



# The Grove Project

## REPLACEMENT PLAN

Public comments can be submitted to Amanda Lee at the address below by November 15, 2016, or may be made in person at the 5:30 p.m. City Council meeting on November 15, 2016.

**Redevelopment and Housing Department  
City of Vista  
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**October 14, 2016 (DRAFT)**

**Prepared by: City of Vista**

## I. INTRODUCTION

The Community Development Commission of the City of Vista (“Commission”), in association with Wakeland Grove, L.P. (“Developer”), is proposing to construct 81 units of affordable housing for seniors, known as the Grove Project (“Project”), to be located at 815 Civic Center Drive in Vista, CA.

Section 33413.5 of the California Redevelopment Law (Health and Safety Code, Section 33000 et seq.) requires the redevelopment agency to adopt a replacement housing plan whenever the agency executes an agreement for acquisition of real property, or an agreement for the disposition and development of property, which would lead to the destruction or removal of dwelling units from the housing market’s very low, low, or moderate incomes. The plan should identify the impacts that a particular redevelopment project will have on the community’s supply of housing for very low, low, and/or moderate incomes and detail the measures that the agency will take to ensure that the appropriate replacement housing is produced within the state-mandated, four-year time limit. Agencies have two options for pursuing replacement housing pursuant to either Section 33413(a) or Section 33413(f) of the California Redevelopment Law.

Section 33413(a) of the California Redevelopment Law requires that whenever dwelling units providing housing to persons and families of low or moderate income are destroyed or removed from the housing market of low and moderate incomes as part of a redevelopment project, which is subject to a written agreement with a redevelopment agency, or where financial assistance has been provided, the agency shall, within four years of the destruction or removal, rehabilitate, develop, construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of very low, low, or moderate income, an equal number of replacement dwelling units at affordable housing cost within the redevelopment project area within the “territorial jurisdiction” of the agency. Because the dwelling units proposed to be razed as a result of the Project would be removed after January 1, 2002, 100% of the replacement dwelling units shall be available at affordable housing cost to, and occupied by, persons in the same, or a lower-income category (very low, low, or moderate) as the persons displaced from those units destroyed or otherwise removed from the municipal inventory.

Notwithstanding Section 33413(a), Section 33413(f), states that an agency may replace destroyed or removed dwelling units with a fewer number of replacement dwelling units, if the replacement units meet both of the following criteria: (1) The total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the units destroyed or otherwise removed; and, (2) The replacement units are affordable to and occupied by the same income level of households as the destroyed or removed units.

The units must be within the agency’s jurisdiction, in standard condition, and designed to remain affordable to very low-, low-, or moderate-income households, respectively, for the longest feasible time, as determined by the agency, but for no less than the period of the land use controls established in the redevelopment plan, unless a longer period is applicable under Health & Safety Code §33413(c).

Pursuant to the passage of Assembly Bill No. 637; however, affordable units provided by an agency post-January 1, 2002 are required to have affordability covenants for minimum, fixed-time periods irrespective of the life of any one project area or agency (and the term of applicability of the land use controls). Specifically, Section 33413(c) established those time limits at 45 years for ownership units and 55 years for rental housing.

This Replacement Housing Plan (Plan) has been prepared by the Commission as a result of the proposed redevelopment of property located at 815 Civic Center Drive in Vista, CA and to determine the impact of, and be in compliance with, the requirements for replacement housing contemplated under the California Redevelopment Law.

