



## Memorandum

Date Issued: July 27, 2005 SEDC Report No. 05-010

Meeting of: August 2, 2005

To: Honorable Mayor and Members of the City Council  
Chair and Members of the Redevelopment Agency

From: Carolyn Y. Smith, President

Subject: Acquisition, Hazardous Materials Removal and Demolition of Property at Hilltop Drive and Euclid Avenue

Reference: Approval of a Request for NOFA Funds in an Amount Not to Exceed Four Million Dollars for the Acquisition of a Site Located at Hilltop Drive and Euclid Avenue, July 13, 2004

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### SUMMARY

Staff Recommendation – That the City Council of the City of San Diego (City Council) and Redevelopment Agency of the City of San Diego (Agency): (1) approves a request from the Southeastern Economic Development Corporation (SEDC) for additional funds in an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000), of which Seven Hundred Thirty Seven Thousand Eight Hundred Forty Three (\$737,843) is currently available within the Centre City Redevelopment Project Area Low/Moderate Fund, and the remaining Seven Hundred Sixty Two Thousand One Hundred Fifty Seven (\$762,157) is contingent upon the identification of additional funding; and (2) approves the Findings of Benefit to the Centre City Redevelopment Project Area.

### Other Recommendations

- At its meeting of June 23, 2005, the Executive Loan Committee (ELC) voted to recommend that the City Council and Agency approve the request from SEDC for additional NOFA funds in the amount of \$1,500,000 (appropriation as reflected in the staff recommendation).
- On June 13, 2005, the NOFA Collaborative Review Team (CRT) voted unanimously to recommend to the ELC approval of the request from SEDC for additional funds in the amount not to exceed \$1,500,000 (appropriation as reflected in the staff recommendation).
- On July 13, 2004, the Agency approved the use of NOFA funds in an amount not to exceed \$4,000,000 to acquire the Site and approved the Findings of Benefit for the Centre City

Redevelopment Project Area.

- On March 25, 2004, the ELC approved the use of NOFA funds in an amount not to exceed \$4,000,000 to acquire the Site and approved the Findings of Benefit for the Centre City Redevelopment Project Area.
- On March 8, 2004, the CRT approved the use of NOFA funds in said amount to acquire the Site and approved the Findings of Benefit to the Centre City Redevelopment Project Area.
- On January 12, 2004, the CRT conceptually approved the use of NOFA funds to acquire the proposed Site.

Fiscal Impact – The additional funding request of \$1,500,000 would bring the total funding received from the NOFA Collaborative to \$5,500,000 to be utilized for the acquisition, hazardous materials removal and demolition of the Site. Funding in the amount of \$737,843 is currently available within the Centre City Redevelopment Project Area Low/Moderate Income Housing Set Aside Fund and the remaining amount of \$762,157 is contingent upon finding additional sources of funds. Exhibit No. 1 outlines the Findings of Benefit for the Centre City Redevelopment Project Area.

BACKGROUND

On July 13, 2004, the Agency approved the use of up to \$4,000,000 of NOFA funds for the acquisition and ultimate assembly of the Site, located on Euclid Avenue north of Hilltop Drive, for the purpose of constructing an affordable residential development in the Chollas View Neighborhood, within the Central Imperial Redevelopment Project Area in southeastern San Diego (Project). At the time, funding approval was based upon a projected 170 units.

Following the approval of the initial request for funds, SEDC prepared and distributed a Request for Qualifications (RFQ) for a relocation consultant and entered into an agreement with Overland Pacific & Cutler, Inc., for relocation consultant services. SEDC has also entered into an Agreement for Special Legal Counsel Services related to condemnation with the law offices of Daley & Heft to assist with the acquisition of the Site.

DISCUSSION

The acquisition has been processed in two phases. As of June 2005, SEDC has purchased five parcels and is negotiating agreements with the three remaining property owners. In addition, out of the nine households that are subject to displacement, two have been relocated and the remaining households are in the process of relocating. Two of the tenant households in this process have indicated a desire to utilize their relocation benefits to attempt to purchase their first home. SEDC is committed to assisting their efforts.

The request for additional funds is the result of two factors:

1. The actual cost of the homes based on the actual appraisals versus the projections; and

2. The estimates for the hazardous waste removal and structure demolition.

CONCLUSION

The additional funds are necessary to complete the site assembly and clearance currently underway. The resulting development is planned to produce a minimum of 170 units with a range of housing types. The housing is proposed as family housing which will serve that segment of the population that has been assigned the highest priority by the Collaborative.

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Submitted by:  
Laura Roman, Project Coordinator

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Approved by:  
Carolyn Y. Smith, President

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Exhibit(s):

1. Findings of Benefit
2. Aerial Photo
3. Parcel Site Map