

FOURTH IMPLEMENTATION PLAN  
FOR THE  
CENTRAL IMPERIAL REDEVELOPMENT PLAN

For the Period  
July 2009 – June 2014

Approved Pursuant to Agency Resolution No: R-04405  
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Southeastern Economic Development Corporation  
(SEDC)

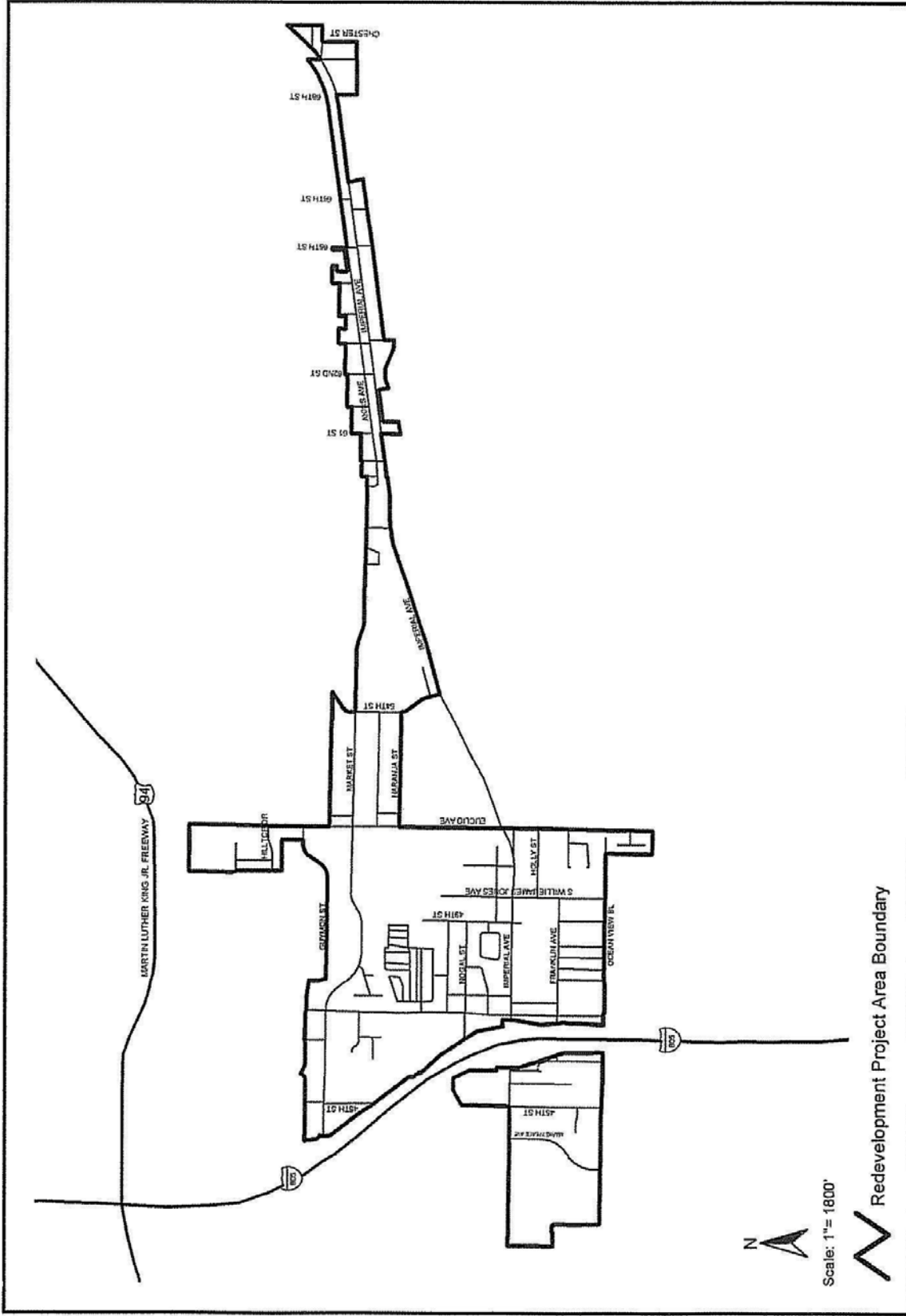
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Scale: 1"= 1800'



Redevelopment Project Area Boundary



05/05/04

# CENTRAL IMPERIAL Redevelopment Project Area

**Project Area Profile**  
**Central Imperial Project Area**

**Land Area:** Approximately 580 acres (including public rights-of-way)

**Boundary:** West of I-805, the Project includes the area east of 41st Street, north of Ocean View Boulevard, and south of the eastline trolley.

