ORIGINAL

FOURTH IMPLEMENTATION PLAN

FOR THE

LINDA VISTA REDEVELOPMENT PLAN

For the Period

July 2009 – November 2012

Approved Pursuant to Agency Resolution:
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The Redevelopment Agency of the City of San Diego

CITY OF SAN DIEGO
REDEVELOPMENT AGENCY

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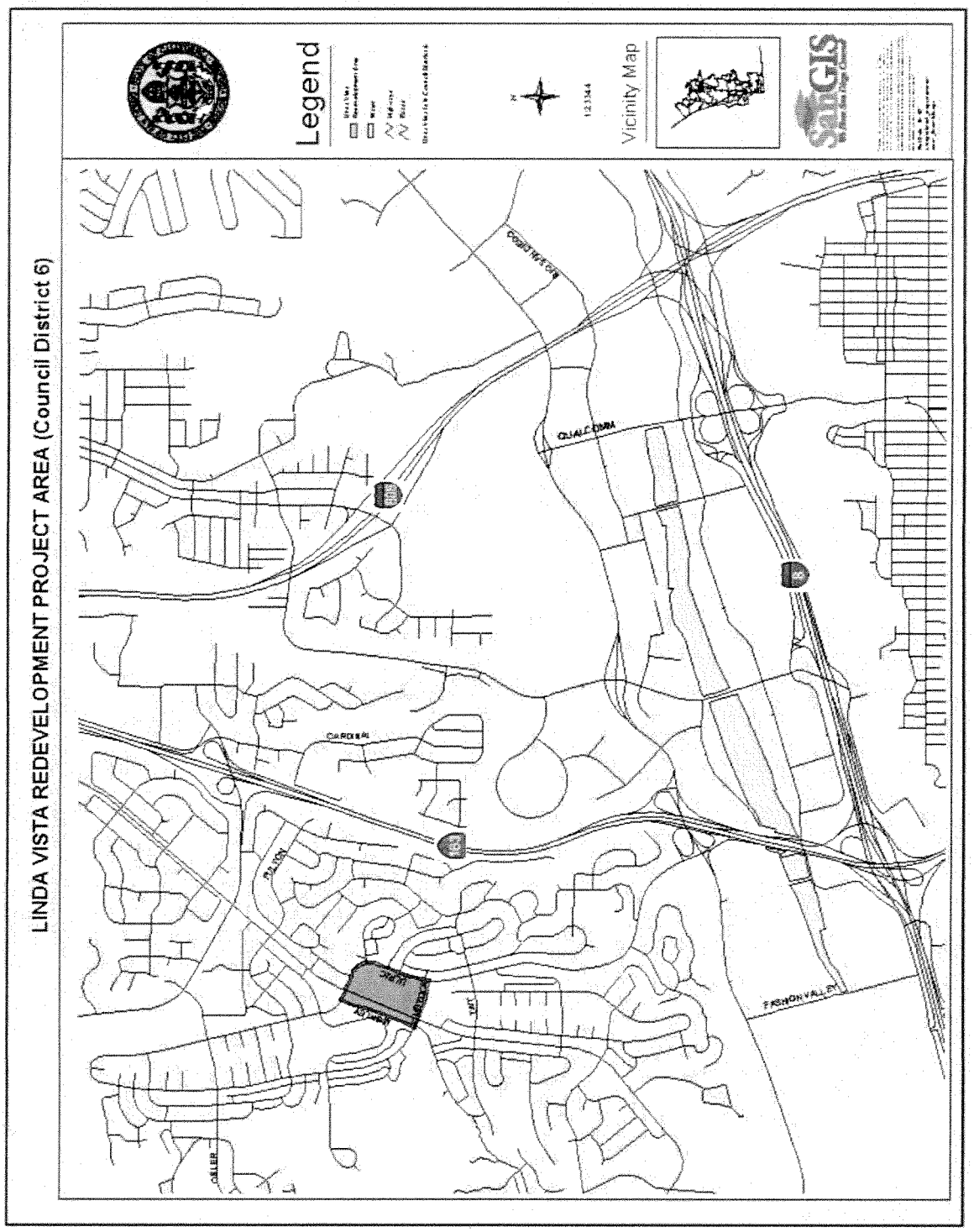
MAP OF PROJECT AREA



