

# **SUCCESSOR AGENCY TO THE FORMER DALY CITY REDEVELOPMENT AGENCY**

## **SPECIAL MEETING**

City Hall Council Chambers – 2<sup>nd</sup> Floor  
333 – 90<sup>th</sup> Street, Daly City, CA 94015

**MONDAY, MARCH 9, 2015 - 7:00 P.M.**

For those wishing to address the Agency Board on any Item on the Agenda or under Public Appearances/Oral Communications, please complete a Speaker Card located at the entrance to the Council Chambers and submit to a Staff Member as early in the meeting as possible.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should notify the Office of the City Clerk at 991-8078 as early as possible.

### **CALL TO ORDER:**

### **ROLL CALL:**

### **APPROVAL OF MINUTES:**

1. Meeting of February 9, 2015

### **COMMUNICATION:**

1. Adopt a Resolution Approving the Long Range Property Management Plan in Accordance with California Health & Safety Code §34191.5

### **PUBLIC APPEARANCES - ORAL COMMUNICATIONS:**

NOTE: Speakers are limited to two minutes, unless modified by the Chair.  
The Board cannot take action on any matter raised under this item

### **ADJOURNMENT:**

#### ***AVAILABILITY OF PUBLIC RECORDS:***

*All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City Clerk's Office, City Hall located at 333 90<sup>th</sup> Street, Daly City, CA during normal business hours, at the same time that the public records are distributed or made available to the legislative body*

# ATTACHMENT "A"

# City of Daly City



## Long-Range Property Management Plan Prepared for the Daly City Successor Agency to the Redevelopment Agency

March 2015

Approved by the Daly City Successor Agency on \_\_\_\_

Approved by the Daly City Oversight Board on \_\_\_\_

Submitted to the Department of Finance on \_\_\_\_

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## Process for LRPMP Review

This LRPMP will be subject to the review and approval of the Daly City Successor Agency to the Redevelopment Agency (Successor Agency). The LRPMP must then be submitted to the Daly City Oversight Board and subsequently to the State Department of Finance (DOF), the latter occurring not later than six months following DOF issuance of a Finding of Completion to the Successor Agency. The Finding of Completion will provide DOF's acknowledgment of Successor Agency payments related to the recent Low and Moderate Income Housing Fund Due Diligence Review. If a LRPMP is not approved by DOF by January 1, 2015, provisions of the Health and Safety Code place authority for asset disposition with the Oversight Board. With adoption of the LRPMP, staff to the Successor Agency will assume responsibility for implementing the provisions of the Plan, and for providing periodic updates to the Agency and Oversight Board.

Additionally, the Successor Agency will be administering a Community Redevelopment Property Trust Fund, which will serve as a repository of former Redevelopment Agency properties. As discussed in this LRPMP, there are several properties which the Successor Agency intends to hold in the Community Redevelopment Property Trust Fund for future development. When Successor Agency properties are ultimately liquidated (sold), the proceeds from such sales will be distributed as property tax to the taxing entities, which include the City of Daly City, San Mateo County, Jefferson Union High School District, San Mateo Community College District, Bayshore Elementary School District and Bayshore Sanitary District.

## Contents of the LRPMP

The LRPMP is required to address a wide range of land development issues for each of the former Redevelopment Agency properties now under the purview of the Successor Agency. These issues include:

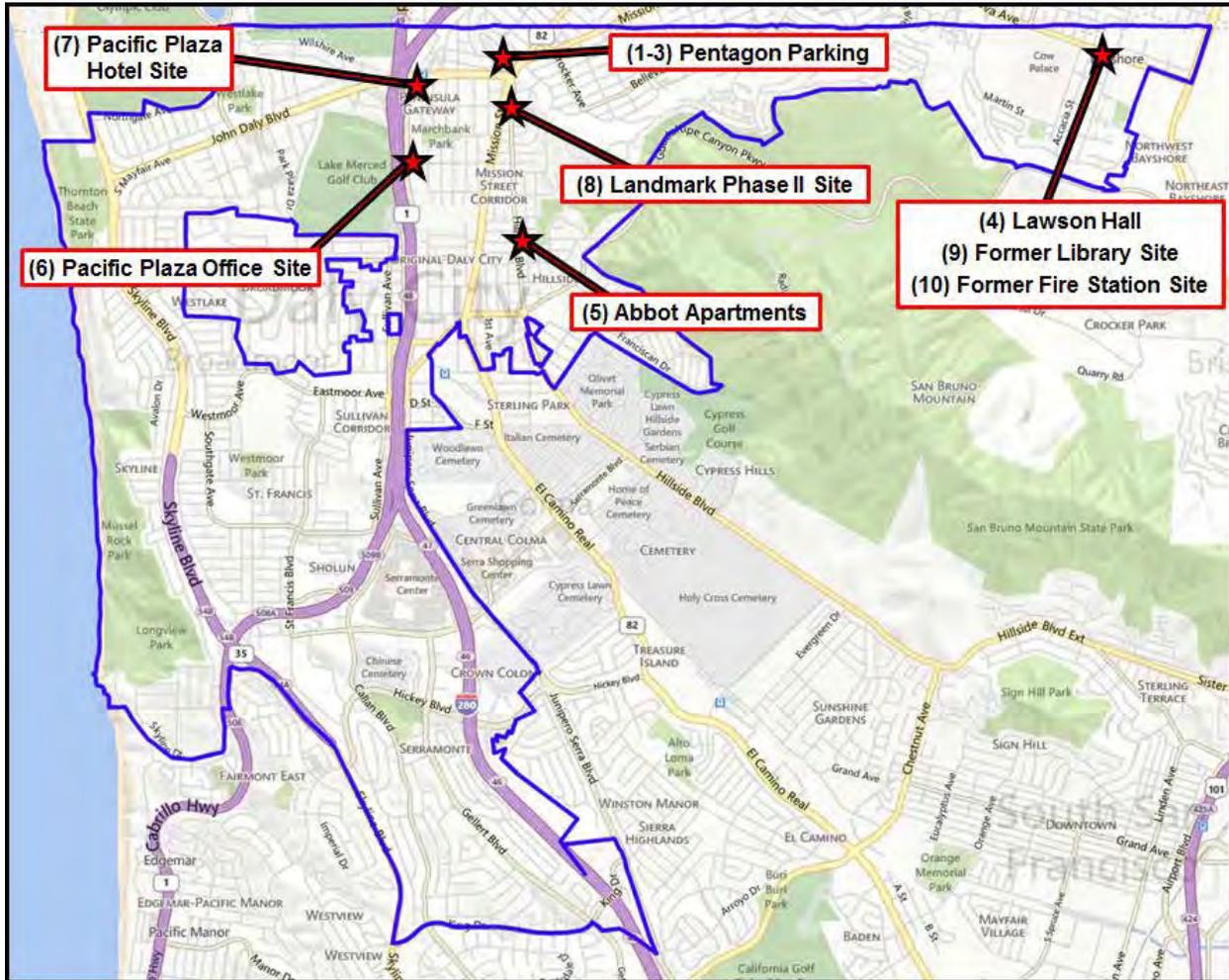
- An inventory of all Successor Agency properties.
- Purchase date and the original purpose of the land acquisition.
- Estimate of current value of the land and any on-site improvements, including data from any recent appraisals.
- Estimate of any current revenue generation from the properties.
- Environmental history for each site, focusing on possible environmental contamination.
- The potential for transit-oriented development on the property, and achieving other planning objectives of the City.
- History of the use of the properties, including any development proposals.
- Address the intended use or disposition of the properties. Options include:
  - § Retention of the sites for governmental use.
  - § Retention of the sites for future development.
  - § Sale of the properties.
  - § Existence of any enforceable obligations related to the property

## SUMMARY OF SUCCESSOR AGENCY PROPERTIES

The Successor Agency owns ten (10) properties, summarized in the following table.

#	Property	Location	Current Use	Proposed Disposition
1)	Pentagon Parking (1)	Hillcrest Dr & Mission Circle	Public parking	Retain the property for continued public use
2)	Pentagon Parking (2)	Mission St & Bepler St	Public Parking, Office Building	Retain the property for continued public use
3)	Pentagon Parking (3)	San Jose Ave & Bepler St	Public Parking	Retain the property for continued public use
4)	Lawson Hall	125 Accacia St	Community Center	Retain the property for continued public use
5)	Abbot Apartments	260 Abbot Ave	Apartments (Affordable Housing)	Retain the property for fulfillment of enforceable obligation, then retention for future development (consistent with current affordable housing use)
6)	Pacific Plaza – Office Site	Junipero Serra Blvd & Westlake Ave	Mixed Use Buildings, Parking	Retain the property for future development
7)	Pacific Plaza – Hotel Site	Junipero Serra Blvd & John Daly Blvd	Vacant	Retain the property for future development
8)	Landmark Phase II Mixed Use Site	6601 Mission St	Vacant	Retain the property for future development
9)	Geneva – Former Library Site	2960 Geneva Ave	Vacant Building (Former Library)	Dispose of the property with sale proceeds to be distributed to affected taxing entities
10)	Geneva – Former Fire Station Site	Geneva Ave & Schwerin St	Vacant (Former Fire Station Site)	Dispose of the property with sale proceeds to be distributed to affected taxing entities

# MAP OF SUCCESSOR AGENCY PROPERTIES



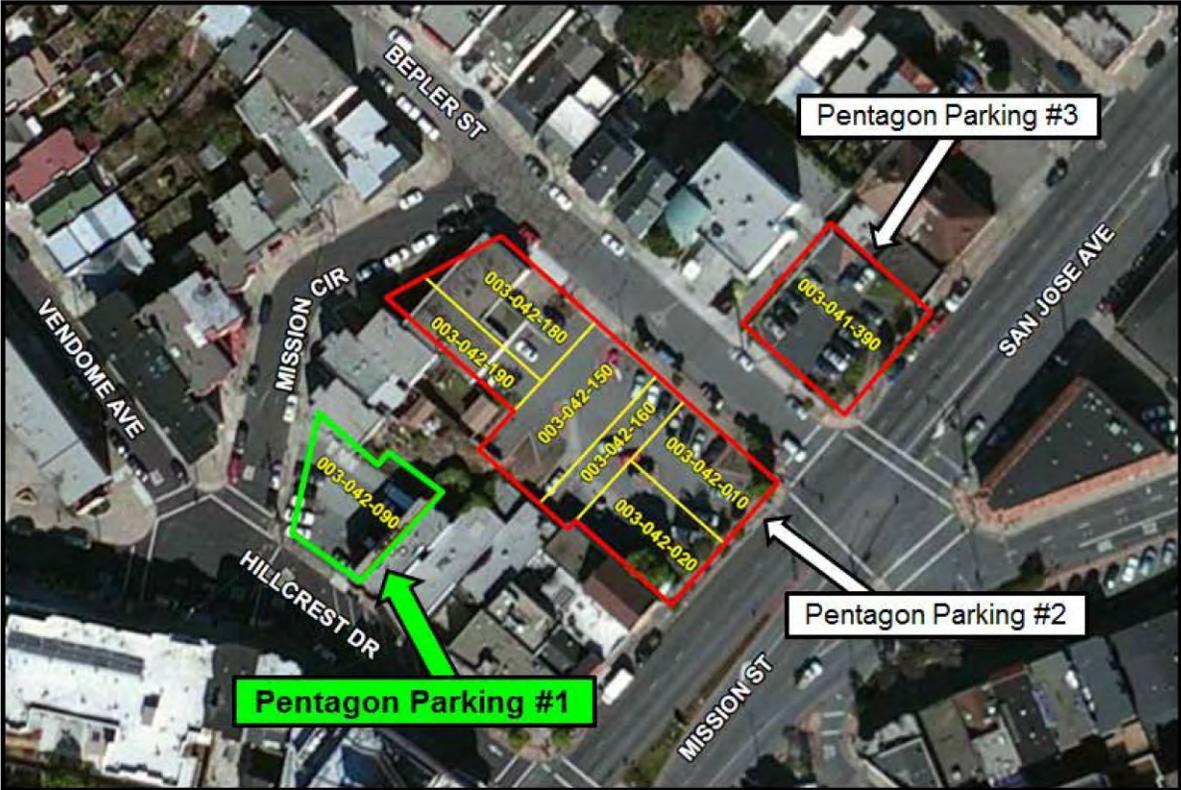
Source: ESRI (2014)

**Daly City Successor Agency  
to the Redevelopment Agency**

**Long Range Property Management Plan Properties**

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**Property #1: Pentagon Parking #1**



**PARCEL DATA**

Address	NEC Hillcrest/Mission Circle; 71 Mission Circle
Assessor's Parcel Number(s)	003-042-090
Property Size	4,903 sq ft (0.11 acres)
Zoning and General Plan Classifications	Commercial-Mixed Use (General Plan), Light Commercial, C-1 (Zoning)
Current Use of Property	Public parking lot.

