



THE CITY OF SAN DIEGO

City of San Diego Redevelopment Agency FACT SHEET

The Redevelopment Agency of the City of San Diego was created by the City Council in 1958 to alleviate conditions of blight in older, urban areas. Redevelopment is one of the most effective ways to breathe new life into deteriorated areas plagued by social, physical, environmental or economic conditions that act as a barrier to new investment by private enterprise. The Redevelopment Agency is able to use special legal and financial mechanisms to eliminate blight and improve economic and physical conditions in designated areas of the City. This authority is conferred on the Agency through the state of California's Health and Safety Code (Section 33000-et.seq.), also known as the California Community Redevelopment Law.

Management of the Redevelopment Agency: Although the Redevelopment Agency is a separate, legal entity, the City Council serves as its legislative body. The Mayor chairs the Agency, the City Manager is the executive director, and the City Attorney serves as general counsel. The director of the City's Community and Economic Development Department serves as the assistant executive director. The Redevelopment Division of the City's Community and Economic Development Department serves as staff to the Agency. City staff to the Agency coordinates budget and reporting requirements, prepares the Redevelopment Agency Docket, and maintains the Agency's official records.

How Redevelopment Works in San Diego:

The Redevelopment Agency of the City of San Diego exists for the purpose of eliminating blight from a designated area, as well as achieving the goals of development, reconstruction and rehabilitation of residential, commercial, industrial and retail districts.

The Agency consists of three "divisions" which manage 17 project areas and two Survey Areas covering nearly 11,759 acres:

- An internal **City Redevelopment Division:** the largest of the "divisions," in terms of number of project areas and acreage, the City Redevelopment Division is housed in the **Community and Economic Development Department**. Department management also provides coordination for agency-wide issues. This division manages 11 project areas and one survey area throughout San Diego.
- The **Centre City Development Corporation (CCDC)**, which covers two project areas, focuses on Downtown San Diego.
- The **Southeastern Economic Development Corporation (SEDC)**, which includes four project areas and one study area, covers several neighborhoods in the southeastern portion of the City.

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Agency Snapshot:

- \$366.649 million budget*
 - City Redevelopment Division \$ 84.25 million
 - CCDC \$258.45 million
 - SEDC \$ 23.949 million

* Approximately 40% of this figure is re-directed to other tax sharing agencies (schools, etc) and housing. The remaining 60% of this figure is invested in redevelopment activities.

- 17 Project Areas totaling 10,107 Acres
- Two Survey Areas totaling 1,652 Acres
- 50+ Major Projects in the Works
- Billions of Dollars of Investment Under Way

Project and Study Area Acreage:

City Division

| <u>Project Area</u> | <u>Acres</u> |
|-----------------------------|--------------|
| Barrio Logan | 133 |
| Barrio Logan Expansion Area | 692* |
| City Heights | 1,984 |
| College Community | 131 |
| College Grove | 167 |
| Crossroads | 1,031 |
| Grantville | 970 |
| Linda Vista | 12 |
| Naval Training Center | 504 |
| North Bay | 1,360 |
| North Park | 555 |
| San Ysidro | 766 |

Centre City Development Corporation

| <u>Project Area</u> | <u>Acres</u> |
|---------------------|--------------|
| Centre City | 1,398 |
| Horton Plaza | 41 |

Southeastern Economic Development Corporation

| <u>Project Area</u> | <u>Acres</u> |
|---------------------------|--------------|
| Central Imperial | 485 |
| Dells Imperial Study Area | 960* |
| Gateway Center West | 59 |
| Mount Hope | 210 |
| Southcrest | 301 |

*This acreage not included in Agency's total acreage as these areas are not officially Redevelopment Project Areas.

Redevelopment Basics: Once a redevelopment project area is created, the property tax base is essentially “frozen,” and any increases in property tax (called tax increment) is set aside primarily for redevelopment activities.

The key to the success of redevelopment is the ability to provide major incentives to developers and businesses. Through tax increment financing and the issuance of bonds, public funds are used to lay the foundation necessary to attract private entities capable of investing their dollars and manpower in the designated area. Except for residential projects that benefit low- and moderate-income households, tax increment financing can only be used in the same project area that generates them, and are also the source of repayment of bonds. Therefore, the taxpayers contributing to the redevelopment effort are also the ones benefiting from it.

