

NOTICE OF PUBLIC HEARING
REGARDING
THE FIVE-YEAR IMPLEMENTATION PLAN
FOR THE NATIONAL CITY REDEVELOPMENT PROJECT AREA

Pursuant to Section 33490 of the California Community Redevelopment Law, Health and Safety Code Sections 33000 et seq. ("Law"), the Community Development Commission of the City of National City ("Commission") will be conducting a public hearing to consider adoption of a proposed Implementation Plan for Fiscal Years 2009-2014. The proposed Implementation Plan contains the Commission's goals and objectives for the National City Redevelopment Project Area ("Project Area"), the proposed projects and expenditures for the next five-years, FY 2009/10 through FY 2013/14, and an explanation of how these goals, objectives, projects, and expenditures will eliminate blight and effectuate recovery within the Project Area and implement the requirements of the Law and other matters required by Law.

NOTICE IS HEREBY GIVEN THAT A PUBLIC HEARING WILL BE HELD IN CONNECTION WITH THE PROPOSED IMPLEMENTATION PLAN:

WHAT: Commission Public Hearing on the Five-Year Implementation Plan

WHERE: City of National City, City Hall
Council Chambers
1243 National City Boulevard
City of National City, California 91950

WHEN: March 29, 2011
6:00 p.m. (or as soon as possible thereafter)

PUBLIC REVIEW:

A DRAFT of the Proposed Implementation Plan will be available for public review from March 4, 2011 to March 29, 2011 at the counter of the City Clerk located at 1243 National City Blvd, National City, CA 91950; at the National City Public Library located at 1401 National City Boulevard National City CA 91950; and on the National City Website at www.nationalcityca.gov .

If you wish to obtain further information about the proposed Implementation Plan, please contact Brad Raulston, the Community Development Executive Director, at (619) 336-4241.

