

ORIGINAL

FOURTH IMPLEMENTATION PLAN
FOR THE
COLLEGE COMMUNITY REDEVELOPMENT PLAN

For the Period
July 2009 – June 2014

Adopted Pursuant to Resolution No.: R-04405
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TABLE OF CONTENTS

July 2009 – June 2014 Implementation Plan

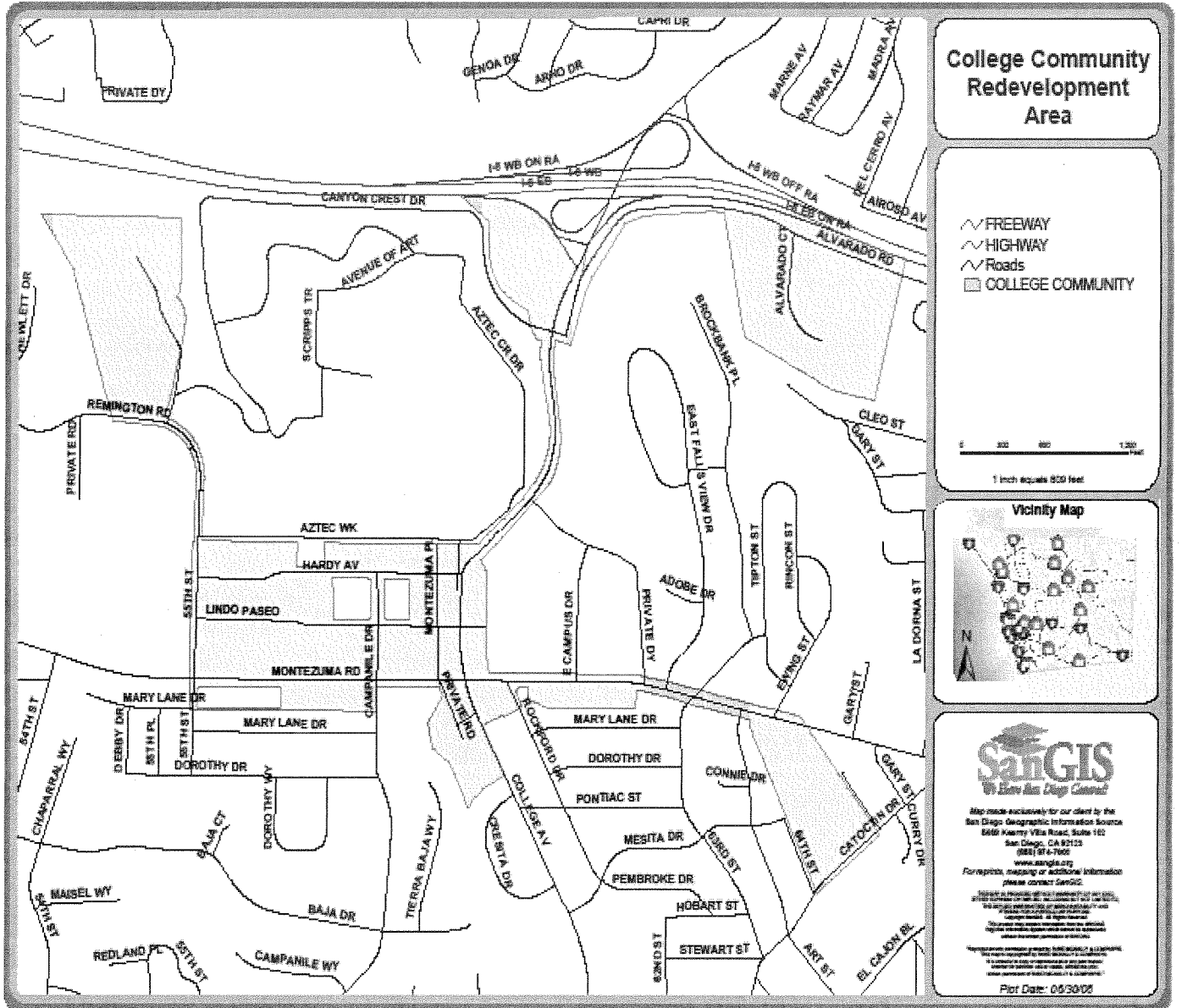
College Community Redevelopment Project Area

