



THE CITY OF SAN DIEGO

Redevelopment Agency's Report

DATE ISSUED: November 22, 2005 REPORT NO. RA-05-033

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of November 29, 2005

SUBJECT: Replacement Housing Plan – CentrePoint Project in the Crossroads
Redevelopment Project Area

SUMMARY:

Issue – Should the Redevelopment Agency Approve the Replacement Housing Plan for the proposed CentrePoint Project?

Executive Director's Recommendations – Approve the Replacement Housing Plan for the proposed CentrePoint Project.

Other Recommendations – On November 10, 2005, the Crossroads Project Area Committee (PAC) will consider the Replacement Housing Plan for the proposed CentrePoint Project. The outcome of that meeting will be presented orally at the Redevelopment Agency meeting.

Fiscal Impact – The Disposition and Development Agreement is still being prepared. The source of the financing for the replacement housing costs is anticipated to be a combination of Developer and Agency funding.

Housing Impact Statement – The Replacement Housing Plan provides for the replacement of the current nine (9) residential units that will be removed for the proposed CentrePoint mixed-use project. The CentrePoint project will provide 47 affordable units which will be set-aside for persons of moderate income.

Environmental Impact – This activity is exempt from CEQA pursuant to Section 15061 (b) (3) of the State CEQA Guidelines.

BACKGROUND:

On June 21, 2005, the Redevelopment Agency Board approved an Exclusive Negotiating Agreement (ENA) (Resolution No. R-03934) with CentrePoint LLC (Developer) for the CentrePoint mixed-use project (CentrePoint Project). The development site is currently occupied with 116,000 square feet of commercial uses, 10,000 square feet of office use, a stand alone restaurant and a 9-unit apartment building. The developer proposes to construct 312 for-sale condominium homes (47 affordable), 11 ground-level live/work units, and 4,000 square feet of commercial/retail. Off-street parking spaces will be provided in surface lots, tuck under garages and in an above grade parking structure. Agency staff is negotiating a Disposition and Development Agreement (DDA) with CentrePoint LLC, which is expected to be presented to the Agency Board and City Council for approval in January 2006. The Project is not before the Redevelopment Agency today; only the Replacement Housing Plan is being presented.

DISCUSSION:

The Replacement Housing Plan for the proposed CentrePoint mixed-use project was prepared in accordance with California Health and Safety Code Section 33413 which requires the Agency to replace, within four years, dwelling units housing persons and families of very low-, low- or moderate income that are removed or destroyed. For the proposed CentrePoint Project the Agency is required to replace nine units and 17 bedrooms that currently exist on-site. Two of the nine residential units have been occupied by moderate income households and the remaining units have been occupied by very-low and low income households. The Replacement Housing Plan states that the Agency will replace the two moderate income household units (with a total of four bedrooms) with two moderate income units (four bedrooms) within the proposed CentrePoint Project. The moderate income units are proposed to be restricted in perpetuity. The remaining seven very-low and low income units (with a total of 13 bedrooms) will be replaced by the Auburn Park Project. The Auburn Park Project is adjacent to the Crossroads Redevelopment Project Area, within the City Heights Redevelopment Project Area. The proposed CentrePoint Project will include 47 moderate income units, totaling 67 bedrooms and be restricted in perpetuity. The replacement units within the Project will be completed by the end of calendar year 2008 and within the required four-year replacement period.

The Replacement Housing Plan was made available to the public, posted on the Agency's website and distributed to the Crossroads Project Area Committee (PAC) on November 4, 2005. The Crossroads PAC is scheduled to consider the Replacement Housing Plan at its November 10, 2005 meeting and their recommendation will be presented to the Agency board.

CONCLUSION:

With the approval of the Replacement Housing Plan, Agency staff will continue to negotiate the CentrePoint DDA. The CentrePoint Project will provide 47 units and 67 bedrooms, which will be restricted to moderate income households in perpetuity. Two of the 47 moderate units will be

used to replace two of the moderate household income units that are to be removed by the Project. In addition to the Project's affordable units, the Agency will ensure that seven units with a total of 13 bedrooms that are constructed within the Auburn Park Project will replace the seven very-low and low income household units that are to be removed by the CentrePoint Project.

ALTERNATIVE:

Do not approve of the Replacement Housing Plan for the proposed CentrePoint project.

Respectfully submitted,

Maureen Ostrye
Deputy Executive Director

Approved: Debra Fischle-Faulk
Assistant Executive Director

OSTRYE/JD/TWR

Attachment: Replacement Housing Plan – CentrePoint Project