**ACQUISITION & VALUATION INFORMATION**

Date of Acquisition by RDA	1982
Purchase Price	\$405,000
Purpose of Acquisition	City (public) parking lot (12 spaces).
Estimate of Current Value	\$0
Method of Valuation	Income capitalization (revenue generated from property does not exceed related maintenance costs)

**EXISTING CONDITIONS & HISTORY OF DEVELOPMENT**

Leases or Property Income, including contractual requirements	None.
Environmental Conditions	There are no known adverse environmental conditions affecting this property.
Potential for Transit Oriented Development and Advancement of Planning Objectives of the Successor Agency	<p>The site holds potential for transit oriented development, given its location along a key City arterial roadway (Mission Street) at John Daly Boulevard, and is one-quarter west of the Daly City BART Station, with available public transit hubs by the site.</p> <p>Utilizing the site as a parking lot meets a number of the Agency's goals and objectives outlined in the Implementation Plan (adopted June 2011), including the improvement of parking availability in the Mission Street / Junipero Serra Boulevard Commercial Business District<sup>1</sup> and support of increased commerce on Mission Street and Junipero Serra Boulevard.<sup>2</sup></p>
History of Development Activities and Proposals	Public parking lot. Previous structure on site demolished early in 1980s.

<sup>1</sup> See adopted Implementation Plan pages 7,9,10,21,22,23 for discussion of parking availability improvement goals and objectives

<sup>2</sup> See adopted Implementation Plan page 15 for discussion of increased commerce on Mission Street and Junipero Serra Boulevard

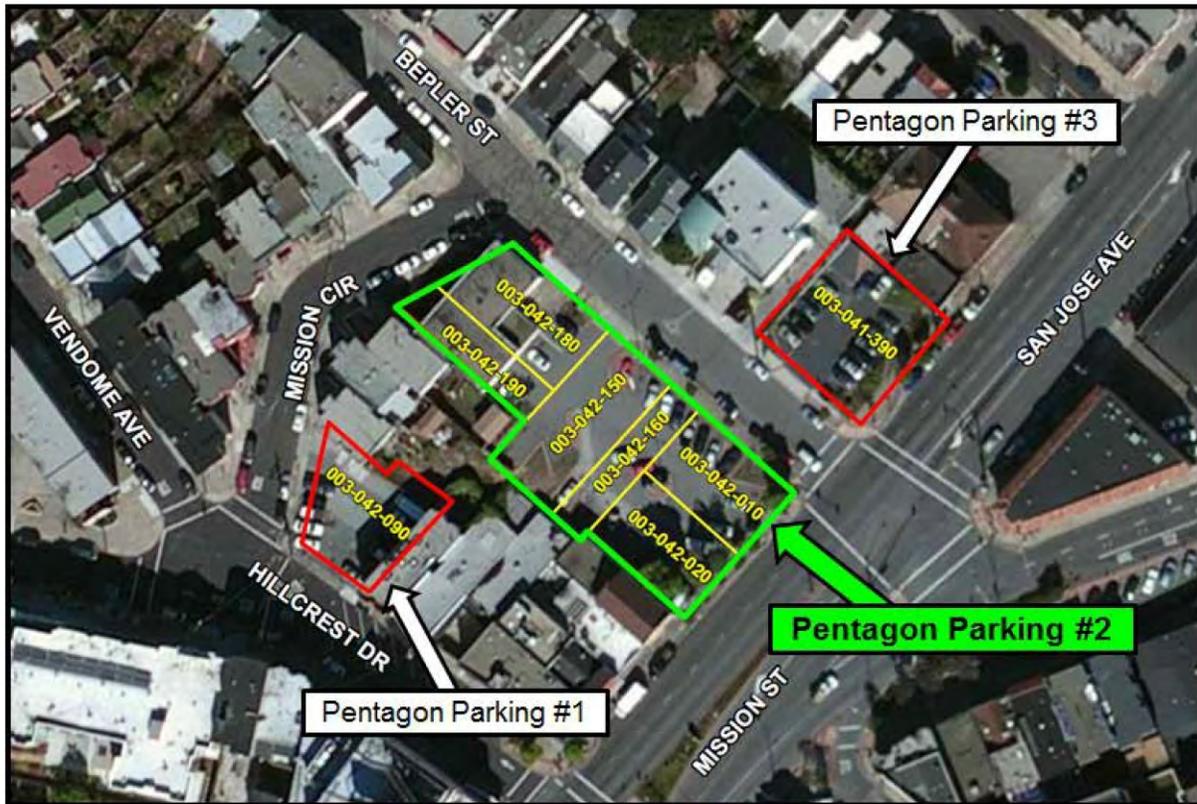
## DISPOSITION PLAN

**Staff recommends retaining the property for continued public use.**

Retention of the property by the City for government use is consistent with the goals in the approved City of Daly City Redevelopment Agency Implementation Plan. Health and Safety Code Section 34181(a) allows for the City to retain title to property constructed and used for governmental purpose such as roads, school buildings, parks, police and fire stations, libraries, public parking lots (proposed language in currently proposed budget trailer bill), and local agency administrative buildings to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset.

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**Property #2: Pentagon Parking #2**





**PARCEL DATA**

Address	SWC Mission/Bepler, including 31 Bepler Street
Assessor's Parcel Number(s)	003-042-010, -020, -150, -160, -180, -190
Property Size	22,909 sq ft (0.53 acres)
Zoning and General Plan Classifications	Commercial-Mixed Use (General Plan); Light Commercial, C-1 (Zoning) applies to portion of site fronting Mission Street; High Density Residential (HDR) applies to remainder of site.
Current Use of Property	Public parking lot (33 spaces). 31 Bepler Street contains a 1920s residential, wood-frame residential structure 3,625 sq ft in size, occupied by the Daly City Emergency Food Pantry.

**ACQUISITION & VALUATION INFORMATION**

Date of Acquisition by RDA	1976
Purchase Price	\$275,000
Purpose of Acquisition	Public parking lot; office use of existing structure.
Estimate of Current Value	\$0
Method of Valuation	Income capitalization (revenue generated from property does not exceed related maintenance costs)

**EXISTING CONDITIONS & HISTORY OF DEVELOPMENT**

Leases or Property Income, including contractual requirements	No rental income from Food Pantry lease.
Environmental Conditions	There are no known adverse environmental conditions affecting this property.
Potential for Transit Oriented Development and Advancement of Planning Objectives of the Successor Agency	<p>The site holds potential for transit oriented development, given its location along a key City arterial roadway (Mission Street) at John Daly Boulevard, and is one-quarter west of the Daly City BART Station, with available public transit hubs by the site.</p> <p>Utilizing the site as a parking lot meets a number of the Agency’s goals and objectives outlined in the Implementation Plan (adopted June 2011), including the improvement of parking availability in the Mission Street / Junipero Serra Boulevard Commercial Business District<sup>3</sup> and support of increased commerce on Mission Street and Junipero Serra Boulevard.<sup>4</sup></p>
History of Development Activities and Proposals	Public parking lot.

**DISPOSITION PLAN**

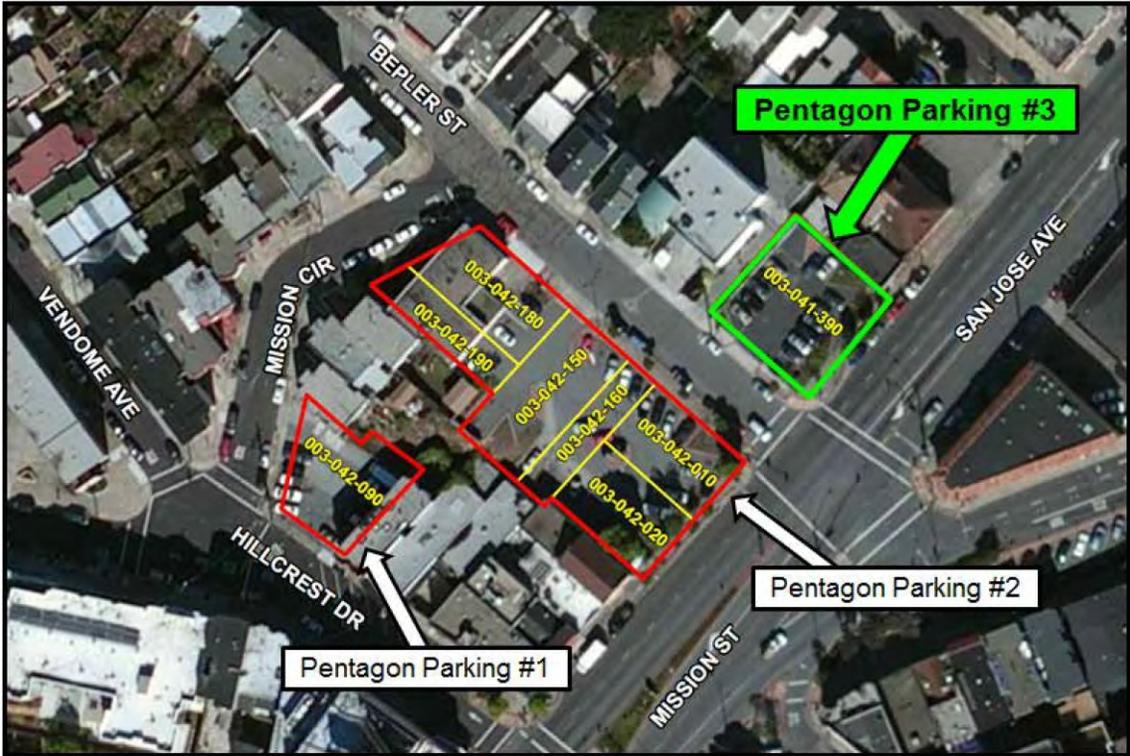
**Staff recommends retaining the property for continued public use.**

Retention of the property by the City for government use is consistent with the goals in the approved City of Daly City Redevelopment Agency Implementation Plan. Health and Safety Code Section 34181(a) allows for the City to retain title to property constructed and used for governmental purpose such as roads, school buildings, parks, police and fire stations, libraries, **public parking lots** (proposed language in currently proposed budget trailer bill), and local agency administrative buildings to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset.

<sup>3</sup> See adopted Implementation Plan pages 7,9,10,21,22,23 for discussion of parking availability improvement goals and objectives

<sup>4</sup> See adopted Implementation Plan page 15 for discussion of increased commerce on Mission Street and Junipero Serra Boulevard

**Property #3: Pentagon Parking #3**



**PARCEL DATA**

Address	NWC San Jose Avenue/Bepler Street (3350 San Jose Avenue)
Assessor's Parcel Number(s)	003-041-390
Property Size	5,945 sq ft (0.14 acres)
Zoning and General Plan Classifications	Commercial-Mixed Use (General Plan); Light Commercial, C-1 (Zoning)
Current Use of Property	Public parking lot (12 spaces).

**ACQUISITION & VALUATION INFORMATION**

Date of Acquisition by RDA	1980
Purchase Price	\$111,000
Purpose of Acquisition	Public parking lot.
Estimate of Current Value	\$0
Method of Valuation	Income capitalization (revenue generated from property does not exceed related maintenance costs)

**EXISTING CONDITIONS & HISTORY OF DEVELOPMENT**

Leases or Property Income, including contractual requirements	None.
Environmental Conditions	There are no known adverse environmental conditions affecting this property.
Potential for Transit Oriented Development and Advancement of Planning Objectives of the Successor Agency	<p>The site holds potential for transit oriented development, given its location along a key City arterial roadway (Mission Street) at John Daly Boulevard, and is one-quarter west of the Daly City BART Station, with available public transit hubs by the site.</p> <p>Utilizing the site as a parking lot meets a number of the Agency's goals and objectives outlined in the Implementation Plan (adopted June 2011), including the improvement of parking availability in the Mission Street / Junipero Serra Boulevard Commercial Business District<sup>5</sup> and support of increased commerce on Mission Street and Junipero Serra Boulevard.<sup>6</sup></p>
History of Development Activities and Proposals	Public parking lot.

