 of the California Health and Safety Code, the Redevelopment Agency is required to adopt a replacement housing plan not less than 30 days prior to the

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execution of an agreement for acquisition of real property, or the execution of an agreement for the disposition and development of property, or the execution of an owner participation agreement, which agreement would lead to the destruction or removal of dwelling units from the low- and moderate-income housing market. The intent of the law is to ensure that the stock of low- and moderate income-housing is not diminished by redevelopment activities.

DISCUSSION

The Island-MarketCentre project is a proposed mixed-use development with a combination of market rate and affordable, for-sale and rental housing to be located on the full block bounded by Market Street, Island Avenue, and 13th and 14th streets in downtown San Diego. A map is attached as Exhibit A-Site Map. The project is the subject of a proposed Disposition and Development Agreement between Oak Shelter Systems, LLC ("Developer") and the Redevelopment Agency of the City of San Diego ("Agency"). The proposed Disposition and Development Agreement will be brought forward for the Board's consideration at a later date.

The proposed project will result in the removal of 10 dwelling units on the site, which are currently available for occupancy by low- and moderate-income persons. As indicated in the Replacement Housing Plan (see attached Exhibit B), four of the units to be removed will be replaced by the Entrada project located at 1325 Island Avenue, and the remaining six dwelling units will be replaced on-site as part of the project. Approval of the Replacement Housing Plan does not presuppose approval of the project.

SUMMARY/CONCLUSION

In conclusion, California Redevelopment Law requires approval of a replacement housing plan not less than 30 days prior to the execution of a Disposition and Development Agreement. The Replacement Housing Plan has been prepared in accordance with California Health and Safety Code Section 33413.5 for the Island-Market Centre project proposed by Oak Shelter Systems, LLC.