East of I-805, the Project includes areas west of Euclid Avenue, north of Ocean View Boulevard, and south of G and Guymon Streets.

Project Area also extends east of Euclid Avenue to Flicker Street, generally between Market Street and Imperial Avenue.

**Land Use:**

32%	Residential
6%	Commercial
5%	Industrial
10%	Institutional/Utilities
2%	Open Space/Park
15%	Vacant
4%	Abandoned/Underutilized
26%	Public Rights-of-Way

**Date Adopted:** September 14, 1992

**Date of Amendment:**

First Amendment:	December 5, 1995
Second Amendment:	December 10, 1996
Third Amendment:	October 24, 2000
Fourth Amendment:	October 21, 2003
Fifth Amendment:	April 28, 2009

**Time Limit for Effectiveness of Redevelopment Plan:**

Central Imperial 1*:	September 14, 2033
Central Imperial 2**:	December 10, 2027
Central Imperial 3***:	November 14, 2031

**Project Area Profile  
Central Imperial Project Area  
(Cont'd.)**

**Time Limit for use of Eminent Domain:** September 14, 2016

**Time Limit for Incurring Debt:**

Central Imperial 1\*: September 14, 2012

Central Imperial 2\*\*: December 10, 2026

Central Imperial 3\*\*\*: November 14, 2020

**Time Limit for Repayment of Debt:**

Central Imperial 1\*: June 30, 2043

Central Imperial 2\*\*: December 10, 2042

Central Imperial 3\*\*\*: November 14, 2046

**Tax Increment Limit:** \$162.0 million

**Current Tax Increment:** \$2.4 million

\*Central Imperial 1 is the original redevelopment plan area

\*\*Central Imperial 2 is the plan area expanded by the 2<sup>nd</sup> Amendment to the plan

\*\*\*Central Imperial 3 is the plan area expanded by the 3<sup>rd</sup> Amendment to the plan

## I. INTRODUCTION

This document contains the five-year Implementation Plan for the period July 2009 – July 2014 for the Central Imperial Redevelopment Project Area (Project Area), administered by the Southeastern Economic Development Corporation (SEDC) on behalf of the Redevelopment Agency of the City of San Diego (Agency). 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 includes College Community, Barrio Logan, City Heights, College Grove, Crossroads, Grantville, Linda Vista, Naval Training Center, North Bay, North Park and San Ysidro.

### B. Southeastern Economic Development Corporation

SEDC was created in 1981 by the City of San Diego to manage all redevelopment and economic development activities within the southeastern San Diego community. SEDC is a

non-profit public benefit corporation providing redevelopment planning, management, and implementation services to the southeastern San Diego community which encompasses an approximately seven-square-mile area east of downtown San Diego. The community generally consists of 15 neighborhoods within four (4) adopted redevelopment project areas – Central Imperial, Gateway West, Mount Hope, and Southcrest, and also includes a study area known as the Dells Imperial Study Area.

### C. Central Imperial Project Area

The Central Imperial Project Area was adopted on September 14, 1992 by Ordinance 17831. The Project Area encompasses approximately 580 acres. West of I-805, the Project generally includes the area east of 41st Street, north of Ocean View Boulevard, and south of the eastline trolley. East of I-805, the Project includes the area west of Euclid to Flicker Street, generally between Market Street and Imperial Avenue. The Project Area Profile reflects multiple ordinances that have been adopted to amend portions of the Redevelopment Plan. The most recent Ordinance is No. O-19685, passed by the City Council on November 20, 2007.

## II. DESCRIPTION OF PROJECT AREA BLIGHTING CONDITIONS

The Agency's Report to the City Council for the Redevelopment Plan presented a detailed assessment of blighting conditions in the Project Area at the time of plan adoption. The Report documented extensive blighting conditions in the area, including both physical deterioration and economic dislocation. The area has suffered for many years from a loss of private investment and development activity, due in large part to deteriorating physical conditions, crime, the limited income of its residents, and overall image. The Agency's Report identified specific blighting influences in the Project Area as follows:

- High crime rate/lack of public safety.
- A large percentage of deteriorated and dilapidated structures.
- Inadequate public improvements, facilities, and utilities.
- Inferior circulation.
- Under-utilized land, including the 74-acre Helix Heights site (now Gateway Center East).
- Incompatible land uses.
- Lack of adequate shopping facilities.
- Business migration out of Project Area.
- High unemployment rate.