<sup>5</sup> See adopted Implementation Plan pages 7,9,10,21,22,23 for discussion of parking availability improvement goals and objectives

<sup>6</sup> See adopted Implementation Plan page 15 for discussion of increased commerce on Mission Street and Junipero Serra Boulevard

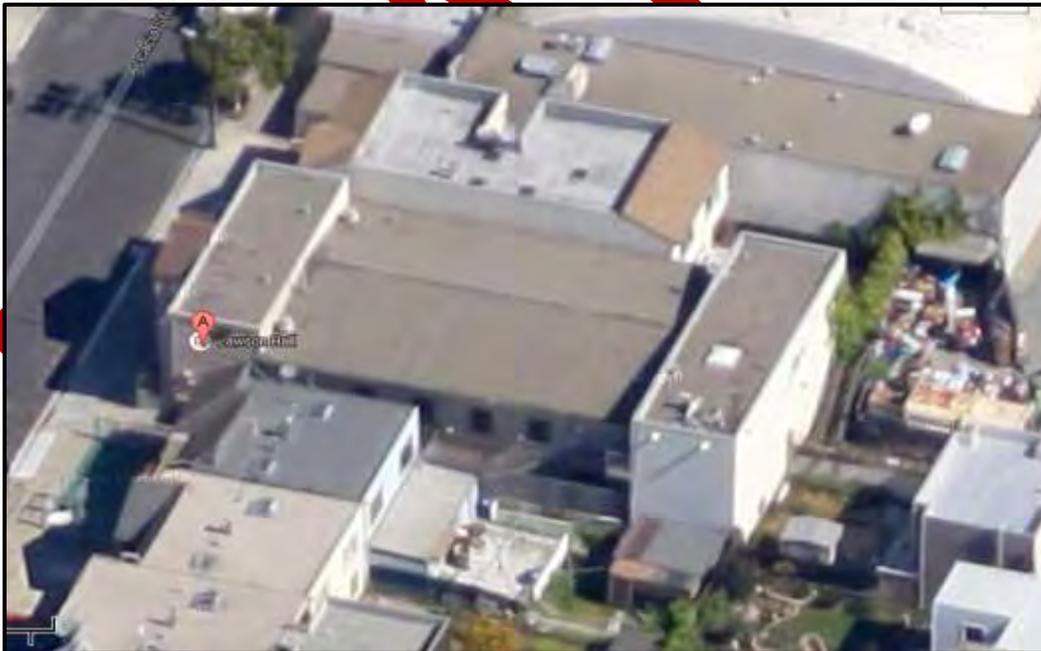
## DISPOSITION PLAN

**Staff recommends retaining the property for continued public use.**

Retention of the property by the City for government use is consistent with the goals in the approved City of Daly City Redevelopment Agency Implementation Plan. Health and Safety Code Section 34181(a) allows for the City to retain title to property constructed and used for governmental purpose such as roads, school buildings, parks, police and fire stations, libraries, public parking lots (proposed language in currently proposed budget trailer bill), and local agency administrative buildings to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset.

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**Property #4: Lawson Hall**



**PARCEL DATA**

Address	125 Accacia Street
Assessor's Parcel Number(s)	005-123-170
Property Size	5,000 sq ft (0.11 acres)
Zoning and General Plan Classifications	Residential-Medium Low Density (General Plan); Single-Family Residential, R-1 (Zoning)

Current Use of Property	Public community center, used for holding community meetings, parties/celebrations, special events and classes. Original structure built in 1935. Building consists of 6,014 sq ft above-grade, plus 760 sq ft basement space. Small one bedroom, one bath apartment unit (caretaker's quarters) is within the community center.
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**ACQUISITION & VALUATION INFORMATION**

Date of Acquisition by RDA	2005
Purchase Price	\$750,000
Purpose of Acquisition	Public community center
Estimate of Current Value	\$0
Method of Valuation	Income capitalization (revenue generated from property does not exceed related maintenance costs)

**EXISTING CONDITIONS & HISTORY OF DEVELOPMENT**

Leases or Property Income, including contractual requirements	City leases space for special events, as well as conducting community classes and recreation programs from the center.
Environmental Conditions	There are no known adverse environmental conditions affecting this property.
Potential for Transit Oriented Development and Advancement of Planning Objectives of the Successor Agency	Site is not well-suited for transit oriented development. The property is not in proximity to a BART station, nor does site have key arterial or highway access.  Utilizing the site as a public community center helps to meet the community need for community classes and recreation programs. The facility has historically been offered for use on the Library and Recreation Services website ( <a href="#">HERE</a> ) with additional detail on rental fees on the Recreation Department website ( <a href="#">HERE</a> ).
History of Development Activities and Proposals	None.

**DISPOSITION PLAN**

**Staff recommends retaining the property for continued public use.**

Retention of the property by the City for government use is consistent with the goals in the approved City of Daly City Redevelopment Agency Implementation Plan. Health and Safety Code Section 34181(a) allows for the City to retain title to property constructed and used for governmental purpose such as roads, school buildings, parks, police and fire stations, libraries, and **local agency administrative buildings** to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset.

**Property #5: Abbot Avenue Apartments**



**PARCEL DATA**

Address	260 Abbot Avenue
Assessor's Parcel Number(s)	003-434-100
Property Size	2,500 sq ft (0.06 acres)
Zoning and General Plan Classifications	High Density Residential (General Plan); Multiple-Family Residential, R-3 (Zoning)
Current Use of Property	Site contains five, one-bedroom units. Operated as affordable housing by the City, with rents substantially below market rate to qualify Daly City households.

## ACQUISITION & VALUATION INFORMATION

Date of Acquisition by RDA	2007
Purchase Price	\$904,669
Purpose of Acquisition	Apartment building, providing affordable housing to qualifying Daly City residents.
Estimate of Current Value	\$362,250
Method of Valuation	Comparable Sales Evaluation (March 2015)

## EXISTING CONDITIONS & HISTORY OF DEVELOPMENT

Leases or Property Income, including contractual requirements	Collective rental income to City of \$4,250/month (\$51,000/year).  As of ROPS 14-115B filing, approximately \$1.17 million remains outstanding on the HELP loan enforceable obligation associated with this property. <b>Repayment of the HELP sinking loan fund appears on the DOF-approved ROPS.</b>
Environmental Conditions	There are no known adverse environmental conditions affecting this property.
Potential for Transit Oriented Development and Advancement of Planning Objectives of the Successor Agency	Site is not well-suited for transit oriented development. The property is not in proximity to a BART station, nor does site have key arterial or highway access.  Utilizing the site for affordable housing meets a number of the Agency's goals and objectives outlined in the Implementation Plan (adopted June 2011), primarily the provision of affordable housing. <sup>7</sup>
History of Development Activities and Proposals	Original structure built in 1953 as an apartment building. City obtained a \$904,670 HELP (Housing Enabled by Local Partnerships) State Housing Finance Agency loan in 2007, which has a payoff date of 2017. The Redevelopment Agency utilized these monies to acquire the property.

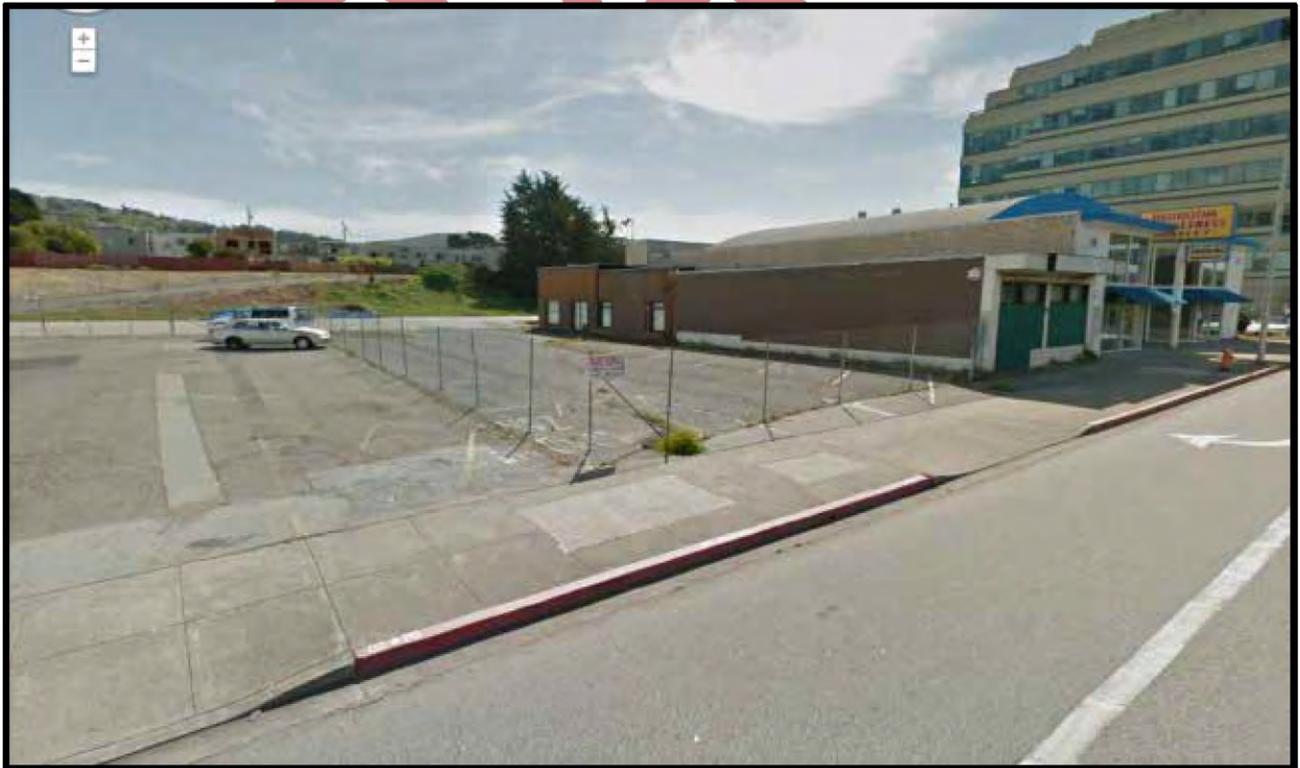
## DISPOSITION PLAN

Staff recommends use of the property by the Successor Agency for the fulfillment of enforceable obligations outlined above (repayment of HELP loan). After such time (estimated in 2017), the property is proposed for retention by the City for future development. Health and Safety Code Section 34191.5 (c) (2)(A) allows for the City to retain title to property for development that is included in an approved redevelopment plan. The future development of the property by the City is consistent with the approved Redevelopment Plan as noted above. The City intends to enter into compensation agreements with affected taxing entities for the subject property pursuant to Health and Safety Code section 34180 (f).

<sup>7</sup> See adopted Implementation Plan pages 4,6,19,26-35,37-39, 41-43, 45 for discussion of affordable housing community needs and corresponding activities

**Property #6: Pacific Plaza – Phase III Office Site**





**PARCEL DATA**

Address	2121 Junipero Serra Boulevard
Assessor's Parcel Number(s)	002-352-200; 002-352-240; 002-342-100; 002-352-160; 002-352-210; 002-352-220; 002-352-230; 002-352-250; 002-352-290; 002-352-310; 002-342-260
Property Size	+/-103,000 sf (2.36 acres)
Zoning and General Plan Classifications	Retail and Office (General Plan); PD-54 (Zoning)
Current Use of Property	Northern portion (about 38,000 sf) of site is paved and used for parking. Southerly portion (about 65,000 sf) is located south of Westlake Avenue and contains miscellaneous commercial and mixed use structures, one of which is currently occupied by the Philipino Banayihan Resource Center (PBRC). The City also utilizes a portion of one building for records storage. Second floor not in habitable condition.

**ACQUISITION & VALUATION INFORMATION**

Date of Acquisition by RDA	2003
Purchase Price	\$3,331,923
Purpose of Acquisition	Office development, with corollary parking structure construction.
Estimate of Current Value	\$2,270,750
Method of Valuation	Comparable Sales Evaluation (March 2015)

**EXISTING CONDITIONS & HISTORY OF DEVELOPMENT**

Leases or Property Income, including contractual requirements	The City receives \$1/mo rent for the PBRC occupancy.
Environmental Conditions	The property was the subject of environmental remediation. Most recently, a 2009 Ground Water Protection Program (GPP) was reviewed and approved by the San Mateo County Health System Department, Ground Water Protection Program. This report analyzed concentrations of arsenic, chromium and vanadium in clearance samples gathered in 2007 on the southern parcels of this site. The results indicated that the remaining concentrations were within the range of naturally-occurring concentrations, and no further action was required. Similar testing of surface soils on the northern parcels has been requested by the County (personal communication with Jacob Madden, Hazardous Materials Specialist, August 2013) to ensure that concentrations of arsenic, mercury and cadmium are within acceptable, naturally-occurring levels or determine if "hot spot" removal of surface soils may be needed. This can be accomplished with a Soils Management Plan, to be filed with the County.