Project Area Profile
Linda Vista Project Area

Land Area:	Approximately 11.6 acres
Boundary:	Ulric Street on the North and East, Morley Street on the West, and Comstock Street on the South
Land Use:	73% Commercial 13% Institutional/Utilities 11% Open Space/Park 3% Vacant
Date Adopted:	November 21, 1972
Date of Amendment:	First Amendment June 2, 1976 Second Amendment December 8, 1976 Third Amendment November 28, 1994 Fourth Amendment November 22, 1999 Fifth Amendment June 27, 2006 Sixth Amendment July 18, 2006
Time Limit for Effectiveness of Redevelopment Plan:	November 21, 2012
Time Limit for use of Eminent Domain:	Expired
Time Limit for Incurring Debt:	Expired
Time Limit for Repayment of Debt:	November 21, 2022
Tax Increment Limit:	$13,225,000
Current Tax Increment: (July 1, 2008)	$739,800

I. INTRODUCTION

This document contains the Implementation Plan for the period July 2009 – November 2012 for the Linda Vista Redevelopment Project Area (Project Area), administered by the Redevelopment Division of the City of San Diego Department of City Planning & Community Investment. Because the Project Area term of effectiveness ends November 21, 2012, this Implementation Plan will only pertain to that period of time. The Implementation Plan is being prepared and adopted in accordance with 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: Centre City Development Corporation, Southeastern Economic Development Corporation and the Redevelopment Division of the City's 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 Linda Vista, include Barrio Logan, City Heights, College Community, College Grove, Crossroads, Grantville, Naval Training Center, North Bay, North Park and San Ysidro.

B. Linda Vista Project Area

The Linda Vista Redevelopment Project was adopted on November 21, 1972, primarily to eliminate conditions of blight associated with a deteriorated shopping center. The 11.6 acre Project Area, located in the heart of the Linda Vista Community, is bounded by Morley Street, Comstock Street and Ulric Street and includes a shopping center, roller skating rink, the City of San Diego Linda Vista Branch Library, and Morley Park improved as a public park. The project was adopted to eliminate conditions of blight in the Project Area by promoting new construction, revitalization, and upgrading of commercial and public properties and facilities within and surrounding the Project Area. The focus of redevelopment activity in this period of

implementation will be improvements to the Agency-owned property which includes the roller skating rink and the adjacent vacant lot.

Redevelopment of the shopping center was completed in 1988. The Linda Vista Redevelopment Plan is effective through November 21, 2012 and provides for the repayment of debt from redevelopment activities through November 21, 2022. In 1994, revisions were made to California Community Redevelopment Law, which included establishing certain time limits on redevelopment plans adopted on or before December 31, 1993. These included putting a time limit on the effectiveness of the redevelopment plan to 40 years from the date of plan adoption or to 2009, whichever was later and limiting the time period for the receipt of tax increment revenue for the payment of debt to 10 years from the date of termination of the redevelopment plan. On November 22, 1999, by Ordinance No. O-18724, the Linda Vista Redevelopment Plan was amended to extend the effectiveness of the Plan from June 30, 2007 to November 21, 2012 and to extend the time limit on the receipt of tax increment revenue for the payment of debt to 2022.

II. DESCRIPTION OF PROJECT AREA BLIGHTING CONDITIONS

Conditions of blight within the Project Area have been partially addressed by the redevelopment of the shopping center, the construction of the Linda Vista branch library and the development of Morley Park. The remaining area of blight is the vacant lot adjacent to the roller skating rink property at the corner of Linda Vista Road and Comstock Street.

III. PROJECT AREA GOALS AND OBJECTIVES

As described in the Linda Vista Redevelopment Plan, the goals and objectives for the Project Area are as follows:

- Eliminate and prevent the spread of blight and deterioration and conserve, rehabilitate and redevelop the Project Area;

- Create a modern community shopping center offering a balance of shopping and convenience goods to meet the commercial and social needs of the surrounding community;

- Provide for residential housing (possibly retirement housing) and public facilities such as a branch library, community meeting hall and recreational uses;

- Remove structurally substandard buildings;

- Eliminate blighting influences including incompatible land uses, obsolete structures and inadequate parking facilities;

- Provide a community shopping center reflecting a high level of concern for architectural and urban design principles;

- Create and develop local job opportunities and preserve the area's existing employment base; and

- Provide for the orderly development of this portion of the Linda Vista Community

(formerly Kearny Vista) in accordance with the General Plan, specific plans, the Redevelopment Plan and local codes and ordinances.

These specific goals and objectives will continue during the term of the Plan.

