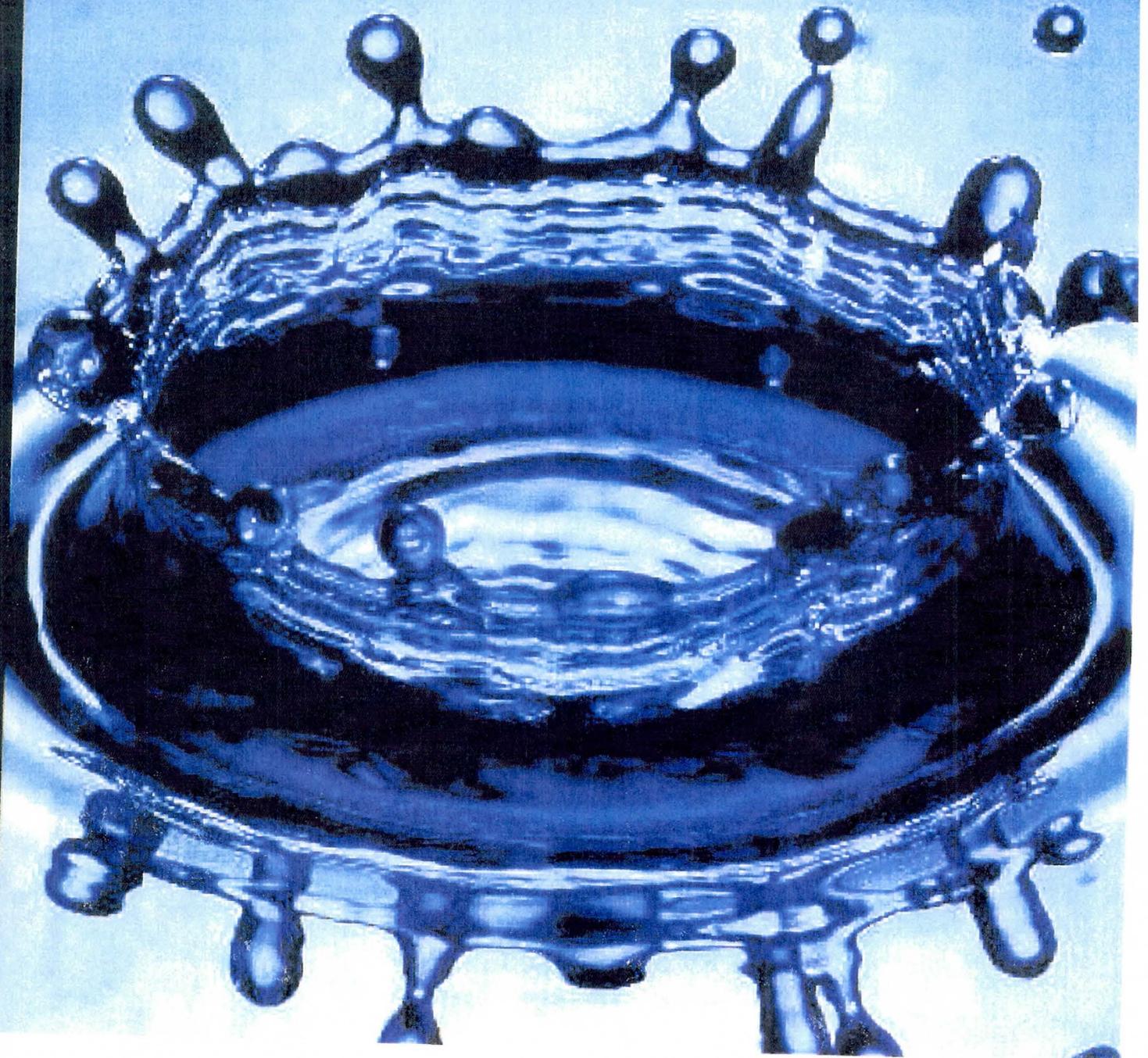




Project Summaries for:

- First San Diego River Improvement Project
- Upper San Diego River Improvement Project
- Carmel Valley Restoration and Enhancement Project



DAVID EVANS
& ASSOCIATES

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Introduction

For the purpose of evaluating river improvement projects relative to the financing, govern^{ance}ess, and maintenance research effort for the Agua Fria Water Course Masterplan project, *David Evans and Associates, Inc. (DEA)* has examined two planning efforts along the San Diego River. They include the First San Diego River Improvement Project (FSDRIP) and the Upper San Diego River Improvement Project (USDRIP). FSDRIP is approximately 261 acres and is located in the Mission Valley community in the City of San Diego. USDRIP is approximately 529 acres and is located in the Lakeside community of the unincorporated area of the County of San Diego. These two planning efforts are described in detail under tabs 2 and 5 of this document. Additionally, *DEA* is gathering information of the Carmel Valley Restoration and Enhancement Project (CVREP) located in the Carmel valley community of San Diego. Our initiate research on CVREP is located under tab 7. Once we receive more information on CVREP we will forward it to you to add to this binder.



San Diego River

San Diego River

The San Diego River originates from the Cuyamaca Mountains and flows southwesterly to the Pacific Ocean through Mission Bay. The configuration is a pear-shaped basin elongated in the northeast to southwest direction with an approximate length of 41 miles. The mouth of the river discharges into the Pacific Ocean at the community of Ocean Beach. With a land area of approximately 440 square miles, the San Diego River watershed is the second largest hydrologic unit in San Diego County. It also has the highest population (approximately 475,000) of the County's watersheds and contains portions of the cities of San Diego, El Cajon, La Mesa, Poway, and Santee and several unincorporated jurisdictions.

The San Diego watershed includes five water storage reservoirs, a large groundwater aquifer, extensive riparian habitat, coastal wetlands, and tidepools. The five reservoirs in the San Diego River watershed supply water to as many as 760,000 residents in the region. Additionally, four hydrologic areas are located along the San Diego River including the Lower San Diego River (907.1), San Vicente (907.2), El Capitan (907.3), and Boulder Creek (907.4). Figure 1, *Hydrologic Areas of the San Diego River*, shows the different hydrologic areas of the river.

The two major reservoirs created by San Vicente Dam and El Capitan Dam control about 60 percent of the total drainage basin area. With the completion of the El Capitan Dam and San Vicente Dam, the character of flood flow in the San Diego River has changed. The record flood of 75,000 cubic feet per second (cfs) that occurred in 1916 was before the completion of El Capitan and San Vicente Dams. The greatest flood since the completion of the dams occurred on February 21, 1980. The inflow to El Capitan Reservoir was estimated to be 40,000 cfs, and the San Vicente inflow was 11,500 cfs. Because of the reservoirs, the outflow was only 1,080 cfs at El Capitan spillway and 6,000 cfs at San Vicente spillway. San Vicente Dam reduced the peak flow in San Vicente Creek by nearly one half, while the El Capitan Dam received more than the 100-year inflow without spilling, except minor amounts at a later time.

Approximately 58.4 percent of the San Diego River watershed is undeveloped. The majority of this undeveloped land is in the upper, eastern portion of the watershed, while the lower reaches are more highly urbanized. The San Diego River has a sand mining history concurrent with the regional growth. River sand is the largest mineral resource in the San Diego region and is used in construction material as the major composition of concrete. Most of the concrete sand is produced from instream sand mining. With accelerated growth in the region and increasing quantities of sand mining, the San Diego River has undergone extensive sand mining. Urban runoff entering the San Diego River and other causes pollution are of major concern public and jurisdictional concerns. Table 1, *Summary of the San Diego River and Associated Impacts*, describes the different features of the San Diego River.

Figure 1
Hydrologic Areas of the San Diego River

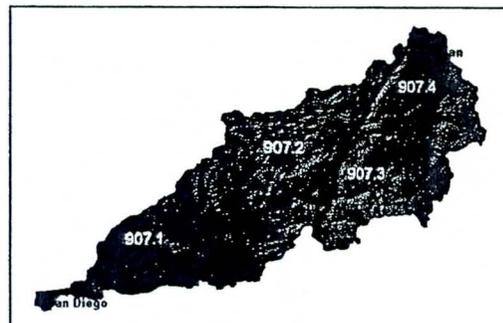


TABLE 1
SUMMARY OF THE SAN DIEGO RIVER AND ASSOCIATED IMPACTS

Hydrologic Areas:	Lower San Diego	907.1 (See Figure 1)
	San Vincente	907.2 (See Figure 1)
	El Capitan	907.3 (See Figure 1)
	Boulder Creek	907.4 (See Figure 1)
Major Water Bodies:	San Diego River, El Capitan Reservoir, San Vincente Reservoir, Lake Murray, Boulder Creek, Santee Lakes	
Major Impacts to River:	Surface water quality degradation, habitat degradation and loss, sediment, invasive species, eutrophication, and flooding	
Constituents of Concern:	Coliform bacteria, TDS, nutrients, petroleum chemicals, toxics, and trash	
Sources / Activities of Impacts	Urban runoff, agricultural runoff, mining operations, sewage spills, and sand mining	

Carmel Valley Restoration and Enhancement Project

Carmel Valley Restoration and Enhancement Project (CVREP)

Another major river enhancement and improvement project located in San Diego is CVREP. CVREP included planting of riparian habitat, enhancement and development of a sedimentation control channel for a section of Carmel Creek in the Carmel Valley community of the City of San Diego. CVREP was approved in conjunction with the construction of State Route 56 West, a six lane state highway. Development of CVREP included constructing an approximate 140 to 200-foot-wide channel bottom, with a total vegetated width of 300 to 400 feet including side slopes, which conveys the 100-year flood flows from Carmel Creek. The CVREP channel was designed to appear as a natural creek and unlike most manufactured channels, the principal water velocity and sediment control is achieved by the dense riparian vegetation.

DEA has contacted Caltrans regarding detail of responsible parties, maintenance and funding sources for CVREP and is waiting to hear back from Caltrans. Once we have spoken with Caltrans *DEA* will provide you with more information regarding the responsible parties, maintenance, and funding sources for CVREP; however, tab 7 includes what information on CVREP we have been able to gather thus far.

First San Diego River Improvement Project (FSDRIP)

Project and Site Characteristics: The FSDRIP Specific Plan encompasses approximately 261 acres and traverses the Mission Valley community in the City of San Diego. FSDRIP was created to improve a portion of the San Diego River, including channelization and dredging of the river for flood control measures and creation of passive recreational opportunities along the river for public use. The City of San Diego and the private owners of the FSDRIP Specific Plan area agreed to the project because they would mutually benefit from the improvements. The private owners benefited from the floodway improvements, which significantly reduced the chances of their properties flooding; and the City benefited from the public access to the river and the passive recreational improvements, which were funded by the private property owners.

FSDRIP is surrounded by urban private development including residential and commercial uses. A few parcels along FSDRIP have not been developed. Attached is the project location map from the FSDRIP Specific Plan, which shows the planning area boundaries in 1992.

Ownership: Private, through a Development Agreement between the City and the FSDRIP land owners.

Planning Documents: FSDRIP is governed by the Mission Valley Community Plan, FSDRIP Specific Plan, the FSDRIP Development Agreement, and the FSDRIP Resource Management Plan. The FSDRIP Resource Management Plan includes guidelines to meet the U.S. Army Corps permit requirements for habitat restoration and vegetation of the river corridor.

Improvement Funding: The improvements were funded by the private land owners of the FSDRIP area. Special assessment districts were organized through the City of San Diego and the owners. Assessment bonds paid by the owners were used to pay all costs and expenses of the improvements. In the event that the owners directly paid the costs for improvements and the provisions of the improvements benefit more than that one owner and exceed the usual subdivision/building permit process, the owner may seek to have a reimbursement mechanism established in order equitably distribute the costs between the owners.

Development Agreement: In order to channelize the river and construct the flood improvements, the City entered into a Development Agreement with property owners along the river. The development agreement includes financing for maintenance, habitat creation, and dredging details for the river improvements. The original FSDRIP Development Agreement is located under tab 4 of this binder.

Improvements: Flood control improvements were implemented as a single project. The appropriate phasing for construction and revegetation was implemented for the improvements.

The private owners of the FSDRIP area were responsible for submitting to the City for approval final design plans for the floodway and necessary transition areas; landscaping and revegetation plans for the floodway; public improvement plans including bikeways pedestrian walks, rest areas, benches, etc. and a map illustrating the new Floodway (FW) zone and open space easements. The revegetation plan included a maintenance, management, and monitoring program for FSDRIP. To implement the revegetation plan, a contract was issued between a landscape contractor and the City. The contract included specific performance standards and milestones, which were evaluated by the U.S. Fish and Wildlife Service and the California Department of Fish and Game (Resource Agencies).

A qualified biologist was selected to evaluate satisfactory completion of the tasks/phases of the revegetation plan and to implement the 10-year monitoring program for biological resources. The monitoring program documents the regrowth of riparian and marsh habitats during FSDRIP construction and revegetation. Semi-annual reports created by the consulting biologist are submitted to the City Planning Department and the Resource Agencies. Under tab 3 is the Administrative Element of the FSDRIP Specific Plan, which outlines the implementation of the river improvements in more detail.

Maintenance: The City of San Diego is responsible for ensuring that the required monitoring, maintenance, and management of the FSDRIP corridor. FSDRIP is maintained by a City Maintenance Assessment District. The maintenance is funded by the private property owners within FSDRIP. At the beginning of the maintenance efforts for FSDRIP, owners located adjacent to the river paid for the maintenance. Since then, it has been decided that property owners located further from the river corridor also benefit from the flood control measures and recreational improvements; therefore, the surrounding area has been broken up into maintenance funding zones, which determine the amount of money each property owner pays into the maintenance fund. The zone closest to the river receives the most benefit from the river/floodway improvements and pays more into the maintenance fund than those developments located farther from the river corridor. The City contracts the maintenance work out to a private company, and the contract is renewed every five years.