<p>Potential for Transit Oriented Development and Advancement of Planning Objectives of the Successor Agency</p>	<p>Valuable site for transit oriented development due to proximity to Daly City BART Station (less than one-quarter mile to the north along Junipero Serra Boulevard) , property frontage Junipero Serra Boulevard (arterial street) and along I-280, combined with convenient local bus service.</p> <p>Development of office on the site is explicitly delineated<sup>8</sup> and meets a number of the Agency’s goals and objectives outlined in the Implementation Plan (adopted June 2011), including the creation of quality, living-wage jobs and support of increased commerce on Mission Street and Junipero Serra Boulevard.<sup>9</sup></p>
<p>History of Development Activities and Proposals</p>	<p>The site is Phase III of the Pacific Plaza project (approved under PD-54 and a Development and Disposition Agreement in 1999), with the initial two phases (20-screen movie theater, an initial office tower and two parking garages) built as part of Phase I and II. The Phase III office would consist of 270,000 sq ft of office development in an 8-story building and extension of the Phase I parking garage with an additional 780 spaces. The site is regulated by a Planned Development, and the Pacific Plaza project was addressed under a Development and Disposition Agreement (DDA), which applies to the remaining Office and parking garage phases of the project (including for reciprocal access and parking with Phase I development). The City has received several inquiries about the property in recent months to continue development based on the DDA.</p> <p>Final Design Review and Master Sign Plan applies.</p>

**RECOMMENDED DISPOSITION PLAN**

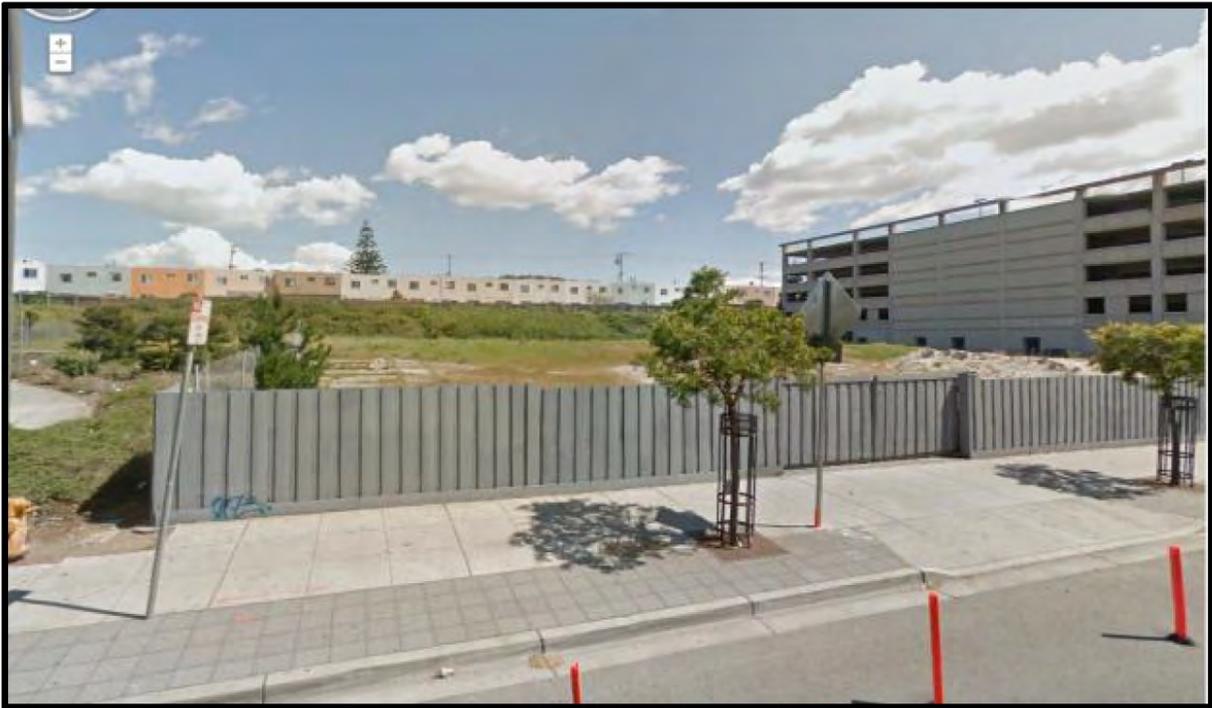
**Staff recommends retention of the property for future development, allowing for construction of the remaining Phase III of the Pacific Plaza development pursuant to the approved Planned Development and the Development and Disposition Agreement for the property.**

**Health and Safety Code Section 34191.5 (c) (2)(A) allows for the City to retain title to property for development that is included in an approved redevelopment plan. The future development of the property by the City is consistent with the approved Redevelopment Plan as noted above. The City intends to enter into compensation agreements with affected taxing entities for the subject property pursuant to Health and Safety Code section 34180 (f).**

<sup>8</sup> See adopted Implementation Plan pages 4,9,15-19 for explicit discussion of Pacific Plaza Project

<sup>9</sup> See adopted Implementation Plan page 15 for discussion of quality job creation and increased commerce on Mission Street and Junipero Serra Boulevard

**Property #7: Pacific Plaza – Hotel Site**



**PARCEL DATA**

Address	East side, Junipero Serra Blvd, south of John Daly Blvd
Assessor's Parcel Number(s)	002-292-310
Property Size	55,012 sf (1.26 acres)
Zoning and General Plan Classifications	Retail and Office (General Plan); PD-54 (Zoning)
Current Use of Property	Site is undeveloped and unpaved, though occasionally used for City-approved temporary parking.

**ACQUISITION & VALUATION INFORMATION**

Date of Acquisition by RDA	2003
Purchase Price	\$2,500,000
Purpose of Acquisition	Hotel and Conference Center development.
Estimate of Current Value	\$1,260,868
Method of Valuation	Comparable Sales Evaluation (March 2015)

**EXISTING CONDITIONS & HISTORY OF DEVELOPMENT**

Leases or Property Income, including contractual requirements	None.
Environmental Conditions	There are no known adverse environmental conditions affecting this property.
Potential for Transit Oriented Development and Advancement of Planning Objectives of the Successor Agency	Valuable site for transit oriented development due to proximity to Daly City BART Station (adjoins BART parking lot to the north along Junipero Serra Boulevard) , property frontage Junipero Serra Boulevard (arterial street) and along I-280, combined with convenient local bus service.  Development of hotel on the site is explicitly delineated <sup>10</sup> and meets a number of the Agency's goals and objectives outlined in the Implementation Plan (adopted June 2011), including the creation of quality, living-wage jobs and support of increased commerce on Mission Street and Junipero Serra Boulevard. <sup>11</sup>
History of Development Activities and Proposals	The site is the final phase of the Pacific Plaza project (approved under PD-54 and a Development and Disposition Agreement in 1999), with the two phases (20-screen movie theater, an initial office tower and two parking garages) built as part of Phase I and II. The final phase would consist of a 10-story hotel with parking garage for an additional 780 spaces. The site is regulated by the approved Planned

<sup>10</sup> See adopted Implementation Plan pages 4,9,15-19 for explicit discussion of Pacific Plaza Project

<sup>11</sup> See adopted Implementation Plan page 15 for discussion of quality job creation and increased commerce on Mission Street and Junipero Serra Boulevard

	<p>Development, and was approved under a Development and Disposition Agreement (DDA), which applies to the remaining Office and Hotel phases of the project, including for reciprocal access and parking with the Phase I development. The City has received several inquiries about the property in recent months to pursue development.</p> <p>Final Design Review and Master Sign Plan requirements apply to future development of the site.</p>
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**DISPOSITION PLAN**

**Staff recommends retention of the property for future development, allowing for construction of the remaining Hotel Site of the Pacific Plaza development pursuant to the approved Planned Development and the Development and Disposition Agreement for the property.**

**Health and Safety Code Section 34191.5 (c) (2)(A) allows for the City to retain title to property for development that is included in an approved redevelopment plan. The future development of the property by the City is consistent with the approved Redevelopment Plan as noted above. The City intends to enter into compensation agreements with affected taxing entities for the subject property pursuant to Health and Safety Code section 34180 (f).**

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**Property #8: Landmark Plaza – Phase II Mixed Use Site**





**PARCEL DATA**

Address	6601 Mission Street
Assessor's Parcel Number(s)	003-224-100
Property Size	11,561 sf (0.27 acres); irregular-shaped lot at corner of Hillside Boulevard and Mission Street
Zoning and General Plan Classifications	Commercial-Mixed Use (General Plan); PD-59 (Zoning)
Current Use of Property	Site is undeveloped, though terms of applicable DDA identify planned interim public plaza use.

**ACQUISITION & VALUATION INFORMATION**

Date of Acquisition by RDA	1980
Purchase Price	\$478,883
Purpose of Acquisition	Office development, with corollary parking.
Estimate of Current Value	\$267,940
Method of Valuation	Comparable Sales Evaluation (March 2015)

**EXISTING CONDITIONS & HISTORY OF DEVELOPMENT**

Leases or Property Income, including contractual requirements	None.
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Environmental Conditions	There are no known adverse environmental conditions affecting this property.
Potential for Transit Oriented Development and Advancement of Planning Objectives of the Successor Agency	<p>The site holds potential for transit oriented development, given its location along a key City arterial roadway (Mission Street) at John Daly Boulevard, and is one-quarter west of the Daly City BART Station, with available public transit hubs by the site.</p> <p>Development of office on the site is explicitly delineated<sup>12</sup> and meets a number of the Agency’s goals and objectives outlined in the Implementation Plan (adopted June 2011), including the creation of quality, living-wage jobs and support of increased commerce on Mission Street and Junipero Serra Boulevard.<sup>13</sup></p>
History of Development Activities and Proposals	<p>Planned Development PD-59 and a Development and Disposition Agreement (DDA) were entered into with developer and the RDA in 2005, with subsequent amendments through 2010. Phase I (95 residential units, including affordable rent-controlled units, plus ground-floor retail; garage parking) was completed in 2008; Phase II is pending for this corner, triangular-shaped parcel (approved for development of a seven-story office tower, ground-floor retail space and completion of additional parking on the Phase II site and within the existing parking garage constructed under Phase I development). The owner/operator of the adjoining 88 Hillside project, Equity Residential, has a first right of refusal for purchase of the property through 2103 under the terms of the DDA, and has expressed interest to staff in pursuing site development.</p> <p>The Phase II Property will be improved with approximately 65,500 net square feet of office, 9,000 square feet of retail space and 39 finished parking spaces and 142 unfinished parking spaces (in the adjoining parking garage).</p> <p>The developer will construct a plaza with general landscaping and other improvements on the Phase II site (Office/Retail Building site), as ‘temporary’ improvements until development occurs. These improvements will be of high architectural quality, shall be well landscaped, and shall be effectively and aesthetically designed.</p>

**DISPOSITION PLAN**

**Staff recommends retention of the property to allow for construction of the remaining Phase II of the Landmark development, pursuant to the approved Planned Development for the site and the active Development and Disposition Agreement.**

<sup>12</sup> See adopted Implementation Plan pages 9,15,17,40,43,44 for explicit discussion of Landmark Project

<sup>13</sup> See adopted Implementation Plan page 15 for discussion of quality job creation and increased commerce on Mission Street and Junipero Serra Boulevard

Health and Safety Code Section 34191.5 (c) (2)(A) allows for the City to retain title to property for development that is included in an approved redevelopment plan. The future development of the property by the City is consistent with the approved Redevelopment Plan as noted above. The City intends to enter into compensation agreements with affected taxing entities for the subject property pursuant to Health and Safety Code section 34180 (f).

**DRAFT**

**Property #9: Geneva Library Site**



**PARCEL DATA**

Address	2960 Geneva Avenue
Assessor's Parcel Number(s)	005-124-060
Property Size	5,000 sq ft (0.11 acres)
Zoning and General Plan Classifications	Commercial-Mixed Use (General Plan); Light Commercial, C-1 (Zoning)
Current Use of Property	Former library building; 1,831 sq ft wood frame construction of uncertain age. Building currently used by Daly City Police Department for records storage.

