

DATE ISSUED: January 6, 2010

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of January 12, 2010

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: St. Joseph's Park (block bounded by Beech and Ash streets and
Third and Fourth avenues) – Replacement Housing Plan – Cortez
Redevelopment District of the Expansion Sub Area of the Centre
City Redevelopment Project

COUNCIL DISTRICT: Eight

REFERENCE: None

STAFF CONTACT: David N. Allsbrook, Vice President, Public Works, Acquisitions
and Property Management, (619) 533-7112

REQUESTED ACTION:

That the Redevelopment Agency of the City of San Diego (“Agency”) adopts the Replacement Housing Plan for the St. Joseph’s Park Project (“Project”) located on the block bounded by Beech and Ash streets and Third and Fourth avenues in the Cortez Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (“Project Area”).

STAFF RECOMMENDATION: That the Agency adopts the Replacement Housing Plan for the Project located on the block bounded by Beech and Ash streets and Third and Fourth avenues in in the Project Area.

SUMMARY:

On behalf of the Agency, the Corporation is acquiring property for the Project within the Project Area on the block bounded by Beech and Ash streets, and Third and Fourth avenues. Located on the Project site is Centre City Manor, a 76-room Single Room Occupancy (SRO) hotel consisting of 76 rooms, two parking operations, one commercial deli and liquor store and three nonprofit organizations providing housing to persons of low and moderate income.

Pursuant to section 33413(a) of the California Health and Safety Code (“Health and Safety Code”), when dwelling units housing persons of low and moderate income are destroyed or removed as part of a redevelopment project funded by a redevelopment agency, the Agency is required to create an equal number of units that have an equal or greater number of bedrooms to the destroyed/removed units within four years of the destruction/removal. These replacement units are required to be located within the Agency’s jurisdiction and affordable by persons in the

same or a lower income category as the persons displaced/removed from the destroyed/removed units, for not less than 55 years for rental units.

FISCAL CONSIDERATIONS:

None.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

On November 18, 2009, the Corporation Board of Directors voted 7 to 0 in favor of the proposed Replacement Housing Plan.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On November 11, 2009, the Centre City Advisory Committee voted 19 to 0, with 1 recusal, in favor of the proposed Replacement Housing Plan, and the Project Area Committee voted 17 to 0, with 1 recusal, in favor of the proposed Replacement Housing Plan.

BACKGROUND

The proposed Project advances the Visions and Goals of the Downtown Community Plan and the Objectives of the Centre City Redevelopment Project by:

- Developing a comprehensive open-space system that provides a diverse range of outdoor opportunities for residents, workers and visitors;
- Providing a public open space within walking distance of all residents and employees; and
- Developing a new major public open space in the Cortez neighborhood.

On behalf of the Agency, the Corporation is currently purchasing property for the proposed Project. The Agency has purchased two parcels of property for the Project and is currently negotiating to purchase the remaining three parcels to complete the acquisition process. This park is one of eight new proposed parks identified in the San Diego Downtown Community Plan adopted in March 2006. Although dates have not been established to construct and open St. Joseph's Park, acquisition for the Project began in 2008.

Besides the requirements in Section 33413(a) of the Health and Safety Code previously described in this staff report, Section 33413.5 of the Health and Safety Code requires an agency to adopt a Replacement Housing Plan not fewer than 30 days prior to the execution of an agreement, which would lead to the destruction/removal of low- and moderate-income units. The Replacement Housing Plan needs to identify the impacts of the redevelopment project on the community's supply of low- and moderate-income housing and detail the measures to ensure production of the appropriate replacement housing within the four-year time limit.

The Replacement Housing Plan (Attachment A) was prepared by Epic Land Solutions, Inc. ("Epic") to meet the requirements of the California Health and Safety Code. Epic specializes in professional services for land acquisition and relocation planning and assistance.

DISCUSSION

The replacement housing requirements under the Health and Safety Code will be met as follows:

- The Corporation, on behalf of the Agency, is negotiating a replacement apartment building with Bridge Housing at Ninth and Broadway (“Development”), which consists of 248 very-low- and low-income living units, studios and one-bedroom units. The Development will include 140 living units and 36 studios. Of the 140 living units and 36 studios, 88 will be designated as supportive housing units for people with special needs who are homeless or at risk of becoming homeless, 25 units of which will be financed by the Mental Health Services Act to target transitional-age youth with diagnosis of severe mental illness.
- The Agency, through agreements with developers within four years of the date the units are destroyed, will complete construction and/or rehabilitation of replacement housing units necessary to satisfy all very-low- and low-income affordable dwelling units or bedrooms discussed in the Replacement Housing Plan. This will be accomplished at the development site or at another site within the Project Area or, if necessary, pursuant to Health and Safety Code Section 333413(b)(2)(A)(ii), at a location outside the Project Area on a two-units-for-one basis.

Pursuant to Section 33413.5, the draft Replacement Housing Plan was made available for 30 days for review and comment by the general public, other public agencies and residents of the Centre City Manor Hotel. At the conclusion of the 30-day review period, neither the Corporation nor Epic had received any written comments on the Replacement Housing Plan.

Participation by Agency – Section 33413.5 of the Health and Safety Code requires the Agency to adopt, by resolution, a Replacement Housing Plan not fewer than 30 days prior to executing an agreement that would lead to the destruction/removal of low- and moderate-income units. Currently, staff is negotiating a Purchase and Sale Agreement with Centre City Hotel, LLC, the owners of the property where the Centre City Manor is located. Adoption of the Replacement Housing Plan is necessary before the Agency can execute the Purchase and Sale Agreement.

Proposed Schedule of Performance – The following is the proposed approval process:

ACTION/APPROVAL	DATE
Agency approval of Replacement Housing Plan	January 2010
Demolition of Centre City Manor Hotel	TBD
Construction Start	TBD

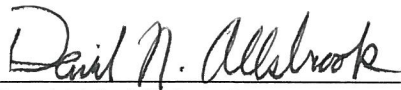
Project Benefits – The Replacement Housing Plan was prepared to satisfy the replacement housing requirements under Community Redevelopment Law. Adoption of the Replacement Housing Plan by the Agency will allow the Project to proceed and the Agency to execute the Purchase and Sale Agreement for acquisition of property comprising the Centre City Manor Hotel.

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.

CONCLUSION

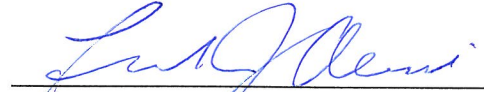
Staff requests that the Agency adopts the Replacement Housing Plan.

Respectfully submitted,



David N. Allsbrook
Vice President, Public Works, Acquisitions
and Property Management

Concurred by:



Frank J. Alessi
Executive Vice President & Chief Financial
Officer

Attachment:

A – Replacement Housing Plan