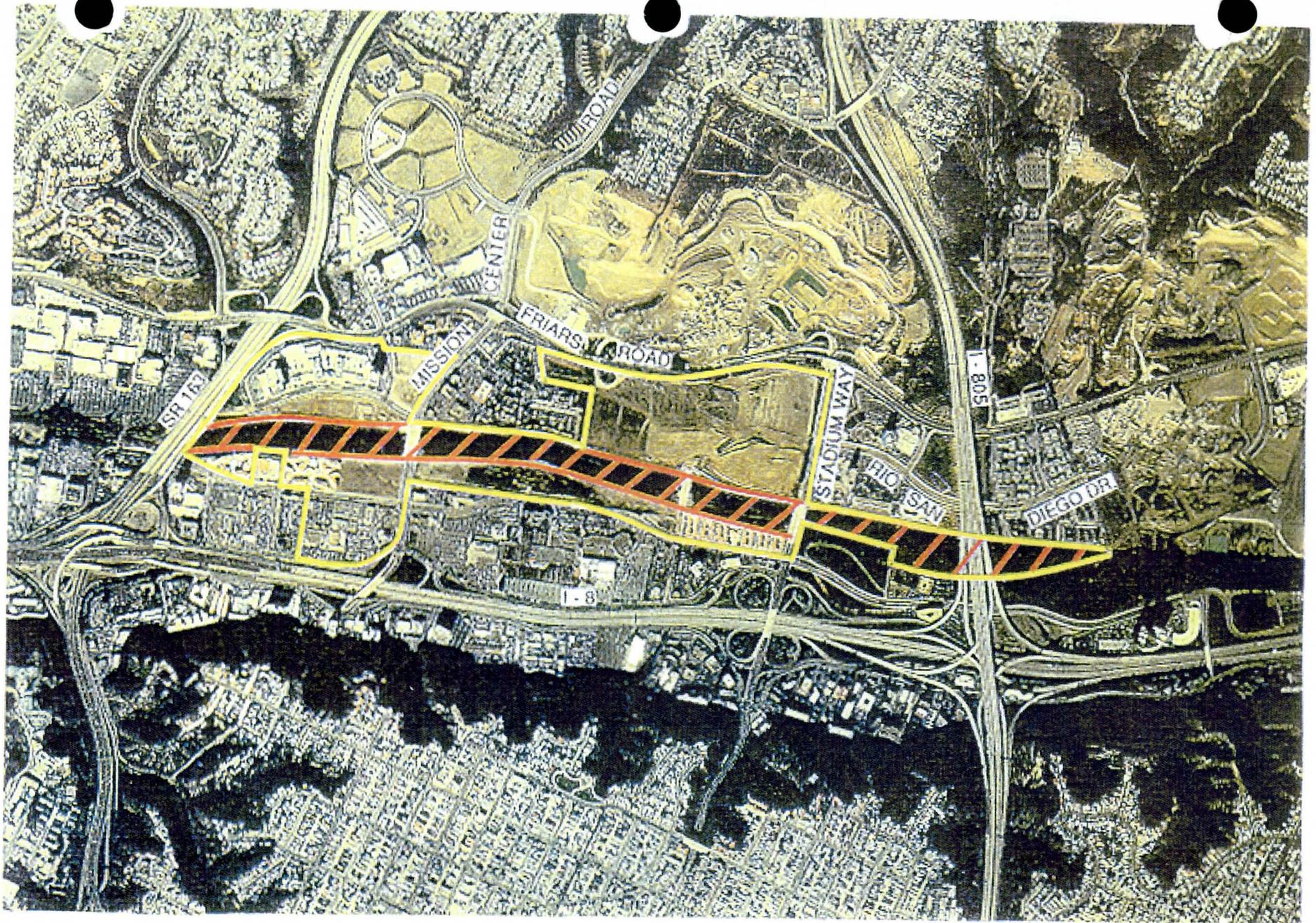


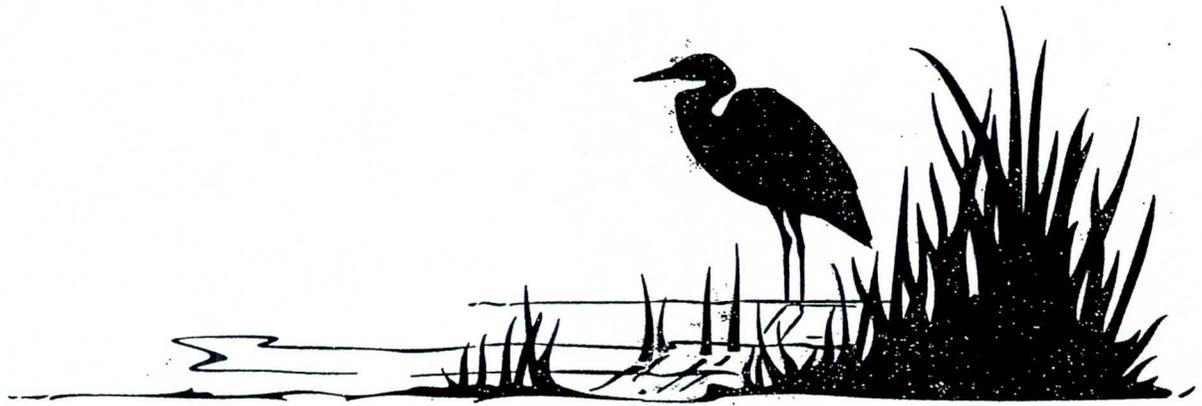
Figure 4: AERIAL PHOTOGRAPH of the FIRST SAN DIEGO RIVER IMPROVEMENT PROJECT

-  FLOOD CONTROL CHANNEL
-  FSDRIP BOUNDARY

1992



**FIRST
SAN DIEGO RIVER
IMPROVEMENT PROJECT**



SPECIFIC PLAN

February 8, 1994

VII. Administration Element

A. PROJECT REVIEW PROCESS

River Improvement Element

Plans for the construction of improvements which are part of the River Improvement Element must be approved by the City Manager and the Planning Director. The owners shall pay for the costs of an independent hydrology consultant as required by the City. An owner(s) must submit to the City for review and approval the required sets of the following plans, drawings and specifications which accurately and completely describe the following features:

1. Final design plans for the floodway and necessary off-site transition areas, including all flood control and drainage facilities and grading plans;
2. A specific landscape plan and revegetation plan for the floodway, including specifications for permanent irrigation systems as needed;
3. Detailed plans for other public improvements including bikeways, pedestrian walks, rest areas, benches, etc. including walkway widths, materials, signage and lighting.
4. Maps showing the extent of the new FW Zone and open space easements.

The above plans shall be submitted as comprehensive plans for the entire 100-year floodway area. The decision to approve or disapprove by the City Manager and the Planning Director shall be based on normal development requirements and on conformance to the Specific Plan River Improvement Element and the Revegetation Plan (Appendix 2, Nasland Engineering, June 3, 1983).

To implement the Revegetation Plan for the floodway, a contract must be executed between the City and a landscape contractor. This contract must specify performance standards and milestones, which must be evaluated by the U.S. Fish and Wildlife Service and the California Department of Fish and Game prior to payment and the next revegetation task. A qualified biological consultant, independent of the landscape contractor, will be selected by the property owners with the approval of the City to evaluate satisfactory completion of tasks or phases of the revegetation process and to be in charge of the monitoring program for biological resources.

This consultant will submit semiannual reports to the City Planning Department, the U.S. Fish and Wildlife Service and the California Department of Fish and Game. Any recommendations made by the consultant to ensure adequate revegetation should be evaluated by the City and implemented as needed.

The Revegetation Plan contains a Maintenance, Management and Monitoring Program which should be implemented as written. The monitoring program will document the regrowth of the riparian and marsh habitats during project construction and after revegetation. The monitoring program will continue for 10 years after the revegetation of the last phase. The biologist conducting the monitoring program will be selected by the City and will submit semiannual reports to the City, the U.S. Fish and Wildlife Service and the California Department of Fish and Game. These three agencies will serve as a technical committee and will provide recommendations for proper management of the biological resources within the floodway.

In addition to the management and maintenance of biological resources, maintenance dredging of the channel bottom may be required to ensure hydraulic efficiency. Any maintenance dredging requiring the removal of riparian woodland vegetation should be reviewed by the 3-agency technical committee, which will recommend measures to minimize damage to wildlife habitats.

Private Improvement Element

Plans for the private development of any property within the Specific Plan area must be approved by the Planning Director. The following procedure is to be followed to secure Planning Director approval.

The projects of the Private Development Element will be permitted to develop as proposed in this Specific Plan after the approval of a Special Permit by the Planning Director. The Special Permit process will follow all of the standards and procedures of the Planned Commercial Development regulations (Section 101.0910) with the following exceptions. No public hearing will be required and only the applicant(s) will have the right of appeal. All other standards and procedures of the PCD permit regulations shall apply.

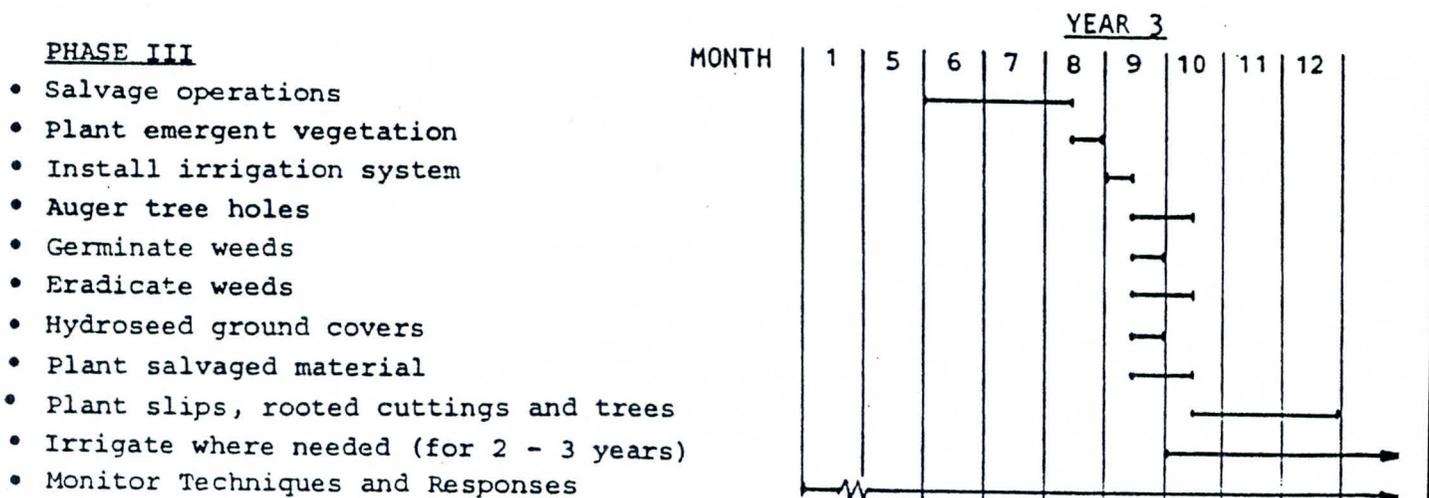
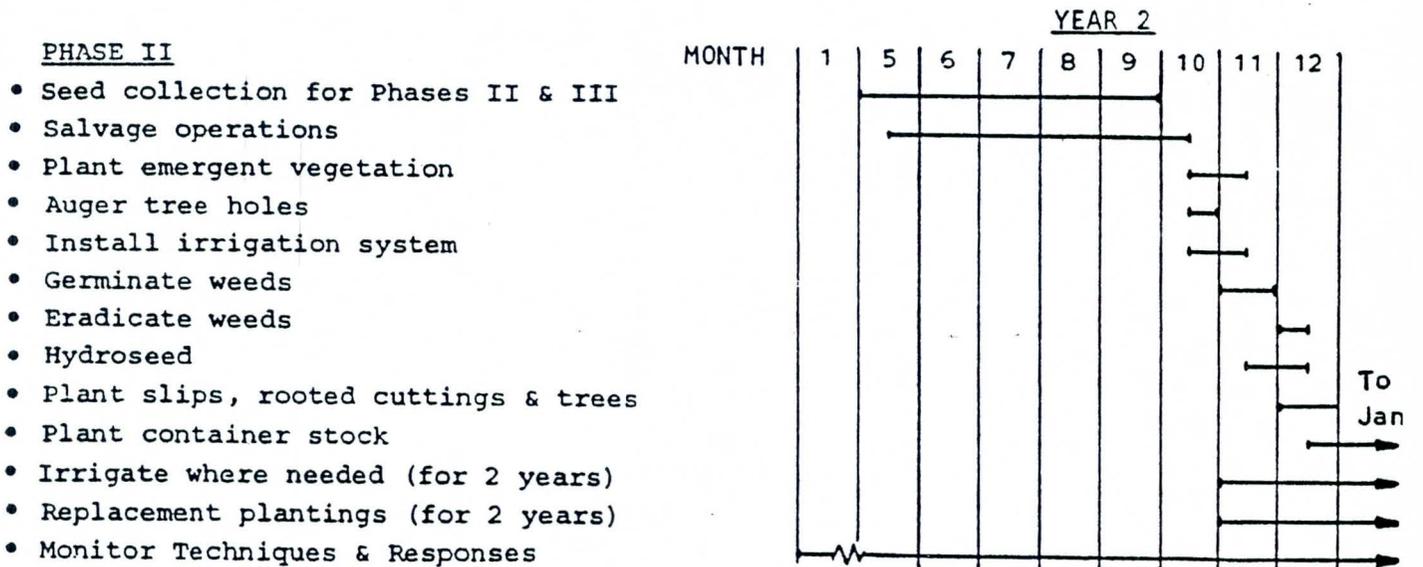
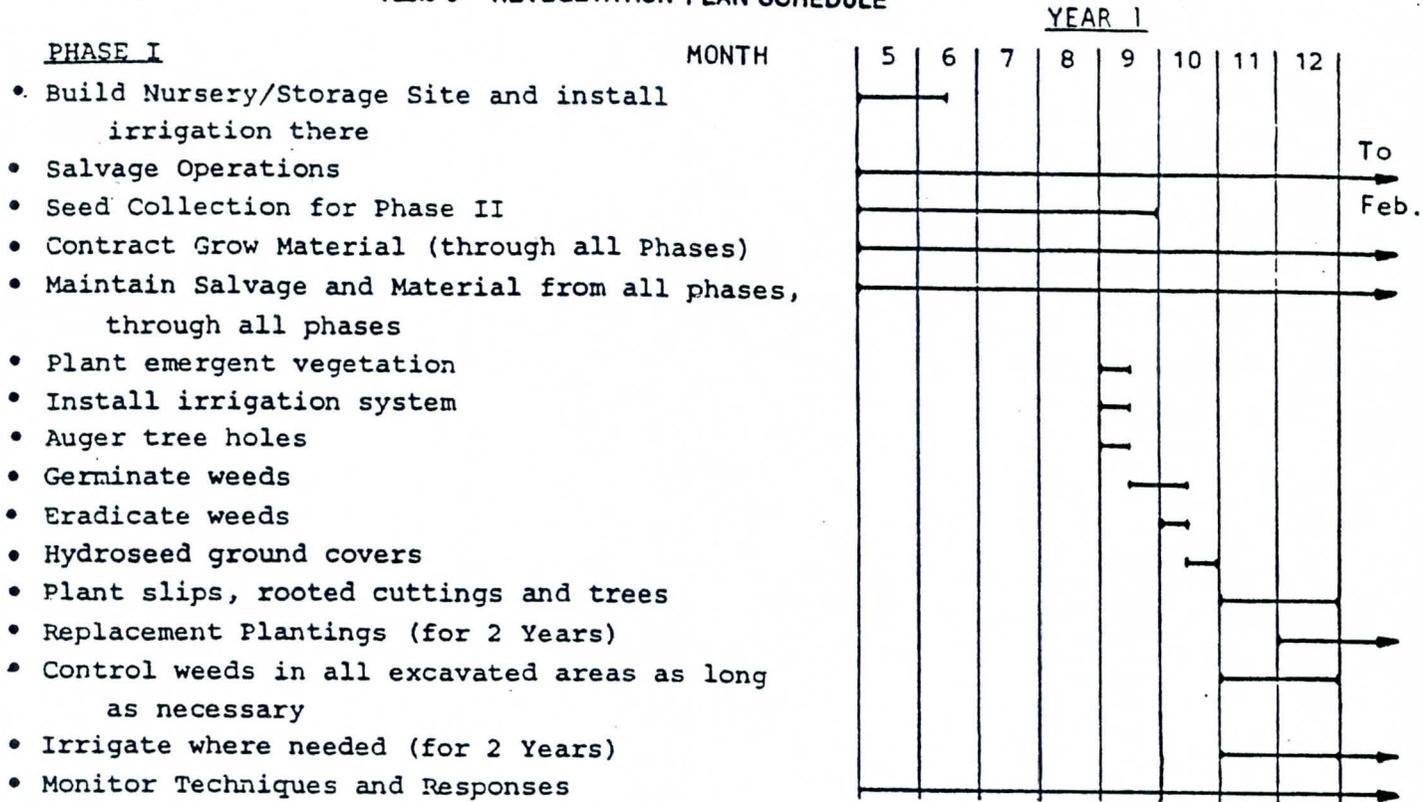
In all cases, the decision to approve, conditionally approve or disapprove a Special Permit shall be based on conformance to the Specific Plan and any applicable portions of the Revegetation Plan.

B. PHASING

River Improvement Element

Improvement within the flood control channel will be implemented as a single project. The appropriate phasing of construction and revegetation in the floodway is critical to the Specific Plan objectives. The phasing plan for the floodway revegetation is summarized in the table below. The preliminary phasing plan for floodway construction is described in the Environmental Impact Report. The phasing plan for the floodway construction is broken into three phases, each spanning roughly a one-year period. Work is scheduled to begin on the west end of the site and proceed easterly. (For more details, see the Environmental Impact Report Nos. 80-03-41 and 83-0092 and the Revegetation Plan).

Table 3 - REVEGETATION PLAN SCHEDULE



Private Improvement Element

Construction of the private development as described in the Specific Plan shall be commenced during the term of the Development Agreement. However, the beginning of any private construction shall be restricted by the following four conditions:

1. Property owners or developers will not be able to record their final maps until the funding and implementation of all of the floodway improvements are assured.
2. Construction and occupancy of the private development will be permitted only after the provision of public improvements as described in the Public Improvement Section VI.A.
3. No building permits shall be approved for any development until a final subdivision is recorded or until all "customary and normal" improvements or conditions required are imposed by other means (i.e. Planning Director's permit approval, etc.)
4. Occupancy of buildings shall not occur until the flood control channel has been completed adjacent to such building site.

The Public Improvement Section VI.A contains all local and regional transportation improvements which must be implemented or provision made thereof to the satisfaction of the City in order to accommodate each successive phase of private development. Any changes in this section must receive the approval of the City's Engineering and Development Department.