This Plan describes the following:

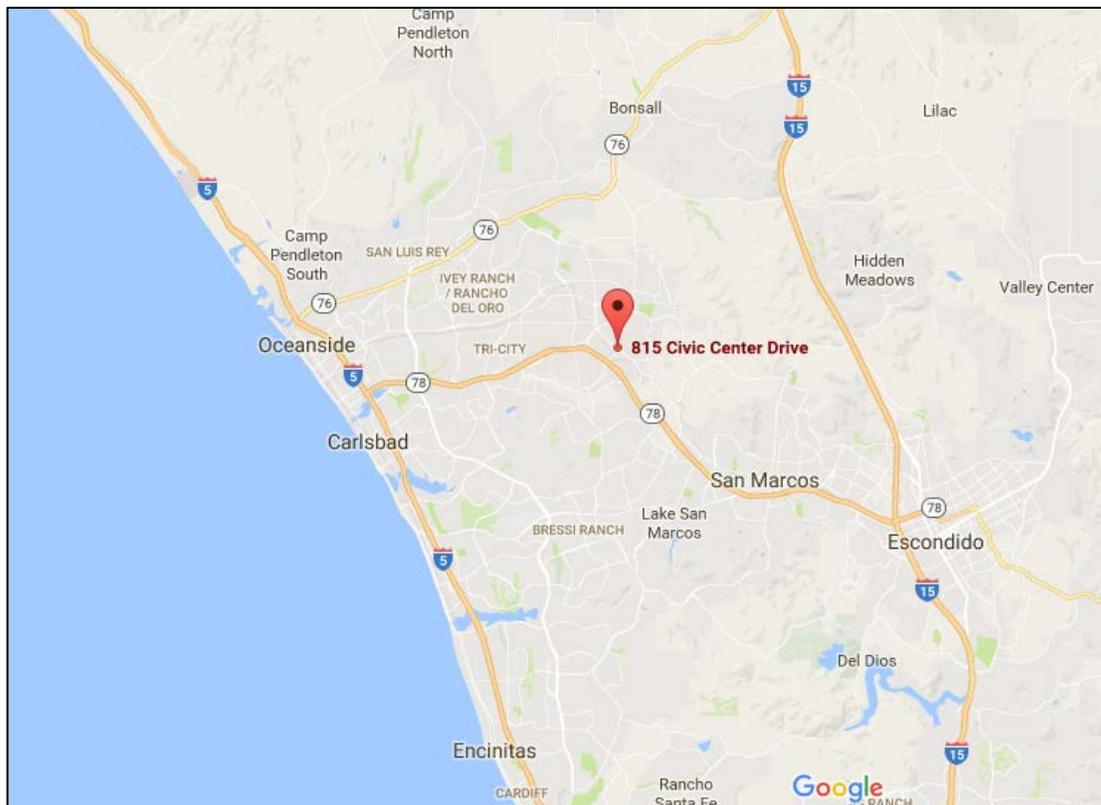
1. The proposed Project;
2. The general location and number of units for very low, low, and moderate income households which will, or may be, removed or destroyed as a result of the Project;
3. The general location and intentions for the development of replacement housing;
4. The means of financing such development of replacement housing;
5. The schedule for the construction of replacement housing;
6. The inapplicability of a vote pursuant to Article XXXIV of the California Constitution prior to development of replacement housing; and
7. The time period for which these units will remain affordable.