Publish: March 4, 2011
March 11, 2011
March 18, 2011

DRAFT

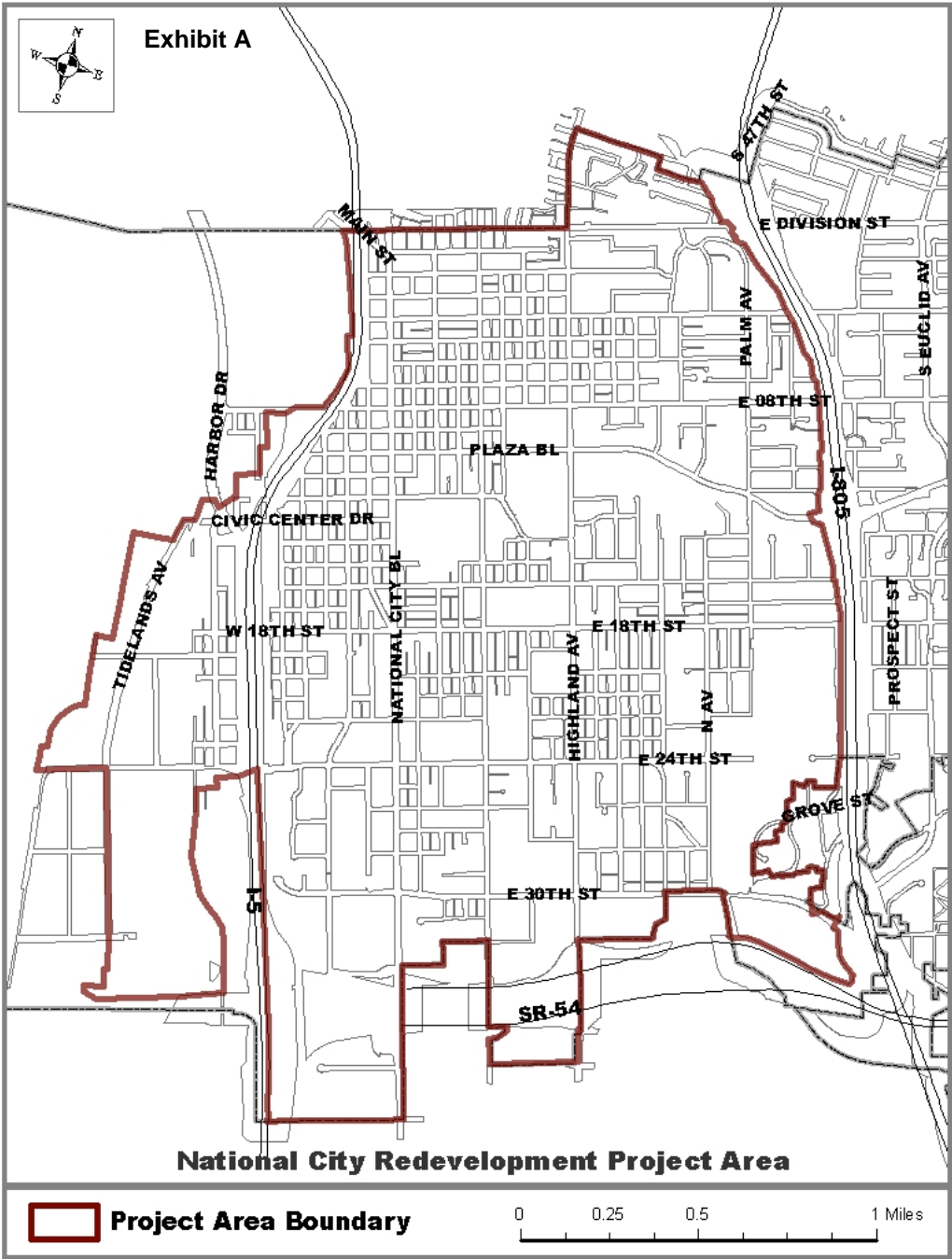
FIVE YEAR IMPLEMENTATION PLAN

2010-2014

NATIONAL CITY REDEVELOPMENT PROJECT

COMMUNITY DEVELOPMENT COMMISSION

CITY OF NATIONAL CITY



ABOUT THIS IMPLEMENTATION PLAN

In fulfillment of Article 16.5 of California Community Redevelopment Law, the Community Development Commission of the City of National City (“Commission”) has prepared this Implementation Plan for the National City Redevelopment Project Area (“Implementation Plan”). Included in this document are the Commission’s anticipated redevelopment and affordable housing program.

The Implementation Plan conforms to the National City General Plan and has been prepared according to guidelines established in the programs and goals outlined in the Housing Element of the General Plan.

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THE PROJECT AREA

The Community Development Commission of the City of National City was formed in 1969 to facilitate redevelopment activities in the City. Between November 1969 and December 1981, the Commission established redevelopment districts in several parts of the City.

In 1995, the Commission adopted the Harbor District redevelopment project area to expanded redevelopment activities predominantly in lands adjacent to the maritime facilities owned by the San Diego Unified Port District. As part of the Harbor District project area adoption, the Commission merged all six projects into one Redevelopment Project Area ("Project Area") as illustrated in Exhibit A. Combined, the component areas of the merged Project Area cover 2,080 acres, including most of the City west of Interstate 805. The Redevelopment Plan expires in 2040.

Over the past 42 years, the Commission has funded the following initiatives to improve conditions in the Project Area:

- **Public Improvements:** The elimination or amelioration of infrastructure deficiency through the implementation of Code Enforcement Programs, Highway Landscaping Projects, and Curb, Gutter, Sidewalk and ADA Accessibility Projects.
- **Economic Development:** The establishment of the National City Mile of Cars along with commercial center and industrial park development.
- **Community Revitalization:** The promotion and expansion of social capital through the development of the housing facilities.

RECENT ACCOMPLISHMENTS

In the last five years, the Commission has championed many successful projects and programs in the Project Area, including:

- Completion of Fire Station No. 34;
- Completion of the new City Library;
- Completion of the Cultural Arts Center;
- Completion of Education Village;
- Adoption of the Downtown Specific Plan;
- Adoption of the Westside Specific Plan;
- Completion of Pier 32 Marina;
- Completion of Marina Gateway hotel and restaurant;
- Establishment of the San Diego Regional Enterprise Zone;

- Completed an 80–unit senior complex, known as Plaza City Apartments;
- Completed three single family “For Sale” units on Sheryl Lane;
- Completed National City Boulevard streetscape improvements from Division Street to 16th Street;
- Completed Morgan Square public plaza at National City Boulevard and 9th Street.

