

**SAN YSIDRO REDEVELOPMENT PROJECT AREA
THIRD FIVE YEAR IMPLEMENTATION PLAN, FY 2006-2011
MID-YEAR PROGRESS REPORT**

This mid-year progress report has been prepared in accordance with California Health and Safety Code Section 33490(c), which requires every redevelopment agency, at least once during the five-year term of each implementation plan, to conduct a public hearing and hear testimony of all interested parties for the purposes of reviewing the redevelopment plan and the corresponding implementation plan for each redevelopment project, and evaluating the progress of the redevelopment project.

The San Ysidro Redevelopment Plan (“Redevelopment Plan”) was adopted by the City Council on April 16, 1996, and is administered by the Redevelopment Division of the City’s Planning and Community Investment Department. The 766-acre San Ysidro Project Area (“Project Area”) was adopted to eliminate and prevent the spread of blighting conditions by promoting San Ysidro as an international gateway, redeveloping a vital business district and attracting new businesses, enhancing public infrastructure and facilities, and promoting a variety of housing opportunities. On September 12, 2006, the Redevelopment Agency adopted the Third Five-Year Implementation Plan (“Implementation Plan”) for the San Ysidro Redevelopment Project Area. There have been no amendments to the Implementation Plan.

PLAN OBJECTIVES

The Redevelopment Plan and Implementation Plan provide the Agency’s redevelopment objectives for the Project Area. These objectives, which are listed below, were employed to formulate the overall strategy for the Implementation Plan.

1. Eliminate and prevent the spread of blight and deterioration;
2. Conserve, rehabilitate and redevelop the Project Area;
3. Improve, promote, and preserve the positive neighborhood characteristics in San Ysidro while correcting its physical and economic deficiencies;
4. Promote and enhance varied housing opportunities by improving the housing stock and expanding affordable housing opportunities which address community needs;
5. Improve, support, and promote the growth and vitality of the Project Area’s business environment and address the commercial, service, and employment needs of the Project Area;
6. Increase parking, enhance the quality of mobility, and improve transportation facilities, which support the vitality, safety, and viability of San Ysidro;
7. Expand and improve park and recreational facilities, green belts, and open space opportunities;

8. Enhance infrastructure facilities;
9. Provide a full range of employment opportunities and public facilities;
10. Preserve and rehabilitate cultural resources and urban environments; and
11. Promote San Ysidro's international gateway.

ACTIVITY

The steps listed below have been taken in furtherance of the Redevelopment Plan, and the Implementation Plan.

Drafted 6th Implementation Agreement with the Shamrock Group for development of **Las Americas West**. The proposal includes the development of up to 95,000-sf of retail uses and associated parking on an 8-acre vacant site, just west of the Las Americas Shopping Center. Agency consideration of the 6th Implementation Agreement is slated for June 2009.

Completed appraisal for possible sale or Request for Proposal (RFP) of City-owned **Civic Parcel at Las Americas** near Sipes Lane and Camino de la Plaza. The potential sale or RFP is pending sale of Las Americas West.

Facilitated the transfer of title of three parcels (Las Americas Parcel A, B, & C) to the ownership of the **Las Americas** regional shopping center. The result was a re-assessment of property values, and an increase in property tax increment revenues.

Approved **Camino de la Plaza Improvement Project**. Estimated at \$600,000, the project consists of the construction of sidewalks, curbs, landscaping, fencing, and sidewalk furniture along the north and south side of Camino de la Plaza generally between Camiones Way and San Ysidro Boulevard. The project is slated for completion in May 2009.

In April 2009, the Agency approved the **West Camino de la Plaza Improvement Project**. Estimated at \$300,000, the project shall consist of health and safety related improvements, including the installation of new curbs, gutters, and sidewalks along Camino de la Plaza, between Virginia Avenue and the I-5 off ramp, near the international border. The project will also make way for an additional westbound lane along Camino de la Plaza to facilitate traffic.