## II. PROJECT DESCRIPTION AND LOCATION

### Project Description

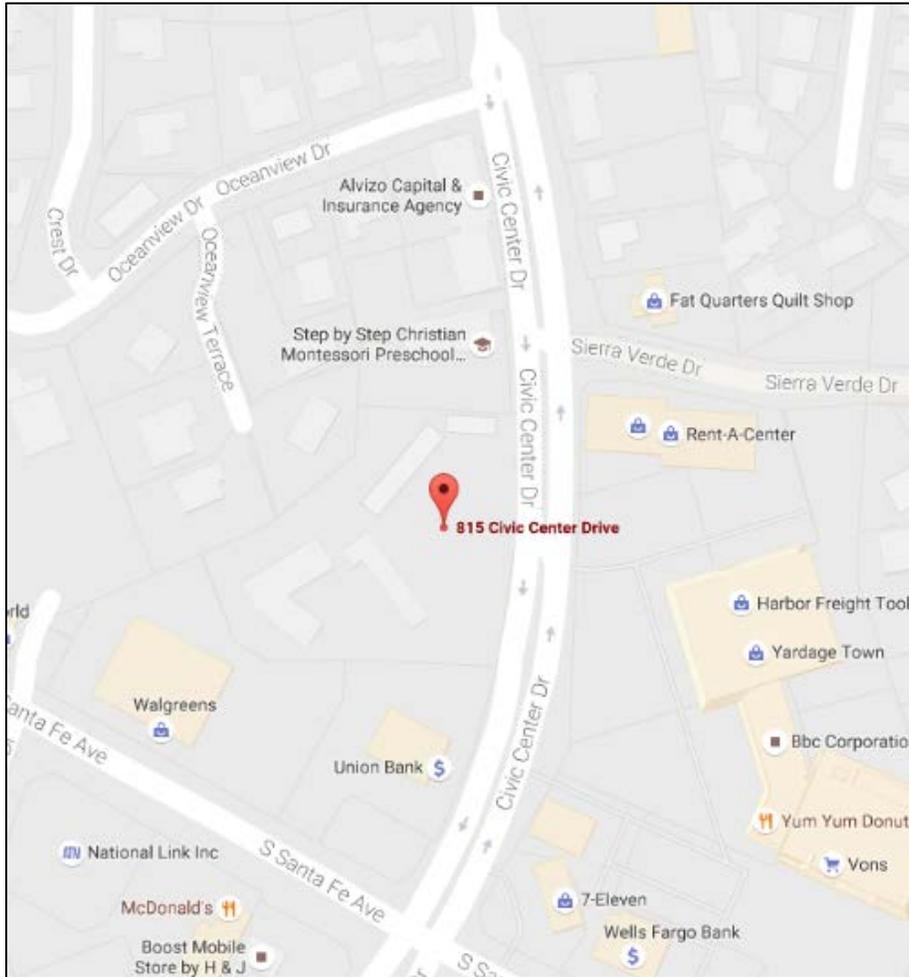
The proposed Project is located at 815 Civic Center Drive, generally bordered by Ocean View Drive to the north, Civic Center Drive to the east, S Santa Fe Avenue to the south, and Ocean View Terrace to the west. The site is currently owned by the Developer and consists of a one-story 1950's era motel that was converted to apartments. The Commission has been negotiating a Disposition and Development Agreement (DDA) with the Developer to construct 81 units of affordable housing for seniors. The proposed Project will consist of 66 one-bedroom units and 15 two-bedroom units and will require residents to be a minimum of 62 years or older. All units will be restricted affordable units with 30% of units set aside for seniors earning 30% or less of Area Median Income (AMI) and the remaining units will be reserved for seniors whose incomes range from 40% to 59% AMI.

If the Commission moves forward with the Project, the Project will require the removal of the existing 30 apartment units. The Commission and Developer, in accordance with the Uniform Relocation Act and the California Relocation Assistance Act, will provide relocation assistance to existing tenants.



## Project Location

The Project is located in the City of Vista within San Diego County. The project site is approximately 42 miles north of downtown San Diego and is easily accessible by Interstate 5, Interstate 15 and Highway 78. Adjacent communities include Carlsbad, San Marcos, and Oceanside.



### III. UNITS TO BE REPLACED

A general notice of the Commission's intention to prepare a Relocation Plan in regards to the proposed project was distributed to all persons residing on the site. Personal interviews were conducted with 29 Project residents to obtain household size, income levels, and the number of bedrooms to be displaced.

#### **Replacement Housing Requirements**

Per the California Redevelopment Law, as discussed in Section I - Introduction, the Agency shall make available 100% of the replacement dwelling units at affordable housing cost to, and occupied by, persons in the same or a lower income category (very low, low, and moderate) as the persons displaced from those destroyed or removed units.