C. IMPLEMENTATION

Zoning Regulations

The private development in the Specific Plan area will be implemented according to the CA zoning regulations. The proposed limits of the areas regulated by the Floodway (FW) and CA zones are illustrated in Figure 3. However, the permitted uses and total land use intensities shall be limited to those described in the Specific Plan. These land uses are summarized in Table 2.

Ordinance 15662 will be repealed in so far as it applies to the property subject to the Development Agreement. Regulations governing the development of the subject property

would be as described in the Development Agreement and Specific Plan.

Upon completion of the public improvements described within the River Improvement Element of the Specific Plan to the satisfaction of the City Council, the conditions specified within Ordinance 15662 will be deemed satisfied with respect to the property not subject to the Development Agreement lying between Mission Center Road and Stadium Way, and the zoning of such property existing prior to the effective date of initial application of the Floodway (FW) Zone as reflected in Zone Map C-523A shall attach.

Subdivision Maps

The Specific Plan identifies the improvements that will be required for future subdivision maps. Additional improvements may be required for the subdivision maps, provided that these improvements are considered "customary and normal."

An open space easement will be shown on all subdivision maps for the portion of the property within the proposed Floodway Zone.

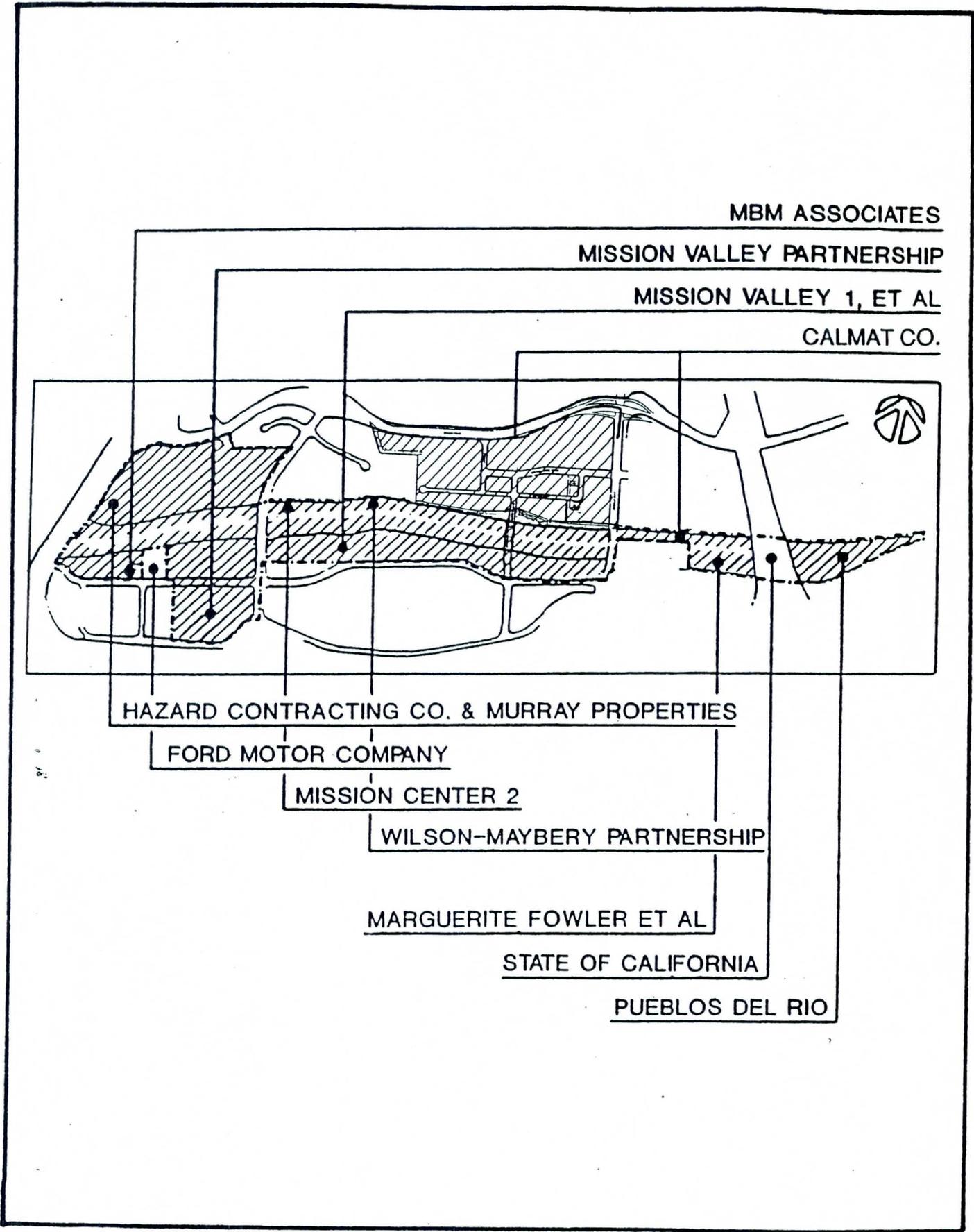


Figure 50 : OWNERSHIPS WITHIN THE SPECIFIC PLAN AREA



FIRST SAN DIEGO RIVER IMPROVEMENT PROJECT
DEVELOPMENT AGREEMENT

Approved by The City of San Diego
City Council, November 16, 1982
Ordinance No. 0-15868

FIRST SAN DIEGO RIVER IMPROVEMENT PROJECT

DEVELOPMENT AGREEMENT

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FIRST SAN DIEGO RIVER IMPROVEMENT PROJECT
DEVELOPMENT AGREEMENT

This First San Diego River Improvement Project Development Agreement ("Agreement") is made and entered into on this 6th day of January 1983 by and between the City of San Diego, a municipal corporation ("City") and MBM Associates, a California limited partnership, Mission Valley Partnership, a California limited partnership, Mission Valley One, Ltd., a California limited partnership, Douglas O. Allred, Donald F. Sammis and Conrock Co., a Delaware Corporation (hereinafter individually referred to as "Owner" or collectively referred to as "Owners") with reference to the following facts:

A. Government Code Sections 65864-65869.5 were enacted to authorize local agencies to enter into binding development agreements with property owners for the development of their property in order to give assurances to property owners that upon approval of their development project they could proceed with their project in accordance with existing policies, rules and regulations.

B. Pursuant to Government Code Section 65865 the City has adopted Municipal Code Sections 105.0101 to 105.0111 which establishes procedures and requirements for development agreements.

C. Owners desire to develop certain real property located in the Mission Valley area of the City generally described as bounded by State Route 163 on the west, Camino De La Reina and Camino del Rio North on the south, Friars Road on the north. The legal descriptions of such portion owned by each Owner are attached hereto as Exhibits A-1, A-2, A-3, A-4 and A-5 (collectively referred to as the "Property").

D. The City and the Owners desire to enter into this Agreement pursuant to Government Code Section 65864, et seq. and San Diego Municipal Code Section 105.0101, et seq. for the development of the Property.

E. Concurrently herewith, the City Council of the City is adopting the First San Diego River Improvement Project Specific Plan ("Specific Plan") for the development of certain real property, which includes the Property. The Specific Plan is incorporated herein by reference as though set forth herein in its entirety and a copy of the Specific Plan is on file with the City Clerk of City. Included as part of the Specific Plan is (i) a realigned floodway element for the San Diego River between State Route 163 and a point approximately 700 feet east of Interstate 805 which includes flood control improvements and other public facilities ("River Improvement Element") and (ii) a private improvement element, which describes the various uses and

improvements to be constructed on the property subject to the Specific Plan including traffic, utilities and other public improvements ("Private Improvement Element"). City and Owners agree that the Property shall be developed according to the Specific Plan.

F. The City Council of the City has previously passed Ordinance No. 15662 providing for an alternate floodway within certain real property which includes the Property. The ordinance states that revisions to the existing floodway shall occur provided the Owners submit a development plan providing for the passage of flood water subject to the approval of the City. In addition to the flood control improvements, the development plan must incorporate the mitigation measures identified in an environmental impact report and provide recreational trails through the development plan area. The City and Owners intend that the terms of this Agreement and the Specific Plan provide for revisions to the existing floodway, complies with the terms and conditions of Ordinance No. 15662 and designate portions of the Property to conform to land use designations shown in the Specific Plan.

G. A substantial amount of time, effort and coordination was expended by the City Council of the City and the various agencies and staff of the City to develop and review this Agreement. All aspects of the entire development for the Property as described in this Agreement and the Specific Plan were reviewed extensively and were the subject of numerous public hearings. All impacts of the development plan for the Property were addressed in the Environmental Impact Report, Environmental Quality Division No. 80-03-41, which was prepared for adoption of the Specific Plan after thorough study by all appropriate agencies. The City deems the implementation of this Agreement to be in the public's best interest and intends that the adoption of this Agreement be considered an exercise of the City's police powers to regulate the development of the Property during the term of this Agreement.

H. Pursuant to the terms of this Agreement the Owners will provide and maintain substantial public improvements and benefits to the City such as a flood channel, flood control improvements, landscaping, public trails, recreational facilities, streets, river crossings, traffic improvements, utility improvements and other public facilities.

I. In consideration of the substantial public improvements and benefits to be provided by the Owners pursuant to this Agreement, and in order to strengthen the public planning process and reduce the economic costs of development, by this Agreement the City intends to give the Owners assurance that the Owners can proceed with the development of the Property for the term of this Agreement pursuant to this Agreement in accordance with the City's present policies, rules and regulations as set forth in this Agreement. The Owners would not enter into this Agreement or agree to provide the public benefits and improvements as described

in this Agreement if it were not for the agreement of the City that the Property can be developed in accordance with the City's present rules, regulations and policies during the term of this Agreement as set forth in this Agreement.

J. The City finds that this Agreement is consistent with the City of San Diego's General Plan and Progress Guide and with the Specific Plan and has completed all necessary proceedings in accordance with the City's rules and regulations for its approval.

Now, therefore, with reference to the foregoing recitals and in consideration of the mutual promises, obligations and covenants herein contained, the parties hereto agree as follows:

1. Interest of Owners. Each Owner represents that it has a legal interest in that portion of the Property described and attributed to it in Exhibits A-1, A-2, A-3, A-4 and A-5.

2. Permitted Uses of Property. The City and Owners hereby agree that, for the term of this Agreement, the Owners may develop the Property according to the Specific Plan which includes but is not limited to a description of the permitted uses, the density and intensity of use, the maximum size and height of the proposed buildings, and provides for dedications of land for public purposes.

3. Cost and Financing Improvements.

(a) The costs and expenses of (i) financing and constructing the improvements as described in the River Improvement Element at Section III of the Specific Plan; (ii) financing and constructing the proposed public improvements and facilities as described in the Public Facilities and Services Element at Section VI. A. of the Specific Plan; and (iii) maintaining the River Improvement Element in accordance with the Revegetation Plan and the Management, Maintenance and Monitoring Program, as part of the Specific Plan, shall be provided by either one or a combination of the following methods:

(1) Through special assessment district(s) which may be initiated by the Owners and may be established by the City of San Diego and the issuance of assessment bonds to represent unpaid assessments. The City agrees to use its best efforts to both process any petition to establish such assessment district(s) and to establish such assessment district(s) provided such district(s) can be legally created and proceeds from the sale of assessment bonds are adequate to pay all the costs and expenses of the improvements or work proposed to be constructed or performed by such assessment proceedings. Owners shall advance all usual, customary and/or necessary costs to the City and provide all necessary services and agreements to the City in order to establish any such assessment districts, including costs for

engineering design, an independent hydraulic consultant deemed necessary by the City, assessment engineering and bond counsel, provided the Owners are reimbursed for all eligible costs advanced if such districts are established and proceeds are received;

(2) By the Owners directly paying for such costs and expenses;

(3) By any other method of financing;

(b) In the event the Owners directly pay the costs and expenses pursuant to subparagraphs (a) (2) or (a) (3) above and the provision of the improvements and facilities benefit and serve more than one such Owner's property and exceed the usual and customary subdivision and building permit process, the Owners may seek to have a reimbursement mechanism established in order to equitably distribute costs between the Owners providing such improvements and the owners of property to be also benefitted by such provision, or have such improvements or work purchased or paid for by the City through the use of funds which are proceeds from a cost recovery district, an assessment district or any other apparatus or procedure then available for such purpose. The City agrees to accept and use its best efforts to both process any petition or application to create such reimbursement mechanism, cost recovery district, assessment district(s) or other apparatus or procedure and establish such district(s), mechanism or procedures provided they can be legally created and sufficient proceeds can be generated from such district(s) or procedures to pay all the costs and expenses that are intended to be paid by such district(s) or procedures.

(c) The City shall not be responsible for payment of any of the costs and expenses described in paragraph 3(a) above under any of the methods for financing and paying such costs and expenses as described in subparagraphs 3(a) (1), 3(a) (2) and 3(a) (3).

(d) Within three hundred sixty-five (365) days of the Effective Date of this Agreement, the Owners shall prepare and submit to the City Manager of City for his approval a financing plan which shall describe the method and the manner of how financing and payment of the costs and expenses described in paragraph 3(a) shall occur. Such financing plan shall also include a schedule for the establishment of any assessment district, the sale of any assessment bonds, or the posting of other security as required by this Agreement, and dates for the completion of the improvements described in the River Improvement Element. The City Manager shall approve or disapprove such financing plan on the basis of whether such plan demonstrates whether the financing and payment of the

Changed
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above-described costs and expenses is feasible. Any such approval shall not be unreasonably withheld.

4. Effect of Agreement on Land Use Regulations.

(a) The City and Owners hereby agree that, for the term of this Agreement, the rules, regulations and official policies governing the permitted uses of land, density, design, improvement and construction standards and specifications applicable to the development of the Property shall be those rules, regulations and official policies in force at the time of the execution of this Agreement, except the Owners shall be subject to changes in the building codes applicable to private improvements to be constructed on the Property and construction engineering and design standards as applicable to public improvements to be constructed on the Property, occurring from time to time, provided that such changes (i) are found by the City to be in the best interests of the health and safety of its citizens, (ii) are generally applicable to all other applicants in the City and (iii) do not prevent development of the Property in substantial accordance with the Specific Plan;

(b) In the event that any subsequent changes in the laws or regulations of a federal or state agency prevents or precludes compliance with one or more provisions of this Agreement, such provision shall be so modified or deleted. Any such modification or deletion shall be made only to the extent necessary to comply with any such new federal or state law or regulation and shall be made by the parties with the intent of carrying out the objectives of this Agreement and to accomplish the plans for the development of the Property as set forth in the Specific Plan;

(c) In the event that the Effective Date (as hereinafter defined) of this Agreement is delayed or the implementation of this Agreement is suspended or delayed by reason of a court order or any other reason, the Owners may nonetheless, at their sole option, apply for and process permits and approvals under the City's land use planning process then in effect as applicable to the Property.

5. Development Schedule. The improvements described in the River Improvement Element and Private Improvement Element of the Specific Plan shall be provided according to the following schedule:

(a) Dates for the establishment of any assessment districts, the sale of assessment bonds, the posting of any bonds or security by the Owners as required by this Agreement and for the construction and completion of the improvements described in the River Improvement Element shall be established in the financing plan to be submitted by the Owners pursuant to paragraph 3(d);

(b) Construction of the private improvements described in the Private Improvement Element shall occur in accordance with the phasing plan of the Administration Element at Section VII B of the Specific Plan;

(c) The construction of the public improvements and facilities described in the Private Improvement Element at Section VI A of the Specific Plan shall be completed in conjunction with the development of the private improvements according to the phasing plan of the Administration Element at Section VII B of the Specific Plan.

6. Subsequent Approvals and Permits of City. The City shall not require the Owners to obtain any further approvals or permits for the development of the Property in accordance with the Specific Plan during the term of the Agreement unless such approvals or permits are required by the rules, regulations and official policies of the City in force at the time of the execution of this Agreement or by the Specific Plan. In the event any further approvals or permits are required by the City for the development of the Property during the term of this Agreement, the City agrees to grant all such approvals or permits to the Owners provided (i) the development authorized by such approvals or permits is in substantial conformance with the Specific Plan; and (ii) the Owners have complied with the rules, requirements and regulations for obtaining such approvals or permits in force at the time of the execution of this Agreement, or as otherwise provided in this Agreement. The City agrees that the terms, conditions and requirements for such approvals or permits shall not prevent development of the Property in substantial accordance with the Specific Plan.