### **III. PROJECT AREA GOALS AND OBJECTIVES**

The Agency's Report to the City Council identified the key objectives and actions required for revitalization of the Project Areas as follows:

- Development of under-utilized parcels of land and/or assembly of development sites of appropriate size and configuration. The under-utilized Helix Heights site (Gateway Center East), in particular, was identified as a potential site for a business park to encourage expansion and retention of businesses and employment in the Project Area.
- Preservation and rehabilitation of existing residential areas.
- Development of a variety of new in-fill housing.
- Improvements to existing public infrastructure and circulation.

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

#### **A. Goals and Objectives**

As described in the Central Imperial Redevelopment Plan, September 1992, the Project Area was chosen for redevelopment in order to eliminate blighting influences, strengthen residential areas and provide new housing opportunities, strengthen existing businesses, and attract commercial, industrial, and retail businesses.

B. Proposed Private Projects

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

Project	Project Description	Contribution to Blight Removal
Chollas Creek Villas	Development of 26 townhomes and 4 single-family homes	<ul style="list-style-type: none"> <li>• Increases supply of affordable housing</li> <li>• Provides homeownership opportunities</li> <li>• Alleviates crime/lack of public safety</li> <li>• Creates neighborhood stability</li> <li>• Alleviates depreciated/stagnant property values</li> <li>• Utilizes unproductive land</li> </ul>
Housing Enhancement Loan Program (HELP)	Single-family rehabilitation loans to low to moderate homeowners for health and safety issues, exterior improvements, energy and water efficiency and xeriscape landscaping	<ul style="list-style-type: none"> <li>• Preservation of affordable housing</li> <li>• Provides needed improvements to dilapidated structures</li> <li>• Creates neighborhood stability</li> <li>• Alleviates depreciated/stagnant property values</li> </ul>
Hilltop & Euclid Residential Development	Residential housing development consisting of 21 affordable and 81 market rate homes	<ul style="list-style-type: none"> <li>• Utilizes unproductive land</li> <li>• Increases supply of affordable housing</li> <li>• Provides stability to the Project Area by enhancing the permanent residential base</li> <li>• Serves unmet residential needs</li> </ul>
Imperial Marketplace	Completion of final building pad with a 30,000 SF fitness center	<ul style="list-style-type: none"> <li>• Utilizes unproductive land</li> <li>• Serves unmet commercial need</li> <li>• Alleviates crime/lack of public safety</li> <li>• Creates neighborhood stability</li> <li>• Alleviates depreciated/stagnant property values</li> <li>• Creates employment opportunities</li> </ul>
Naranja and 53rd Street Residential Development	Development of 45 multi-family affordable rental units	<ul style="list-style-type: none"> <li>• Increases supply of affordable housing</li> <li>• Provides homeownership opportunities</li> <li>• Alleviates crime/lack of public safety</li> <li>• Creates neighborhood stability</li> <li>• Alleviates depreciated/stagnant property values</li> <li>• Utilizes unproductive land</li> </ul>
Ouchi Courtyards – Lincoln Park Paseo Phase I	Development of 35 for-sale residential units, including 15% affordable units	<ul style="list-style-type: none"> <li>• Increases supply of affordable housing</li> <li>• Provides homeownership opportunities</li> <li>• Alleviates crime/lack of public safety</li> <li>• Creates neighborhood stability</li> <li>• Alleviates depreciated/stagnant property values, utilize unproductive land</li> </ul>

Valencia Business Park - Lots 2-7	New development that includes 65,000 SF of industrial/office buildings	<ul style="list-style-type: none"> <li>• Utilizes unproductive land</li> <li>• Alleviates crime/lack of public safety</li> <li>• Creates neighborhood stability</li> <li>• Prevents business out-migration</li> <li>• Alleviates depreciated/stagnant property values</li> <li>• Creates employment opportunities</li> </ul>
Village Center at Euclid and Market	Transit-oriented mixed-use development that will include up to 800 residential units, along with commercial, retail, industrial, recreational, and public uses at the trolley/transit station; next phase proposed to include 201 affordable multi-family units, 4 live/work loft units, 20,000 SF of commercial space, and 42,000 SF of industrial space	<ul style="list-style-type: none"> <li>• Utilizes unproductive land</li> <li>• Increases supply of affordable housing</li> <li>• Provides homeownership opportunities</li> <li>• Serves unmet commercial and retail needs</li> <li>• Alleviates crime/lack of public safety</li> <li>• Creates neighborhood stability</li> <li>• Prevents business out-migration</li> <li>• Alleviates depreciated/stagnant property values</li> <li>• Creates employment opportunities</li> </ul>