The actual number of units to be removed is 19 studio units and 11 one-bedroom units; however, based on available tenant data, there are currently six overcrowded units. The replacement units required for the current population include 14 studio units, 12 one-bedroom units and four two-bedroom units. For this Project, we have included an additional one-bedroom unit based on the assumption that all units will be occupied at the time of actual displacement. Of the 30 units to be removed, 27 households reported their income, while two households declined to report their income, and one unit is vacant. For purposes of this Plan, and based on the size and overall income range of all of the units, the assumption has been made that the three unreported units will be considered very low-income.

The categorization by income of the 30 units is determined as follows: 11 households qualify as extremely low-income, 14 households qualify as very low-income, three households qualify as low-income, one household qualifies as median-income, and one household is above moderate-income. For purposes of establishing replacement housing, the above moderate-income unit is not to be considered for replacement housing purposes, and will not be considered further in this Plan. Thus, 29 units will be considered in the Plan's analysis.

Therefore, 29 units and 34 bedrooms need to be rehabilitated, developed, or constructed pursuant to Section 33413(a) of the California Redevelopment Law. Based on the criteria of replacing all bedrooms by income level, 11 replacement bedrooms should be affordable to extremely low-income households, 14 bedrooms should be affordable to very low-income households, three replacement bedrooms should be affordable to low-income households, and one replacement bedroom should be affordable to moderate-income households. These bedrooms may be constructed with a fewer number of dwelling units as long as the total number of bedrooms are provided within the same or a lower income category.

#### **Annual Income Restrictions**

California Health and Safety Code (H&SC) Sections 50079.5, 50105 and 50106 provide that State Income Limits categories for extremely low, very low, and low incomes are to be updated upon the U.S. Department of Housing and Urban Development (HUD).

The table on the following page illustrates the qualifying income levels for San Diego County provided by HUD.

<b>HOUSING ELIGIBILITY BY ANNUAL INCOME LEVEL (April 2016)</b>			
<b>Family Size</b>	<b>Extremely Low</b>	<b>Very Low</b>	<b>Low</b>
1 Person	17,850	29,750	47,650
2 Person	20,400	34,000	54,400
3 Person	22,950	38,250	61,200
4 Person	25,500	42,500	68,00
5 Person	28,440	45,900	73,450
6 Person	32,580	49,300	78,900
7 Person	36,730	52,700	84,350
8 Person	40,890	56,100	89,800

### **Location of Replacement Housing**

The proposed Project will consist of 66 one-bedroom units and 15 two-bedroom units, which is more than a sufficient number of units to replace the 34 bedrooms that will be demolished. All 81 units will be restricted affordable for a minimum of 55 years with 24 units reserved for extremely low-income households, 40 units reserved for very low-income households, and 17 units reserved for low-income households. The destroyed or removed moderate-income bedrooms will be replaced with either very low or low bedrooms.

### **FUNDING SOURCES**

The financing for the replacement housing units may include 9% Low Income Housing Tax Credits, conventional bank loans, vouchers from the County of San Diego, and funds from the Community Development Commission of the City of Vista Housing.

### **TIMELINE FOR REPLACEMENT HOUSING**

All of the replacement units will be available for occupancy within four years of commencement of demolition. The anticipated project timeline includes demolition of existing structures and commencement of new construction no later than 2019 and construction completion no later than 2021.

### **ARTICLE 34 COMPLIANCE**

Authority to develop new affordable housing units under Article XXXIV is found in a City of Vista voter-approved initiative adopted on November 4, 1980 known as Proposition W, which grants annual authority to the City to develop, construct, or acquire low-rent housing.

### **AVAILABILITY OF PLAN FOR REVIEW**

In accordance with Community Redevelopment Law, a 30-day public review period is required. A public notice was printed in the North County edition of the San Diego Union Tribune, posted at the Vista Branch of the San Diego County Library, and posted at the Vista Civic Center on October 15, 2016. The Replacement Plan will be available for review on the City's website and in the City Clerk's Office at the Civic Center beginning October 14, 2016. Public comments received prior to November 15, 2016, will be provided to the City Council for consideration at the November 15, 2016, City Council Meeting.