7. Impacts of the Project. The environmental impacts for the development of the Property pursuant to the Specific Plan and the mitigation measures for such impacts are set forth in the Environmental Impact Report for the Specific Plan, Environmental Quality Division No. 80-03-41.

8. Hold Harmless. Owners agree to indemnify, defend and hold harmless the City, its officers, agents, employees and representatives from liability for damage or claims for damage for personal injury including death and claims for property damage which may arise from the direct and indirect operations of the Owners or those of his contractor, subcontractor, agent, employee or other person acting on his behalf which relate to the development of the Property. The provisions of this paragraph shall not apply to the extent such damage liability or claim is proximately caused by the intentional or negligent act of the City, its officers, agents, employees or representatives.

9. Amendments or Cancellation of This Agreement and Specific Plan.

Except as otherwise permitted herein, this Agreement and those portions of the Specific Plan which apply to the Property

may be amended or terminated in whole or in part only by the mutual consent of the parties and only in the same manner as its adoption by an ordinance as set forth in Government Code Section 65867, 65867.5 and 65868.

10. Periodic Review.

(a) The City shall review this Agreement at least once every twelve (12) months during the term hereof.

(b) During each periodic review by the City, the Owners shall demonstrate good faith compliance with the terms hereof.

11. Performance By Owners and City.

(a) The City and Owners agree that the Owners shall be conclusively deemed to have complied with the terms of this Agreement and performed all of their obligations with regard to the improvements to be constructed pursuant to the River Improvement Element when either of the following events occur:

(1) When a special assessment district(s) has been established by the City for the construction, financing and maintenance of such improvements and the City has received the proceeds from the sale of assessment bonds issued by the City pursuant to such assessment proceedings. In the event such proceeds are inadequate to complete the maintenance and construction of such improvements, the Owners shall pay all costs necessary to assure completion and maintenance of the improvements; or

(2) When the Owners have posted a bond or other form of suitable security acceptable to the City Manager of City assuring the completion and maintenance of such improvements;

(b) The Owners may not begin the construction on the improvements described in the Private Improvement Element until the City has received such proceeds from the sale of assessment bonds pursuant to paragraph 11(a)(1) or awarded a construction contract for construction and maintenance of the improvements to be constructed pursuant to the River Improvement Element, whichever first occurs, or until the Owners have posted bonds or other security pursuant to paragraph 11 (a) (2).

(c) In the event the improvements to be constructed pursuant to the River Improvement Element are to be paid for by the Owners pursuant to paragraph 3(a)(2) or 3(a)(3) and the City determines that it is essential to acquire property rights from persons other than the Owners in order to complete such improvements, then City shall acquire such property rights which may result in the use of condemnation proceedings. In the event it is necessary for the City to acquire such property rights, the City and Owners shall enter into an agreement in a form acceptable to the City Attorney of City for the City to acquire such property rights. Any such agreement shall provide that the costs of such property rights and the actual and direct costs of the City in carrying out any condemnation proceeding to acquire such property rights shall be paid for by the Owners.

(d) The Owners shall be responsible for obtaining all necessary state and federal permits for the improvements to be constructed pursuant to the Specific Plan.

12. Enforcement. Unless modified or terminated in accordance with the terms of this Agreement, this Agreement is specifically enforceable by either party notwithstanding a change (other than a change expressly permitted herein) in the City of San Diego's General Plan and Progress Guide or any specific or community plan, zoning, subdivision or building regulation adopted by the City which alter or amend the rules, regulations or official policies governing permitted uses of land, density, design, improvement and construction standards and specifications.

13. Default of Owner.

(a) An Owner shall be in default under this Agreement upon a finding and determination by the City Council of the City following a periodic review as provided under Paragraph 10 hereof, that upon the basis of substantial evidence the Owner has not substantially complied in good faith with one or more of the material terms or conditions of this Agreement;

(b) Nonperformance of an Owner shall be excused if it is prevented or delayed by acts of God, war, acts or omissions of City, acts or omissions of third parties which are not a party to this Agreement, including but not limited to other governmental agencies, or other causes beyond the reasonable control of an Owner.

14. Severability of Rights and Obligations of Owners. The parties agree that the development rights of each Owner under this Agreement are severable from the other Owners. If any Owner shall be in default under this Agreement, such rights of the other Owners shall remain in full force and effect and shall not be affected by any such other Owner's default.

15. Default of City.

(a) The City shall be in default under this Agreement if it imposes upon the Owners rules, regulations or official policies governing the permitted uses of land, density, design, improvement and construction standards and specifications applicable to the development of the Property, which are not the same as those rules, regulations and official policies in effect at the time of the execution of this Agreement and which restrict, limit, prevent or precludes the development of the Property in accordance with the Specific Plan, except as otherwise provided herein;

(b) The City shall be in default under this Agreement if it has not complied in good faith with one or more of the material terms or conditions of this Agreement;

(c) The City shall not be in breach of this Agreement by reason of any subsequent changes of laws or regulations of another public agency not created or controlled by the City which prevents or precludes compliance by the City or the Owners with the Agreement. The City agrees not to initiate or promote any such change.

16. Procedure Upon Default.

(a) Subject to subparagraphs (c) and (d) of this Paragraph 16, upon default by an Owner(s), the City may terminate or modify this Agreement as to such Owner(s) in accordance with the procedures set forth herein, provided, however, that any such modification of this Agreement by the City pursuant to this Paragraph shall be done with the intent to carry out the objective of this Agreement and to accomplish the plans for the development of the Property as set forth in the Specific Plan;

(b) All remedies at law or in equity whether or not specifically governing development agreements are available to the parties to pursue in the event of default, expressly including the remedy of specific performance of this Agreement or an action at law for damages. Any remedies of the parties shall be cumulative;

(c) Upon the occurrence of an event of default by either party, the party not in default (the "Nondefaulting Party") shall give the party in default (the "Defaulting Party") written notice of the default. The Defaulting Party shall have thirty (30) calendar days from the date of notice (subject to subsection (d) below) to cure the default if such default is curable within such thirty (30) days. If such default is so cured, then the Nondefaulting Party may not take any further action to enforce its rights;

(d) Should the default not be cured within thirty (30) calendar days from the date of notice, or should the default

be of a nature which cannot be reasonably cured within such thirty (30) day period and the Defaulting Party has failed to commence within said thirty day period and thereafter diligently prosecute the cure, the Nondefaulting Party may then take any legal or equitable action to enforce its rights under this Agreement.

17. Assignment. The rights and obligations of each Owner under this Agreement may be transferred or assigned, provided such transfer or assignment is made as part of a transfer, assignment, sale or lease of all or any portion of the Property owned by each Owner and provided such assignee, transferee, purchaser or lessee assumes in writing the obligations of this Agreement.

18. Binding Effect of Agreement. This Agreement shall inure to the benefit of and be binding on the parties hereto and their respective successors, assigns or transferees.

19. Relationship of Parties. It is understood that the Owners are not agents of the City and the City is not an agent of the Owners.

20. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid. Notice shall be effective on the date delivered in person, or the date when the postal authorities indicate that the mailing was delivered to the address of the receiving party indicated below.

Notice to Owners shall be addressed as follows:

Mission Valley Partnership:

May Centers, Inc.
Attn: President
611 Olive Street
St. Louis, MO 63101

May Centers, Inc.
Attn: Vice-President
555 Mission Valley Center West
San Diego, CA 92108

Mission Valley One, Ltd.:

Mr. Douglas O. Allred
1660 N. Hotel Circle Drive
Suite 200
San Diego, CA 92108

Mr. Donald F. Sammis
5030 Camino De La Siesta
San Diego, CA 92108

MBM Associates:

Mr. C. Dennis Marteeny
7373-F Engineer Road
P.O. Box 17530
San Diego, CA 92117

May Centers, Inc.
Attn: President
611 Olive Street
St. Louis, MO 63101

May Centers, Inc.
Attn: Vice-President
555 Mission Valley Center West
San Diego, CA 92108

Conrock Co.:

Conrock Co.
2240 Stadium Way
P.O. Box 3098
San Diego, CA 92103

Notice to the City shall be addressed as follows:

City Manager
City of San Diego
202 "C" Street
San Diego, CA 92101

A party may change its address by giving notice in writing to the other party and thereafter notices shall be delivered or sent to such new address.

21. Attorneys' Fees. If any legal action is brought by any party to the Agreement as a result of any breach of this Agreement or to enforce a provision of this Agreement, the prevailing party shall be entitled to recover all expenses incurred therefor including reasonable attorneys' fees and court costs.

22. Severability. If any provision of this Agreement shall be held to be invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless the court shall specifically find that the invalid part is so fundamental and essential to the understanding of the parties that the entire Agreement shall be invalidated.

23. Incorporation by Reference. All exhibits attached hereto are incorporated herein by reference as though set forth herein in their entirety. In the event there is any inconsistency or conflict between the provisions of this Agreement and the provisions of any exhibits hereto, including but not limited to the Specific Plan, the provisions of this Agreement shall control and govern the obligations and rights of the parties hereto.

24. Effective Date. This Agreement shall be approved by ordinance of the City pursuant to Government Code Section 65867.5 and San Diego Municipal Code Section 105.0103 I. This Agreement shall be deemed in full force and effect on the date of execution of this Agreement ("Effective Date").

25. Term of Agreement.

(a) The term of this Agreement shall commence on the Effective Date and shall continue, unless sooner terminated pursuant to the terms hereof, for twenty (20) years;

(b) In the event that the Effective Date of this Agreement is delayed or the implementation of this Agreement is suspended by reason of a court order, the term of this Agreement shall be extended by such period of time equal to the delay or suspension and the terms of the Development Schedule as set forth in paragraph 5 shall be modified accordingly, but not to exceed five (5) years for any single delay.

26. Cooperation of Parties. The parties hereto agree to use their best efforts to and shall perform any acts or execute any instruments or documents reasonably necessary to carry out the purposes of this Agreement.

27. Encumbrances on Property. City and Owners hereby agree that this Agreement shall not prevent or limit an Owner, in any way, at an Owner's sole discretion from encumbering the Property or any portion thereof, or the improvements thereon, by any mortgage, deed of trust or other security-type instrument. Upon written request of any Owner, City agrees to perform any acts and execute any instruments or documents necessary in the sole discretion of the Owner, other than documents effecting obligations from an assessment bond for the Owner to obtain financing in connection with the Property.

IN WITNESS WHEREOF, the parties hereto have caused the Agreement to be executed as of the date and year first above written.

City:

City of San Diego,
a municipal corporation

By: J.P. Fowler

Approved As To Form:
John C. Witt, City Attorney

By: Frederick C. Conrad
Frederick C. Conrad
Chief Deputy City Attorney

Owners:

MBM Associates,
a California limited partnership

By: C. Dennis Marteeny
C. Dennis Marteeny
General Partner

By: May Centers, Inc.
General Partner

By: G. R. Glass
Gregory R. Glass
President

Mission Valley Partnership,
a California limited partnership

By: May Centers, Inc.

By: G. R. Glass
Gregory R. Glass
President

Mission Valley One,
a California general partnership

By: Donald F. Sammis
Donald F. Sammis
General Partner

Allred:

By: Douglas O. Allred
Douglas O. Allred

Sammis:

By: Donald F. Sammis
Donald F. Sammis

Conrock Co.,
a Delaware corporation

By: William Jenkins
President

By: C. B. McJannet
Asst. Sec.

EXHIBIT A-1

Legal Description of Portion of Property Owned By
Conrock

Those portions of Pueblo Lots 1108 and 1173 of the Pueblo Lands of San Diego, in the City of San Diego, County of San Diego, State of California, according to Map thereof made by James Pascoe in 1870, lying southerly of Friars Road, as said Friars Road is located and established on City of San Diego Engineering Department Drawing No's 12314-2-D and 12314-3-D; also, lying westerly of Stadium Way dedicated per Deed recorded February 17, 1967, File/Page 22173, Series 8 Book 1967 of Official Records; also, lying northerly of Mission Valley Professional Center, Map 5046; also, lying northeasterly of Mission Valley Shopping Center Unit No. 2, Map 7797; also, lying northerly of Mission Valley Shopping Center, Map 4244.

EXHIBIT A-2

Legal Description Of Portions Of Property Owned By
Mission Valley One Ltd.

PARCEL 1:

Those portions of Pueblo Lots 1107 and 1173 of the Pueblo Lands of San Diego, in the City of San Diego, County of San Diego, State of California, according to Map thereof made by James Pascoe in 1870, a copy of said Map was filed in the office of the County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, described as follows:

Beginning at the Northeasterly corner of said Pueblo Lot 1107; thence along the Easterly line of said Pueblo Lot 1107, South 15° 20' 09" East, 1321.75 feet to an angle point in the Northerly boundary of Mission Valley Shopping Center, according to Map thereof No. 4244; thence along said boundary line as follows: South 74° 40' 24" West, 1322.53 feet; North 15° 21' 33" West, 460.60 feet and South 74° 38' 27" West, 489.68 feet to the Easterly line of Mission Center Road as described in deed to the City of San Diego Recorded March 26, 1965 as File No. 54114; thence along said Easterly line as follows: North 17° 49' 31" West, 3.18 feet to the beginning of a tangent 949.00 foot radius curve concave Easterly; Northerly along the arc of said curve through a central angle of 35° 46' 00" a distance of 592.41 feet; tangent to said curve North 17° 56' 29" East to the Northerly line of said Pueblo Lot 1107; and continuing North 17° 56' 29" East, 410.09 feet to the most Southerly corner of land described in Parcel 1-D of Easement Deed to the City of San Diego, recorded June 9, 1967 as File No. 93010, being also the beginning of a tangent 105.28 foot radius curve concave Southeasterly; thence along the boundary of said Parcel 1-D as follows: Northeasterly along the arc of said curve through a central angle of 61° 33' 31" a distance of 113.11 feet; tangent to said curve North 79° 30' 00" East, 348.69 feet to the beginning of a tangent 800.00 foot radius curve concave Southerly; and Easterly along the arc of said curve 172.54 feet to the Easterly line of Lot 4 of the Partition of a portion of Pueblo Lots 1173 and 1174, according to Licensed Surveyor's Map No. 170, filed in the office of the County Recorder of San Diego County, May 2, 1913; thence along said Easterly line South 35° 38' 47" East to the most Easterly corner of said Lot 4; thence South 15° 12' 00" East, 25.00 feet to the Northerly line of said Pueblo Lot 1107; thence along said Northerly line North 74° 48' 00" East to the POINT OF BEGINNING.

EXCEPTING THEREFROM that portion lying Northerly of a line described as follows:

Beginning at the Southwest corner of Friars Road Subdivision, according to Map thereof No. 7125, filed in the office of the County Recorder of San Diego County, November 29, 1971, being a

point on the Easterly line of said Mission Center Road and being also the Westerly terminus of a 370.00 foot radius curve concave Southerly a radial of said curve bears North 30° 04' 43" West to said point; thence along the boundary of said Friars Road Subdivision as follows: Easterly along the arc of said 370.00 foot radius curve through a central angle of 12° 57' 25" a distance of 83.68 feet; and North 72° 50' 46" East, 898.31 feet to the beginning of a tangent 350.00 foot radius curve, concave Northwesterly; thence leaving said boundary Northeasterly along the arc of said curve, through a central angle of 18° 00' 00" a distance of 109.96 feet; thence tangent to said curve North 54° 50' 46" East, 143.19 feet to the beginning of a tangent 370.00 foot radius curve concave Southeasterly; thence Northeasterly along the arc of said curve through a central angle of 28° 00' 02" a distance of 180.82 feet; thence tangent to said curve North 82° 50' 46" East a distance of 242.36 feet to the beginning of a tangent 130.00 foot radius curve concave Southwesterly; thence Southeasterly along the arc of said curve through a central angle of 35° 02' 10" a distance of 79.49 feet; thence tangent to said curve South 62° 07' 04" East, 25.38 feet to the beginning of a tangent 370.00 foot radius curve concave Northeasterly; thence Southeasterly along the arc of said curve through a central angle of 15° 54' 31" a distance of 97.18 feet to the Easterly line of said Pueblo Lot No. 1107.

EXHIBIT A-3

Legal Description Of Portion Of Property Owned By
Douglas O. Allred and Donald F. Sammis

An undivided fifty percent (50%) interest in the following:

Parcel "A" of Mission Valley Professional Center, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 5046, filed in the office of the County Recorder of San Diego County, October 9, 1962.