### C. Proposed Public Improvements and Programs

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

Project	Project Description	Contribution to Blight Removal
Additional Funding	Identify and apply for Federal, State, and other grant funds to implement public improvements and private development projects.	<ul style="list-style-type: none"> <li>• Enhances potential for new private development by providing and improving public infrastructure</li> <li>• Provides neighborhood amenities</li> <li>• Alleviates crime/lack of public safety</li> </ul>
Imperial Avenue Corridor Master Plan Public Improvements	Implement right of way enhancement improvement plans; implement engineering study for potential improvement needs to alleviate flooding of Imperial Avenue areas surrounding portions of Encanto Branch of Las Chollas Creek from 63rd to 68th Street	<ul style="list-style-type: none"> <li>• Enhances potential for new private development by providing and improving public infrastructure</li> <li>• Utilizes unproductive land</li> <li>• Provides neighborhood amenities</li> </ul>
Mobility Plan and/or Infrastructure Improvement Plans	Coordinate with City of San Diego to provide mobility and infrastructure improvement planning	<ul style="list-style-type: none"> <li>• Enhances potential for new private development by providing and improving public infrastructure</li> <li>• Provides neighborhood amenities</li> <li>• Alleviates crime/lack of public safety</li> </ul>

Naranja and 53rd Street Public Improvements	Improvements to flood plain, provide public access to Las Chollas Creek, dedication of open space, and construction of pedestrian path, landscaping, fencing, and retaining walls	<ul style="list-style-type: none"> <li>• Enhances potential for new private development by providing and improving public infrastructure</li> <li>• Utilizes unproductive land</li> <li>• Provides neighborhood amenities</li> </ul>
Ouchi Courtyards – Lincoln Park Paseo Phase I – Public Improvements on Holly Drive	Off-site Improvements along Holly Drive and Imperial Avenue	<ul style="list-style-type: none"> <li>• Enhances potential for new private development by providing and improving public infrastructure</li> <li>• Provides neighborhood amenities</li> <li>• Alleviates crime/lack of public safety</li> </ul>
Redevelopment Plan Amendment	Amend Redevelopment Plan for financial purposes	<ul style="list-style-type: none"> <li>• Utilizes unproductive land</li> <li>• Increases potential for: <ul style="list-style-type: none"> <li>○ affordable housing</li> <li>○ homeownership opportunities</li> <li>○ commercial and retail needs</li> <li>○ employment opportunities</li> </ul> </li> <li>• Alleviates crime/lack of public safety</li> <li>• Creates neighborhood stability</li> <li>• Assists in the prevention of business out-migration</li> <li>• Alleviates depreciated/stagnant property values</li> </ul>
Southeastern San Diego/Skyline Paradise Hills Community Plan Update	Identify additional funding and coordinate with City of San Diego for an update of community plans to incorporate redevelopment goals and objectives	<ul style="list-style-type: none"> <li>• Utilizes unproductive land</li> <li>• Increases potential for: <ul style="list-style-type: none"> <li>○ affordable housing</li> <li>○ homeownership opportunities</li> <li>○ commercial and retail needs</li> <li>○ employment opportunities</li> </ul> </li> <li>• Alleviates crime/lack of public safety</li> <li>• Creates neighborhood stability</li> <li>• Assists in the prevention of business out-migration</li> <li>• Alleviates depreciated/stagnant property values</li> </ul>
Strategic Plan	Designed as a tool for SEDC to strategize, prioritize, and plan for future projects	<ul style="list-style-type: none"> <li>• Enhances potential for new private development by setting forth a plan to prioritize funding of new development opportunities</li> </ul>

#### 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 and implementation (i.e., property acquisition, relocation, new development, site preparation, transportation/infrastructure projects or improvements, and the provision of affordable housing) 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 \$2.1 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 this figure to rise approximately 2% annually over the next five years. Based on this assumption, the Agency can expect to receive approximately \$11.8 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:

<b>Fiscal Year</b>	<b>Gross Increment</b>	<b>Tax</b>	<b>Taxing Agency Payments</b>	<b>Net Tax Increment</b>
2010	\$2,380,000		\$278,000	\$2,102,000
2011	\$2,525,000		\$316,000	\$2,209,000
2012	\$2,589,000		\$325,000	\$2,264,000
2013	\$2,925,000		\$437,000	\$2,488,000
2014	\$3,360,000		\$585,000	\$2,775,000

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 \$2.8 million available in the housing fund.