Map of Project Area.....	i
Project Area Profile	ii
I. Introduction	1
A. Redevelopment Division	1
B. College Community Project Area	1
II. Description of Project Area Blighting Conditions.....	2
III. Project Area Goals and Objectives	2
IV. Goals and Objectives, Proposed Projects, and Contribution to Blight Alleviation for the Five Year Period.....	3
A. Goals and Objectives.....	3
B. Proposed Private Projects	3
C. Proposed Public Improvements	4
D. Proposed Expenditures	4
V. Explanation of How the Goals and Objectives, Projects and Expenditures will Eliminate Blighting Conditions.....	6
VI. Explanation of How the Goals and Objectives, Projects and Expenditures will Eliminate Implement Project Housing Requirements (Housing Compliance Plan).....	7
A. Comprehensive Affordable Housing Strategy	7
B. Projects and Expenditures to be Made During the Next Five Years	8
1. Projected Housing Units to be Developed in the Next Five Years	8
2. Agency-Developed Units.....	9
C. Housing Estimates for the Next Ten Years and the Life of the Plan	10
D. Very Low, Low and Moderate Income Units Developed in the Project Area	10
E. Replacement of Dwelling Units Destroyed or Removed	11

F. Compliance with Housing Element and Regional Housing Share Requirements 11

TABLE A 13

MAP OF PROJECT AREA



**Project Area Profile
College Community Project Area**

Land Area: Approximately 130 acres

Boundary: College Avenue on the east, the SDSU campus and Alvarado Road to the north, 55th Street on the west, and Montezuma Road from 55th Street to The Language Academy on the south.

Land Use:	Residential	28%
	Commercial/Parking	13%
	Office	9%
	Institutional	9%
	Vacant	1%
	Open Space	1%
Public Right-of-Way	39%	

Date Adopted: November 30, 1993

Date of Amendment:	First Amendment	November 28, 1994
	Second Amendment	November 22, 1999
	Third Amendment	June 27, 2006
	Fourth Amendment	July 18, 2006

Time Limit for Effectiveness of Redevelopment Plan: November 30, 2034

Time Limit for use of Eminent Domain: June 27, 2017

Time Limit for Incurring Debt: June 30, 2019

Time Limit for Repayment of Debt: November 30, 2044

Tax Increment Limit: \$307,000,000

Current Tax Increment: \$1,090,000

I. INTRODUCTION

This document contains the five-year Implementation Plan for the period July 2009 – July 2014 for the College Community Redevelopment Project Area (Project Area), administered by the Redevelopment Division of the San Diego City Planning & Community Investment Department. The Implementation Plan is being prepared and adopted in accordance with the State Health and Safety Code Section 33490 and related sections. These sections outline the purpose and requirements of the Implementation Plan as follows:

- Agencies were required to adopt their first five-year Plan(s) for existing Project Areas by December 1994.
- Each Plan must state the Agency's goals and objectives for the Project Area, identify specific programs and expenditures over the next five years, and describe how these goals and objectives, programs, and expenditures will alleviate blight.
- Each Plan must identify approaches to increase, improve and preserve the supply of low and moderate income housing. The Plan must further incorporate a plan to meet mandated housing production, affordability, and targeted income requirements.
- Each Plan may be adopted only after a noticed public hearing has been conducted. The adoption of the Plan does not constitute a "project" within the meaning of the California Environmental Quality Act.