REVENUE PROJECTIONS

The Commission is using redevelopment along with other financing tools and partnerships to facilitate enhancement of the Project Area as a whole. Because most projects are in the pre-development and design phase, final costs to generate 5-year expense projections are unknown for most projects. The Commission had approximately \$15,645,135 in cash assets on hand at the end of the 2009-2010 fiscal year. It is estimated that the Commission will receive approximately \$14,303,754 in gross tax revenue, during the 2010-11 fiscal year, of which \$3,027,542 will be set-aside for affordable housing activities. The total costs associated with the Implementation Plan (Tier I) are estimated to be \$46.4 million balanced against \$55.4 million in revenue and remaining bond proceeds for the 2010-2011 fiscal year. Over the next five-year planning cycle (2009-10 to 2013-14) approximately twenty percent of total property tax increment revenue for the Project Area will be set-aside for affordable housing activities.

REDEVELOPMENT STRATEGY

The redevelopment strategy for the Project Area is four-pronged: retain and attract businesses and jobs, improve public facilities; encourage infill development, and increase the supply of affordable housing.

- **Businesses and Jobs.** Capitalize on employment opportunities in the industrial areas and the potential work force in the community. This strategy emphasizes business retention, growth, and attraction as well as the expansion and development of employment opportunities. Public and private investments will be encouraged to promote new development and enhance existing businesses.
- **Public Facilities.** This strategy seeks to improve public infrastructure and facilities, which is critical to attract development and investment while improving the community’s quality of life. Projects may include recreational facilities, landscape beautification, mobility and circulation, and other needed improvements to enhance the existing community and to stimulate new development.
- **Infill Development.** Infill development will be encouraged and facilitated, including new mixed-use residential development along commercial corridors. This will assist in the development of additional affordable dwelling units while improving the residential consumer base to support existing businesses and new commercial development.
- **Affordable Housing.** Rehabilitate and improve the existing housing stock for all income levels and assist with the relocation of incompatible uses through innovative programs and neighborhood initiatives.

REDEVELOPMENT PLAN GOALS

The 1995 Redevelopment Plan establishes goals for the redevelopment of the Project Area. These goals frame the redevelopment projects and programs of the Implementation Plan. The Redevelopment Plan goals are listed below:

- I. Eliminate and prevent the spread of conditions of blight including: underutilized properties and deteriorating buildings, incompatible and uneconomic land uses, deficient infrastructure and facilities, obsolete structures, and other economic deficiencies in order to create a more favorable environment for commercial, office, industrial, residential, and recreational development.
- II. Unify City's Harbor District with the downtown area through enhanced employment, commercial, and maritime development opportunities.
- III. Expand the commercial base of the Project Area.
- IV. Improve public facilities and public infrastructure.
- V. Improve inadequate drainage infrastructure.
- VI. Improve and/or provide electric, gas, telephone, and wastewater infrastructure to both developed and undeveloped properties within the Project Area.
- VII. Promote local job opportunities.
- VIII. Encourage the cooperation and participation of residents, businesses, business persons, public agencies, and community organizations in the redevelopment/revitalization of the Project Area.
- IX. Implement design and use standards to assure high aesthetic and environmental quality, and provide unity and integrity to developments within the Project Area.
- X. Address parcels of property that are: of irregular form and shape, are inadequately sized for proper usefulness and development, and/or are held in multiple ownership.
- XI. Remove impediments to land disposition and development through the assembly of property into reasonably sized and shaped parcels served by improved infrastructure and public facilities.
- XII. Recycle and/or develop underutilized parcels to accommodate higher and better economic uses while enhancing the City's financial resources.
- XIII. Promote the rehabilitation of existing housing stock.
- XIV. Increase, improve, and preserve the community's supply of housing affordable very low, low and moderate income households.

PROPOSED REDEVELOPMENT PROGRAM

The Implementation Plan consists of redevelopment projects and programs that are described below along with the blighting conditions that would be eliminated, the approximate costs to implement, and the Redevelopment Plan goals achieved. The projects and programs are categorized into three tiers in order of priority (1, 2, and 3).