Approved the **San Ysidro Street Light Improvement Project**. Estimated at \$400,000, the project includes the design, planning, and installation of 20 decorative lights and 35 cobra lights throughout the Project Area. Installation of the 20 decorative lights is underway, and slated for completion in Summer 2009. Planning and design work for the 35 cobra lights is underway.

Approved assistance totaling \$320,000 to fund pre-development costs, and offsite improvements for the **San Ysidro Health Center Expansion Project**. The expansion will consist of a new 10,000-sf state of the art facility that will house a maternal and child health care center at 4004 Beyer Boulevard. The expansion is nearly completed, and full occupancy is slated for June 2009.

Obtained \$1,000,000 cost estimate for possible public improvements at **West San Ysidro Boulevard and Averil Street**. Planning and designing shall be addressed in the upcoming San Ysidro Community Plan Update.

Approved funding for the **San Ysidro Community Plan Update (“CPU”)**. The CPU shall address land uses, infrastructure, and mobility for San Ysidro, particularly along focus areas, such as the Pilot Village, Civic Plaza, and the commercial areas adjacent to the international border. The CPU effort is anticipated to “kick off” by Summer 2009.

Initiated an **Amendment to the San Ysidro Redevelopment Plan** to extend the Agency's eminent domain authority for another twelve (12) years. The Agency is slated to consider the Plan Amendment by Summer 2009.

Re-formed the **San Ysidro Project Area Committee (“PAC”)** to advise regarding Agency initiated plans, projects, and programs.

Completed draft proposal for **Storefront Improvement Program (“SIP”)** along major commercial corridors in San Ysidro. An estimated \$150,000 has been set aside to provide eligible applicants with assistance for facade and sign renovations. The proposed program is slated for Agency consideration by Summer 2009.

Approved \$85,000 Consultant Services Agreement with the **San Ysidro Business Association (“SYBA”)**. The SYBA has assisted the Agency with services that advance the economic strategy of the Project Area. Consultant services have included the collection of data related to needed area improvements, an analysis of existing conditions, and implementation of various revitalization projects and programs.

FINANCIAL RESOURCES

Table 1 below presents the five-year tax increment revenue projections based on the financial analysis included as Exhibit 4 to the Implementation Plan. Additionally, Table 1 shows annual projected gross tax increment revenues, 20% affordable housing set-aside requirements, statutory payments to affected taxing entities, developer repayment obligations, and available tax increment revenues allocated for non-housing projects.

Over the five year period of the Implementation Plan, the Agency anticipated collecting a total of \$4,240,101 in housing revenues, and a total of \$10,809,532 in non-housing revenues, after payments to taxing entities and developer repayment obligations. It should be noted that these are revenue estimates and actual funds available could either increase or decrease depending on the level of actual growth in the assessed valuation of the Project Area.

TABLE 1								
PROJECTED REVENUES FOR IMPLEMENTATION								
SAN YSIDRO REDEVELOPMENT PROJECT AREA								
Fiscal Year	Increment to Agency	20% Set-aside	Net Tax Increment	Payments to Taxing Agencies			Developer Repayment	Available Increment
				1st Tier	2nd Tier	3rd Tier		
2006	2,737,047	547,409	2,189,637	547,409			199,005	1,443,223
2007	3,463,724	692,745	2,770,980	692,745			331,260	1,746,975
2008	3,575,941	715,188	2,860,753	715,188			331,260	1,814,304
2009	3,690,402	738,080	2,952,321	738,080			331,260	1,882,981
2010	3,807,152	761,430	3,045,722	761,430	18,366		331,260	1,934,665
2011	3,926,238	785,248	3,140,990	785,248	37,099		331,260	1,987,384
Totals	21,200,504	4,240,101	16,960,403	4,240,101	55,465		1,855,305	10,809,532

Source: Exhibit 4 to 2006-2011 San Ysidro Third Implementation Plan

Table 2 below presents actual tax increment revenues the Agency has received over the first three fiscal year periods of the Implementation Plan. Additionally, Table 2 identifies annual gross tax increment revenues, 20% affordable housing set-aside receipts, statutory payments to affected taxing entities, developer repayments, and the available tax increment revenues allocated for non-housing projects. Over the first three fiscal year periods of the Implementation Plan, actual revenues received by the Agency for non-housing and housing funds have been slightly higher than forecasted at the start of the Implementation Plan.

