



THE CITY OF SAN DIEGO

DATE ISSUED: December 2, 2009

REPORT NO. RA-09-32
RTC-09-144

ATTENTION: Honorable Chair and Members of the Redevelopment Agency,
Council President and City Council,
Docket of December 7, 2009

SUBJECT: Adopt findings of benefit to recapitalize funding for the Housing Enhancement
Loan Program.

REQUESTED ACTIONS REDEVELOPMENT:

1. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the College Grove Redevelopment Project Area for the College Grove Redevelopment Housing Enhancement Loan Program.
2. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the Crossroads Redevelopment Project Area for the Crossroads Redevelopment Housing Enhancement Loan Program.
3. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the Linda Vista Redevelopment Project Area for the Linda Vista Redevelopment Housing Enhancement Loan Program.
4. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the North Park Redevelopment Project Area for the North Park Redevelopment Housing Enhancement Loan Program.
5. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the Central Imperial Redevelopment Project Area for the Redevelopment Housing Enhancement Loan Program for the Redevelopment Project Areas Managed by the Southeastern Economic Development Corporation.
6. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the Mount Hope Redevelopment Project Area for the Redevelopment Housing Enhancement Loan Program for the Redevelopment Project Areas Managed by the Southeastern Economic Development Corporation.
7. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the Southcrest Redevelopment Project Area for the Redevelopment Housing Enhancement Loan Program for the Redevelopment Project Areas Managed by the Southeastern Economic Development Corporation.



Redevelopment Agency

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City Planning & Community Investment



REQUESTED ACTIONS CITY COUNCIL:

1. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the College Grove Redevelopment Project Area for the College Grove Redevelopment Housing Enhancement Loan Program.
2. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the Crossroads Redevelopment Project Area for the Crossroads Redevelopment Housing Enhancement Loan Program.
3. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the Linda Vista Redevelopment Project Area for the Linda Vista Redevelopment Housing Enhancement Loan Program.
4. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the North Park Redevelopment Project Area for the North Park Redevelopment Housing Enhancement Loan Program.
5. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the Central Imperial Redevelopment Project Area for the Redevelopment Housing Enhancement Loan Program for the Redevelopment Project Areas Managed by the Southeastern Economic Development Corporation.
6. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the Mount Hope Redevelopment Project Area for the Redevelopment Housing Enhancement Loan Program for the Redevelopment Project Areas Managed by the Southeastern Economic Development Corporation.
7. Approve and adopt findings that allow for the use of low- and moderate- income housing tax increment set aside funds outside the Southcrest Redevelopment Project Area for the Redevelopment Housing Enhancement Loan Program for the Redevelopment Project Areas Managed by the Southeastern Economic Development Corporation.

SUMMARY:

Staff Recommendation - That the City Council and Redevelopment Agency approve the requested actions.

Other Recommendations - None

Fiscal Impact - There is no fiscal impact with this action as this action does not expressly authorize the expenditure of funds, nor does this action request reservations of funds. However, the various Project Areas have funds in the Fiscal Year 2010 budget expressly reserved for HELP totaling \$1,368,366 and the Agency does intend to utilize these monies to fund HELP this fiscal year (Note: These expenses were taken into account when determining each project area's ability to fund its estimated portion of the State's ERAF Take, and will not impact the Agency's ability to make the FY 2010 ERAF Payment at such time it becomes legally obligated to do so.) The Agency Board has previously passed resolutions for the various Project Areas authorizing the Agency to execute and fund HELP agreements with the San Diego Housing Commission. The Agency has entered into a number of such agreements under this authorization. Subsequent to the passage of this action, the various Project Areas will initiate separate actions to fund HELP subject to the limits of the existing appropriation authority (Agency-wide Total = \$1,368,366) for this purpose.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On July 15, 2008, the Redevelopment Agency approved the North Park Redevelopment Housing Enhancement Loan Program. On October 28, 2008, the Redevelopment Agency approved the revised Crossroads and Linda Vista Redevelopment Housing Enhancement Loan Programs. On April 21, 2009, the Redevelopment Agency approved the College Grove Redevelopment Housing Enhancement Loan Program and the Housing Enhancement Loan Program for the Redevelopment Project Areas Managed by the Southeastern Economic Development Corporation.