Tier 1 Projects/Programs

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p>Westside Infill Transit Oriented Development (WI-TOD)</p> <p>201-unit family affordable housing project along Paradise Creek, park, and trail.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2014</p>	\$21,000,000	I, IV, V, VI, VIII, IX, X, XI, XII, XIV
<p>8th Street Smart Growth Phase I and II</p> <p>Public right-of-way improvements include reduction in travel lanes, diagonal parking, widened sidewalks, pedestrian amenities, landscape medians, street trees, and other enhancements.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2012</p>	\$1,800,000	I, IV, VIII
<p>Coolidge Corridor I</p> <p>Complete streets project with traffic calming, safe routes to schools, and pedestrian and bicycle enhancements.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2012</p>	\$200,000	I, IV, VIII

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p>Gateway to the Mile Project (Sudberry)</p> <p>25-acre regional commercial center anchored by Lowe's home improvement.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2013</p>	\$2,500,000	I, III, IV, V, VI, VII, VIII, IX, X, XI, XII
<p>D Avenue Community Corridor I</p> <p>Complete streets project with traffic calming, safe routes to schools, and pedestrian and bicycle enhancements.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2013</p>	\$125,000	I, IV, VIII
<p>Aquatic Center</p> <p>Aquatic recreational center with boat and kayak access to the San Diego Bay with programming through a partnership with the South Bay YMCA.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2013</p>	\$3,300,000	I, IV, IX
<p>Las Palmas Park Facilities Plan I</p> <p>Upgrade and improvement of existing park and recreational facilities including the gym, locker rooms, and other public facilities in advance of phase II, which would expand the park to the adjacent municipal golf course.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: 2013</p>	\$6,500,000	I, IV, VII

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p>Senior Village Expansion Project</p> <p>Commission has entered into an Exclusive Negotiations Agreement with a developer to rehabilitate the existing 303 unit Kimball and Morgan Towers and to construct 200 new senior units adjacent to Kimble and Morgan Towers. The majority of units will be income restricted.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings and inadequate public infrastructure.</p> <p>Completion: 2014</p>	\$7,000,000	I, IV, VIII, IX, XIII, XIV
<p>Residential Rehabilitation Program</p> <p>The Commission will administer a program that provides financing to residential properties to improve residential neighborhoods and to educate residents on health dangers of lead; require testing and lead hazard reduction in conjunction with rehabilitation.</p> <p>This program will eliminate: factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Completion: 2014</p>	\$1,000,000	I, XIII, XIV
<p>First-Time Homebuyer Program</p> <p>The Commission will administer a program that will provide up to \$40,000 to help low- and moderate-income residents become first-time homebuyers through deferred loans, and mortgage credit certificates.</p> <p>The program will eliminate: factors hindering economically viable uses.</p> <p>Completion: 2014</p>	\$1,000,000	XIV
<p>Housing Inspection Program</p> <p>The Commission will provide Housing and Safety Code inspections of rental units and technical assistance to property owners with regards to code violations and solutions thereof.</p> <p>This program will eliminate: factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Completion: 2014</p>	\$500,000	I, XIII, XIV

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p>Housing Acquisition-Rehabilitation Program</p> <p>The Commission will work with for-profit and non-profit housing developers to acquire, rehabilitate, and construct new affordable housing units.</p> <p>This program will eliminate: factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Completion: 2014</p>	\$1,500,000	I, XIII, XIV
Total Preliminary Cost Estimate	\$46,425,000.00	

Tier 2 and Tier 3 Projects/Programs

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p>Plaza Boulevard Streetscape Improvements Project</p> <p>Widening and improvements in the public right-of-way along Plaza Boulevard from Interstate 5 to Highland Avenue.</p> <p>This project will eliminate factors hindering economically viable uses and inadequate public infrastructure.</p> <p>Completion: TBD</p>	\$300,000	I, IV
<p>Plaza Boulevard Business Improvement District</p> <p>Establishment of a Business Improvement District along Plaza Boulevard.</p> <p>This project will eliminate factors hindering economically viable uses and incompatible uses.</p> <p>Completion: TBD</p>	\$700,000	III, VIII