EXHIBIT A-4

Legal Description Of Portion Of Property Owned By
Mission Valley Partnership

PARCEL 1:

Lot 9 of Mission Valley Shopping Center Unit No. 2, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 7797, filed in the office of the County Recorder of San Diego County, November 15, 1973.

PARCEL 2:

Lot 5 in Mission Valley Shopping Center, in the City of San Diego, County of San Diego, State of California, according to map thereof No. 4244, filed in the office of County Recorder of San Diego County, June 30, 1959.

Excepting therefrom that portion described as follows:

Commencing at the Northwesterly corner of said Lot 5; thence along the Northerly line of Lot 5 North 71° 36' 42" East 35.00 feet; thence South 18° 23' 18" East 50.00 feet to a point on the Southerly line of a 50 foot wide reservation for future street, said point also being the True Point of Beginning; thence along said Southerly line North 71° 36' 42" East 263.58 feet; thence South 18° 23' 18" East 665.67 feet to a point on the Northerly right-of-way line of Camino Del Rio, dedicated 99 feet wide; thence along said right-of-way line South 73° 37' 18" West 263.74 feet to a point on the Easterly line of an easement 35 feet wide, dedicated to the City of San Diego for storm drain purposes; thence along said Easterly line North 18° 23' 18" West 656.42 feet to the True Point of Beginning.

EXHIBIT A-5

Legal Description Of Portion Of Property Owned By
MBM Associates

PARCEL 1:

All those portions of Lots 7, 10, and 11 of E. W. Morse's Subdivision of the west half of Pueblo Lot 1106. In the City of San Diego, County of San Diego, State of California, according to map thereof No. 103, filed in the office of County Recorder of San Diego County, November 6, 1885, lying northerly of the northerly line of land described in Deed to the City of San Diego recorded November 7, 1968 as File No. 195865 of Official Records and lying westerly of the westerly line of Mission Valley Shopping Center according to map thereof No. 4244, on file in the Office of the County Recorder of San Diego County of said County; northerly and westerly of the most northerly and westerly line of Miller Bond subdivision according to map thereof No. 5732 on file in the Office of County Recorder of San Diego County, southeasterly of the easterly line of land described in deed to the State of California recorded May 26, 1969 Recorder's File No. 91968 of Official Records of said county, and southerly of the southerly line of the land described in deed to Murray Properties Inc., recorded May 14, 1970 as Document No. 84011 of Official Records, as said southerly line being described as follows:

Beginning at a point of intersection of the westerly line of said map 4244 with a line that in parallel with and 138.5 feet northerly of the center line of the proposed San Diego River Flood Channel as it existed February 16, 1968, according to the City of San Diego Engineering Department; thence along said parallel line south $71^{\circ} 57' 20''$ west to the easterly right of way said State of California land.

PARCEL 2:

Lot 1 in Mission Valley Shopping Center, in the City of San Diego, County of San Diego, State of California, according to map thereof No. 4244, filed in the office of County Recorder of San Diego County June 30, 1959.

EXCEPT THEREFROM that portion described as follows:

Beginning at the northerly corner common to Lots 5 and 6 of said map No. 4244, being also the northeasterly corner of Miller-Bond-Subdivision, according to map thereof No. 5732, filed in the Office of County Recorder of San Diego County; thence south $71^{\circ} 36' 42''$ West along the southerly line of said Lot 1.

A distance of 301.50 feet, thence north $18^{\circ} 23' 18''$ west, 325.00 feet; thence North $71^{\circ} 36' 42''$ East, 301.50 feet; thence south $18^{\circ} 23' 18''$ east, 325.00 feet to the point of beginning.

Also except therefrom that portion described in deed to Murray Properties, Inc., recorded May 14, 1970 as File No. 84011 of Official Records, said land being described as follows:

A parcel of land being a portion of Mission Valley Shopping Center, Map No. 4244, and a portion of Lot 7 of E. W. Morse's subdivision, Map No. 103, in the City of San Diego, County of San Diego, State of California, more particularly described as follows:

Beginning at the northeast corner of that deed described in Book 6297, Page 441 of Official Records of said County, as said Northeast corner is shown on said map No. 4244; thence South $68^{\circ} 35' 04''$ west, 1227.90 feet along the northerly boundary of said map No. 4244; thence South $74^{\circ} 35' 04''$ West, 102.69 feet along said northerly boundary to the easterly line of said Map No. 103; thence northerly along said easterly line to the northerly line of said Lot 7 of Map No. 103; thence westerly along said northerly line 115.50 feet, more or less, to the easterly right of way of California State Highway 11-SD-395 as shown on highway right of way map No. LO 19516.2A; thence southerly along said easterly right of way the following courses according to said right of way map: south $12^{\circ} 54' 14''$ west, 199.21 feet; north $77^{\circ} 05' 46''$ west 40.00 feet, south $12^{\circ} 54' 14''$ west to an intersection with the center line of the proposed San Diego River Flood Channel as it existed February 16, 1968, according to the City of San Diego Engineering Department thence along said center line North $71^{\circ} 57' 20''$ east to the westerly line of Pueblo Lot 1107, as shown on said map No. 4244; thence northerly along said westerly line to the point of beginning.

Except therefrom the southerly 138.5 feet, measured at right angles, to said Flood Channel Center Line.

PARCEL 3:

A portion of the following:

Lot 2 in Mission Valley Shopping Center, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 4244, filed in the office of County Recorder of San Diego County June 30, 1959.

Except therefrom that portion lying within Mission Valley Shopping Center Unit No. 2, according to Map thereof No. 7797, filed in the Office of County Recorder of San Diego County November 15, 1973.

PARCEL 4:

An undivided fifty percent (50%) interest in the following:

Parcel "A" of Mission Valley Professional Center, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 5046, filed in the Office of the County Recorder of San Diego County, October 9, 1962.



**SAN DIEGO COUNTY
REDEVELOPMENT AGENCY**

5

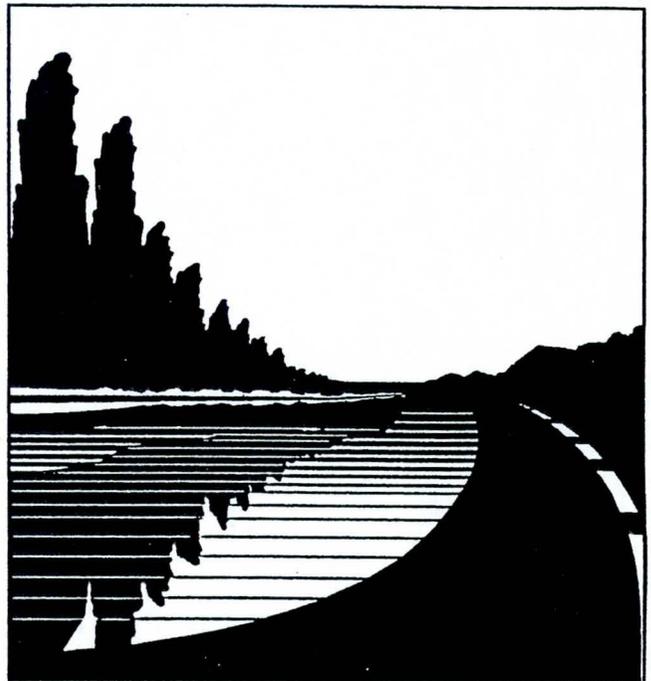
YEAR

IMPLEMENTATION PLAN

for the

**UPPER SAN DIEGO RIVER
IMPROVEMENT PROJECT
(AB 1290 Implementation Plan)**

**Health & Safety Code
Section 33490**



Adopted December 13, 1994
Redevelopment Minute Order #3

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USDRIP Five Year Implementation Plan

PART 1. INTRODUCTION

SECTION 1. PLAN PREPARATION AND ORGANIZATION

- Identification** This document is the Five Year Implementation Plan (the "Plan") for the Upper San Diego River Improvement Project (USDRIP). The USDRIP is a project of the San Diego County Redevelopment Agency (the "Agency"), and is located in the unincorporated community of Lakeside in San Diego County (the "County").
- Legal Authority** This Plan has been prepared to meet the requirements of Section 33490 of the California Community Redevelopment Law, Health and Safety Code Section 33000 et seq. (the "Law"). It is intended to function as one of the governing documents of the USDRIP.
- AB 1290** Section 33490 was added to the Law on October 6, 1993 by the adoption of Assembly Bill 1290 ("AB 1290").
- Adoption Deadline** Section 33490(a)(1) of the Law requires that this Plan be adopted on or before December 31, 1994.
- Contents** Pursuant to the requirements of Section 33490, this Plan sets forth the Agency's:
- Specific goals and objectives for the USDRIP.
 - Specific programs and expenditures planned for the next five years.
 - Explanation of how the goals, objectives, programs and expenditures will eliminate blight.
 - Explanation of how the goals, objectives, programs and expenditures will implement the low and moderate income housing set aside and housing production requirements as set forth in the Health and Safety Code Section 33334.2, 33334.4, 33334.6 and 33413.
 - Housing units to be rehabilitated, price-restricted, assisted or destroyed.
 - Plan for using annual deposits to the Housing Fund.
 - Proposed locations for any replacement housing required by Section 33413 of the Law if existing affordable housing is destroyed.

USDRIP Five Year Implementation Plan

- Affordable Housing Compliance Plan required by Section 33413(b)(4) of the Law.

Community Participation

Community participation in the creation of the Plan was encouraged through the use of existing citizen advisory committees, public noticing, and a public hearing.

USDRIC Advisory Committee

The Five Year Implementation Plan was reviewed by the Upper San Diego River Improvement Committee ("USDRIC"), the citizen's advisory group for the USDRIP. USDRIC members are property owners in the USDRIP and/or community representatives in the Lakeside area. The USDRIC evaluated the Plan for consistency with the Agency's approved governing documents and provided guidance to Agency staff in the prioritization of goals, objectives, and projects described in this Plan. Their recommendations have been incorporated into this Plan as much as possible, and forwarded to the Agency for consideration.

Lakeside Community Planning Group

A draft copy of the Plan was distributed to the Lakeside Community Planning Group for comment prior to final action of the USDRIC. The recommendations of the Planning Group were forwarded to the USDRIC and the Agency for consideration prior to adoption of the Plan.

Public Notice

Notice of the Agency's public hearing was posted at the following project locations in compliance with Section 33490(d) of the Law:

- Hilliker Egg Ranch Sales Office at 11329 El Nopal, Lakeside.
- Bill Signs Trucking Company, 10329 Channel Road, Lakeside.
- Lakeside Middle School at 11833 Woodside, Lakeside.
- Lakeside Farms Elementary School at 11915 Lakeside Avenue, Lakeside.

Notices were also posted at the following additional locations:

- County Public Library, Lakeside Branch, 9839 Vine Street, Lakeside.

USDRIP Five Year Implementation Plan

- Department of Planning and Land Use, Lobby Kiosk, 5201 Ruffin Road, San Diego.

Notice Dates

Posting for the Agency Board hearing was conducted on October 31, 1994, 35 days prior to the hearing. In addition, notice of the hearing was published in the San Diego Daily Transcript, a newspaper of general circulation, on the following days:

- October 31, 1994
- November 7, 1994, and
- November 14, 1994.

The aforementioned public notice procedure was followed in compliance with Section 33490(d) of the Law.

Public Hearing

A public hearing was conducted on December 6, 1994, prior to the adoption of this Plan. The hearing was duly noticed as described above.

USDRIP Five Year Implementation Plan

SECTION 2. PROJECT BACKGROUND

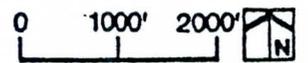
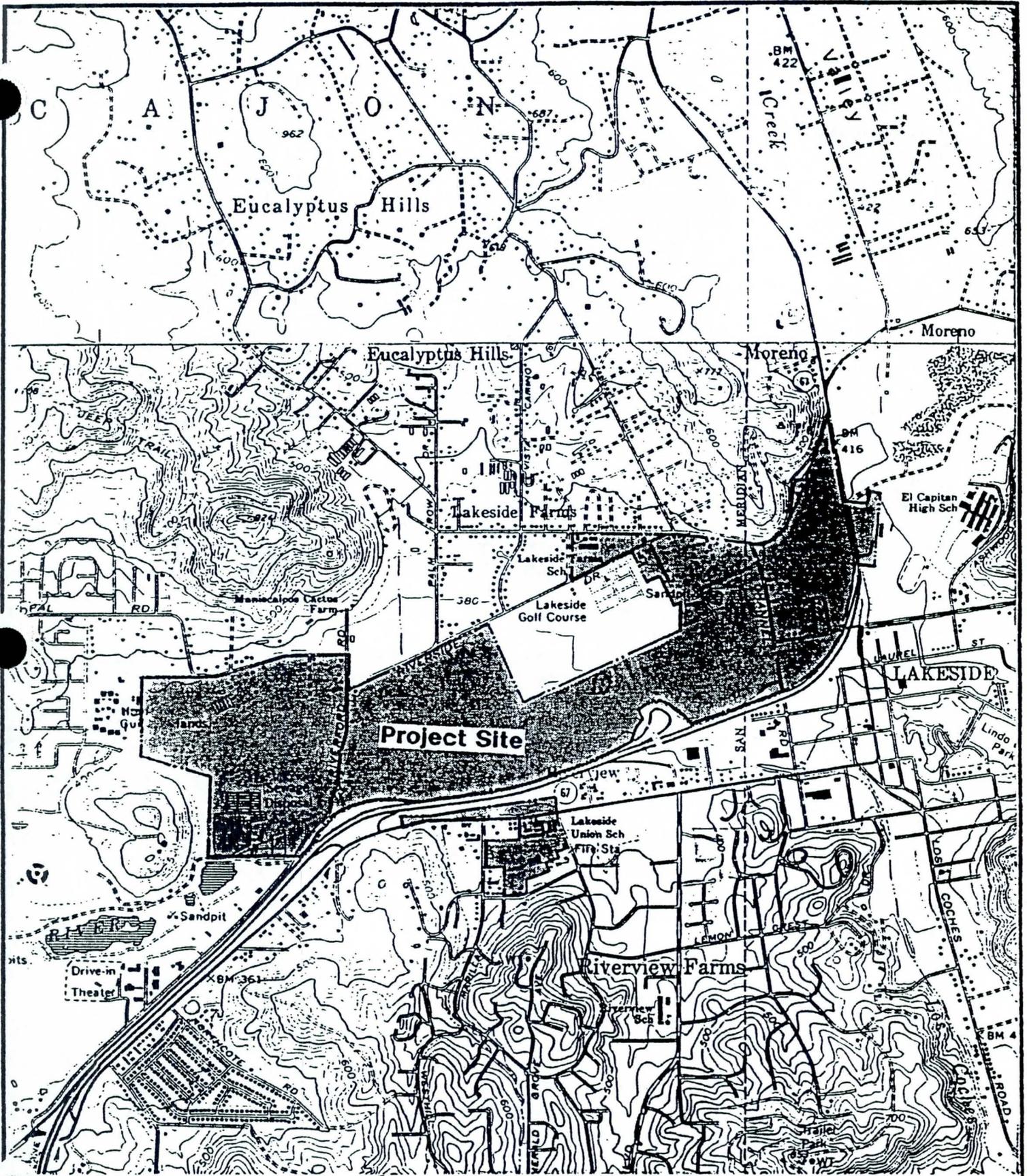
Project Area Location

The USDRIP is a proposed redevelopment of approximately 529 acres located along both sides of the San Diego River and along Highway 67 in the Lakeside community (the "Community"). The boundaries of the project (the "Project Area") are shown in Figure 1.

Governing Documents

As of January 1, 1994, the Agency had adopted the following documents to guide redevelopment in the USDRIP:

- The Redevelopment Plan adopted July 18, 1989, Ordinance No. 7652 (N.S.), Minute Order No. 61. This document sets the boundaries of the USDRIP, establishes Agency goals and objectives for the Project Area, and describes the powers of the Agency in meeting these goals and objectives.
- The RiverWay Specific Plan, SP 90-003, adopted March 6, 1991, Minute Order No. 5A. The RiverWay Specific Plan establishes land use and other zoning and design controls for the Project Area.
- Public Facilities Financing Plan, originally adopted as part of the RiverWay Specific Plan on March 6, 1991. This document describes the public facilities that exist in the Project Area, discusses which facilities are needed, and proposes a strategy to finance needed improvements.
- Habitat Management Plan, originally adopted as part of the RiverWay Specific Plan on March 6, 1991. This document describes the habitat present in the Project Area and how it is intended to be restored and managed.
- The USDRIP (Flood Control) Plan and Profile, adopted December 8, 1992, Minute Order No. 44. The Flood Control Plan establishes the future alignment of the San Diego River and the structures required for flood control in the Project Area.