A. Redevelopment Division

The Redevelopment Agency of the City of San Diego was established by the City Council in 1958. The City Council is the Board of Directors of the Agency. Project implementation and administration for the Agency are provided by three separate and distinct organizations: the Centre City Development Corporation, the Southeastern Economic Development Corporation and the Redevelopment Division of the City Planning & Community Investment Department. The Redevelopment Division performs general administration for the Redevelopment Agency, coordinates budget and reporting requirements, and maintains the Agency's meeting docket and official records. The Division also administers eleven project areas which, in addition to College Community, including Barrio Logan, City Heights, College Grove, Crossroads, Grantville, Linda Vista, Naval Training Center, North Bay, North Park and San Ysidro.

B. College Community Project Area

The College Community Project Area was adopted on November 30, 1993 by Ordinance O-18018. The Project Area encompasses approximately 130 acres located immediately adjacent to the southern boundary of San Diego State University (SDSU). Generally, the boundaries of the Project Area include College Avenue to the east, the SDSU campus and Alvarado Road on the north, 55th Street on the west, and Montezuma Road from 55th Street to the Language Academy (former Montezuma Elementary School) on the south. For planning purposes, the Project Area is divided into five sub-areas including the Core, 55th Street, Alvarado Road, Lot A, and Montezuma School site.

The Redevelopment Plan has been amended four times since the adoption of the Project Area. The first amendment was adopted by the City Council on November 28, 1994, by Ordinance No. O-18121. The first amendment extended the effectiveness of the Redevelopment Plan to June 30, 2019, and the time limit to receive tax increment and repay loans, advances and indebtedness to June 30, 2029. On November 22, 1999, the City Council adopted Ordinance No. O-18722. This ordinance further extended the effectiveness of the Redevelopment Plan to November 30, 2033 and the time limit to receive tax increment and repay loans, advances and indebtedness to November 30, 2043. On June 27, 2006, the City Council adopted Ordinance No. O-19503 which removed three State-owned parcels which had been redeveloped within the Project Area, extended the Agency's authority to use eminent domain with the Project Area by 12 years, and deleted certain land use and development provisions in the Redevelopment Plan. On July 18, 2006, Ordinance No. O-19511 was adopted which extended by one year the plan effectiveness, repayment of debt and tax increment receipt time limits.

II. DESCRIPTION OF PROJECT AREA BLIGHTING CONDITIONS

The Project Area continues to exhibit blighting conditions, including the following: 1) Subdivided lots of inadequate size for proper usefulness and development; 2) Inadequate public improvements throughout the area, including lack of public open space for recreational purposes; an overburdened traffic system; and inadequate public facilities; 3) A prevalence of depreciated values and impaired investments; 4) Property values that have not kept pace with other areas of the City due to existing conditions, but are high enough to inhibit private investment without redevelopment assistance; 5) Structures that are substantially older and in deteriorated condition; and 6) A development pattern that creates significant land use conflicts.

III. PROJECT AREA GOALS AND OBJECTIVES

The Project Area was adopted to eliminate conditions of blight in the Project Area by new construction, revitalization, and upgrading of residential, commercial, office, and public properties and facilities within and surrounding the Project Area. The specific goals and objectives of the Redevelopment Plan are as follows:

- The elimination and prevention of the spread of blight and deterioration and the conservation, rehabilitation and redevelopment of the Project Area;
- The mitigation of traffic and parking congestion within the Project Area and the surrounding neighborhoods through the provision of high quality housing and retail services in a pedestrian-oriented development directly adjacent to the San Diego State University campus;
- The provision of a living environment adjacent to the University which will attract University students who now commute to campus creating traffic and parking congestion or reside in single-family homes in neighborhoods adjacent to the campus which are ill suited for student housing purposes;
- The achievement of an environment reflecting a high level of concern for architecture, landscape, urban design, and land use principles appropriate for attainment of the objectives of the Redevelopment Plan;

- The creation of development of local job opportunities and the preservation of the area's existing employment base;
- The planning, redesign, and development of areas which are stagnant or improperly utilized; and
- Expand the community's supply of housing (inside or outside the Project Area), including opportunities for very low, low- and moderate-income households.