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 as noted above, and as more specifically outlined in the Redevelopment Plan, will continue during the duration of the effectiveness of the Redevelopment Plan.

B. Proposed Private Projects

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

Project	Project Description	Contribution to Blight Removal
Redevelopment Agency Owned Parcels (6901 - 6907 Linda Vista Road)	Issue a Request for Qualifications/Proposals to seek a private developer to redevelop this commercial complex.	Eliminate and prevent the spread of blight and deterioration and conserve, rehabilitate and redevelop the area.
Housing Enhancement Loan Program (HELP)	Forgivable loans up to $20,000 to homeowner occupants of properties built prior to 1980 within the Linda Vista Community Plan boundaries for specific property improvements. These households shall not exceed 100% of the Area Median Income.	Provide housing rehabilitation loans for very low, low and moderate income households

C. Proposed Public Improvements

The following table describes proposed public improvement projects and their contribution to blight removal:

Project	Project Description	Contribution to Blight Removal
To be determined	Working with the Community and the City's Public Facilities Finance Division to identify needed Public Improvements	Support the improvement and redevelopment of the Project Area and vicinity

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. Because the Term of Effectiveness expires November 21, 2012, this plan will only cover less than 3.5 years. The expenditures projected for the next three-plus years are anticipated to include costs for Agency Project administration and implementation (i.e. new development, site preparation, transportation/infrastructure projects or improvements, and the provision of HELP loans, as discussed further below) and debt service payments related to the issuance of debt.

Tax increment revenue is expected to represent the major funding source for Agency programs. In FY 2010 the Agency expects to receive approximately $88,300 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 Linda Vista Project Area is not required to make tax-sharing payments. The Agency expects the Project Area assessed valuation to rise approximately 2% annually over the next five years. Based on this assumption, the Agency can expect to receive approximately $426,500 in net tax increment over the next five years.

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

Fiscal Year	Gross Tax Increment	Taxing Agency Payments	Net Tax Increment
2010	$89,400	n/a	$89,400
2011	$91,700	n/a	$91,700
2012	$145,000	n/a	$145,000
2013	$148,500	n/a	$148,500
2014	$151,900	n/a	$151,900

Twenty percent (20%) of annual tax increment revenue is required to be set-aside in the Low and Moderate Income 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 $99,200 available in the housing fund.

Fiscal Year	Gross Tax Increment	Taxing Sharing Payments	Net Tax Increment	
			Non-Housing Funds	Housing Funds
2010	$89,400	n/a	$73,100	$16,300
2011	$91,700	n/a	$72,000	$19,700
2012	$145,000	n/a	$124,900	$20,100
2013	$148,500	n/a	$127,300	$21,200
2014	$151,900	n/a	$130,000	$21,900

E. Special Provisions for Project Areas Within Six Years of the Time Limit on the Effectiveness of the Redevelopment Plan

For project areas within six years of the time limit on the effectiveness of the redevelopment plan, California Community Redevelopment Law requires the applicable implementation plan to address the Agency's ability to comply with certain provisions related to replacement dwelling units, inclusionary dwelling units and the disposition of remaining Housing Funds prior to the limit of the effectiveness of the redevelopment plan. As discussed in Part VI below, the Agency has no replacement or inclusionary housing obligations relative to the Project Area, and the remaining Housing Funds will be applied toward Linda Vista HELP assistance until such funds are depleted.

The Linda Vista Redevelopment Plan term of effectiveness expires November 21, 2012. At that time redevelopment activity will cease, while the tax increment that accrues will continue to be used toward funding of Linda Vista HELP loans and repayment of debt through the November 21, 2022 time limit for repayment of debt. The disposition of the three Agency owned parcels within the Project Area is planned as follows:

Property Address	Property Description	Potential Disposition
6901 – 6907 Linda Vista Road	Vacant corner lot (corner of Linda Vista Road and Comstock Street), and roller skating rink and seven associated retail spaces	Through a Request for Qualifications/Proposals process the Agency will seek a private developer/buyer to redevelop this property.
Morley Park (APN:431-320-22)	1.25 acre open space/park area bounded by Morley Street, Linda Vista Road and Comstock Street	Parcel will be transferred to the City for inclusion in the population based park inventory.

The sale of the Agency-owned parcels will be the subject of one or more disposition and development agreements. Details are not known at this time.