Project Vicinity Map

Figure
1

USDRIP Five Year Implementation Plan

Relationship Between Governing Documents

The implementation of the Specific Plan, Habitat Management Plan, and Flood Control Plan is on-going. These Plans were established to function independent of the USDRIP, and will not automatically terminate with the termination of the Agency's USDRIP activities. However, the Agency is committed to implementing these Plans since they are consistent with the goals and objectives of the USDRIP Redevelopment Plan.

The Redevelopment Plan, Financing Plan, and Five Year Implementation Plan are instruments of the Redevelopment Agency, and will terminate with the termination of the USDRIP.

Changing Governing Documents

Changes to governing documents of the County require at least one public hearing and the approval of the Board of Supervisors. In the case of the Redevelopment Plan, Financing Plan, and Five Year Implementation Plan, the Board of Supervisors would take action as the Redevelopment Agency.

It should be noted that governing documents may be amended from time to time in order to implement the goals and objectives of the County and/or the Redevelopment Agency. Amendments will always be conducted with input from affected property owners and as part of a noticed public hearing.

Statutory Timelines

Certain timelines established by the Law limit actions of the Agency. These limitations must be taken into consideration when implementing Agency programs. These timelines are as shown in Table 1.

Definition of Blight

AB 1290 modified Article 3, Section 33030, et seq., of the Law's blight definition and blight finding requirements. It is the Agency's position that the new definition applies only to redevelopment areas formed or annexed after January 1, 1994, and therefore, does not apply to the USDRIP. The definition of blight that was in effect on July 18, 1989 (when the Redevelopment Plan for the USDRIP was adopted) is quoted in Table 2 for easy reference.

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TABLE 1

STATUTORY TIMELINES FOUND IN THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW
AS OF JANUARY 1, 1994

KEY DATE	DESCRIPTION	EXTENSION OK?
07/18/2001	Eminent Domain can not be initiated past this date.	Yes, by plan amendment up to termination of Plan in Year 2029
07/18/2009	No additional debt may be incurred past this date.	Yes, one ten year extension available if blight finding can be made.
07/18/2029	Plan terminates except for repayment of debt.	No.
07/18/2039	Tax increment no longer available to pay debt.	No.

TABLE 2

EXCERPT FROM THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW
IN EFFECT ON JULY 18, 1989

SECTION	EXCERPT
33030	A blighted area is one which is characterized by one or more of those conditions set forth in Sections 33031 or 33032, causing a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social, or economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.

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TABLE 2 (continued)

SECTION	EXCERPT
33031	<p>A blighted area is characterized by the existence of buildings and structures, used or intended to be used for living, commercial, industrial, or other purposes, or any combination of such uses, which are unfit or unsafe to occupy for such purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime because of any one or a combination of the following factors:</p> <ul style="list-style-type: none"> (a) Defective design and character of physical construction. (b) Faulty interior arrangement and exterior spacing. (c) High density of population and overcrowding. (d) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities. (e) Age, obsolescence, deterioration, dilapidation, mixed character, or shifting of uses.
33032	<p>A blighted area is characterized by properties which suffer from economic dislocation, deterioration, or disuse because of one or more of the following factors which cause a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social, or economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone:</p> <ul style="list-style-type: none"> (a) The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development. (b) The laying out of lots in disregard of the contours and other topography or physical characteristics of the ground and surrounding conditions. (c) The existence of inadequate public improvements, public facilities, open spaces, and utilities which cannot be remedied by private or governmental action without redevelopment. (d) A prevalence of depreciated values, impaired investments, and a social and economic maladjustment.

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Types of Blight in the USDRIP

The USDRIP is characterized by properties which suffer from economic dislocation, deterioration, and/or disuse because of one or more of the following factors (pursuant to the blight definition found in Table 2):

- Lots are of irregular form and shape and inadequate size for proper usefulness and development under current zoning.
- Lots have been laid out with disregard to the existing alignment of the San Diego River.
- Inadequate public improvements such as flood control structures, streets, traffic circulation, sewers, curbs, gutters, fire protection facilities, and/or water service, which cannot be remedied by private or governmental action without redevelopment.
- A prevalence of depreciated land values, impaired investments, and economic maladjustment.

Land Use Description

The gross area of each land use category as adopted in the RiverWay Specific Plan is summarized in Table 3.

TABLE 3

LAND USE BREAKDOWN FOR USDRIP

LAND USE TYPE	ACRES	RESIDENTIAL UNITS
Industrial	240	0
Residential	78	569
Commercial	29	0
Floodplain	155	N/A
Public Services	27	N/A
Recreational	0	N/A

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SECTION 3. AGENCY GOALS

Introduction

This Section lists the goals for the USDRIP as recorded in the Redevelopment Plan. Goals are grouped in categories according to their primary area of concern. It is anticipated that some of the goals of the Redevelopment Agency may be modified during the Five Year Implementation Plan/Mid-Plan Review.

Blight

The following goals are primarily intended to combat blight in the Project Area:

- (B1) Eliminate and prevent the spread of blight and deterioration and to conserve, rehabilitate, and develop the Project Area in accordance with the Specific Plan.
- (B2) Provide employment opportunities for the residents of the Community.
- (B3) Encourage private sector investment in the development of the Project Area.
- (B4) Facilitate, if necessary, reparcelization of land into reasonable sized and shaped parcels served by an improved public infrastructure and public facilities.
- (B5) Expand the resource of the developable land by obtaining, if necessary, underutilized land and making it available for development.
- (B6) Alleviate certain environmental deficiencies, including substandard vehicular and pedestrian circulation systems, insufficient off-street parking and other similar public improvements.
- (B7) Develop safeguards against noise and pollution to enhance future industrial/commercial activity in the Project Area.

Public Participation and Cooperation

The following goals are primarily intended to encourage public participation and promote cooperation among interested parties in the redevelopment area:

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- (P1) Encourage the cooperation and participation of residents, business persons, public agencies and community organizers in the revitalization of the Project Area.
- (P2) Coordinate revitalization efforts in the Project Area with other public programs of the County and Lakeside community.

Flood Control

The following goal calls for the development of a flood control channel in the Project Area and stresses the need for public-private partnership in establishing this facility:

- (F1) Improve the San Diego River channel and eliminate flood hazards that constrain the development of various parcels in the Project Area, the cost of which cannot be borne by private enterprise acting alone.

Habitat Reclamation

The following goals are related to preserving or reclaiming valuable habitat lands:

- (H1) Facilitate the recycling of existing sand and gravel extraction activities to uses that are more environmentally sensitive and compatible with the riparian habitat in the Project Area.
- (H2) Implement a San Diego River Flood Control and Environmental Rehabilitation Plan that is consistent with the goals of the Army Corps of Engineers, the California Department of Fish and Game, and the County of San Diego, Project Area property owners, and the Community.
- (H3) Provide for the enhancement and rehabilitation of the riparian habitat, especially as it relates to promoting recovery of the Least Bell's vireo, a Federally protected songbird.
- (H4) Promote public improvements and facilities which are sensitive to the unique environmental characteristics of the Project Area.

Community Enhancement

The following goals enhance the value of the USDRIP to the community of Lakeside. It is expected that these improvements will increase public interest and investment

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in the USDRIP as a whole, thereby improving public investment in the area and contributing to the elimination of blight.

- (C1) Provide additional recreation opportunities for the Community within the constraints imposed by Federal and State environmental agencies.
- (C2) Provide needed improvements to the Community's educational and other facilities to better serve the Project Area.
- (C3) Control unplanned growth by guiding new development to meet the needs of the Community.
- (C4) Achieve an environment reflecting a high level of concern for architectural, landscape, and suburban design principles appropriate to the goals of this Plan and applicable community plans.

LMI Housing

The following goal ensures that the USDRIP provides its fair share of low and moderate income ("LMI") housing in the Lakeside community:

- (L1) Make provisions for housing as is required by the California Community Redevelopment Law to satisfy the needs and desires of the various age, income, and ethnic groups of the Community, maximizing the opportunity for individual choice.

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SECTION 4. AGENCY OBJECTIVES

Introduction

This Section groups the objectives of the Agency under the same categories used for Agency goals in Section 3. of this Plan. These objectives were first adopted by the Agency as part of the original Redevelopment Plan. It is anticipated that some of the objectives of the Redevelopment Agency may be modified during the Five Year Implementation Plan/Mid-Plan Review.

Blight

The following objectives are primarily aimed at curtailing blight in the Project Area:

- (B1) Install, construct, reconstruct, redesign, or reuse streets, utilities, curbs, gutters, sidewalks, traffic control devices, and other public improvements as necessary to encourage private investment in the USDRIP (Redevelopment Plan, Section V, #1).
- (B2) Rehabilitate, remodel, demolish, or remove buildings, structures, and improvements that are contributing to the blighted conditions in the USDRIP (Redevelopment Plan, Section V, #5).
- (B3) Develop or redevelop land through private enterprise or public agencies for purposes and uses consistent with the objectives of this Plan (Redevelopment Plan, Section V, #9).
- (B4) Manage property acquired by the Agency (Redevelopment Plan, Section V, #10).
- (B5) Provide financial assistance for the construction of industrial and commercial buildings, to the extent that is practical and allowed by the Law, to increase the industrial and commercial base of the Community, and the number of temporary and permanent jobs in the Community and the East County Region (Redevelopment Plan, Section V, #11).

Public Participation and Cooperation

The following objectives are intended to meet the Agency's goals of broad-based community participation in the USDRIP:

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- (P1) Provide participation opportunities for owners and tenants presently located in the USDRIP, and extend preferences to occupants desiring to remain or relocated within the redeveloped Project Area (Redevelopment Plan, Section V, #7).
- (P2) Provide relocation assistance to displaced residential and nonresidential occupants (Redevelopment Plan, Section V, #8).

Flood Control

The following objective is for flood control:

- (F1) Install flood control and other required improvements to the San Diego River channel (Redevelopment Plan, Section V, #2).

Habitat Reclamation

The following objective is for habitat reclamation:

- (H1) Restore and develop the degraded riparian habitat adjacent to the San Diego River channel (Redevelopment Plan, Section V, #3).

Community Enhancement

The following objective is intended to make the USDRIP a better neighbor to other members of the Lakeside community:

- (C1) Develop recreation areas for the USDRIP and Community residents (Redevelopment Plan, Section V, #4).

LMI Housing

The following objective is intended to ensure that the USDRIP meets its fair share of LMI housing in the Lakeside community:

- (L1) Rehabilitate, develop or construct affordable housing in compliance with the Law (Redevelopment Plan, Section V, #6).

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SECTION 5. ACCOMPLISHMENTS TO DATE

Introduction

As noted in previous sections, the Agency established its goals and objectives in 1989 with the adoption of the USDRIP Redevelopment Plan. This Section describes the Agency's progress in meeting these goals and objectives as of July 1, 1994 (the start of the 1994-95 Fiscal Year). It is anticipated that some of the goals and objectives of the Redevelopment Agency may be modified during the Five Year Implementation Plan/Mid-Plan Review.

Funding

Loans. Loans have been received from the County of San Diego General Fund, the Lakeside Sanitation District, and the San Diego Flood Control District.

Grants. Grants have been received from the California Development Block Grant program.

Property Owner Contributions. Property owners have contributed funds to the development of the RiverWay Specific Plan and the Flood Control Plan.

Adoption of Specific Plan

The adoption of the Specific Plan in 1991 set the groundwork for implementing the majority of the Agency's goals and objectives in the USDRIP.

Blight. The Specific Plan is expected to assist in the elimination and spread of blight (Goal B1) by providing for land development that fits the economic and demographic needs of the Community (Objective B3). The Plan allows for a significant amount of commercial and industrial land uses to provide employment opportunities for the residents of the Community (Goal B2). It also provides design guidelines to help alleviate environmental deficiencies (Goal B6), guard against noise and pollution (Goal B7), and set standards for the rehabilitation and remodeling of existing structures (Objective B2).

Public Participation. The Specific Plan was developed with extensive public input from the USDRIC and the Lakeside Community Planning Group (Goal P1, Objective P1), and it will serve as a reference point from which staff will be able to coordinate revitalization efforts with other public programs (Goal P2).

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Flood Control and Habitat Reclamation. The Specific Plan provides for a flood control and open space zone which limits structures and activities (Goals F1, H1 through H4; Objectives F1 and H1).

Community Enhancement. The Specific Plan provides needed recreation opportunities for the Community (Goal C1, Objective C1), controls unplanned growth (Goal C3), and provides design guidelines to ensure that development is compatible with the surrounding community (Goal C4).

Adoption of Financing Plan

The adoption of the Financing Plan in 1991 established a strategy for financing needed public improvements. This Plan identified mechanisms for encouraging private sector investment in the USDRIP (Goal B3, Objective B3), and paying for public improvements (Goal B6, F1, H3, C1, and C2; Objectives B1, B2, F1, H1, and C1).

Adoption of Habitat Management Plan

The adoption of the Habitat Management Plan in 1991 established a strategy for preserving and reclaiming valuable habitat lands (Goals H1 through H4, and C1; Objectives F1, H1 and C1).

Adoption of Flood Control Plan

The adoption of the USDRIP Flood Control Plan and Profile in 1992 established a strategy for improving the San Diego River channel and eliminating flood hazards that constrain development in the USDRIP (Goal F1, Objective F1).

404 Permit

Provided biology studies that facilitated the acquisition of a 404 Permit for approximately 25 acres of property in the USDRIP.

LMI Housing

Executed Grant Agreement with Lakeside Gardens, a non-profit company. Funds will be expended in the 94-95 Fiscal Year for legal, architectural, engineering, planning, and appraisal services in the creation of approximately 60 new low income dwelling units.

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PART 2. AGENCY PROGRAMS

SECTION 1. OVERVIEW

Introduction The goals and objectives listed in previous sections are expected to require on-going effort throughout the life of the redevelopment project. However, Agency goals and objectives will be met, in part, over the five year life of this Plan through the programs listed in this Section.

Organization Programs are grouped into three general activities: governing documents; fundraising; and facilitation. Program descriptions discuss how each program is intended to contribute to the revitalization of the Project Area. A cost estimate for each program over the five year life of the Plan is also provided.

Timeframe Table 4 shows the fiscal year(s) each program is expected to be active. This Table is intended only as a guide. It is understood that the beginning and ending dates for programs described in each section may be unpredictable due to the complex nature of the USDRIP. Programs may take longer than the life of this Plan to implement, and timeframes may need to be altered from time to time by Agency staff.

Program Modification Due to the complexities of the USDRIP, projects may evolve and change as conditions within and around the USDRIP change. Programs may be altered, added or discontinued by Agency staff, as conditions within the Project Area change.

Variability of Expenditures It should be noted that expenditures are estimates only. Actual expenditures may be more or less than the amount shown in this Plan.

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TABLE 4
USDRIP ACTIVITY AND EXPENDITURE MATRIX

PROGRAM	Fiscal Year-->					FIVE YEAR ESTIMATED COSTS
	94 - 95	95 - 96	96 - 97	97 - 98	98 - 99	
PROGRAM L-1: Participation Agreement	X					\$ 22,000
PROGRAM L-2: Redevelopment Plan Review	X	X	X	X	X	\$ 15,000
PROGRAM L-3: Specific Plan Review	X	X				\$120,000
PROGRAM L-4: Habitat Management Plan Review	X	X				\$ 88,900
PROGRAM L-5: Financing Plan Review	X	X		X		\$ 33,000
PROGRAM L-6: Flood Control Plan Review			X			\$ 1,000
PROGRAM L-7: Five Year Implementation Plan/Mid-Year Review			X			\$ 6,000
PROGRAM F-1: Tax Increment Funding	X	X	X	X	X	\$ 0
PROGRAM F-2: Bond Issuance				X	X	\$ 20,000+
PROGRAM F-3: Private Investment Loan	X					\$ 12,600
PROGRAM F-4: Grant Writing		X	X	X	X	\$ 8,000
PROGRAM P-1: Financial Assistance	X	X	X	X	X	\$100,000+
PROGRAM P-2: Public Utilities	X					\$ 12,000+
PROGRAM P-3: Relocation Assistance			X			\$ 0
PROGRAM P-4: Project Facilitation	X	X	X	X	X	\$ 100,000
PROGRAM P-5: Marketing		X		X		\$ 10,000+

+ Indicates additional funds are required but cannot be estimated at this time.