Fiscal Year	Gross Increment Tax	Taxing Sharing Payments	Net Tax Increment	
			Non-Housing Funds	Housing Funds
2010	\$2,380,000	\$278,000	\$1,621,000	\$481,000
2011	\$2,525,000	\$316,000	\$1,700,000	\$510,000
2012	\$2,589,000	\$325,000	\$1,741,000	\$523,000
2013	\$2,925,000	\$437,000	\$1,897,000	\$591,000
2014	\$3,360,000	\$585,000	\$2,096,000	\$679,000

In the original Project Area, the Agency 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 < \$500,000	Annual TI \$500,000 - \$3 million	Annual TI > \$3 million - \$6 million	Annual TI > \$6 million
San Diego County Office of Education	0.44%	0.44%	0.44%	0.44%
San Diego Unified School District	2.68%	5.36%	8.94%	13.4%
San Diego Community College District	0.39%	0.78%	1.29%	1.94%

In the second and third amendment Project Areas, the Agency has followed statutory pass through agreements with all taxing agencies per AB 1290.

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

Agency-sponsored private developments in the Project Area can be expected to contribute to blight alleviation by reducing conditions such as the following:

- crime
- infrastructure deficiencies
- lack of adequate shopping facilities

- business out-migration
- unemployment
- lack of affordable housing
- residential overcrowding
- depreciated/stagnated property values
- parcels of irregular/size/shape/topography, and
- vacant/underutilized lots

**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), and the San Diego Housing Commission formed a collaborative 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 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 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 Agency has implemented a number of special assistance programs to achieve its goals for maintaining affordability and rehabilitating housing in the Project Area. SEDC has primarily focused on owner-occupied housing assistance. SEDC's current programs work through increasing opportunities for affordable financing for acquisition and/or rehabilitation of existing single-family homes. To increase the supply of affordable housing, SEDC's programs include development financing assistance, such as land, acquisition/construction loans and gap financing for new developments. For first-time homebuyers, SEDC offers shared equity loans (silent seconds) and down payment and/or closing cost assistance for low to moderate income families.

SEDC is currently in the process of revising guidelines for the Residential Rehabilitation Program, renamed the Housing Enhancement Loan Program (HELP). The revisions will allow for the expansion of the HELP program to the entire SEDC Area of Influence and will increase loan amounts to \$35,000 with an additional \$10,000 for water and energy conserving improvements.

In addition, SEDC has facilitated homebuyer workshops, where potential purchasers are provided with information on the homebuying process as well as the various home loan programs available in the marketplace. Purchasers receive a credit report, are pre-qualified for a home loan, and where necessary, are assisted with budgeting for a down payment.

In 1999, SEDC adopted an update to its 1993 Housing Policies and Program document. Development guidance was one of the major issues addressed in the updated document.

In 2000, SEDC adopted the Multi-Family Development Guidelines which are utilized to evaluate multi-family development proposals. The Guidelines, which are currently being updated by SEDC, address the site planning, architectural, and landscaping components of development that have an impact on the physical and social fabric of the community.

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

The Project Area's Low and Moderate Income Housing Fund (Housing Fund) has approximately \$666,000 as of the beginning of FY 2009. Projections of annual Housing Funds anticipated to be generated by the Project Area over the next five years are shown in the following table:

<b>Fiscal Year</b>	<b>Low/Mod Fund</b>
2009-10	\$481,000
2010-11	\$510,000
2011-12	\$523,000
2012-13	\$591,000
2013-14	\$679,000
<b>TOTAL</b>	<b>\$2,784,000</b>

It is anticipated that the Project Area's Housing Fund will increase by approximately \$2.8 million during 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.

Approximately 20 to 55 dwelling units could be developed using the Project Area's Housing Fund (assuming a per unit subsidy ranging between \$50,000 and \$150,000 per unit). The actual amount of Housing Funds will depend upon tax increment receipts. The number of units

developed will depend upon the cost of the units, availability of pertinent and feasible opportunities for collaboration with housing developers, availability of tax increment-backed debt financing, 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 issuing tax allocation bonds or other financial instruments to fund affordable housing projects.

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.