Project/Program Description	Preliminary Cost Estimate	Goals Achieved
<p>Marina Gateway – Two blocks between McKinley and Harrison Avenues, 23rd and 24th Streets</p> <p>The Commission is in negotiations with Marina Gateway Development Company for a commercial project on the former Ace Metals site on West 23rd Street.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings and incompatible uses and will create jobs.</p> <p>Completion: TBD</p>	\$50,000	I, II, III, IV, VII, IX, X, XI, XII
<p>Harbor District Master Plan</p> <p>This plan will guide development and public improvements from 22nd Street to Civic Center.</p> <p>This project will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings, incompatible uses and environmental remediation.</p> <p>Completion: TBD</p>	\$125,000	I, II, III, IV, VII, VIII, IX
<p>Harbor District Joint Planning</p> <p>The CDC and Port are entering into an agreement to plan redevelopment of approximately 20 acres south of 24th Street and east of Tidelands Avenue to compliment the award-winning Marina Gateway improvements already completed. Included will be public recreational spaces and commercial spaces to provide jobs.</p> <p>These projects will eliminate factors hindering economically viable uses, unsafe and unhealthy buildings and environmental remediation.</p> <p>Completion: TBD</p>	\$140,000	I, II, III, IV, VII, VIII, IX, XII
<p>Purple Cow</p> <p>The land held for resale is anticipated to be developed for either affordable housing or commercial purposes.</p> <p>This project will eliminate: factors hindering economically viable uses and unsafe and unhealthy buildings.</p> <p>Completion: TBD</p>	\$400,000	I, III, VII, IX, X, XI, XII, XIV

HOUSING PROGRAM COMPLIANCE OBJECTIVES

This section addresses specific requirements in state law with respect to prior affordable housing activities and the anticipated housing program in the future. Redevelopment agencies use implementation plans to establish 10-year objectives to achieve compliance with state law regarding their affordable housing programs. These housing objectives generally fall into three categories:

- Housing Production – based on the number of housing units constructed or substantially rehabilitated over a 10-year period, a redevelopment agency is to ensure that a percentage of these units are affordable to very-low, low- and moderate- income households. These requirements only apply to project areas established on or after January 1, 1976; consequently, two component areas of the Project Area (E.J. Christman 1 Area and the South Bay Town and Country Area) are exempt from these requirements.
- Replacement Housing – redevelopment agencies must ensure that any housing units destroyed or removed as a result of redevelopment project are replaced within four years. With respect to the pre-1976 component areas (E.J. Christman 1 Area and South Bay Town and Country Area), these requirements took effect after January 1 1996.
- Targeting Household Types – identify the amount of housing set-aside funds the redevelopment agency will allocate during the 10-year period on increasing and improving the supply of housing affordable to very low income households and low income households, and housing for residents under the age of 65.

Housing Production

To estimate the number of housing units that need to be affordable to low- and moderate- households, the Commission estimated the total number units to be constructed or substantially rehabilitated in the Project Area and applied mandates established by the Redevelopment Law. The number of required affordable housing units is based upon statutory thresholds, and the Commission is responsible for ensuring that the appropriate number of affordable units is created during the 10-year planning period. The following table summarizes the production goals.

Actual and Projected Housing Production Needs by Time Period			
Time Period	Actual/Assumed Housing Units Constructed and Substantially Rehabilitated in Project Area /1	Required Affordable Units /2	
		Total	Very Low
Prior to 2004-05	1,588	238	95
10 Year Forecast	800	120	48
2004-05 to 2008-09	511	77	31
2009-10 to 2013-14	289	43	17
Redevelopment Plan Duration (1976 to 2040)	2,388	358	143

1/ Exclusive of E.J. Christman 1 Area and South Bay Town and Country Area, which are exempt from production housing needs.

2/ All required units based on 15 percent of actual/assumed units developed by entities other than Agency. (Production requirement for units developed by Agency is 30 percent).