USDRIP Five Year Implementation Plan

SECTION 2. GOVERNING DOCUMENTS

Introduction

This section describes the programs that will develop and update critical documents for the Project Area. These documents include a boilerplate for a Participation Agreement, and the governing documents of the USDRIP. These documents are very important to develop and update since creating and changing them takes a significant amount of time, and development opportunities often require rapid responses.

It is anticipated that governing documents may be amended from time to time in order to implement the goals and objectives of the Redevelopment Agency. Amendments will always be conducted with input from affected property owners and as part of a noticed public hearing.

Participation Agreements

Program L-1: Participation Agreement

Need: The Agency wishes to encourage participation in redevelopment by as many property owners and business tenants as possible. However, participation opportunities shall necessarily be subject to and limited by such factors as the expansion of public facilities; elimination and changing of land uses; realignment of streets; and the ability of the Agency and/or owners to finance acquisition and development in accordance with the Redevelopment Plan. These limitations require that Participation Agreements be negotiated on a parcel by parcel basis, and include development and financing assurances from both the Agency and the property owner. It is expected that issues will be similar from property to property, therefore a boilerplate Participation Agreement is needed to use as a basis for negotiations.

Program: Develop a boilerplate Participation Agreement to use as a basis for negotiations with interested property owners. It is understood that neither the Agency nor the property owners are required to enter into a Participation Agreement (pursuant to Sections 33339 of the Law, and Section 507 of the Redevelopment Plan).

It is anticipated that the boilerplate agreement will need to be modified on a case-by-case basis.

Estimated Cost: \$22,000 (includes cost of legal counsel)

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Redevelopment Plan Program L-2: Redevelopment Plan Review

Need: Changes in the Law occur annually. From time to time these changes are extensive and may require the amendment of the Redevelopment Plan. In order to ensure the Redevelopment Plan remains in conformance with State law, it may need to be amended from time to time. For example, AB 1290 will require the amendment of the USDRIP's Redevelopment Plan on or before December 31, 1994 to change certain statutory deadlines for the project. In addition, the Redevelopment Plan must be reviewed in conjunction with the Five Year Implementation Plan during its mid-year review (described later).

Program: Provide for the on-going review of State legislation and amend the Redevelopment Plan as required to conform to the Law.

Estimated Cost: \$2,000 annually, plus \$5,000 for one amendment.

Specific Plan

Program L-3: Specific Plan Review

Need: Changes in economic, social, and environmental conditions at the local, State and Federal level may adversely impact the adopted Specific Plan. A program is needed to ensure the Agency periodically reviews these changes and considers any impacts they may have on the Specific Plan against the goals and objectives of the Agency. This review may result in an amendment to the Specific Plan. Since amendments take a great deal of time and resources, it is not anticipated that they will occur more than once every five years. The first amendment is expected to begin in the 1994-95 Fiscal Year.

Program: Review the adopted Specific Plan in light of economic and demographic studies, redevelopment progress, and property owner, tenant, public agency, and general public feedback, to determine if an amendment to the Specific Plan is necessary to further Agency goals and objectives with respect to the USDRIP. If so, amend the Specific Plan.

Estimated Cost: \$20,000 for review (includes market study), plus \$100,000 for one amendment.

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Habitat Management Plan

Program L-4: Habitat Management Plan Review

Need: Changes in environmental conditions and the economic climate in recent years, combined with the lack of progress in forming the Habitat Conservation Program (HCP) for the San Diego River, may have caused the Habitat Management Plan for USDRIP to become un-implementable. A review of the Plan is needed to determine whether an amendment is required.

Program: Review the adopted Habitat Management Plan in light of economic and environmental conditions to determine if an amendment is necessary to further Agency goals and objectives with respect to the USDRIP. Review feasibility of obtaining approvals from State and Federal resource agencies. Amend the Habitat Management Plan if appropriate.

Estimated Cost: \$52,600 for review (includes consultant fees), plus \$36,000 for amendment.

Financing Plan

Program L-5: Financing Plan Review

Need: Changing economic conditions at the local, State and Federal level may adversely impact the adopted Financing Plan. A program is needed to ensure the Agency stays abreast of these changes and reviews any impacts they may have on the Financing Plan against the goals and objectives of the Agency. This review may result in an amendment to the Financing Plan. An amendment for the Financing Plan is scheduled for the 1994-95 Fiscal Year.

Program: Amend the Financing Plan in the 1994-95 Fiscal Year. Review the adopted Financing Plan every two to three years in light of prevailing economic conditions to determine if an amendment to Financing Plan is necessary to further Agency goals and objectives with respect to the USDRIP. If so, amend the Financing Plan.

Estimated Cost: \$5,000 for review (one anticipated), plus \$28,000 for one amendment (includes consultant fees).

Flood Control Plan

Program L-6: Flood Control Plan Review

Need: At this time, all property owners who develop property along the San Diego River are expected to develop in compliance with the approved Flood Control Plan. As property is redeveloped and economic conditions change,

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the Agency's interest in building to the Flood Control Plan may change. However, no amendments to the Flood Control Plan are contemplated for the next five years. This item will be reconsidered by the Agency during the mid-plan review.

Program: During the mid-plan review, reconsider the need to review and amend the Flood Control Plan in light of economic conditions, redevelopment progress, and property owner, tenant, public agency, and general public feedback.

Estimated Cost: \$1,000.

Five Year Implementation Plan

Program L-7: Five Year Implementation Plan/Mid-Plan Review

Need: Section 33490(c) of the Law requires that the Five Year Implementation Plan be reviewed no earlier than two years and no later than three years after its adoption. Said review must: 1) include a review of the Redevelopment Plan; 2) be presented at a public hearing; and 3) assess the progress of the project.

Program: Start the review of the Five Year Implementation Plan in Fiscal Year 1996-97, and conduct the review as required by Section 33490 of the Law.

Estimated Cost: \$6,000.

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SECTION 3. FINANCING

Introduction

Fundraising will be a critical need over the next five years for the USDRIP as tax increment funds are expected to be insufficient to pay for planned programs. The following fundraising efforts are proposed to secure funding needed to pay for these programs:

Tax Increment

Program F-1: Tax Increment Funding

Need: The USDRIP's tax increment funds are the most important source of financing available to the Agency. These funds are computed as follows:

1. The taxable value of property within the redevelopment project is determined for the year the Redevelopment Plan is adopted. This becomes the "base year".
2. In successive years, the Agency receives all tax revenues in excess of base year revenues, minus any funds that have been negotiated to be paid through "pass through" agreements.

Therefore, as property values increase, more tax increment funding becomes available to pay for needed improvements and combat blight in the Project Area.

It should be noted that the Agency is only entitled to tax increment for debt it has actually incurred. Consequently, the Agency is always working with a deficit.

Program: Develop programs that will increase property values in the Project Area in a manner consistent with the goals and objectives of the Agency.

Estimated Cost: \$0 (cost disbursed throughout facilitation programs).

Bonds

Program F-2: Bond Issuance

Need: Funds will be needed to pay for infrastructure in the Project Area over the next five years. It is expected that most of this infrastructure will be paid for through the issuance of bonds.

Program: Send out Requests for Proposals to secure bond counsel and financial advising services. Determine bond issuance costs and bond amount. Issue bonds.

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Estimated Cost: \$20,000, plus bond costs and consultant costs.

Private Investment Loans

Program F-3: Private Investment Loans

Need: Property owners in the USDRIP may be willing to loan the Agency the funds to pay for some public improvements if they are reimbursed by the Agency at a later date. These "private investment loans" cannot be accepted by the Agency until general terms and conditions are drafted, an evaluation and acceptance procedure is established, and a management program is in place.

Program: Establish the necessary structure to process, accept, and manage private investment loans.

Estimated Cost: \$12,600.

Grant Writing

Program F-4: Grant Writing

Need: Grant funds are available from a variety of sources for infrastructure, habitat reclamation, and low income housing. The Community Development Block Grant program and the Army Corps Flood Control Program are two examples of these funding sources. However, there is heavy competition for grant funds, and applications must be drafted and forwarded for consideration. The Agency plans to aggressively pursue this type of funding source over the next five years.

Program: Research the availability of grant sources for infrastructure, habitat reclamation, and low income housing, and apply for grant funds wherever appropriate.

Estimated Cost: \$2,000 annually.

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SECTION 4. FACILITATION

Introduction

This Section contains the programs that the Agency intends to provide to property owners, developers, and tenants to encourage investment in the USDRIP.

Financial Assistance

Program P-1: Financial Assistance

Need: Due to the blighted condition of properties and the extent of the public infrastructure and other development requirements that must be accommodated, property owners are not able to develop their land and receive a reasonable return on their investment. To overcome this handicap, the Agency proposes to assist developers with some development costs.

Program: Develop a package of development incentives that can be used to provide financial assistance to developers for the installation of public infrastructure, low and moderate income housing, and other improvements or services that will contribute to the elimination of blight and economic recovery of the USDRIP. Said assistance shall require development guarantees from the developer and shall be documented in a Participation Agreement or Disposition and Development Agreement (DDA).

Estimated Cost: \$20,000 per year, plus the actual cost of the infrastructure, housing, improvement, or service.

Public Utilities

Program P-2: Public Utilities

Need: Many properties in the USDRIP are not annexed to public utilities. The annexation of properties on a parcel by parcel basis is costly and time-consuming. Since the types of development planned for the Project Area require urban-level services, the Agency proposes to facilitate the wholesale annexation of properties to needed services. Facilitation may or may not include financial assistance depending upon the willingness of property owners to provide development guarantees for the affected properties.

Program: Develop and implement a plan for the wholesale annexation of properties in the USDRIP to needed public utilities. Develop an appropriate cost sharing plan for benefiting property owners.

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Estimated Cost: \$12,000 plus actual cost of Local Agency Formation Commission (LAFCo) and service agency fees that may be paid by the Agency.

Relocation Assistance

Program P-3: Relocation Assistance

Need: During the course of redevelopment, individuals and businesses may be displaced due Agency activities. If this occurs, the Agency will assist these persons or businesses in relocating in accordance with State and Federal laws. However, the Agency does not anticipate engaging in activity that would result in the displacement of individuals or businesses during the course of this Five Year Implementation Plan. This position will be reconsidered during the mid-plan review of this Plan.

Program: Provide relocation assistance, if needed, as required by State and Federal law. Review the need for relocation assistance during the mid-plan review of the Five Year Implementation Plan.

Estimated Cost: \$0.

Project Facilitation

Program P-4: Project Facilitation

Need: Development problems in the Project Area are often too complex for a developer or property owner to resolve on their own. Assistance is required to advise property owners and developers regarding land use limitations, development requirements, and permitting procedures. Developers also need assistance in securing the necessary development permits from local, State and Federal agencies, and in consolidating property for development.

Program: Assist development by providing development advisory services, facilitating permit processing, and assisting with the consolidation of properties wherever possible.

Estimated Cost: \$20,000 annually.

Marketing

Program P-5: Marketing

Need: Marketing programs are needed to advertise the USDRIP to potential development interests. It is anticipated that each land use category will require a separate program, and that only two programs will be

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implemented in the next five years due to funding constraints. It is anticipated that these programs will target housing and commercial development, however, this may change if the results of a market study indicate a more suitable target audience.

Program; Develop and implement marketing programs that will advertise the USDRIP to development interests.

Estimated Cost: \$5,000 per program, plus consultant costs.

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years, and that progress is made toward satisfying the requirements of Section 33413 as applicable over the life of the Redevelopment Plan.

- Reviews the affordable housing goals, objectives, and programs contained in the 1986 Housing Element to confirm this Housing Plan is consistent with the adopted San Diego County Housing Element.

Definitions

The following terms used in this Plan are defined as follows:

Very Low Income: 50 percent or below of the area median income.

Low Income: 51-80 percent of area median income.

Moderate Income: 81-120 percent of area median income.

Substantial Rehabilitation: "Rehabilitation, the value of which constitutes 25 percent of the after rehabilitation value of the dwelling, inclusive of the land value" (Section 33413[b][2][A][iv] of the Law).

Substantially Rehabilitated Dwelling Units: "Substantially rehabilitated multi-family rented dwelling units with three or more units or substantially rehabilitated, with Agency assistance, single-family dwelling units with one or two units" (Section 33413[b][2][A][iii] of the Law).

Production Estimates

Section 33413(b)(4) requires that the Housing Plan include estimates of the following:

- The number of new or rehabilitated residential units to be developed within each project area for a ten year period.
- The number of units to be developed by the Agency for a five year period.

Estimates are to be broken down into low, very low, and moderate income households.

Housing Requirements

Since 1976, redevelopment agencies have been required to assure that at least 30 percent of all new or rehabilitated units developed by an agency are available

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at affordable costs to households of low or moderate income. Of this 30 percent, half are required to be available at affordable costs to very low income households. Section 33413 requires that at least 15 percent of all new or rehabilitated dwelling units developed within each project area by entities other than the Agency be made available at affordable costs to low or moderate income households. Of this 15 percent, 40 percent are required to be available at affordable costs to very low income households. These requirements are applicable to housing units as aggregated. Requirements are not to be applied on a case-by-case basis to each dwelling unit created or rehabilitated unless required by the Agency.

Failure to Meet Housing Requirements

If, at the end of the ten year period, the production requirements are not realized, the Law requires that the Agency meet the production requirements on an annual basis until the requirements for the ten year period are met.

Exceeding Housing Requirements

Should the Agency exceed the production requirements within the ten year period, the Law permits the Agency to count the units that exceed the requirements to meet the housing production requirements during the next ten years.

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SECTION 2. AFFORDABLE HOUSING PRODUCTION TO DATE

Purpose This Section identifies the number of dwelling units which have been destroyed, removed, constructed, or substantially rehabilitated within the Project Area to date. It also reports on the number of new or rehabilitated housing units that have been produced to date outside the Project Area as a result of Agency action. This information is then used to determine if the Project has an existing housing production deficit.

Timing Required For all redevelopment projects adopted after January 1, 1976, the Law requires that affordable housing be provided in conjunction with: 1) the destruction or removal of existing affordable housing units within the Project Area performed by written agreement with the Agency or where financial assistance has been provided by the Agency; and 2) development of new or substantially rehabilitated dwelling units within the Project Area whether or not the development or rehabilitation was performed with Agency assistance. (Section 33413[a] and 33413[b] of the Law)

Substituting Units Outside Project Area

Pursuant to Section 33413(b)(2)(A)(ii) of the Law, the Agency may meet all or part of the Project's affordable housing obligation by causing to be available, at affordable housing costs, two units outside the Project Area for each unit that otherwise would have had to be available inside the Project Area.

Activity Inside Project Area

Agency Assisted Destruction or Removal. The Agency has not entered into any agreement or assisted any project financially that has destroyed or removed dwelling units housing persons and families of low or moderate income in the Project Area to date.

Substantial Rehabilitation and Construction. No residential units have been constructed or substantially rehabilitated, with or without Agency assistance, within the Project Area since the adoption of the Redevelopment Plan to date.

Activity Outside Project Area

While no affordable housing units have been constructed or rehabilitated as a result of Agency activity since the adoption of the Redevelopment Plan to date, the Agency did award a grant in 1994 to the Lakeside Gardens non-profit

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organization as reported in Part 2, Section 5. It is anticipated that this grant will facilitate the construction of 60 new low income dwelling units outside the Project Area. Construction schedules have not been determined to date. Once these units are constructed, they will be price restricted, as required by the Law, and used to offset some of the Agency's future affordable housing obligations inside the Project Area.

Housing Deficit

A housing deficit does not exist for the USDRIP since there has been no residential activity in the Project Area since the adoption of the Redevelopment Plan.

SECTION 3. AFFORDABLE HOUSING FORECASTS AND LOCATIONS

Purpose

This Section is intended to identify general locations for affordable housing and to estimate the affordable housing obligation for the Project Area for the life of the Project. Construction projections for the next ten years and five years are also offered as required by AB 315. However, it is understood that these estimated obligations are not required obligations until housing is actually constructed.