The following table indicates the estimated number of units that will be assisted and the estimated expenditures from the Housing Fund in each of the next five years. In addition to the number of new units noted below, the Strategic Plan and proposed Community Plan Update will assist in identifying additional development opportunities, address current challenges, and prioritize potential financial investments by the Agency.

<b>Fiscal Year</b>	<b>New Units</b>	<b>Rehabilitated Units</b>	<b>Housing Fund Expenditures</b>
2010	5	0	\$481,000
2011	0	0	\$510,000
2012	23	0	\$523,000
2013	72	0	\$591,000
2014	89	0	\$679,000
<b>Total</b>	<b>189</b>	<b>0</b>	<b>\$2,784,000</b>

The following table indicates the estimated number of Agency assisted and non-Agency assisted units that will be developed in each of the next five years:

<b>Projects</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Non-Agency Assisted	24	0	14	39	45
Proposed Agency Assisted	5	0	23	72	89
<b>Total</b>	<b>29</b>	<b>0</b>	<b>37</b>	<b>111</b>	<b>134</b>

The following table indicates the estimated number of units by income level that will be developed in each of the next five years:

Housing Category	FY2010	FY2011	FY2012	FY2013	FY2014
Market Rate	24	0	14	39	45
Low to Moderate Income	5	0	23	14	77
Very Low Income	0	0	0	58	12
<b>Total</b>	<b>29</b>	<b>0</b>	<b>37</b>	<b>111</b>	<b>134</b>

## 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 Agency does not anticipate developing any residential units during the next five years.

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

It is estimated that up to five (5) new, substantially rehabilitated, or price-restricted residential units will be developed in the Project Area in Fiscal Year 2010. Beginning in Fiscal Year 2011, through Fiscal Year 2019, the total number of new, substantially rehabilitated or price-restricted residential units to be developed is estimated to be 338.

The following table illustrates the anticipated breakdown of total new or substantially rehabilitated dwelling units developed for very low, low, and moderate income households over the next ten years as required by Section 33413(b)(2) of the California Community Redevelopment Law.

Fiscal Year	Total Units	Low & Moderate Income (15%)	Very Low Income (40% of 15%)
2010	5	5	0
2011	0	0	0

2012	23	23	0
2013	72	14	58
2014	89	77	12
2015	54	13	41
2016	30	1	29
2017	30	1	29
2018	32	1	31
2019	3	3	0
<b>TOTAL</b>	<b>338</b>	<b>138</b>	<b>200</b>

The estimated number of new or substantially rehabilitated dwelling units that could be developed in the Project Area over the life of the Redevelopment Plan (FY 2027) is 848 units. The actual number of units developed will depend on market conditions and be determined as specific projects that are pursued.

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

Table A - Details of Housing Production provides a summary of the Project Area's housing production including the number of units that were produced and the amount of Housing Funds used to assist the production of very low, low and moderate income units in the Project Area for the period of the previous implementation plan (2004-2009).

As shown no units were produced during the previous implementation plan period (FY 2004-2009). During this same period, a total of \$5.5 million in housing funds were expended by CCDC and the Collaborative for acquisition of the Hilltop and Euclid site. Land use and planning for this site is included in the proposed Fifth Amendment to the Plan, pending approval as of the time of preparation of this Fourth Implementation Plan. The redevelopment plan amendment work performed in the previous implementation plan period (FY 2004-2009) provided the planning necessary for six residential sites that are included in the unit production forecast for the next ten years (FY2010-2019) for the projects listed on Table A.

TABLE A

DETAILS OF HOUSING PRODUCTION  
CENTRAL IMPERIAL REDEVELOPMENT PROJECT AREA  
City of San Diego - Redevelopment Agency