PROJECT BACKGROUND:

The Housing Enhancement Loan Program (HELP) loans are available to homeowners living in or near a redevelopment project area and whose gross household income does not exceed 100 percent of the San Diego Area Median Income. HELP funds come from redevelopment project area housing set-aside funds, and the program is administered by the San Diego Housing Commission on behalf of the Redevelopment Agency. The one-time loans, which range from \$5,000 to \$45,000, have an annual simple interest of three percent and are forgivable over 10 years. The homeowners must live in the home during the term of the loan.

The Redevelopment Agency created HELP as part of an overall redevelopment program to increase, improve and preserve the supply of low- and moderate-income housing occupied by persons and families of extremely low-, very low-, low-, and moderate-income within the redevelopment project areas and the surrounding neighborhoods. The program is actively being marketed and implemented and has been very successful and some project areas are in need of additional funds to assist more homeowners due to the high demand for these loans.

Under California Community Redevelopment Law, the Agency and Council must make findings of benefit to the redevelopment project area from which funds are derived in order to spend those funds outside of the subject redevelopment project area. Because the College Grove, Crossroads, Linda Vista, North Park, and SEDC HELP provide loans to participants who may live outside of the Project Areas from which the funds are derived, the Agency and Council must make findings of benefit to recapitalize these programs (see Attachments 1-7).

FISCAL CONSIDERATIONS:

There is no fiscal impact with this action. On May 7, 2009, the Redevelopment Agency approved the Fiscal Year 2009-2010 budget for the redevelopment project areas managed by the Redevelopment Division of the City Planning & Community Investment Department and the Fiscal Year 2009-2010 budget for the redevelopment project areas managed by the Southeastern Economic Development Corporation (SEDC). The approved budgets included the following line items to recapitalize the previously approved Housing Enhancement Loan Programs:

Project Area	Budgeted Line Item
College Grove	\$75,000
Crossroads	\$267,500
Linda Vista	\$19,881
North Park	\$250,000
Central Imperial	\$82,592
Mount Hope	\$372,960
Southcrest	\$300,433

These budgeted amounts were taken into account when determining each project area’s ability to fund the State’s ERAF payment.

ENVIRONMENTAL IMPACT:

This activity is not a “project” under the definition set forth in CEQA Guidelines Section 15378. Therefore, pursuant to CEQA Guidelines Section 15060(c)(3), the activity is not subject to CEQA.

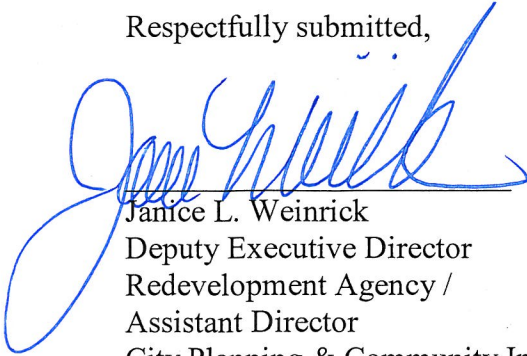
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On May 7, 2009, the Redevelopment Agency held a public meeting on the Redevelopment Agency budget, including the budgets of the project areas managed by SEDC and the City Redevelopment Division.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Owner-occupants of one- and two- unit properties within the boundaries of the College Grove HELP, Crossroad HELP, North Park HELP, Linda Vista and SEDC HELP whose gross household income is not greater than 100% of the Area Median Income.

Respectfully submitted,



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



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

Attachments:

1. Findings of Benefit for the use of College Grove Redevelopment Project Area low- and moderate- income housing tax increment set-aside funds outside of the Project Area
2. Findings of Benefit for the use of Crossroads Redevelopment Project Area low- and moderate- income housing tax increment set-aside funds outside of the Project Area
3. Findings of Benefit for the use of Linda Vista Redevelopment Project Area low- and moderate- income housing tax increment set-aside funds outside of the Project Area
4. Findings of Benefit for the use of North Park Redevelopment Project Area low- and moderate- income housing tax increment set-aside funds outside of the Project Area
5. Findings of Benefit for the use of Central Imperial Redevelopment Project Area low- and moderate- income housing tax increment set-aside funds outside of the Project Area
6. Findings of Benefit for the use of Mount Hope Redevelopment Project Area low- and moderate- income housing tax increment set-aside funds outside of the Project Area
7. Findings of Benefit for the use of Southcrest Redevelopment Project Area low- and moderate- income housing tax increment set-aside funds outside of the Project Area