Housing Locations

Inside the Project Area: The USDRIP has two areas zoned for residential development. The primary residential area is located in the northwest corner of the Project Area (Planning Areas I, II, III, and IV in the Specific Plan), is approximately 74 acres in size, and can be developed to a maximum density of 541 dwelling units. A smaller residential area is located at the corner of Lakeside Avenue and Riverside Drive (Planning Area XVI in the Specific Plan). It is approximately 4 acres in size and has a maximum density of 28 dwelling units. The actual density for each of these areas will depend upon the final design of the development, environmental constraints, and market considerations.

Outside the Project Area: The Lakeside Community has low income housing projects that would be eligible for rehabilitation and construction assistance. While the Agency has not yet considered any group other than Lakeside Gardens for assistance, it will consider offering financial assistance to qualified groups or individuals who submit proposals to the Agency as housing funds are available.

Rehabilitation in Project Area

This Housing Plan does not assume any future substantial rehabilitation will occur within the next ten years inside the Project Area due to the relative low cost of new construction when compared to the cost of substantial rehabilitation. However, the Agency will consider offering financial assistance, as housing funds are available, to qualified developers or individuals who submit proposals to substantially rehabilitate property for affordable housing.

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Agency Activity The Agency does not anticipate directly developing or rehabilitating any dwelling units which would trigger the 30 percent affordable housing requirement of Section 33413(b)(1) within the ten year timeframe of the Housing Plan. However, the Agency will continue to cooperate with and provide assistance and incentives to private developers in order to meet affordable housing production goals.

Housing Estimates Since private development will be responsible for the construction of housing in the USDRIP area, 15 percent of all units constructed must meet affordable housing criteria unless twice that number are built or substantially rehabilitated outside the Project Area. If the maximum number of residential units can be built as described under "Housing Locations", affordable housing units will need to be constructed as described in Table 5.

TABLE 5
AFFORDABLE HOUSING ESTIMATES FOR THE LIFE OF THE USDRIP*

PROJECT AREA	MAXIMUM # OF RESIDENTIAL UNITS	MINIMUM # OF AFFORDABLE (LOW & MODERATE)	MINIMUM # OF VERY LOW INCOME
I	270	40	16
II	88	13	5
III	117	18	7
IV	66	10	4
XVI	28	4	2
TOTAL	569	85	34**

* Housing obligations are shown in Table 5 by planning area for convenience only. The Agency reserves the right to meet Project Area housing obligations on an aggregate basis as provided by Section 33413(b)(2)(A)(v) of the Law. Obligations noted in this Table will be reduced if substantially rehabilitated housing or new construction is made available by the Agency at affordable cost outside the Project Area on a two-for-one basis.

** This means that 34 of the 85 affordable housing units must be available for very low income households.

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Ten Year Projection

Based on conservative market trends, it is estimated that 30 percent of the property currently zoned for residential development will be developed within the next ten years. This estimate would mean that a total of 170 dwelling units may be constructed. In order to meet the USDRIP's affordable housing obligation, at least 26 of these dwelling units would need to be affordable housing units with 10 available to very low income households. Alternatively, 52 affordable housing units could be constructed or substantially rehabilitated outside the Project Area with 21 available to very low income households.

Five Year Projection

While the Agency will be working to develop residential areas through marketing efforts and developer incentive programs, it is not anticipated that development plans will have progressed to the construction phase within the next five years.

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SECTION 4. REVENUE PROJECTIONS

Purpose This Section is intended to outline sources of funding and anticipated review projections for affordable housing construction and rehabilitation.

20 Percent Set-Aside The primary source for affordable housing funds is expected to come from the housing set-aside portion of the USDRIP's tax increment revenue. As required by Section 33334.2, the Agency places 20 percent of the tax increment revenue allocated to the Agency into a separate housing fund account for the Project Area. Projections for these set-aside funds are shown in Table 6 along with anticipated expenditures that are currently obligated through an approved grant or contract.

TABLE 6
HOUSING SET-ASIDE FUND PROJECTIONS

FISCAL YEAR	BEGINNING FUND BALANCE	REVENUE (NOTE 1)	EXPENDITURE (NOTE 2)	ENDING FUND BALANCE (NOTE 3)
1994-95	53,359	16,641	28,347	41,653
1995-96	41,653	18,305		49,958
1996-97	59,958	20,136		80,094
1997-98	80,094	22,149		102,243
1998-99	102,243	24,364		126,607
1999-00	126,607	26,800		153,407
2000-01	153,407	29,481		182,888
2001-02	182,888	32,429		215,317
2002-03	215,317	35,671		250,988
2003-04	250,988	39,239		290,227

TABLE 6 NOTES:

1. Revenue assumes an annual growth rate of four percent.
2. Includes current contracted housing-related obligations. Housing fund will also pay for staff costs in creating, updating, and implementing this Housing Plan.
3. An Excess Surplus Plan (as defined in Section 33334.10 of the Law) is not required for this Housing Plan since the fund balance does not exceed \$1,000,000.

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Other Funding Sources

No other funding sources have been secured for regular contributions to the housing program. However, based upon the grant proposal submitted by Lakeside Gardens, it is likely that housing projects will be eligible for matching funds from other sources. These sources may include one or more of the following: Department of Housing and Urban Development (HUD) Community Development Block Grants, HUD rental subsidies through the Section 8 program, Federal HOME Program funds, a variety of State housing programs, and/or Low Income Housing Tax Credits available as part of the 1986 Tax Reform Act. Agency staff will assist developers in securing alternate funding wherever possible.

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SECTION 5. IMPLEMENTATION OF THE AFFORDABLE HOUSING PLAN

Purpose The purpose of this Section is to show how the goals, objectives, and programs presented in Parts 1 and 2 of this Five Year Implementation Plan will implement the housing fund requirement, the Project Area housing production requirement, and the replacement housing requirement set forth in Sections 33334.2, 33334.4, 33334.6 and 33413 of the Law.

Compliance with Section 33334.2 Section 33334.2 requires the Agency to set aside 20 percent of all taxes allocated to the Agency pursuant to Section 33670, and to use these funds for the purposes of increasing, improving, and preserving the community's supply of low and moderate income housing.

Agency Goal L1 and Objective L1, described in Part 1 of this Five Year Implantation Plan, provide for this set-aside fund and housing expenditure. These goals and objectives are expected to be implemented through the programs listed in Table 7, and further described in Part 2 of this Five Year Implementation Plan. Table 7 also describes the role that each program is expected to play in the implementation process.

TABLE 7

HOUSING FUND IMPLEMENTATION PROGRAMS

PROGRAM	HOUSING PLAN IMPLEMENTATION ROLE
L-1	The boilerplate participation agreement shall be made to contain a section, applicable for all residential developments, assuring the provision of affordable housing as prescribed by the Law. The affordable housing may be funded by the Agency, developer, a third party source, or some combination thereof.
L-7	The mid-year review of the Five Year Implementation Plan shall include the review of this Housing Plan to ensure the assumptions and statements made herein are still applicable.
F-1	The tax increment funding program will increase the funds available for use in the production of affordable housing.
F-2	The high cost of infrastructure improvements needed in the Project Area have impeded housing construction. The bond program will help pay for much of that infrastructure.

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PROGRAM	HOUSING PLAN IMPLEMENTATION ROLE
F-3	Establishment of a private investment loan program will allow private investment loans to be considered as a source of funds for affordable housing programs.
F-4	Grants for affordable housing projects will be pursued wherever appropriate.
P-1	Developers will be offered financial assistance wherever possible to assist in the development of affordable housing.
P-2	Affordable housing projects will be easier to pursue once all needed services are available.
P-4	This program is intended to provide pro-active assistance in securing the permits, land, and funding required to develop projects in the USDRIP.
P-5	A portion of the Agency's marketing effort will be devoted to finding developers interested in constructing housing in the USDRIP.

**Compliance With
Section 33334.4**

Section 33334.4 requires that agencies make it their policy "to expend, over the duration of the redevelopment plan, the moneys in the Low and Moderate Income Housing Fund to assist housing for persons of low and very low income in at least the same proportion as the total number of housing units needed for those income groups which are not being provided by other governmental programs bears to the total number of units needed for persons of moderate, low and very low income within the community." This Section is met because the Agency's Goal L1 and Objective L1 adopts the provisions of the California Community Development Law with regard to housing.

**Compliance With
Section 33334.6**

Section 33334.6 applies only to redevelopment plans adopted prior to January 1, 1976. Since the USDRIP's Redevelopment Plan was adopted in 1989, this Section is not applicable to the USDRIP.

**Compliance with
Section 33413**

Section 33413 establishes replacement and construction requirements for affordable housing. This Section has been met as these requirements are identified in this part (Part 3) of the Five Year Implementation Plan.

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SECTION 6. COUNTY HOUSING ELEMENT COMPLIANCE

Purpose

Section 33413(b)(4)(A) requires that this Housing Plan must be consistent with the community's Housing Element. This Section is intended to show that this Housing Plan is consistent with San Diego County's adopted Housing Element.

Housing Element Revision Used

The Housing Element in effect at the time of this writing was adopted in October 1986. Though it is in the process of being revised, it is not anticipated to be officially adopted by the end of the year, therefore, this document uses the 1986 Housing Element to evaluate the USDRIP Housing Plan.

Element Goals

The goals of the Housing Element are to ensure:

1. That new residential construction is adequate to meet the needs of the region.
2. That adequate affordable shelter will be available to all households.
3. The expeditious processing of all ministerial and discretionary land use permits.
4. That housing stock is maintained in good repair.

Consistency With Element Goals

The USDRIP Housing Plan is consistent with the goals of the Housing Element because:

1. If housing is built to maximum projections, the USDRIP will supply 24 percent of Lakeside's "fair share" as indicated on Page 15 of the Element. This is more than its fair share of affordable housing in the community based on the relative acreage of residential land in Lakeside, and clearly meets the intent of Element Goal 1.
2. As discussed in this Housing Plan, 40 percent of the affordable housing constructed or rehabilitated as a result of activity in the USDRIP will be designated for very low income households. This will aid in ensuring that Element Goal 2 is met.

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3. Program P-4 is expressly intended to facilitate the "processing of all ministerial and discretionary land use permits" as required by Element Goal 3.
4. The elimination of blight, as discussed in this Five Year Implementation Plan, will ensure that Element Goal 4 is met.

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Upper San Diego River Improvement Project (USDRIP)

Site Characteristics: USDRIP is a redevelopment project of approximately 529 acres located along the San Diego River in the unincorporated Lakeside community of the County of San Diego. USDRIP is owned by three companies, which have actively mined the area for decades. As the mining ceases along USDRIP, the mining companies will submit revised Reclamation Plans for County and State approvals to address end uses. After the Reclamation Plans are approved and the appropriate permits are issued, the area will then be redeveloped as outlined in the governing planning documents.

Two of the mining areas located at the western and eastern portions of USDRIP have implemented river improvements including channelization and flood control measures. The flood control improvements were funded by the private mining companies. The central portion of USDRIP has not been improved and currently is in its natural state. The San Diego River Conservancy, a state chartered conservancy in San Diego County, may improve the central portion of USDRIP at a later date in accordance with future planning efforts.

Ownership: Private

Planning Documents: Five-Year Implementation Plan for the Upper San Diego River Improvement Project, the RiverWay Specific Plan, Habitat Management Plan, USDRIP (Flood Control) Plan and Profile, and the USDRIP Redevelopment Plan.

Improvement Funding: Private and Public. According to the Five-Year Implementation Plan for USDRIP, tax increment funding is the main source for funding the project. The tax increment funding is computed by the following:

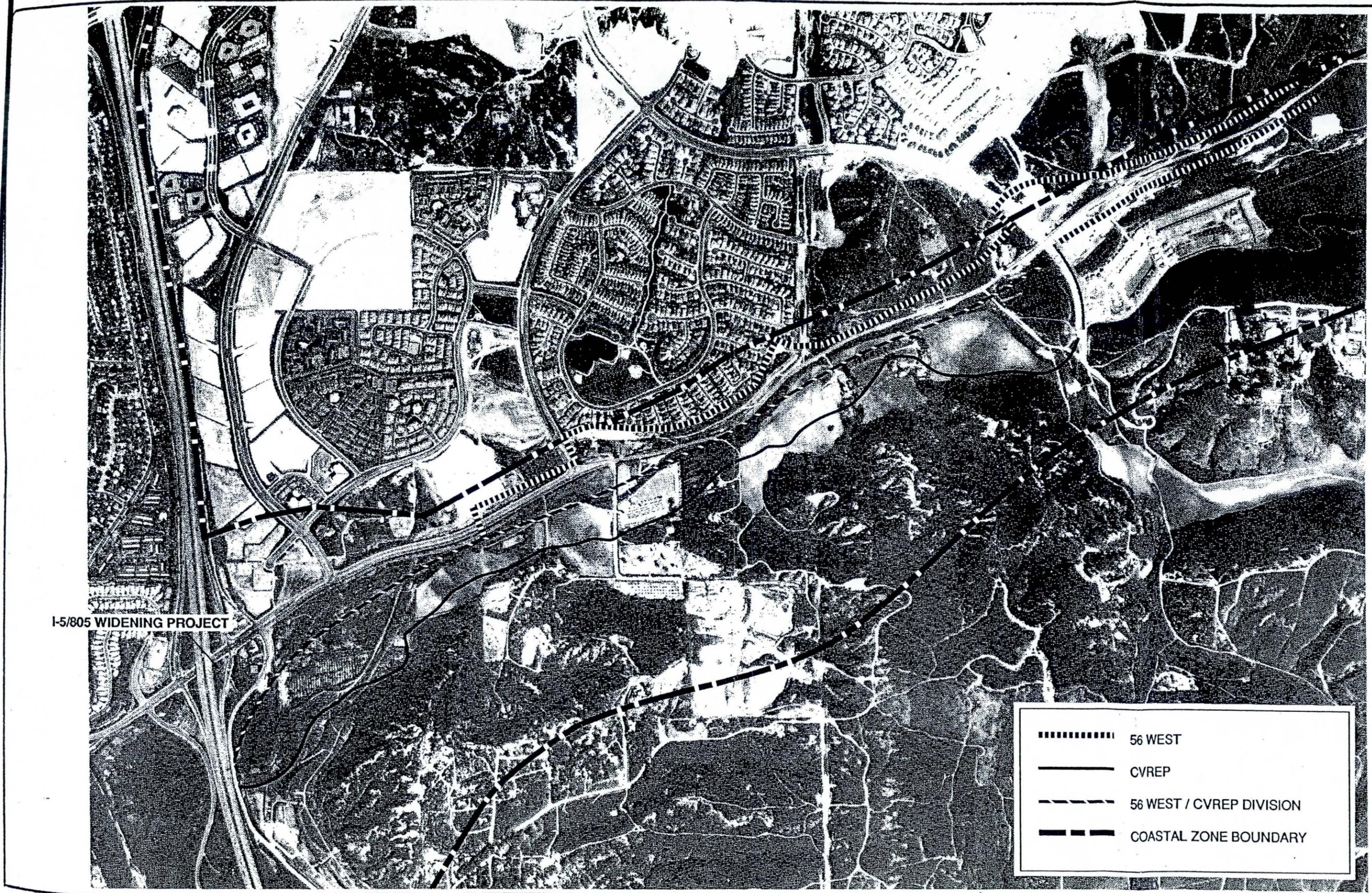
- Taxable value of property within USDRIP for the year the Redevelopment Plan was adopted. This is considered the "base year".
- In successive years, the County Redevelopment Agency receives all tax revenues in excess of the base year revenue, minus funds that have been negotiated to be paid through "pass through" agreements.

Therefore, as property values increase, more tax increment funding becomes available to pay for needed improvements. Additionally, fundraising for the project is a critical funding source for the river improvements. Fundraising includes bond issuance; private investment loans, and grant writing.

Development Agreement(s): No development agreements have been issued for USDRIP. However, the Five-year implementation plan identifies a participation agreement for the river. The County staff we contacted did not indicate that any sort of development agreement/participation agreement has been implemented thus far.

Maintenance: It has not been decided which party(ies) will be responsible for the long-term maintenance of the USDRIP area. The County staff stated that the maintenance of the river would be privately funded. The County also indicated that the San Diego River Conservancy may take over the long-term maintenance of USDRIP.





AERIAL VIEW OF PROJECT SITE

Environmental Quality Division

CITY OF SAN DIEGO · PLANNING DEPARTMENT