TOTAL HOUSING PRODUCTION	AFFORDABLE HOUSING (for Low & Moderate Income)												
	Required			Produced / To Be Produced <sup>1</sup>			Less Replacement Units <sup>5</sup>			Net Surplus/Deficit			
	Very Low	Low & Mod	TOTAL	Very Low	Low & Mod	TOTAL	Very Low	Low & Mod	TOTAL	Very Low	Low & Mod	TOTAL	
<b>I. INCEPTION OF PROJECT AREA TO PRESENT (FY 1994 - 2003)</b>													
<b>Agency Assisted</b>													
Village at Euclid	2	1	0	1	-	2	2	-	-	-	(1)	2	1
Evergreen Village	12	1	1	2	-	12	12	-	-	-	(1)	11	10
Casa de Suenos	8	1	1	2	-	8	8	-	-	-	(1)	7	6
Kings Row	53	3	5	8	-	53	53	-	-	-	(3)	48	45
Sunshine Garden	3	1	0	1	-	3	3	-	-	-	(1)	3	2
<b>Non-Agency Assisted</b>													
Sunshine Garden	8	1	1	2							(1)	(1)	(2)
Encanto Village	30	2	3	5							(2)	(3)	(5)
Village at Euclid	21	2	1	3							(2)	(1)	(3)
Evergreen Village	44	3	4	7							(3)	(4)	(7)
Case de Suenos II	3	1	-	1							(1)	-	(1)
<b>Outside Project Area</b>													
Knox Glen <sup>2</sup>	-				-	27	27	-	-	-	-	27	27
Jarrett Heights <sup>2</sup>	-				-	2	2	-	-	-	-	2	2
Skyline Terrace <sup>2</sup>	-				-	2	2	-	-	-	-	2	2
<b>SUBTOTAL<sup>3</sup></b>	<b>184</b>	<b>16</b>	<b>16</b>	<b>32</b>	<b>-</b>	<b>109</b>	<b>109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16)</b>	<b>93</b>	<b>77</b>
<b>II. PREVIOUS PLAN PERIOD (FY 2004 - 2009)</b>													
<b>Agency Assisted</b>													
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non-Agency Assisted</b>													
Encanto Urban Village	26	2	2	4							(2)	(2)	(4)
Esperanza Townhomes	29	2	2	4							(2)	(2)	(4)
<b>Outside Project Area</b>													
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>SUBTOTAL<sup>3</sup></b>	<b>55</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>(4)</b>	<b>(8)</b>
<b>III. CURRENT 10-YEAR FORECAST (FY 2010-2019)</b>													
<b>Agency-Assisted (Estimates)</b>													
Hilltop at Euclid	21	2	2	4	-	21	21	6	3	9	(8)	16	8
Village Center at Euclid	205	13	18	31	151	54	205	-	-	-	138	36	174
Naranja & 53rd Street	45	3	4	7	25	20	45	-	-	-	22	16	38
Ouchi Gardens	6	1	0	1	-	6	6	-	3	3	(1)	3	2
Imperial Avenue Corridor Master Plan Development	6	1	0	1	-	6	6	-	-	-	(1)	6	5
Chollas Creek Villas	5	1	0	1	-	5	5	-	-	-	(1)	5	4
Willie James Jones Apartments	48	4	4	8	24	24	48	-	-	-	20	20	40
Single-family Development	2	1	-	1	-	2	2	-	-	-	(1)	2	1

TABLE A

**DETAILS OF HOUSING PRODUCTION  
CENTRAL IMPERIAL REDEVELOPMENT PROJECT AREA  
City of San Diego - Redevelopment Agency**

TOTAL HOUSING PRODUCTION	AFFORDABLE HOUSING (for Low & Moderate Income)												
	Required				Produced / To Be Produced <sup>1</sup>			Less Replacement Units <sup>5</sup>			Net Surplus/Deficit		
	Very Low	Low & Mod	TOTAL	Very Low	Low & Mod	TOTAL	Very Low	Low & Mod	TOTAL	Very Low	Low & Mod	TOTAL	
	-												
<b>Non-Agency Assisted (Estimates)</b>													
Hilltop at Euclid	81	6	7	13									
Ouchi Gardens	29	2	3	5									
Imperial Avenue Corridor Master Plan Development	29	2	3	5									
Chollas Creek Villas	24	2	2	4									
Single Family Development	8	1	1	2									
<b>Outside Project Area (Estimates)</b>													
	-	-	-	-	-	-	-	-	-	-	-	-	
<b>SUBTOTAL<sup>3</sup></b>	<b>509</b>	<b>39</b>	<b>44</b>	<b>83</b>	<b>200</b>	<b>138</b>	<b>338</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>155</b>	<b>88</b>	<b>243</b>

IV. DURATION OF PROJECT AREA (1994-2027) COMPARED TO CURRENT PRODUCTION COUNT													
<b>CUMULATIVE TOTAL<sup>4</sup></b>	<b>848</b>	<b>65</b>	<b>73</b>	<b>138</b>	<b>208</b>	<b>255</b>	<b>463</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>137</b>	<b>176</b>	<b>313</b>

The current estimates on housing units are based on development and funding projections that are presently in the conceptual stage and subject to change in the future as further details emerge. Estimated amounts when determined will be addressed in the Implementation Plan's Mid-Term Update.