**ACQUISITION & VALUATION INFORMATION**

Date of Acquisition by RDA	2005
Purchase Price	\$260,000
Purpose of Acquisition	Public Library.
Estimate of Current Value	\$117,410
Method of Valuation	Comparable Sales Evaluation (March 2015)

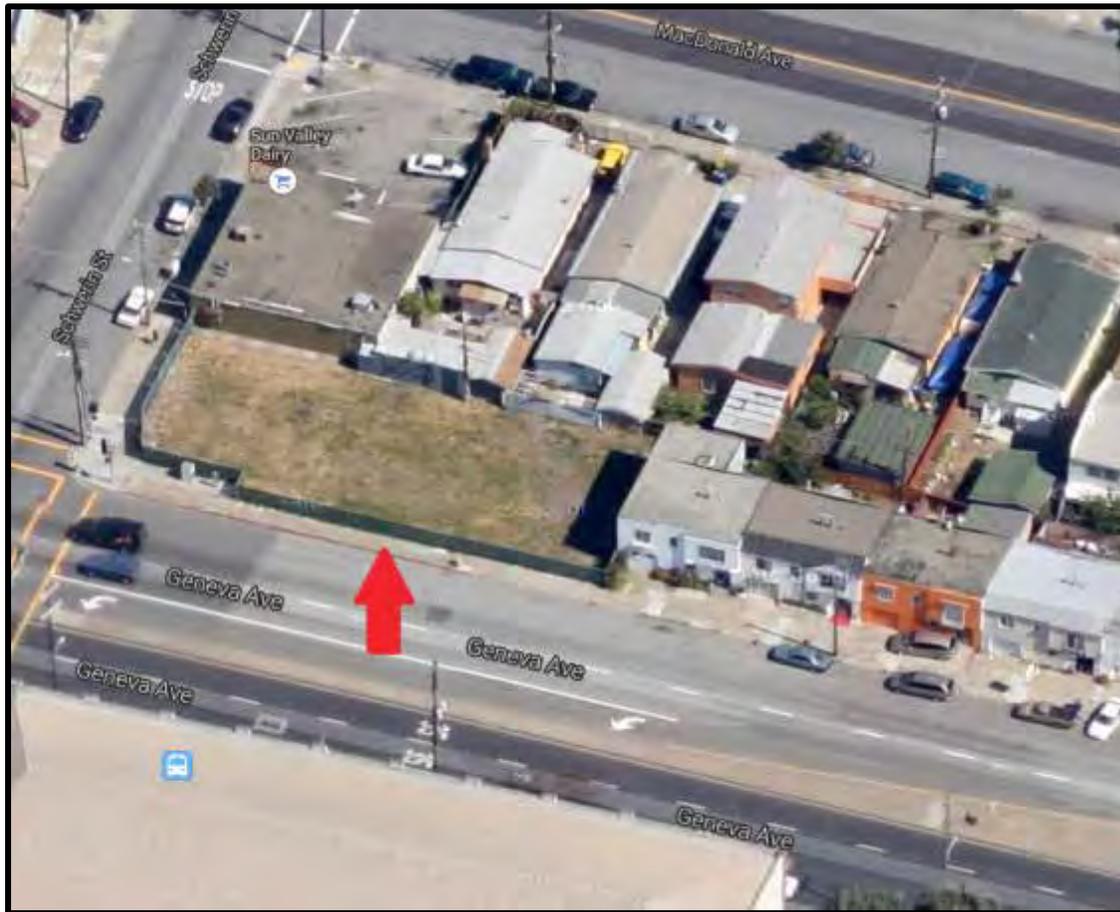
**EXISTING CONDITIONS & HISTORY OF DEVELOPMENT**

Leases or Property Income, including contractual requirements	None.
Environmental Conditions	There are no known adverse environmental conditions affecting this property.
Potential for Transit Oriented Development and Advancement of Planning Objectives of the Successor Agency	<p>The site is not well-suited for transit oriented development. The site is not in proximity to a BART station, though the site is located on Geneva Avenue, a key area arterial.</p> <p>Future sale and potential development on the site may meet a number of the Agency’s goals and objectives as outlined in approved Redevelopment Plan documentation, including the promotion of commercial development in areas identified as suitable in the City’s General Plan.</p>
History of Development Activities and Proposals	None.

**DISPOSITION PLAN**

**Staff recommends disposition (sale) of this property in an expeditious manner at a date to be determined for a sale price aimed at maximizing value, consistent with fair market value. Revenue generated from the sale of this property is proposed to be distributed to affected taxing agencies in proportion to their share of the base property tax generated by the property pursuant to AB 1484.**

**Property #10: Geneva Fire Station Site**



**PARCEL DATA**

Address	3001 Geneva Avenue
Assessor's Parcel Number(s)	005-072-310
Property Size	6,144 sq ft (0.14 acres)
Zoning and General Plan Classifications	Residential – Medium Low (General Plan); Unzoned, U (Zoning)
Current Use of Property	Vacant site; former fire station was demolished by City.

**ACQUISITION & VALUATION INFORMATION**

Date of Acquisition by RDA	2000
Purchase Price	\$135,000
Purpose of Acquisition	Fire Station
Estimate of Current Value	\$143,640
Method of Valuation	Comparable Sales Evaluation (March 2015)

**EXISTING CONDITIONS & HISTORY OF DEVELOPMENT**

Leases or Property Income, including contractual requirements	None.
Environmental Conditions	There are no known adverse environmental conditions affecting this property.
Potential for Transit Oriented Development and Advancement of Planning Objectives of the Successor Agency	<p>The site is not well-suited for transit oriented development. The site is not in proximity to a BART station, though the site is located on Geneva Avenue, a key area arterial.</p> <p>Future sale and potential development on the site may meet a number of the Agency’s goals and objectives as outlined in approved Redevelopment Plan documentation, including the elimination of instances of physical and economic blight within the Project Area wherever possible by improving the area’s economic base and preserving and enhancing residential areas.<sup>14</sup></p>
History of Development Activities and Proposals	Fire station.

**DISPOSITION PLAN**

**Staff recommends disposition (sale) of this property in an expeditious manner at a date to be determined for a sale price aimed at maximizing value, consistent with fair market value. Revenue generated from the sale of this property is proposed to be distributed to affected taxing agencies in proportion to their share of the base property tax generated by the property pursuant to AB 1484.**

<sup>14</sup> See adopted Implementation Plan page 15 for discussion of quality job creation and increased commerce on Mission Street and Junipero Serra Boulevard

## Reference: Health and Safety Code (HSC) Sec 34191.5

### California HSC Sec 34191.5 (Long Range Property Management Plans)

34191.5. (a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the successor agency, to serve as the repository of the former redevelopment agency's real properties identified in subparagraph (C) of paragraph (5) of subdivision (c) of Section 34179.5.

(b) The successor agency shall prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency. The report shall be submitted to the oversight board and the Department of Finance for approval no later than six months following the issuance to the successor agency of the finding of completion.

(c) The long-range property management plan shall do all of the following:

(1) Include an inventory of all properties in the trust. The inventory shall consist of all of the following information:

(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.

(B) The purpose for which the property was acquired.

(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

(D) An estimate of the current value of the parcel including, if available, any appraisal information.

(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

(H) A brief history of previous development proposals and activity, including the rental or lease of property.

(2) Address the use or disposition of all of the properties in the trust. Permissible uses include the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, the retention of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

(A) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.

(B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking

revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities.

(C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.

DRAFT

## Attachments

1. **Adopted Implementation Plan: Mission Street – Junipero Serra Boulevard Commercial Business District Redevelopment Project Area 2011-2015**
2. **Comparable Sales Evaluations – Properties # 5-10**

**DRAFT**

ATTACHMENT 1



**MISSION STREET - JUNIPERO SERRA  
BOULEVARD COMMERCIAL BUSINESS  
DISTRICT  
REDEVELOPMENT PROJECT AREA**

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**IMPLEMENTATION PLAN**

**(JANUARY 1, 2011 THROUGH DECEMBER 31, 2015)**

**MISSION STREET-JUNIPERO SERRA BOULEVARD  
COMMERCIAL BUSINESS DISTRICT  
REDEVELOPMENT PROJECT AREA**

**IMPLEMENTATION PLAN  
(JANUARY 1, 2011, THROUGH DECEMBER 31, 2015)**

## A. INTRODUCTION

Assembly Bill 1290 (Isenberg) was signed by Governor Pete Wilson on October 6, 1993 and went into effect on January 1, 1994. This bill, entitled the Community Redevelopment Law Reform Act of 1993, was authored by Assemblyman Phil Isenberg and sponsored by the California Redevelopment Association (CRA) to address perceived abuses and problems in redevelopment practice by focusing the efforts of redevelopment agencies. Among other things, this law added Health and Safety Code Section 33490 to the Community Redevelopment Law (CRL), which requires adoption of an Implementation Plan that clearly outlines the goals and objectives of redevelopment agencies and addresses meeting the affordable housing requirement in a timely manner.

Pursuant to Section 33490, the Daly City Redevelopment Agency adopted five year Implementation Plans for the Mission Street Junipero Serra Boulevard Commercial Business District Project Area in December 1994 for the period of 1995–2000, in 2001 for the years 2001-2005 and in 2007 for the years 2006-2010. The following plan provides an updated implementation plan for the years through 2015...

As required by Section 33490, this Implementation Plan describes:

1. The specific goals and objectives of the Daly City Redevelopment Agency;
2. The projected redevelopment projects and expenditures scheduled for the next five years; and
3. How these proposed projects and programs will cure blight and meet the Agency's low and moderate income housing requirement.
4. How the Agency will comply, prior to the time limit on the effectiveness of the redevelopment plan, with the CRL as it pertains to project area housing and disposition of remaining moneys in the Low and Moderate Income Housing Fund.

This Implementation Plan is designed to guide the Agency's efforts in eliminating blighting conditions in the Project Area while meeting other Agency objectives as required by the CRL. In effect, the Implementation Plan is a general plan of action for a specific time period of the Redevelopment Project, providing the Agency with flexibility to adjust to changing circumstances and new opportunities. As required by Section 33413 of the CRL, this Implementation Plan also includes the Agency's Housing Production Plan, known as the AB 315 Plan. The AB315 Plan addresses specific questions regarding low and moderate income housing requirements and the expenditure of the Housing Fund to meet these objectives.

Because implementation plans are intended to be program level documents, the implementation of specific projects and activities over the five year period may vary in timing, location, cost, expenditure, scope, and content from what is set forth in this document. As unforeseen constraints and opportunities will most likely arise while undertaking this program, the Agency will use this Implementation Plan as a flexible guide. The subsequent sections of this plan are summarized as follows:

- **Section B** - Background - establishment & time thresholds of Project Area

- **Section C** - Description of the Redevelopment Project Area
- **Section D** - Goals and Objectives of the Redevelopment Plan
- **Section E** - Description of blighting conditions in the Project Area
- **Section F** - Summary of the five year action program for non-housing activities
- **Sections G through L** - Agency’s housing obligations, production goals, activities, and proposed schedule of expenditures, and includes the Agency’s Affordable Housing Production Plan (also known as the AB315 Plan).

## **B. BACKGROUND**

Between 1971 and 1976 Daly City initiated creation of a redevelopment project area along Mission Street and Junipero Serra Blvd. In November of 1976 the Redevelopment Plan was adopted.

The following table shows the sequence of Agency actions and resulting changes to the time limits.

**Table 1**  
**Agency Actions and Expiration Dates**

<u><b>Agency Actions</b></u>	
Establishment of Project Area (Ordinance 830)	11/22/1976
1 <sup>st</sup> Redevelopment Plan Amendment (Ordinance 1092)	12/27/1988
2 <sup>nd</sup> Redevelopment Plan Amendment (Ordinance 1210)	12/12/1994
3 <sup>rd</sup> Redevelopment Plan Amendment (Ordinance 1281)	11/13/2000
<u><b>Resulting Actions</b></u>	
Expiration of Redevelopment Plan	11/21/2016
Expiration for Incurrence of Debt	12/31/2008
Expiration of Eminent Domain Authority	12/27/2012
Expiration for Repayment of Indebtedness	12/27/2026

## **C. PROJECT AREA DESCRIPTION**

The Project consists of two non-contiguous neighborhood areas; the Mission Street Project Area and the Junipero Serra Project Area. The Mission Street area generally runs from the Daly

City/San Francisco city boundary to the north and about ¼ mile past Market St. to the south. The east/west project limits are generally less than one block distant on either side of Mission St. The Junipero Serra Project Area runs along Junipero Serra Blvd. from John Daly Blvd. to the north and approximately to Citrus Ave. to the south. The east/west project limits are from Junipero Serra Blvd. on the west and extend easterly up to, but **do not include** the residential property along Niantic Ave. to the east.

The boundaries of these two Project Areas are shown in Figure 1 on the next page.

The Mission Street area is a heavily trafficked commercial corridor characterized by an abundance of small commercial buildings constructed during the first half of the 20<sup>th</sup> Century. Many of these properties are on small land parcels with twenty-five foot frontages. They are primarily a mix of one and two story buildings with the second story being residential or office uses. There are also several used car lots or other low site coverage land uses along Mission Street.

The Junipero Serra area is substantially built out with the first two phases of the Pacific Plaza redevelopment project. The proposed phase III area will be developed with another office building and parking garage when supported by the market. Existing properties on the phase III land area are older commercial buildings with physical and functional obsolescence. Just north of Pacific Plaza, within the Junipero Serra project area, is vacant land where the Agency is planning for future hotel development.

