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City of San Diego Declares Sports Arena Site Surplus Land

MAYOR GLORIA TAKES STEP TO FULFILL TRANSPARENT, LEGAL PROCESS TO REDEVELOP 48.5-ACRE SITE THAT INCLUDES THE SAN DIEGO SPORTS ARENA

SAN DIEGO – The San Diego City Council today officially declared the San Diego Sports Arena redevelopment area as surplus land, which begins the process to rectify a flawed real estate deal from the prior administration and ensure affordable housing is prioritized in the development of the site in accordance with state law.

"Today's action is a step in the right direction to redevelop the Sports Arena area legally, transparently and responsibly," Mayor Todd Gloria said. "We are going to seize this once-in-a-generation opportunity to revitalize the Midway District with housing San Diegans can afford and a true entertainment district anchored by a new arena."

The State Department of Housing and Community Development (HCD) informed the City in June that the previous administration's plan to redevelop 48.5 acres in the Sports Arena area was likely in violation of the State of California's Surplus Land Act (SLA). Mayor Gloria committed to expeditiously evaluating the options to ensure the redevelopment complies with state law and prioritizes affordable housing.

The SLA requires government agencies, such as the City of San Diego, to first declare property that they would like to lease or sell as surplus land. Then, the City must receive

approval from the HCD about including an arena in the terms of its solicitation. Next, the property must be offered to a list of state-approved entities (with preference to affordable housing developers) and government agencies who would have to reserve 25 percent for affordable housing.

The state-approved entities, including affordable housing developers, have 60 days to respond after the property goes out to bid, followed by a 90-day good faith negotiation period with any responsive proposers. If there are no successful proposers, the site can be offered to the open market and at least 15 percent of residential units must be designated affordable, although staff will seek feedback from City Council prior to issuing the solicitation.

The Sports Arena redevelopment site is located in the Midway-Pacific Highway Community area. In 2010, the City of San Diego and local community members began updating the Midway-Pacific Highway Community Plan, which serves as a blueprint for the future development of the neighborhood. The plan envisions the Sports Arena Community Village, which would incorporate a mix of entertainment, office, retail, residential, public and park uses.

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