IV. GOALS AND OBJECTIVES, PROPOSED PROJECTS, AND CONTRIBUTION TO BLIGHT ALLEVIATION FOR THE FIVE-YEAR PERIOD

A. Goals and Objectives

The goals and objectives for the Project Area continue to be removal of substandard and deteriorated properties, the provision of much needed public improvements and the development of high density housing with commercial uses to serve the community as well as the university. The Agency is currently in litigation with San Diego State University Research Foundation (SDSU Foundation) regarding contractual obligations between the two parties. However, the Agency will continue to assist property owners and developers in advancing projects that will alleviate blighting conditions and increase student housing in the Core Sub-Area.

B. Proposed Private Projects

Although the Paseo Project as described in the previous (third) implementation plan was never realized, the Agency is committed to pursuing a high-density mixed-use development adjacent to the SDSU trolley station within the Core Sub-Area and assisting owners with the redevelopment of their properties.

The following table describes proposed private projects and their contribution to blight removal.

Project	Project Description	Contribution to Blight Removal
Core Sub-Area Mixed-Use Project	High density housing with community/university-serving commercial uses.	Replace substandard structures; mitigate overburdened traffic system; eliminate development pattern that creates significant land use conflicts.
Wesley Foundation Student Housing	47 efficiency apartments for students aged-out of the foster care system, with student-serving office space.	Replace deteriorated and substandard structures.

Project	Project Description	Contribution to Blight Removal
6195 Montezuma Road	Proposed 40-unit multifamily residential development along Montezuma Road.	Replace deteriorated and substandard structures.
Aztec Court Apartments	Proposed development of 25 apartments along Montezuma Road.	Replace deteriorated and substandard structures.
Student Housing Complex	Proposed 650 bed student housing development	Replace deteriorated and substandard structures.
5566 Lindo Paseo	Proposed 26 bed fraternity house	Replace deteriorated and substandard structures.

C. Proposed Public Improvements

As developments are approved by the City, developers may be required to upgrade infrastructure facilities adjacent to and serving the respective developments. Until the Agency's financial obligations to the SDSU Foundation have been resolved, the Agency will not have available tax increment revenue for public improvement projects. Based on current projections, it is estimated that the Agency's outstanding debt obligation with the SDSU Foundation will not be satisfied until fiscal year 2014.

D. Proposed Expenditures

The development projects and programs identified in this Plan are dependent upon attracting qualified property owners and developers and obtaining the funds to finance the projects or programs. The expenditures projected for the next five years are anticipated to include costs for Agency Project administration, payments to the taxing agencies, debt obligations, and implementation of affordable housing projects.

Tax increment revenue is the major funding source for Agency programs. In FY 2010 the Agency expects to receive approximately \$1.2 million in net new tax increment from the Project Area. Net tax increment is the amount available for new programs after tax-sharing payments, and County administrative fees. The Agency expects the Project Area's assessed valuation to increase approximately 2% annually over the next five years. Based on this assumption, the Agency can expect to receive approximately \$5.4 million in net tax increment over the next five years.

Tax increment growth over the five years of this Plan, which is based on recently updated financial projections, is estimated as follows for the five years of this Plan:

Fiscal Year	Gross Tax Increment	Taxing Agency Payments	Net Tax Increment
2010	\$1,219,200	\$187,500	\$1,031,700
2011	\$1,251,900	\$192,500	\$1,059,400
2012	\$1,285,100	\$197,600	\$1,087,500
2013	\$1,319,000	\$202,900	\$1,116,100
2014	\$1,353,600	\$208,200	\$1,145,400

Twenty percent (20%) of annual tax increment revenue is required to be set-aside in the Low and Moderate Income Housing Fund ("Housing Fund") for the development of housing affordable to very low, low, and moderate income households. Over the next five years, the Agency anticipates having approximately \$1.3 million available in the Housing Fund.