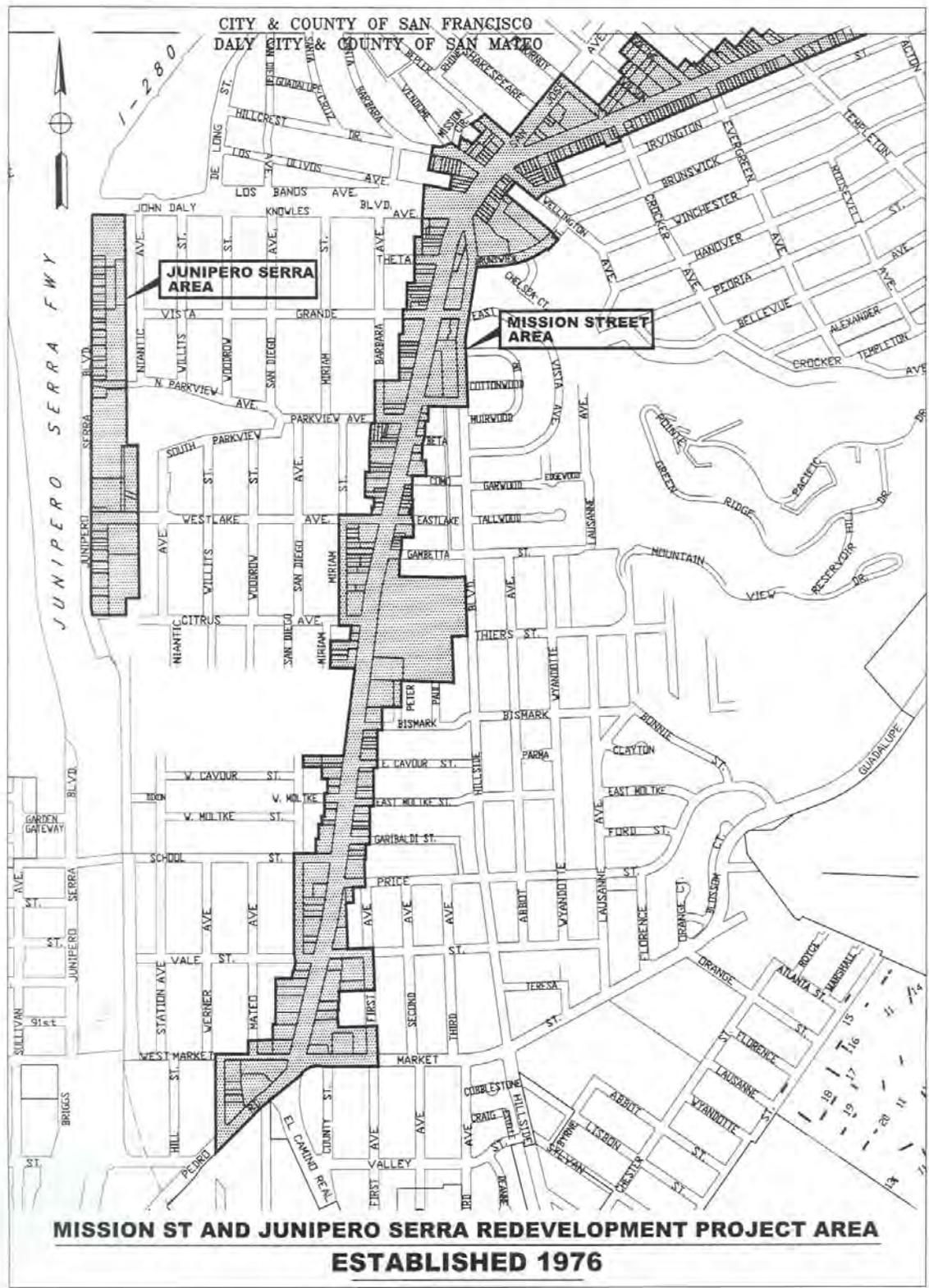


Figure 1

## **D. GOALS & OBJECTIVES**

### **Overview and Purpose:**

With the conditions of blight identified and time limits set for the Agency to cure these conditions, the CRL requires specific goals and objectives to cure identified blight within the time limits set by the Redevelopment Plan.

The 1988 Amended Redevelopment Plan set specific goals and objectives that addressed the intent of redevelopment law. Although the current redevelopment law has clarified the intended actions of redevelopment agencies, the objectives originally specified in 1988 and with subsequent Implementation Plans are still applicable with a few modifications. The following goals are derived from the priorities stated in the Redevelopment Plan to promote the elimination of blight and revitalization of the Project Area.

### **Major Goals:**

- A. Facilitate economic development, stimulate and attract private investment, and create employment opportunities for Daly City Residents.
- B. Improve infrastructure and public facilities.
- C. Improve Mission Street as a commercial corridor to meet community needs for retail and business services, housing and transit opportunities while preserving its cultural qualities, diversity and neighborhood business character.
- D. Promote affordable housing development through compliance with State laws and Agency-sponsored programs and development.
- E. Encourage and support community participation in the redevelopment process.

### **Specific Objectives:**

The following objectives are intended to provide a framework for efforts to attain the goals outlined above.

1. Continue marketing program to attract new business and generate revenue while avoiding the wholesale displacement of existing businesses and gentrification.
2. Establish land use and zoning policies that focus on economic revitalization of the Project Area. Land uses should include:
  - Those which add to the vitality of the Project Area.
  - Those desired by the community at large.
  - Those with economic endurance and that have the potential to provide long-term economic benefit.

- Those catering to the health and cultural benefit of the neighborhood.
  - Those which do not contribute to furthering blighted conditions in the Project Area.
  - Those that provide a significant economic benefit in terms of job creation and increased commerce in the Project Area.
3. Zoning considerations should include:
- The requirement of larger parcel sizes to encourage the assembly of small and irregular lots.
  - Density and height restrictions that vary by specific zones within the Project Area.
  - A provision for parking in-lieu fees or modified parking standards, where appropriate, for commercial and mixed-use development.
  - Those uses that provide a significant economic benefit in terms of job creation and increased commerce on Mission Street.
  - Rezoning the Mission Street corridor to Commercial Mixed-Use (C/MU) as an implementation measure of the City’s Draft Land Use Element (expected adoption in 2012). The rezoning would provide regulations tailored to Mission Street in anticipation of a mixed-use development pattern likely emerge in the corridor over the next 20 to 30 years. Some of the key components of the new C/MU designation would be increased building height, reduced or modified parking requirements, and the removal of regulatory hurdles for residential and commercial mixed-use developments if certain performance standards are met. Additional policies include incentives for lot mergers such as increased building height or densities.
  - Establish minimum square footage requirements for commercial space at the ground level.
4. Establish a land acquisition policy that focuses on those properties and uses that improve community comfort, diversity and well-being. This includes establishing a provision to acquire adequate land for parking and open spaces.
5. An increase the minimum property sizes in the zoning for Mission Street, thereby restricting the ability of existing sites within this zone to subdivide below the established minimum lot size as a means to promote the construction of mixed-use and/or higher density multifamily development. This is a task identified in the City’s Draft Land Use Element.
6. `Develop a lot merger incentive allowance in the Zoning Ordinance whereby property owners electing to merge two or more adjacent lots for the purpose of development are provided specific incentives to do so. The incentive program shall establish incentives that are significant enough to promote voluntary lot mergers of lots that meet a minimum threshold size and shall be commensurate with the size of the parcels being merged and/or created. This is a task identified in the City’s Draft Land Use Element.
7. Establish and implement performance criteria to assure high quality site design standards, promote environmental quality, green building standards and other design elements that

create unity and integrity in the Project Area. The Mission Street Urban Design Plan should be reviewed and re-evaluated to further this objective.

8. Develop and implement an overall parking strategy to serve businesses on Mission Street and Junipero Serra Boulevard. The strategy should include an evaluation of existing conditions and a variety of potential solutions including, but not limited to, parking in-lieu fees, modified parking standards for new development, modifications to on-street parking regulations, and cooperation with public transit agencies.
9. Continue to implement the Façade Improvement Program (FIP) for those uses that have the highest potential of contributing to the cultural and economic vitality of the community and look at ways to increase participation in the program.
10. Provide code enforcement and strengthen sign enforcement, while requiring more aesthetic and pedestrian-oriented sign regulations. This should include codifying the recommendations in the Mission Street Urban Design Plan.
11. Provide expanded opportunities for participation by owners and tenants in the revitalization of their properties.
12. Facilitate the installation of adequate and appropriate street lighting, signage, landscaping, bus stop/shelter improvements and sidewalk improvements, pedestrian crosswalks and other public infrastructure improvements to make Mission Street safer and more pedestrian and transit friendly.
13. Create an attractive, safe plaza with adequate bus shelters and convenient kiosks on the west side of Mission Street to the north of John Daly Boulevard.
14. Preserve historically and architecturally significant structures.
15. Incorporate policies in the General Plan update that reflect the goals and objectives of the Mission Street-Junipero Serra Boulevard Redevelopment Project Implementation Plan emphasizing Mission Street as a transit corridor.

## **E. PROJECT AREA BLIGHTING CONDITIONS AND ELIMINATION OF BLIGHT**

The Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area is a predominately urbanized area which followed an original pattern of land subdivision started in the early 1900's and is characterized by very small lots (2,500 square feet) with twenty five foot frontages at mid-block locations and larger lots at street intersections.

During the course of the Redevelopment Project, a number of the smaller lots have been consolidated to create larger parcels, which have accommodated new development. Examples of these include the Mission Plaza Shopping Center, Schoolhouse Station and Vista Grande

housing, the 6644 Mission Street commercial building, the Mission and Como and Mission and Eastlake buildings, the Walgreens store at Mission and Goethe, Pacific Plaza at Junipero Serra Boulevard, and more recently the Landmark Plaza and Hillcrest Gardens projects.

Remaining small, underutilized or functionally obsolete properties are held by a wide range of ownership entities, or are encumbered with long-term leases. Existing business/retail spaces are typically functionally obsolete, inhibiting re-investment and occasionally characterized by deferred maintenance. The Mission Street business district experiences higher than average business turnover, when compared to nearby San Mateo County cities. All of the above factors have hindered effective redevelopment of the area.

A recent example of the Agency's effort to redevelop underutilized parcels is the acquisition of 7555 Mission Street, which is outside the project area boundaries and close to the Colma Bart station. The Agency negotiated the purchase of the property that contained a used car lot, automobile repair business and car rental business. In 2009 the Agency entered into a Disposition and Development Agreement with Habitat for Humanity Greater San Francisco to develop 36-condominium units. The units will be affordable to households with incomes at or below 60 percent of the area median income established by the U.S. Department of Housing and Urban Development (HUD). Relocation of existing tenants at 7555 Mission Street was completed in April, 2010 Construction of the new housing units began in August 2010 and should be completed by 2013.

The lack of street frontage and sufficient parking have caused the underutilization of many sites along Mission Street. This is exemplified by many properties with low site coverage and vacant or underutilized lots. There are currently over a dozen such properties with a total gross land area of approximately three acres. There are also an additional number of underutilized buildings on Mission Street. This occurs when buildings become old and dilapidated and reach the end of their physical and economic life. Consequently, replacing the existing use with an alternative higher and better use generates greater economic benefits to the property as well as surrounding properties.

Most existing improvements on Mission Street would not meet current building code standards if built today. The lack of fire sprinklers and other safety measures in many older properties have contributed to hazardous conditions.

In 1988, the City Council adopted an amended redevelopment plan for the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area. At that time, the Council made findings that conditions of blight, as defined in the California Redevelopment Law (Health and Safety Code Section 33000 et.seq.), exist in the project area. Since 1988, several of these blighting influences have been removed, with the completion of redevelopment activities such as the Pacific Plaza (Phases I & II), Mission Plaza, School House Station and Vista Grande Family apartments. These projects have resulted in the reduction of public safety problems, removal of certain deteriorated buildings, environmental hazards and improved utilization of property in these commercial corridors.

The Implementation Plan is required to provide an explanation of how the objectives, programs and expenditures for the next five years will serve to eliminate blight in the Project Area. This section provides a discussion of blighting conditions in the Project Area. In summary, eight of the nine blighting conditions, as defined by California Redevelopment Law, currently exist in the Project Area:

## **1. ADVERSE PHYSICAL CONDITIONS**

- Deficient or Deteriorated Buildings: a relatively large number of aging, obsolete, and physically deteriorated commercial buildings are located in the Project Area. These buildings show the effects of deferred maintenance and functional obsolescence and include buildings with unreinforced masonry that are subject to earthquake damage.
- Factors that Inhibit Proper Use of Buildings or Lots: these include underutilized properties with functional deficiencies characteristic of substandard building design, poor site planning, lack of parking, and other factors.
- Incompatible Uses: examples of this condition include vacant or underutilized lots contiguous to medium density development or auto repair facilities adjacent to mixed-use residential retail and restaurant uses.
- Substandard Lots: as stated, much of the underutilized land is under multiple ownerships, with many lots having inadequate size and functional utility.

## **2. ADVERSE ECONOMIC CONDITIONS**

- Depreciated or stagnant values or impaired investments are demonstrated by limited or declining revenue from underperforming businesses as well as properties with hazardous materials.
- Reduced rental income and high turnover along with an excessive number of vacant lots has caused a lack of incentive to maintain or upgrade properties and has limited vital commercial growth along Mission Street.
- There remains a lack of commercial facilities typically found in economically vibrant neighborhoods. Businesses that lack market support for their product or service are often characterized by having goods and services that are uncomplimentary or have limited appeal to the community at large. This is not to say that specialty shops cannot do well on Mission Street. In fact there are numerous examples of such businesses.
- An unappealing, unsafe shopping environment caused by an excess number of bars and liquor stores, or other businesses that cater exclusively to adults should be avoided.