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

The on-going project goals and objectives will help ensure continued progress toward alleviation of existing conditions of blight and will facilitate continued re-investment in the Project Area and surrounding communities. With input from the community, periodic reassessment of existing and planned projects will insure that the Redevelopment Plan achieves the objectives stated in Section III of this Plan. Specifically, the current and proposed projects will eliminate blighting conditions in the Project Area in the following ways:

- Redevelopment of two of the Agency-owned properties
- Provide forgivable loans for the rehabilitation of single family homes owned and occupied by low and moderate-income households in the Linda Vista community to improve the health and safety of these homes and alleviate depreciated/stagnant property values.

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. This collaborative is referred to as the Affordable Housing Collaborative. In January 2003, leveraging Redevelopment set-aside funds, 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 1055 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. Housing Assistance Programs

The Linda Vista Housing Enhancement Loan Program (HELP) provides forgivable loans to qualified owner occupants within the Linda Vista Community Plan area. The Redevelopment Agency has created a housing enhancement loan program focusing on the community of Linda Vista using Linda Vista Redevelopment Project Area tax increment housing set-aside monies. The program provides forgivable housing enhancement loans of up to $20,000 for property improvements including $5,000 for energy and water conserving landscape improvements. The program is available to owner-occupants of properties built prior to 1980 whose gross household income is no greater than 100% of the Area Median Income.

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

The Project Area's Low and Moderate Income Housing Fund (Housing Fund) has approximately $18,800 as of the beginning of FY 2009. These current and future funds will be used to fund additional Linda Vista HELP assistance until funds are depleted. 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	$16,300
2010-11	$19,700
2011-12	$20,100
2012-13	$21,200
2013-14	$21,900
TOTAL	$99,200

It is anticipated that the Project Area's Housing Fund will be used to support the forgivable loan program for the rehabilitation of single family homes owned and occupied by low and moderate income households in the Linda Vista Community Plan area.

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 Project Area is comprised of the shopping center and Agency owned land, and does not include land zoned for residential. There are no public or private housing units anticipated to be constructed in the Project Area. As a result, there is no housing production requirement. Linda

Vista Housing Funds will be exclusively used for HELP loans for the remainder of the period to accrue Tax Increment.

2. Agency-Developed Units

As required by Section 33490 of the California Community Redevelopment Law, the Implementation Plan must contain an estimate of the number of Agency-developed residential units, if any, which will be developed during the next five years which will be governed by Section 33413(b)(1) and the number, if any, of Agency developed units for very low, low, and moderate income households which will be developed by the Agency during the next five years to meet the requirements of Section 33413(b)(1). Section 33413(b)(1) states that for units developed by the Agency, thirty percent (30%) of all new and rehabilitated dwelling units shall be affordable for low and moderate Income households, and not less than fifty percent (50%) of the 30% affordable units shall be affordable to very low income households.

The Project Area is comprised of the shopping center and Agency owned land, and does not include land zoned for residential. There are no Agency-developed housing units anticipated to be constructed in the Project Area.

D. Housing Unit Estimates for the Next Ten Years and the Life of the Plan

The Project Area is comprised of the shopping center and Agency owned land, and does not include land zoned for residential. There are no public or private housing units anticipated to be constructed in the Project Area.

E. Very Low, Low and Moderate Income Units Developed in the Project Area

The Project Area is comprised of the shopping center and Agency owned land, and does not include land zoned for residential. There are no public or private housing units constructed in the Project Area.

F. Replacement of Dwelling Units Destroyed or Removed

The Project Area is comprised of the shopping center and Agency owned land, and does not include land zoned for residential. The Redevelopment activities outlined in this Plan do not remove or destroy any housing units currently restricted to lower income families, such that no replacement housing obligations will be triggered..

G. Compliance with Housing Element and Regional Housing Share Requirements

The City of San Diego's regional share of housing need for persons of very low, low, and moderate income is published in the Housing Element of the City's General Plan. According to the City's FY 2005-2010 Housing Element, the proportional share of housing need in San Diego is 23% very low income (10,645 units city-wide), 18% low income (8,090 units city-wide), 19% moderate income (8,645 units city-wide) and 40% above moderate income (18,362 units city-wide).

Section 33334.4(a) of the California Community Redevelopment Law requires that the Agency expend Low and Moderate Income Housing funds to assist in the development of housing for persons of very low, low and moderate income in at least the same proportion as the total number of housing units needed for each of those income groups within the community as each

of those needs have been identified in the most recent determination pursuant to Government Code Section 65584 (i.e., the regional share of the statewide housing need). Using this definition and a denominator based upon the need for affordable units (total of 27,380 units), the threshold for the expenditure of low- and moderate income housing funds is as follows: 39% very-low income (10,645 units), 29% low income (8,090 units), and 32% moderate income (8,645 units).