Fiscal Year	Gross Tax Increment	Taxing Sharing Payments	Net Tax Increment	
			Non-Housing Funds	Housing Funds
2010	\$1,219,200	\$187,500	\$787,900	\$250,400
2011	\$1,251,900	\$192,500	\$802,000	\$257,400
2012	\$1,285,100	\$197,600	\$823,000	\$264,500
2013	\$1,319,000	\$202,900	\$844,300	\$271,800
2014	\$1,353,600	\$208,200	\$866,100	\$279,300

Currently, the Agency's Non-Housing Funds less an amount for Agency administration are committed to repayment of the Agency's debt of approximately \$3.1 million to the SDSU Foundation for the cost of adopting the Project Area. The Project Area was adopted at the request of the SDSU Foundation (acting on behalf of the university) pursuant to an agreement whereby the SDSU Foundation provided approximately \$1.5 million to cover a portion of the Agency's project adoption costs which are to be repaid from tax increment revenue generated by new development in the Project Area. Due to the amount of property removed from the tax rolls by the SDSU Foundation, the Project Area has not generated sufficient tax increment to meet this debt obligation. Based on current projections, it is estimated that the Agency's debt obligation with the SDSU Foundation will not be satisfied until fiscal year 2014.

The Agency has entered into agreements with the affected local taxing agencies which provide for annual tax-sharing payments according to the following terms:

Taxing Entity	Tax Sharing Agreement		
	Annual TI < \$1 million	Annual TI \$1 million - \$3 million	Annual T > \$3 million
San Diego County Office of Education	.16%	.16%	.28%
San Diego Unified School District	3.57%	3.57%	7.15%
San Diego Community College District	.65%	.65%	1.16
County of San Diego	8%	11%	13%

V. EXPLANATION OF HOW THE GOALS AND OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE PROJECT BLIGHTING CONDITIONS

Due to the Agency's financial obligations, for the period of this plan, the elimination of blight in the Project Area will continue to be dependent upon attracting qualified developers with sufficient financial resources to complete projects that will generate tax increment revenue. With input from the Project Area Committee, periodic reassessment of existing and planned projects will insure that the objectives stated in Section III of this Plan are achieved. Specifically, the current and proposed projects will eliminate blighting conditions in the Project Area in the following ways:

- Remove deficient structures and incompatible land uses from the Core Sub-Area
- Provide housing opportunities for very low, low and moderate income individuals
- Replace a mix of incompatible and haphazard residential, office, and community-serving land uses
- Provide a new focus for housing and mixed-use activity as well as providing space for community-serving activities in the Core Sub-Area
- Provide improved, appropriately designed sites for the Campus Religious Centers to administer their services
- Provide public improvements to correct current parking and transportation problems, provide improved access through and within the Project Area and College Community, and visually improve the image of the community and Project Area
- Improve housing opportunities for students and relieve the ill suited residential or "mini-dorm" problems that exist in the community surrounding the Project Area

Projects beyond this five-year plan will provide for development of the remainder of the Core Sub-Area and the remaining Sub-Areas. These Projects include public improvements and will incrementally alleviate existing blighting conditions throughout the Project Area. An emphasis will be placed upon providing housing for University students and the creation of properly designed space for University-serving community services and retail activities.

VI. EXPLANATION OF HOW THE GOALS AND OBJECTIVES, PROJECTS AND EXPENDITURES WILL IMPLEMENT PROJECT HOUSING REQUIREMENTS AGENCY/CITY WIDE (HOUSING COMPLIANCE PLAN)

California's Community Redevelopment Law requires that not less than twenty percent (20%) of all tax increment generated by the Project Area shall be used for the purpose of increasing the community's supply of very low, low and moderate income housing. Additionally, affordable dwelling units must remain affordable for not less than the period of land use controls established in the project plan (currently 45 years for for-sale units and 55 years for for-rent units). The on-going goal for the Project Area is to develop housing in compliance with current legislation and available Project Area resources.