Examples of redevelopment tools:

- Ability to assemble land for development
- Ability to utilize tax increment and issue bonds
- Ability to invest in infrastructure to “lure” private enterprise
- Ability to create affordable housing opportunities

Examples of activities/benefits generated through Redevelopment:

- Commercial mixed-use projects
- New/Rehabilitated affordable and market-rate housing
- New and revitalized schools
- Increased investment in the area
- Living wage job creation
- Transportation facilities
- Sales, hotel and utility tax revenue
- Youth recreation and service centers
- Community beautification
- Renewed civic pride

Combined with other investment incentives, such as the City’s federal Renewal Community designation, state Enterprise Zones, small business programs and business expansion and retention assistance, redevelopment plays a key role in improving San Diego’s quality of life, assisting with smart growth efforts and carrying out the vision of San Diego’s future.

Examples of Successful Redevelopment Projects within the City of San Diego

City Heights Urban Village: The award-winning City Heights Urban Village has recreated the core of the City Heights community, establishing a pedestrian-friendly town square with important City facilities and centers of learning. The project resulted from an unprecedented collaboration among the City of San Diego, CityLink Investment Corp., and Price Charities, as well as several other public and private entities. Already completed are a police substation and community gymnasium, elementary school, library, community service center, recreation center, continuing education center, and retail center. Recent additions include new townhomes and an office center.

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Horton Plaza: One of the original redevelopment project areas, the 12-block Horton Plaza area was master planned for retail, hotel, office, entertainment and residential uses. Nine blocks contain the highly successful Horton Plaza retail/entertainment center and hotel. High-rise, high-income residential opportunities were introduced to downtown with the opening of Meridian's 172 spacious condominiums. In 1994, the award-winning Horton Fourth Avenue added an innovative mixed-use, residential-over-retail development just 45 feet wide and nearly 500 feet long between the Horton Plaza parking garage and Fourth Avenue. This neighborhood includes the 1913 Golden West Hotel, now a renovated Single Room Occupancy, the Federal Office/Courthouse building, the Paladion, the historic Spreckels Theater/Office Building and two office buildings.

Naval Training Center: The redevelopment of the former Naval Training Center is becoming a model for future military base closings. The 328-acre mixed-use redevelopment project will transform the former base into a vibrant community featuring residential neighborhoods, a 46-acre waterfront park, shops and restaurants, museums and galleries, a nine-hole golf course, a business center, hotels, state-of-the-art schools and a 16-acre outdoor promenade. The project is a partnership between the City of San Diego, Corky McMillin Companies and the NTC Foundation. The residential component is complete and construction has begun on the commercial and park districts.

North Park Theatre: A cornerstone of the community since 1928, the North Park Theatre is being rehabilitated to once again become a live performance venue. Plans include interior renovations and expansion, retail and office space, a new Theatre entrance and marquee. The project also features a 393-space public parking structure to support traffic to the theatre and surrounding North Park business corridor. The theatre opened in September 2005.

Redevelopment Agency Affordable Housing Program: The Redevelopment Agency Affordable Housing Program is a collaboration of the Redevelopment Agency (which includes the City's Community and Economic Development Department, the Centre City Development Corporation and the Southeastern Economic Development Corporation) and the San Diego Housing Commission. The goal of the program, which uses Redevelopment tax revenue as incentives to developers, is to increase the City's affordable housing inventory for very low- and low-income households, to assist people with moderate-income levels achieve homeownership and, on a case-by-case basis, to acquire and rehabilitate existing properties. The City continues to accept proposals for residential or mixed-use developments; housing that is all low-income or is mixed-income; multi- or single-family dwelling units or a combination thereof; and rental or for-sale units. More than 1,500 new affordable units have been approved or are being reviewed for funding by the Redevelopment Agency Affordable Housing Program. This represents a potential subsidy of more than \$112 million in public funds to help ease the affordable housing crisis in San Diego.

For more information about redevelopment in San Diego, contact the **City of San Diego Redevelopment Agency** at **(619) 533-4233** or visit the City's Web site at **www.sandiego.gov/redevelopment-agency**.

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