In addition, Section 33334.4(b) of the California Community Redevelopment Law states, "Each agency shall expend, over the duration of each redevelopment implementation plan, the monies in the Low and Moderate Income Housing Fund to assist housing that is available to all persons regardless of age in at least the same proportion as the number of low-income households with a member under the age of 65 years bears to the total number of low-income households of the community as reported in the most recent census of the United States Census Bureau."

According to the 2000 census, there are 450,691 households in the City of San Diego. Of those households, 81,124 are "Senior Head of Household". Of those, "Senior Head of Household", 39,751 (49%) are low and moderate income. The total number of low and moderate income households in San Diego is 181,572. Therefore, the ratio of low and moderate income senior households to the total number of low and moderate income households is 21.89% (39,751/181,572).

The Agency will expend Housing Funds in the proportions cited above to ensure compliance with Redevelopment Law. The following table provides the proposed percentages of housing funds the Agency anticipates spending from the Project Area Housing Fund for housing to match the City's proportional share of housing need for the next five years. The minimum percentages are the least amount the Agency may spend, and the maximum percentages are the most the Agency may spend for the categories of income and age.

Household Type	No. Of Households	Percentage of Housing Funds to be Expended	
Income			
Very Low Income	10,645	39%	Minimum
Low Income	8,090	29%	Minimum
Moderate Income	8,645	32%	Maximum
Age			
LM Households Under Age 65	141,821	78%	Minimum
LM Household Over Age 65	39,751	22%	Maximum

The Housing Expenditures and Proportionality table documents the amount of Housing Fund revenue used during the prior Five-Year Implementation Plan period and for the Project Area since inception for these income categories and for families and seniors. Based upon the expenditures to date, the Agency will need to target more of its Housing Funds for "very low income" housing (up to 50% AMI) units during the remaining effectiveness of the Redevelopment Plan in order to meet the legal requirements for expenditures in proportion to the community's housing needs by income category for the 10-year period.

HOUSING EXPENDITURES AND PROPORTIONALITY
Previous 10-Year Period
City of San Diego Redevelopment Agency – Linda Vista

	$ by Household Type			Income Category (# of units)			
	No Age Restriction	Seniors		Very Low	Low	Moderate	Total Restricted
FY 09	$ 20,000			2	0	0	2
FY 08	$ 90,000	$ -		0	6	3	9
FY 07	$ 94,008	$ -		5	4	1	10
FY 06	$ 90,000			4	5	0	9
FY 05	$ -			0	0	0	0
FY 04	$ -			0	0	0	0
FY 03	$ -			0	0	0	0
FY 02	$ -			0	0	0	0
FY 01	$ -			0	0	0	0
FY 00	$ -			0	0	0	0
Subtotal - 10 year period							
Units	186	0		11	15	4	30
$	$ 294,008	$ -		**$ 107,803**	**$ 147,004**	**$ 39,201**	$ 294,008
% of $ (TO-DATE)	100%	0%		**37%**	**50%**	**13%**	
% of Units (TO-DATE)	100%	0%		37%	50%	13%	
% (TARGET)	78%	22%		**39%**	**29%**	**32%**	
Since Inception 1998 - FY 99							
Units	0	0		1	0	7	8
$	$ 160,000.00	$ -		**$ 20,000**	**$ -**	**$ 140,000**	$ 160,000
Project Area Total							
Units	186	0		12	15	11	38
$	$ 454,008	$ -		**$ 127,803**	**$ 147,004**	**$ 179,201**	$ 454,008
% of $ (TO-DATE)	100%	0%		**28%**	**32%**	**39%**	
% of Units (TO-DATE)	100%	0%		32%	39%	29%	
% (TARGET)	78%	22%		**39%**	**29%**	**32%**	
Redevelopment Agency Total (To-Date)							
Units	3098	1130		2925	616	687	4228
$	**$ 104,200,564**	**$ 25,039,043**		**$ 89,410,088**	**$ 18,829,612**	**$ 20,999,908**	$ 129,239,607
% of $ (TO-DATE)	**81%**	**19%**		**69%**	**15%**	**16%**	
% of Units (TO-DATE)	73%	27%		69%	15%	16%	
% (TARGET)	**78%**	**22%**		**39%**	**29%**	**32%**	