



THE CITY OF SAN DIEGO

Redevelopment Agency's Report

DATE ISSUED: April 22, 2009

REPORT NO.: RA-09-14

RTC NO.: RTC-09-051

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Council President and Members of the City Council
Docket of April 28, 2009

SUBJECT: San Diego Youth & Community Services Revocable Grant Agreement for
3255 Wing Street Rehabilitation

REQUESTED ACTION:

That the City Council:

1. Approve the Findings of Benefit to the Naval Training Center Redevelopment Project Area.

That the Redevelopment Agency:

1. Approve the Revocable Grant Agreement with San Diego Youth & Community Services (SDYCS) for rehabilitation of 3255 Wing Street and Authorize the Executive Director or designee to execute the Agreement.
2. Make the Findings of Benefit to the Naval Training Center Redevelopment Project Area.
3. Authorize the City Comptroller to expend up to \$150,000 from the Naval Training Center Low and Moderate Income Housing Fund for the purposes of the Revocable Grant Agreement with San Diego Youth & Community Services

STAFF RECOMMENDATIONS:

That the City Council and Redevelopment Agency approve the requested actions.

SUMMARY:

In 1993, the US Government authorized the closure of the Naval Training Center (NTC), located within the City of San Diego. The City was recognized as the Local Redevelopment Authority (LRA) responsible for the redevelopment of NTC. The City Council created the NTC Reuse Committee to advise the Council regarding matters pertaining to the reuse of NTC. In order to explore the variety of areas required in the Reuse Plan the Reuse Committee created a number of subcommittees, including the Homeless Subcommittee.

On July 1, 1996, the City Council established parameters with the Homeless Subcommittee to support a financing and implementation plan that would establish up to 150 off-site transitional housing units in Council District 2. It was agreed that the City would spend \$50,000 for each of

the 150 units, equivalent to \$7,500,000 on projects proposed by members of the Homeless Subcommittee in District 2. Seven local homeless service providers were identified to participate in the Homeless Assistance Agreement, including San Diego Youth & Community Services (SDYCS). SDYCS was allocated \$1,600,000 to be used on their young adult transitional housing program. The first disbursement to SDYCS of \$483,113 was authorized by the Housing Authority in 1999 to assist with the refinance of one of the original loans for the purchase of property on Wing Street in the Midway area of Council District 2. The City Council approved the First Amendment to the Homeless Assistance Agreement which allowed the use of the SDYCS funds (\$1,116,887) allocated in the Agreement outside Council District 2 at the July 19, 2005 Council meeting and the Redevelopment Agency subsequently approved the Acquisition Conditional Grant Agreement on March 15, 2006 for an eight unit apartment complex in the Normal Heights neighborhood of Council District 3. The Second Amendment to the Homeless Agreement was approved on February 6, 2007 which redirected an additional \$150,000 from the original \$7.5 million to SDYCS for a future project. The Third Amendment to the Homeless Agreement is before the City Council for approval prior to this docket item. If approved, that Amendment will provide for members of the Homeless Subcommittee to expend their funds on rehabilitation projects for existing facilities they own.

SDYCS is a 501 (c)(3) nonprofit organization that provides services to formerly homeless youth, youth at risk of becoming homeless, young families, and young adults that have aged out of the foster care system. In 1994 the Redevelopment Agency assisted SDYCS with the purchase of the 3255 Wing Street facility by providing a \$500,000 Acquisition Loan. This loan was funded with Horton Plaza Redevelopment Project Housing Funds. As a result of this loan there is an Agreement Affecting Real Property (AARP) between the Redevelopment Agency and SDYCS currently recorded on the property (Attachment 3). Due to this new transaction an amendment to that AARP is included with the Revocable Grant Agreement (Grant Agreement). The amendment includes three items: (1) exclusion of the provision for accommodations for some “formerly homeless elders (persons 55 years of age or older)” to be housed with the youth. When the youth and elders ultimately were housed in the Wing Street facility, it was found to be an incompatible use. It also did not support the SDYCS Mission to serve the youth. At this time it is requested to remove the requirement to support the elders; (2) client referrals to SDYCS will be City wide instead of only from the Centre City area in order to serve a broader community of youth; and (3) the covenants previously set forth on the property will be extended an additional fifteen years until 2064. The Centre City Development Corporation Board review of the amended AARP was held at their April 15, 2009 meeting. A report on the Board’s recommendation will be provided at the City Council meeting.

SDYCS is currently preparing for rehabilitation of the Wing Street facility. They plan to use the remaining Homeless Agreement funds of \$150,000 for a replacement roof, installation of energy efficient windows, and other necessary rehabilitation outlined in the Budget attached to the Grant Agreement.

FISCAL CONSIDERATIONS:

SDYCS has requested the remaining Homeless Agreement allocation of \$150,000 to assist with the rehabilitation of their existing thirty-three unit apartment complex.

The NTC Housing funds are the source of the \$150,000 grant. Twenty percent (20%) of all NTC tax increment is required to be deposited into a Low and Moderate Housing fund. These funds have accrued from the project tax increment over time and are specifically designated to increase, improve or preserve the community’s supply of low and moderate income housing. As directed in the Homeless Agreement, the property “will be deed restricted to revert back to the City in the event the property is no longer used to assist the homeless.”

ENVIRONMENTAL REVIEW:

This project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15301 (existing facilities).

COMMUNITY PARTICIPATION & PUBLIC OUTREACH EFFORTS:

SDYCS has been present in the Midway area since the purchase of the property at 3255 Wing Street in 1994. Their tenants have been well assimilated into the community. There continues to be support from the community for their continued presence there.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Role	Contact	Ownership
Developer	San Diego Youth and Community Services Contact: Kevin Sweeney	SDYCS is a 501 (c)(3) corporation Walter Philips, Executive Director

City Resident and Business Impact

The SDYCS Wing Street facility is located in the Midway neighborhood within walking distance of public transportation, retail shopping and other businesses. This funding action will not change any of these impacts.

Respectfully submitted,

(Signed)

 Janice Weinrick
 Deputy Executive Director
 Redevelopment Agency/
 Assistant Director
 City Planning & Community Investment

(Signed)

 Approved: William Anderson
 Assistant Executive Director
 Redevelopment Agency/
 Director
 City Planning & Community Investment

- Attachments: 1. Site Map
 2. Revocable Grant Agreement
 3. Amended AARP
 4. Findings of Benefit