



THE CITY OF SAN DIEGO
Redevelopment Agency's Report

DATE ISSUED: February 23, 2005

REPORT NO. RA-05-05

ATTENTION: Chair and Members of the Redevelopment Agency
Docket of March 1, 2005

SUBJECT: The Paseo and Religious Centers Projects – Replacement Housing Plan
and Relocation Plan.

SUMMARY

Issues – Should the Redevelopment Agency:

- 1) Approve the Replacement Housing Plan for The Paseo and Religious Centers Project?
- 2) Approve the Relocation Plan for The Paseo and Religious Centers Projects?

Executive Director's Recommendation – That the Redevelopment Agency:

- 1) Approve the Replacement Housing Plan for The Paseo and Religious Centers Project; and
- 2) Approve the Relocation Plan for The Paseo and Religious Centers Projects.

Fiscal Impact – There is no direct fiscal impact to the Agency associated with the approval of the Relocation Plan or Replacement Housing Plan. The provision of the affordable housing units may require an Agency subsidy. This specific subsidy will be determined within the Disposition and Development Agreement.

Housing Impact Statement – It is expected that The Paseo Project will provide up to 116 dwelling units which will be set-aside for persons of low and moderate income. This represents 25% of the total proposed 465 units. The Religious Centers project may provide additional affordable dwelling units.

BACKGROUND

On March 4, 2003 The Redevelopment Agency of the City of San Diego (Agency) voted unanimously to enter into an Exclusive Negotiating Agreement (ENA) (Report No. RA-03-06) with the San Diego State University Foundation (SDSU Foundation) for the proposed The Paseo Mixed-Use Project (The Paseo). The Paseo, a Pilot Village project, is a \$315 million mixed-use project. The Paseo consists of 465 residential units, 250,000 square feet of retail, 100,000 square feet of office space, and two levels of subterranean parking. Agency staff is negotiating a Disposition and Development Agreement (DDA) with the SDSU Foundation, which is expected to be presented to the Agency Board for approval in June 2005.

On August 9, 2004 The Agency voted unanimously to enter into an ENA (Report No. RA-04-27) with the SDSU Foundation for the proposed Religious Centers Project. The Religious Centers Project will permanently relocate four religious centers immediately west of Campanile Drive along Lindo Paseo and Hardy Avenue. Agency staff is negotiating a DDA with the SDSU Foundation, which is expected to be presented to the Agency Board for approval in June 2005 along with The Paseo DDA.

DISCUSSION

The Replacement Housing Plan

The Replacement Housing Plan (Attachment 1) concerns the proposed development of The Paseo and Religious Centers Projects in the College Community Redevelopment Project Area. The Replacement Housing Plan was prepared in accordance with California Health and Safety Code section 33413 which requires the Agency to replace, within four years, any dwelling units housing persons and families of low or moderate income that are destroyed or removed.

Based upon Agency staff research, the Agency would be required to replace as many as 45 bedrooms and 113 beds. However, no known covenants or restrictions exist on these units. It is anticipated that up to 324 beds in The Paseo which will be restricted to persons of low and moderate incomes for 55 years. Additional affordable units may be constructed as a result of the Religious Centers Project as well. Therefore, it is expected that many more affordable dwelling units will be constructed than will be removed or destroyed. In addition, with the completion of the project expected in calendar year 2008, the units will be replaced within the required four years

The Replacement Housing Plan was released to the public for comment on January 28, 2005. It is available on the Agency's website for review and was brought to the College Community Project Area Committee (PAC) on February 1, 2005. The PAC voted 8-2-1 to recommend the Agency Board approve the Replacement Housing Plan.

The Relocation Plan

The Relocation Plan (Attachment 2) for The Paseo and Religious Centers Projects was prepared on behalf of the Agency by relocation consultants Overland, Pacific & Cutler, Inc. The Relocation Plan identifies all of the possible residential and non-residential displacees within the footprint of The Paseo and Religious Centers Projects and describes the benefits which will be afforded to the displacees in accordance with State relocation law and the State Relocation Assistance Guidelines.

Pursuant to California redevelopment law, the Replacement Housing Plan must be approved 30 days prior to the execution of the DDA, which is expected to be presented to the Agency Board in June, 2005.

In an effort to further explain the redevelopment process and relocation benefits, two public forums were hosted by the Agency. The first, held on May 19, 2004 focused on property owners' concerns and issues while the second, held the next day, addressed the tenants' concerns. Both forums were well attended and those in attendance were provided the opportunity to ask questions and discuss their concerns with Agency staff and consultants. There were no public comments submitted to the Agency.

The Relocation Plan was sent in a general mailing to all of the residents and property owners within the footprint of the proposed projects. It has also been available for public review at the Agency's office, the Agency's website, and at the SDSU Foundation's office at 5500 Campanile Drive. On October 5, 2004 the PAC voted 7-0-1 to recommend the Agency Board approve the Relocation Plan. On October 13, 2004 the College Area Community Council voted 13-1-0 to approve the Relocation Plan.

SUMMARY

With approval of the Replacement Housing Plan and Relocation Plan, Agency staff will continue to negotiate the DDAs for the two projects. The Paseo will provide up to 324 beds which will be restricted to persons of low and moderate income, replacing all of the 113 existing beds which could be considered affordable. Agency staff will also continue to work to set-aside as many low and moderate income units as possible within the Religious Centers Project.

ALTERNATIVE(S)

That the Redevelopment Agency not approve the Replacement Housing Plan nor the Relocation Plan for The Paseo and Religious Centers Projects.

Respectfully submitted,

Debra Fischle-Faulk
Deputy Executive Director,
Redevelopment Agency

Approved: Hank Cunningham
Assistant Executive Director,
Redevelopment Agency

Attachments: 1. Replacement Housing Plan – The Paseo and Religious Centers Projects
2. Relocation Plan – The Paseo and Religious Centers Projects