The Commission estimated a need for 120 affordable units (including 48 very low-income units) to fulfill its production goals for the ten year Housing Production period, and 358 affordable units (including 143 very low-income units) over the duration of the Redevelopment Plan. Based on housing production during the past Implementation Plan period, the current forecast need for very low income units has been achieved with an excess production surplus of four units. The current forecast need for total units is 156. Fulfillment of these productions goals is shown in the following table.

Housing Production								
Time Period	Units Required (from previous table)		Units Produced*		Remaining Units Required		Net Surplus Units Produced	
	Total	VL	Total	VL	Total	VL	Total	VL
Prior to 2004-05 South Bay Manor	238	95	75	75	163	20	0	0
Covenants Expiring*:								
Park Villa Point			268	27				
McKinley Apartments			160	56				
Kimball Senior Park			151	151				
Paseo del Sol/Copper Hills			132	0				
Various Subst. Rehab			245	221				
10 Year Forecast 2004-05 to 2013-14	120	48			283	61		
Production 2005-06 to present								
Habitat – Harding Avenue			3	0				
Habitat – G Avenue			8	0				
Casa Familiar – D & E			17	5				
Casa Familiar – Quinta			9	2				
Pacific View – Fig Court			5	0				
Plaza City Apartment			80	60				
Redevelopment Plan Duration (1976 to 2040)	358	143	202	147	156	0	0	4

*Units produced with covenants that expire during the Redevelopment Plan duration are not counted towards the production totals.

Replacement Housing

During the Implementation Plan period, the Commission does not anticipate that any Commission-assisted projects will result in the displacement or removal of housing units. Consequently, the Commission does not anticipate that any housing will need to be replaced at this time.

Expenditures by Household Types

At the beginning of the Implementation Plan period (July 1, 2010), the low and moderate income housing fund had a balance of approximately \$12,874,593. Over the five-year planning cycle (2009-10 to 2013-14) approximately twenty percent of total property tax increment revenue for the Project Area will be set-aside for affordable housing activities.

The low- and moderate- income housing set-aside revenue is to be expended in proportion to the community's need for very low- and low- income housing and the proportion of the population under the age of 65. Based on the Regional Housing Needs Assessment and 2000 Census, the following minimum thresholds for expenditures would be required over the term of the Implementation Plan.

Household Type	Minimum Percentage of Expenditures
Very Low Income Households	15%
Low Income Households	31%
Households Under Age 65	89%

Housing Set-Aside Expenditures. These proportionality requirements affect expenditures over a ten-year period, although the law permits the compliance initially for a period beginning in January 2002 and ending in December 2014. The chart below documents the amount of low- and moderate- income housing fund revenue used since January 2002 for these income categories:

Income Category	Housing Expenditures by Year									Proportion
	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	
Very Low	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$3,039,197	\$0	73%
Low	\$0	\$0	\$23,733	\$0	\$0	\$0	\$0	\$1,109,703	\$0	27%
Moderate	\$0	\$628	\$3,490	\$0	\$0	\$0	\$0	\$0	\$0	<1%
Totals	\$250	\$628	\$27,223	\$0	\$0	\$0	\$0	\$4,148,900	\$0	100%

Units Assisted by Housing Set-Aside Fund. State law requires a recap of the projects assisted over the past Implementation Plan period, including family projects (open to all age groups) and senior projects (restricted to residents age 65 and older). The following table summarizes expenditures by project.

Project	Expenditure	Units Assisted 2004-05 to 2008-09				
		Ext. Low	Very Low	Low	Moderate	Total
Family Projects:						
Casa Familiar D & E	\$669,653		5	12		17
Habitat G Avenue	\$57,247			8		8
Senior Projects:						
Plaza City Apartments	\$3,422,000		60	20		80
Totals			67	50		117

Units Constructed During Prior Implementation Plan Without Set-Aside Funds. During the prior Implementation Plan period, the following projects received other state and or federal funding sources other than or in addition to set aside funds to construct affordable units featuring long term covenant restricted units (affordable units with covenants of at least 45 years for ownership housing or 55 years for rental housing).

- Habitat – Harding Avenue
- Habitat – G Avenue
- Casa Familiar – D & E
- Casa Familiar – Quinta
- Pacific View – Fig Court