### In Summary:

As discussed in the Five-Year Action Program below, the Redevelopment Program for the Project Area will help alleviate identified blighting conditions. The Action Program describes the deficiencies to be corrected by projects proposed for the first five years of the Plan. The five-year action program will continue the process of improving the area and alleviating those blighting conditions. Figure 2 is a matrix of the Agency's goals and the relationship to the elimination of blight conditions. These goals address all of the conditions of blight (except crime rate) as defined in California Redevelopment Law. The Project Area, at this time, does

not represent a high crime and safety risk when compared to the rest of the City. Overall, each of the above goals in this table is consistent with and conforms to the current redevelopment law.

During the prospective Implementation Planning Period, Agency activities will focus on the following conditions that continue to exist in the project area:

1. Buildings in which it is unsafe or unhealthy for persons to live or work.
2. Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots.
3. Uses that are incompatible with each other and which prevent the economic development of these parcels or other portions of the Project Area.
4. Subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.
5. Land uses that protect the safety, health and cultural benefit of the community.

**Figure 2**  
**DALY CITY REDEVELOPMENT AGENCY**  
**FIVE YEAR IMPLEMENTATION PLAN**  
**2011-2015**

**MATRIX OF OBJECTIVES & BLIGHT CONDITIONS**

Specific Objectives	PHYSICAL CONDITIONS				ECONOMIC CONDITIONS			Infra-structure
	Unsafe Buildings	Underutilized Property	Incompatible Uses	Substandard Lots	Low value Hazardous waste	Economically Obsolete	Uses that Limit Commerce	Inadequate Public Improvements
1. Marketing Program / Business Attraction	√	√	√	√		√	√	
2. Land Use & Zoning		√	√	√	√		√	
3. Land Acquisition Policy		√	√	√	√	√		√
4. Implement performance criteria for site design.	√	√	√		√			
5. Implementation of a parking strategy		√	√		√			√
6. Continued implementation of FIP		√	√		√	√		
7. Code enforcement		√	√		√	√		
8. Provide opportunities for participation by owners and tenants in revitalizing their property.	√	√	√	√	√	√		
9. Make public infrastructure improvements for safety & commercial growth.		√	√	√	√	√		
10. Preserve historic and architecturally significant structures.	√	√						

## **F. FIVE-YEAR ACTION PROGRAM FOR NON-HOUSING REDEVELOPMENT ACTIVITIES**

This section describes the proposed Non-Housing Redevelopment Program, including the deficiencies to be corrected, project descriptions, and the estimated project costs. As they are implemented, these projects may be modified over time to better serve the purposes of redevelopment. The cost estimates are preliminary and subject to refinement as the Redevelopment Program planning and implementation proceed. Some of these projects may not be completed within the first five years of the Redevelopment Program, and thus, related costs may not be incurred in the first five years. These activities are grouped in the following categories:

- Planning
- Economic Development
- Building Rehabilitation
- Circulation and Landscaping
- Public Facilities and Infrastructure
- Site Preparation and Development
- Estimate of Agency Expenditures
- Five-Year Implementation Plan Revenues

### **1. PLANNING**

#### **a. Background**

Since adoption of the last Five-Year Implementation Plan for the Mission-Junipero Serra Redevelopment Area, many planning activities have occurred.

In 2007, the Mission Street corridor was established as a Priority Development Area through the FOCUS program. The area includes the Mission Street corridor and the portion of Junipero Serra Boulevard that is within the Mission Street-Junipero Serra Boulevard Redevelopment Project Area, and the Daly City portion of the area surrounding the Colma BART station. FOCUS is a multi-agency, regional planning program that builds upon regionally adopted smart growth policies and related programs. Local governments in the nine county San Francisco Bay Area were invited to apply for regional designation of an area within their community as a priority development area. In return, designated priority development areas will have the opportunity to apply for regional incentives and technical assistance.

In November 2008, the City of Daly City, in collaboration with the San Mateo Chapter of the American Institute of Architects, conducted a full-day design charrette. The Mission Street Urban Design Charrette focused on revitalizing the Mission Street corridor in Daly City. The study area extended from Flourney Street/Crocker Avenue on the north to San Pedro Road/East Market Street on the south. It focused on how this major transportation corridor could be enhanced and made more vibrant while blending harmoniously with the residential areas on either side. The study area stretched approximately a mile and a third in length and presented many unique challenges and opportunities for the designers.

The comprehensive update of the City's General Plan is currently underway. Much of the focus of the Draft Housing and Land Use Elements has been how to encourage and accommodate higher densities along the Mission Street corridor. As a result, many policies have been established. The most significant of those policies is to rezone Mission Street to a new Commercial Mixed-Use (C/MU) designation. In the past, Mission Street had been zoned C-1 (Light Commercial), which is more suited to suburban commercial developments. Some of the key components of the new C/MU designation would be increased building height, reduced or modified parking requirements, and the removal of regulatory hurdles for residential and commercial mixed-use developments if certain performance standards are met. Additional policies include incentives for lot mergers such as increased building height or densities.

The City of Daly City continues to be an active participant in the Grand Boulevard Initiative. The Grand Boulevard is a collaboration of 19 cities, counties, local and regional agencies united to improve the performance, safety and aesthetics of El Camino Real. Starting at the northern Daly City city limit (where it is named Mission Street) and ending near the Diridon Caltrain Station in central San Jose (where it is named The Alameda), the initiative brings together for the first time all of the agencies having responsibility for the condition, use and performance of the street. The Grand Boulevard Guiding Principles have been adopted by the City of Daly City. The Guiding Principles define the GBI vision, that "El Camino Real will achieve its full potential for residents to work, live, shop, and play, creating links between communities that promote walking and transit and an improved and meaningful quality of life."

Additional planning and design efforts are needed in order to create a vision of the future Mission Street and to identify specific capital projects and building guidelines that will contribute to the visual improvement and economic revitalization of the Street.

## **b. Description of Planning Activities**

In 1990, the Mission Street Urban Design Plan was completed and approved. The Urban Design Plan is a vision for the Mission Street corridor that distinguishes four defined districts and a potential development program for the entire area. This document was used as a foundation for the Mission Street Landscape Master Plan and Project for Public Spaces (PPS) study. PPS developed a "Peninsula Corridor Plan" with four predominant themes: 1) turning Transit Stops and Stations into "Places". 2) Transforming Mission Street into Daly City's Grand Boulevard; 3) adding Housing and Public Spaces to Create a Lively Downtown Mix

and 4) creating balance. These four themes are compatible with existing plans, and work well as a foundation for future plans.

As the Mission Street – Junipero Serra Boulevard area continues revitalization; additional planning studies will be required. These might include revising existing design and streetscape guidelines in order to ensure a coordinated aesthetic strategy along this main commercial thoroughfare. In addition, and in line with suggestions received through the 2005 Project for Public Spaces memorandum, the City will consider examining the impacts and benefits of alternate land use designations along certain lengths of Mission Street.

In particular the Agency will continue to encourage mixed-use Commercial and Residential development along Mission Street, and the completion of Pacific Plaza Phase III on Junipero Serra Boulevard. The agency may want to review zoning and planned densities with new studies and in close consultation with the community to establish parameters encouraging development of land uses that:

- Contribute to the vitality of the Project Area
- Create quality, living-wage jobs
- Are desirable by the community at large
- Exhibit economic endurance and provide long-term economic benefit
- Do not further or contribute to blight
- Complement the four themes of the Peninsula Corridor Plan as developed by PPS.
- Focus on the health and cultural benefit of the neighborhood
- Offer economic benefit in terms of increasing commerce on Mission Street and Junipero Serra Boulevard.
- Foster environmental sustainability in the long term
- Encourage the use of public transit

Future development may necessitate street other infrastructure improvements, which will also require predevelopment engineering and planning studies to supplement or supersede existing plans. Additional studies may be required to plan complimentary improvements and infrastructure. Ongoing planning activities will create additional opportunities for enhancement of the public infrastructure within the Project Area. Currently, the City is undertaking a \$1.2 million pedestrian plaza and transit improvement project at the Top of the Hill intended to facilitate access to existing Sam Trans and Muni public transportation services.

The “Top of the Hill” area was identified by the Project for Public Spaces planning document, as well as Mission Street Urban Design Plan as a special area of Mission Street with great opportunities. The construction of the “Landmark Project”, now completed, is a cornerstone of future revitalization. Neighboring sites such as “The Rockpile”, the former City Toyota Dealership, and possibly the Latter Day Saints site, could potentially generate new development, should users seek to abandon present uses.

The comprehensive update of the City’s General Plan is currently underway. Much of the focus of the Draft Housing and Land Use Elements has been how to encourage and accommodate higher densities along the Mission Street corridor. As a result, many policies have been

established. The most significant of those policies is to rezone Mission Street to a new Commercial Mixed-Use (C/MU) designation. In the past, Mission Street had been zoned C-1 (Light Commercial), which is more suited to suburban commercial developments. Some of the key components of the new C/MU designation would be increased building height, reduced or modified parking requirements, and the removal of regulatory hurdles for residential and commercial mixed-use developments if certain performance standards are met. Additional policies include incentives for lot mergers such as increased building height or densities.

### **c. Estimated Program Costs**

The estimated cost to the Agency for planning and capital project coordination activities associated with the Mission Street Junipero Serra Blvd Redevelopment Area is approximately \$300,000.

## **2. ECONOMIC DEVELOPMENT**

### **a. Deficiencies to be Corrected**

The Project Area contains underutilized properties and is characterized by relatively stagnant property values and declining retail sales. These properties are typical of underperforming business areas that have limited commercial growth and lack stable job creation.

To cure blight as previously defined, the programs pursued by the Agency must achieve the goals and objectives set forth by the Implementation Plan. Figure 3 shows the linkage between proposed projects and Agency goals. Figure 4 illustrates how proposed projects will help to eliminate various blighting conditions. The proposed programs are described below:

### **b. Description- Economic Development Activities**

#### **UPPER MISSION STREET**

Historically the apex of the Upper Mission Street area is at the intersection of Mission Street and John Daly Boulevard. Both streets are arterials and John Daly Boulevard connects the Mission Street business district with the Pacific Plaza, Interstate 280 and BART located approximately ½ mile to the west. The core area, within one or two blocks north and south of this intersection, is ideal for the Agency to focus efforts on strengthening the economic base of the Mission Street business district and the Project Area as a whole.

In the late 1970's and into the 1980's, the Redevelopment Agency acquired and demolished a series of blighted properties on a 58,800 square foot site located at the intersection of Mission Street and Hillside Blvd. In 1992, the Agency entered into a Disposition and Development Agreement (DDA) for a proposed development of 74 residential condominiums and 22,500 square feet of retail space. This project did not materialize. In the late 90's, the Agency received proposals from two hotel developers to construct a 60 to 80 room limited service product on a small portion of this site. The Agency decided to focus on a larger scale mixed-use development and, in 1998, marketed an expanded site area for a hotel and commercial development. The initial marketing campaign drew very limited

interest, and the Agency remarketed this site in early 2001 for a mixed-use commercial and residential project and succeeded in attracting developer interest resulting in the project described below.

88 Hillside (formerly Landmark Plaza):

In September 2004, the Agency finalized and entered into a DDA with the developer, Landmark Daly City, LLC, for development of the first of two phases of this mixed-use development. The first phase consists of approximately 17,000 s.f. of retail space along Mission Street and 95 residential condominiums. Fourteen (14) or 15% of the residential units will be provided as affordable housing units. The first phase will also include 406 off-street parking spaces to serve employees, customers, residents and visitors to the War Memorial Community Center. A portion of the parking spaces will be available for the second phase of the project. The second phase is proposed for 70,000 s.f. +/- of office and retail space when supported by the market.

Pursuant to the DDA, the Original Developer acquired the Property from the Agency, obtained funding for the Project from, among other sources, a group of participating commercial lenders lead by Cathay Bank (“Cathay”), and proceeded with development and construction of the Project. Prior to completion of the Project, the Original Developer defaulted on its obligation to the Agency under the DDA by not timely completing construction of the Project in accordance with the Schedule of Performance (the “Existing Default”) and to Cathay under the agreements providing the private financing for the Project, which agreements included a First Deed of Trust recorded against the Property. Construction of Phase I of the Development has been substantially completed, but final completion was stalled. The Property became subject to a receivership and effective as of March 19, 2010, Cathay exercised its rights under its Deed of Trust, and foreclosed on the Property and an affiliate of Cathay, named Cathay Holdings, LLC, obtained fee title to the property.

On September 24, 2010, OliverMcMillan Daly City One, LLC (OMDCO) obtained title to the property and on October 11, 2010, the Agency approved the transfer of the rights and obligations under the DDA from the previous developer, Landmark Daly City LLC to OMDCO.

The majority of the Landmark site had been vacant or underutilized for decades. Ultimately, this project will stimulate local commerce, provide affordable, ownership housing, offer ample parking for private and public uses, and set architectural standards for the area. This highly visible project brings a host of amenities that will serve as a cornerstone for future development and investment in the area and make this a major activity center and “gateway” to Mission Street.

Pacific Plaza Development – John Daly & Junipero Serra Boulevard.