TABLE 2								
ACTUAL & BUDGETED REVENUES FOR IMPLEMENTATION								
SAN YSIDRO REDEVELOPMENT PROJECT AREA								
Fiscal Year	Increment to Agency	20% Set-aside	Net Tax Increment	Payments to Taxing Agencies			Developer Repayment	Available Increment
				1st Tier	2nd Tier	3rd Tier		
2006	3,256,436	651,287	2,605,149	651,287			199,005	1,754,857
2007	3,823,632	764,726	3,058,906	764,726			331,260	1,962,920
2008	3,920,010	784,002	3,136,008	784,002			331,260	2,020,746
Totals	11,000,078	2,200,015	8,800,063	2,200,015			861,525	5,738,523

Source: Agency Trust Fund Summary for Fiscal Years 2006, 2007, and 2008.

AFFORDABLE HOUSING

The provisions of Section 33413(b)(4) of the California Community Redevelopment Law (“CRL”) require the Agency to adopt and periodically update a plan to ensure compliance with the existing criteria of Section 33413 of the CRL regarding the affordability mix of new or rehabilitated housing units. Since the Implementation Plan’s adoption, the Project Area has accomplished the following:

Approved an Owner Participation Agreement with SYEP Associates for development of the **El Pedregal Family Apartments**. The project shall consist of 45 affordable rental units on approximately 2.2-acres of vacant land at the northeast corner of West San Ysidro Boulevard and Averil Street. The residential units shall be made available for households earning between 30% to 60% of the area median income. Total Agency assistance for the project is \$4.6 million. The project is under construction, and slated for completion by June 2010.

Approved Owner Participation Agreement with Chelsea Investment Corporation for development of the **Verbeña Family Apartments**. The project shall consist of 80 affordable rental units on a 6.8-acre site at 3774 Beyer Boulevard. The residential units shall be made available for households earning between 30% to 60% of the area median income. Total Agency assistance for the project is \$6.8 million. The developer shall apply for 9% affordable housing tax credits in Spring 2009, and if successful, project construction may begin by the end of this year.

Entered into an Exclusive Negotiation Agreement (ENA) with Ito, Girard, & Associates for the **Casas Ochoa Townhome Project**. The proposal consists of the development of 60 for-sale town home units on approximately 2.19-acres of vacant land at the southwest corner of Cypress Drive and Seaward Street. The residential units shall be made available for households earning between 100% to 140% of the area median income.

Approved **San Ysidro Housing Enhancement Loan Program ("HELP")** to provide eligible low-and-moderate income homeowners with "forgivable" home rehabilitation loans. HELP provides up to \$30,000 in forgivable loans for health and safety repairs, including exterior improvements. A total of \$500,000 was approved for the program. HELP was also promoted during a Saturday **Community Clean-Up Day** that was sponsored by the Agency.

Approved Rehabilitation Assistance Agreement with **Urban Corps of San Diego** to assist in the rehabilitation of homes occupied by low to moderate income households. The Agreement authorized up to \$50,000 for weatherization, minor rehabilitation, and minor home security improvements. A total of 24 households were assisted by Urban Corps.

Approved Agreement with **Casa Familiar** to provide services that benefit the plan objectives of the Redevelopment Plan. The Agreement authorized \$200,000 in funding for implementation of various affordable housing and revitalization projects and activities, including Abuelito's Housing, the Living Rooms at the Border, the Front rehabilitation project, and identification of other potential infill housing development opportunities.

SUMMARY

Since approval of the Implementation Plan, the Agency has participated in various revitalization projects and activities, including commercial development, affordable housing, infrastructure improvements, and community planning activities. Additionally, the Agency has entered into various agreements with community organizations to enhance the revitalization strategy of the Project Area. Over the remaining balance of the Implementation Plan, the Agency shall continue to implement the established objectives of the Redevelopment Plan and Implementation Plan.