A. Comprehensive Affordable Housing Strategy

The Redevelopment Agency, comprised of the City's Redevelopment Division, Centre City Development Corporation (CCDC) and Southeastern Economic Development Corporation (SEDC), has formed a collaborative with the San Diego Housing Commission to accelerate and encourage new affordable housing development citywide. In January 2003, leveraging the Agency's Housing Funds, the collaborative (known as the Affordable Housing Collaborative) issued a Notice of Funding Availability (NOFA) announcing the availability of \$55 million of secured assets to provide gap financing for very low, low, and moderate income housing. The Agency has committed the entirety of this \$55 million to eleven projects in various project areas, resulting in 722 affordable units and 1,055 affordable bedrooms.

Although the initial funding of the NOFA has been exhausted, affordable housing development proposals requesting local subsidies in the City of San Diego continue to be submitted through different channels to the Redevelopment Agency and/or San Diego Housing Commission. The Affordable Housing Collaborative continues to meet to review projects seeking funding under the Affordable Housing Opportunity Fund and to ensure affordable housing goals are being met by the Agency and the Housing Commission.

In June 2006, the Redevelopment Division obtained four bank lines of credit in an aggregate amount of \$34 million which was dedicated to an affordable housing "Opportunity Fund" to continue to assist with the creation and rehabilitation of affordable housing for low and moderate income households and to leverage other affordable housing financial sources. Proposed projects in the Project Area may request funding assistance from the Opportunity Fund.

To provide consistency among the three branches of the Redevelopment Agency (Redevelopment Division, CCDC and SEDC) and streamline the negotiation and approval process for affordable housing projects funded by the Agency, the Affordable Housing Collaborative developed the "Expenditure of Low and Moderate Income Housing Fund Policy and Transaction Guidelines" to be utilized in reviewing affordable housing development proposals. These Policy and Transaction Guidelines were approved by the Agency Board on May 20, 2008 via resolution R-04282 and are reviewed on a periodic basis to reflect changing policies and economic conditions.

B. Projects & Expenditures to be Made During the Next Five Years

The Project Area's Low and Moderate Income Housing Fund (Housing Fund) has approximately \$710,000 as of the beginning of FY 2009. No Housing Funds have been expended since the Project Area was adopted due to the insufficient amount available to assist in any residential developments. Projections of annual Housing Funds anticipated to be generated by the Project Area over the next five years are shown in the following table:

Fiscal Year	Low/Mod Fund
2009-10	\$250,400
2010-11	\$257,400
2011-12	\$264,500
2012-13	\$271,800
2013-14	\$279,300
TOTAL	\$1,323,400

It is anticipated that the Project Area's Housing Fund will increase by approximately \$1.3 million over the next five years. All units developed with Agency assistance from the Housing Fund will be restricted to very low, low, or moderate income households. These funds will be used to generate housing within the Project Area as opportunities for housing assistance are identified.

1. Projected Housing Units to be Developed in the Next Five Years

California Community Redevelopment Law requires that the Agency prepare an estimate of the number of new, rehabilitated and price-restricted dwelling units to be developed in the Project Area. These numbers also include the inclusionary housing requirements: units for very low, low and moderate income households. The inclusionary housing requirements state that fifteen percent (15%) of all new or rehabilitated dwelling units developed by public or private activities, other than the Agency, in a redevelopment project area shall be affordable to low and moderate income households. Forty percent (40%) of the 15% inclusionary housing units shall be at affordability levels for very low income households.

The number of units developed in the project area will depend upon the cost of the units, opportunities for collaboration with housing developers, and the ability of the Agency to leverage funds. The Housing Fund expenditures will include costs for housing development, administration, and debt service payments. The Agency anticipates supplementing Project Area Housing Funds with revenue in the Housing Opportunity Fund to provide financial assistance to affordable housing projects in the Project Area.

It should also be noted that the City of San Diego Municipal Code (Chapter 14, Article 2, Division 13) places an inclusionary (affordable) housing obligation on new development. While these new affordable units can not be counted as production under the Redevelopment Agency's definitions, they are, for all intents and purposes, housing units available to low and moderate income households.