<sup>1</sup> Required housing production for individual line items has been rounded to the nearest whole integer.

<sup>2</sup> Knox Glen, Jarrett Heights and Skyline Terrace are located outside the Project Area. As such, unit count is not counted toward inclusionary housing obligation and affordable units are counted on a 2:1 basis.

<sup>3</sup> Required housing production for individual line items has been rounded to the nearest whole integer.

<sup>4</sup> The "cumulative total" is not the sum of the subtotals, but rather 15% and 40% of the total estimated units produced during the life span of the Project Area. The shaded areas on this line represent progress to-date toward the overall project area production targets.

<sup>5</sup> Replacement units do not count toward the inclusionary obligation of the redevelopment agency/redevelopment project area and are not counted for the purpose of reporting progress in meeting the project area's inclusionary production requirements.

## F. Replacement of Dwelling Units Destroyed or Removed

The Redevelopment activities outlined in this Plan do not remove or destroy any housing units currently restricted to low or moderate income families. Where Redevelopment activities are planned, the Redevelopment will destroy a small number of market-rate rental units and replace these units with a much greater number of market-rate and very low, low, and moderate income units. Therefore, it is expected that units removed or destroyed will be replaced to a much greater extent than required by California Community Redevelopment Law. (See Table A)

## 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. 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.

These proportionality tests must be met between January 1, 2002 and December 31, 2014, and then again every 10 years through the termination of the Project Area.

<b>Household Type</b>	<b>No. Of Households</b>	<b>Percentage of Housing Funds to be Expended</b>	
<b>Income</b>			
Very Low Income	10,645	at least	39%
Low Income	8,090	at least	29%
Moderate Income	8,645	no more than	32%
<b>TOTAL</b>	27,380		
<b>Age</b>			
LM Households Under Age 65	181,572		78%
LM Household Over Age 65	39,751	no more than	22%

Table B, Housing Expenditures and Proportionality, 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 toward very low and low income units in order to meet the legal requirements for expenditures in proportion to the community's housing needs by income category for the compliance period.

TABLE B

**HOUSING EXPENDITURES AND PROPORTIONALITY  
CENTRAL IMPERIAL REDEVELOPMENT PROJECT AREA  
City of San Diego Redevelopment Agency**

	\$ by Household Type		Income Category (# of units)			
	No Age Restriction	Seniors	Very Low	Low	Moderate	Total Restricted
FY 02	\$ -	\$ -	-	-	-	-
FY 03	\$ -	\$ -	-	-	-	-
FY 04	\$ 140,000	\$ -	-	-	2	2
FY 05	\$ -	\$ -	-	-	-	-
FY 06	\$ -	\$ -	-	-	-	-
FY 07	\$ -	\$ -	-	-	-	-
FY 08	\$ -	\$ -	-	-	-	-
FY 09	\$ -	\$ -	-	-	-	-
FY 10	\$ 481,000	\$ -	-	-	-	-
FY 11	\$ 510,000	\$ -	-	-	-	-
FY 12	\$ 523,000	\$ -	-	10	13	23
FY 13	\$ 591,000	\$ -	58	0	14	72
FY 14	\$ 679,000	\$ -	12	30	47	89
<b>Subtotal - Compliance Period (FY 02 - FY 14)</b>						
Units	186		70	40	76	186
\$	\$ 2,924,000	\$ -	\$ 1,100,430	\$ 628,817	\$ 1,194,753	\$ 2,924,000
% of \$ (TO-DATE)	100%	0%	38%	22%	41%	
% of Units (TO-DATE)	100%	0%	38%	22%	41%	
% (TARGET)	78%	22%	39%	29%	32%	
<b>Since Inception (FY 94 - FY 01)</b>						
Units	109	0	0	0	109	109
\$	\$ 2,494,312	\$ -	\$ -	\$ -	\$ 2,494,312	\$ 2,494,312
<b>Project Area Total (FY 94 - FY 14)</b>						
Units	295	0	70	40	185	295
\$	\$ 5,418,312	\$ -	\$ 1,100,430	\$ 628,817	\$ 3,689,065	\$ 5,418,312
% of \$ (TO-DATE)	100%	0%	20%	12%	68%	
% of Units (TO-DATE)	100%	0%	24%	14%	63%	
% (TARGET)	78%	22%	39%	29%	32%	
<b>Redevelopment Agency Total (To-Date)</b>						
Units	3,098	1,130	2,925	616	687	4,228
\$	\$ 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%	