In 1986, the City adopted the Peninsula Gateway Plaza Specific Plan for the three-block long Junipero Serra Redevelopment Area (a.k.a. Blocks 50, 51, and 52) and the BART Station area to the north. Over the ensuing years, several development proposals were considered

for this area. Among the most significant proposals was a 1.2 million square foot campus for the University of California San Francisco; however, the University ultimately chose a Mission Bay location for this project.

In 1997, Colliers International Realty was retained by the Agency to assist in marketing the area for both a hotel and commercial office development. Several proposals were submitted and after extensive review by staff and the Agency Board, one of four finalists, Summit Commercial Properties was awarded an Exclusive Right to Negotiate. In January 1999, a Planned Development District was established for the site, and, a month later, the Agency and Summit negotiated the DDA and entered into final agreement. During this period, the name of the project area was changed from Peninsula Gateway Plaza to Pacific Plaza.

This is a multiphase mixed-use project with a total of 644,200 leasable square feet of office and retail space plus a full service hotel and multi-screen cinema on approximately 10 acres of land. The planned development, phasing, and current status of the project are summarized as follows:

	<b>Development</b>	<b>Status</b>
<b>Existing:</b>		
Phase I Block 51 3.9± acres	<ul style="list-style-type: none"> <li>• 9 story, 351,500± s.f. Class A office building including 18,500± s.f. of retail space for restaurants and shops.</li> <li>• 7 level parking structure with first portion 925 spaces</li> </ul>	Completed June 2001. Currently 95%± leased with two major tenants and several smaller tenants providing approximately 1,080 jobs.
Phase II Block 50 3.72± acres	<ul style="list-style-type: none"> <li>• 20 screen, 3,950 seat Century Theatre with 22,700± s.f. restaurants &amp; shops.</li> <li>• 7 level parking structure with 820 spaces.</li> </ul>	Completed in June 2002. Consists of the 20-screen Century Theaters along with several restaurants providing a total of 320+/- jobs.

<b>Proposed:</b>		
Phase III Block 52 2.36± acres	<ul style="list-style-type: none"> <li>• 8 story, 270,000 s.f. Class A office building.</li> <li>• Second portion of Phase I parking structure providing 810 spaces.</li> </ul>	Available for development
Phase IV Block 50 (portion) 1.15± acres	<ul style="list-style-type: none"> <li>• Full service hotel, support retail, a restaurant and conference center.</li> <li>• Hotel will be a name brand and include 140-150</li> </ul>	Available for development.

	rooms.	
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Pacific Plaza has brought economic revitalization and visual improvement to a gateway corridor and primary arterial that was marked by underutilized buildings, vacant property and general neglect on the part of property owners. The businesses occupying the first two phases at Pacific Plaza have added over 1,400 jobs to the city’s economy. Pacific Plaza has won notable planning and development awards including:

- Metropolitan Transit Commission’s Award of Merit
- California Redevelopment Association’s Award of Excellence
- San Francisco Business Times’ Best Suburban Mixed-use Development

**STRATEGIC SITE ASSEMBLY**

The main purpose for a strategy on site assembly is to assist in revitalizing the commercial strip on Mission Street and to foster job creation. Specific goals involve: 1) creating an environment that attracts more workers and/or consumers and 2) clustering businesses at key locations (nodes) with complementary products and services that would share patrons or clients. The key Agency strategy is to prioritize future land acquisition to allow parcel assembly of sufficient size to accommodate modern development. The Agency will also acquire blighted properties in and outside the Redevelopment Area for the purposes of site assembly, habitat preservation, toxic remediation, affordable housing, commercial revitalization, construction of new public facilities, and to meet future needs.

The Agency continues to take an active role in assisting developers and private property owners in their effort to consolidate commercial parcels. Since many of the lots on Mission Street have a 25-foot street frontage, site assembly is necessary to promote modern commercial and mixed-use projects. Once a suitably sized parcel has been assembled, the Agency actively pursues development opportunities that will benefit the community.

**BUSINESS ENHANCEMENT:**

The Agency continues to promote programs that enrich the economic health of businesses in the Redevelopment Area through a variety of efforts. For example, the Agency assists in joint marketing efforts for Mission Street, including coordination and distribution of business guides, advertising directed at Daly City’s strengths in Bay Area Business publications and providing a database of available properties. The Agency will continue to identify and market various development opportunities in the Redevelopment Area by maintaining an ongoing dialogue with potential developers and local property owners. Specifically for vacant/underutilized properties, the Agency will continue to enlist the support and participation of all landowners in the redevelopment process and offer assistance in soliciting development interests as well as technical assistance for project feasibility.

**SOILS REMEDIATION PROGRAMS:**

As redevelopment activity occurs, it is possible that an environmental assessment will locate contaminated soil that must be cleaned according to federal and state requirements. The Agency anticipates that these efforts will continue and that, in some instances, sites requiring remediation will be acquired.

**c. Estimated Program Costs**

Economic Revitalization is the core program that addresses nearly all of the conditions of physical and economic blight. Projects included in this program must redevelop, revitalize, renew and enhance Daly City's original commercial corridors of Mission Street and Junipero Serra Boulevard. The Agency will actively promote and assist commercial developers/tenants/land users that attract other commercial tenants, business services that promote commercial activity, neighborhood serving retail developments and commercial/mixed-use projects that fully develop underutilized land. Expenditures for Economic Revitalization during the five-year Implementation Plan are projected to be \$4.7 million and will be used to cover the costs of activities such as land acquisition, soil remediation and specific plans.

**3. BUILDING REHABILITATION, FAÇADE IMPROVEMENTS & HISTORIC PRESERVATION**

**a. Deficiencies to be Corrected**

Many of the buildings in the Project Area have significant physical deficiencies. The Redevelopment Area receives a high number of complaints concerning building code violations. The area has a history of serious code violation problems, including substandard building conditions, the accumulation of weeds and rubbish, commercial code violations and various public nuisance complaints.

**b. Description of Activities**

**1. FAÇADE IMPROVEMENT PROGRAM**

This Daly City Redevelopment Agency Program offers free architectural assistance and rebates to owners and tenants of Mission Street buildings who upgrade their facades in accordance with the Mission Street Urban Design Plan. The goal of the program is to remove blight and improve the appearance of storefronts along Mission Street and, in the process, reduce retail vacancies. This program has assisted more than 60 businesses since its inception.

**c. Estimated Program Costs**

The estimated cost to the Agency for building rehabilitation activities over the five-year period is \$750,000.

## **4. CIRCULATION AND LANDSCAPING**

### **a. Deficiencies to be Corrected**

Mission Street presents challenges to economic growth that rest primarily with the character of the street being essentially a six and four lane State Highway with fast moving traffic, lack of parking, and narrow sidewalks. Mission Street remains an unattractive, and at times unsafe, shopping area that inhibits economic development along the corridor, thus limiting the attraction of businesses and shoppers to the area.

There is a demonstrated need to make this area more attractive by improving public identity, enhancing pedestrian orientation and making the area more transit friendly. The “Top of the Hill” area particularly needs better circulation flow to reduce congestion due to marginally efficient integration of the separate transit services to the area.

### **b. Description of Activities**

As part of the Top of the Hill Improvements project, the City is currently improving the sidewalk and streetscape on Mission Street between John Daly Boulevard and Parkview Avenue. Project improvements include:

- pedestrian and transit plaza – creation of a public space and overlook at the northwest corner of the John Daly Boulevard/Mission Street intersection with a wind protected sitting area, lighting and pedestrian and amenities.
- bus shelters – improving comfort and safety; relocating bus stops. Custom shelters will be located at the plaza and adjacent to the War Memorial and John Daly Library. The shelter at the southwest corner of John Daly Boulevard at Mission Street will be replaced with a new shelter.
- lighting – pedestrian level lighting along the project length.
- sidewalk widening – widen sidewalk on the west side by 4 feet between Theta Avenue and Parkview Avenue. Sidewalk expansion on the south side of John Daly Boulevard approaching Mission Street to facilitate transit access and pedestrian mobility.
- pedestrian safety – sidewalk bulb-outs at intersections to make pedestrians more visible to vehicular traffic and shorten the distance needed to cross Mission Street; new crosswalk at the north approach of John Daly Boulevard/Mission Street; straightening of the north approach crossing of Mission Street at Vista Grande Avenue and installation of a new crosswalk at the south approach; and architecturally treating street crossings to make them more visible to motorists.
- signage – improved directional signage.

- water main – upgraded and relocated.
- landscaping – reconfigured and landscaped median islands; and installation of street trees.

The City is working with BART on the Daly City BART Station Access Improvement Plan which focuses on the following three areas: (1) transit operations; (2) pedestrian and bicycle access; and (3) safety and patron experience. Alternatives will be developed that will maximize bus and shuttle operations when they arrive, exit and layover at the station. The plan will also look at how to accommodate future transit services to the station, improve pedestrian and bicycle access to the station and provide higher quality passenger waiting environment and transfer experience. The increase in transit service to the station and expected growth of jobs and residents near the station further supports the need to improve multimodal access to the station.

**c. Estimated Program Costs**

The estimated total cost to the Agency for the proposed streetscape program over the five-year period is \$2,000,000.

**5. PUBLIC FACILITIES AND INFRASTRUCTURE**

**a. Deficiencies to be Corrected**

Mission Street lacks sufficient parking and adequate public facilities and gathering places for it to be a vibrant commercial corridor.

**b. Description of Activities**

In 2007, construction of the new War Memorial Community Center and Library was completed. The center includes approximately 40,000 square feet of space, housing a library, community meeting rooms, instructional rooms, City Park and Recreation offices and two gyms. A landscaped public plaza area of about 1,000 square feet was also built in front of the center.

Just north of the War Memorial Community Center/Library is the 88 Hillside Development, a 2-phase mixed-use project with 95 two-bedroom residential units with fourteen (14) or 15% of the residential units being provided as affordable housing unit, 17,000 gross square feet of commercial space and 250 off-street parking spaces in Phase I. Phase II is entitled to have up to 70,000 square feet of office and ground floor retail and adding approximately 185 parking spaces. Fifteen of the parking spaces are reserved exclusively for staff to the neighboring War Memorial Community Center/Library. The parking spaces not reserved for the residential uses will be available for the public in their use of the Community Center/Library.

As part of the Top of the Hill Improvements project, a major water main running beneath Mission Street will be upgraded and relocated to the west side of the street. The Top of the Hill Improvements project will also construct a new pedestrian-friendly plaza at the intersection of

John Daly Boulevard/Mission Street, sidewalk bulb-outs and wider sidewalks and install pedestrian level lighting.

To the maximum extent practicable, the Redevelopment Agency should incorporate environmentally sustainable design and building techniques into public projects within the Area to set an example for development in the private sector. The Agency should promote Green Building concepts by the private sector.

Green buildings increase the efficiency with which buildings and their sites use and harvest energy, water, and materials, and reduce building impacts on human health and the environment, through better site planning, design, material reuse, construction, operation, maintenance, and removal.

**c. Estimated Program Costs**

The current Capital Program for the City as a whole includes 57 projects with costs totaling over \$9 million. Anticipated Agency expenditures for Public Facilities will be \$2,000,000 for the years 2011-2015.

**6. SITE PREPARATION AND DEVELOPMENT**

**a. Deficiencies to be Corrected**

The Project Area includes about six acres of primarily underutilized land with some vacant parcels. According to Section E, this property is characterized by very small lots with a lack of street frontage and parking which has caused the underutilization of many sites along Mission Street. This is exemplified by properties with low site coverage that are typically used car sales lots; such properties have a total gross land area of approximately three acres. There are also an additional number of underutilized building structures on Mission Street and Junipero Serra Blvd. Replacing existing underutilized properties with an alternative higher and better use, generates greater economic benefits to the property as well as Project Area.

**b. Description**

Section F, 2-b, 3, describes the need for property acquisition and site assembly in order to create marketable parcels for new development. The Agency's primary role during the next five years of the implementation plan period will be to provide staff to evaluate, negotiate and administer real estate transactions. The primary costs for these activities will be for site-specific studies such as feasibility analyses, appraisals and environmental studies.

**c. Estimated Program Costs**

The estimated total cost to the Agency for site preparation and development over the next five-year period is \$1,000,000.

## 7. ESTIMATE OF AGENCY EXPENDITURES

Table 2 summarizes estimated Agency expenditures during 2011-2015 by program category. The nature and scope of the projects and expenditures have been shaped primarily by Agency objectives for the Project Area, available revenues for funding projects and activities, and blighting factors to be eliminated within the Project Area.

The estimated Agency expenditures included in Table 2, next page, represent a *general* estimate based on reasonable assumptions regarding staff time, acquisition cost, and sundry costs for redevelopment activities over the first five years of the Implementation Plan. These expenditures do not include any offsetting revenues from the sale of Agency property or from any other major revenue sources such as sharing of gross sales proceeds on finished residential units. The table, however, does include more predictable revenue estimates, “Other Sources”, that include contributions from state and federal entities as well as developers. This table is general in nature since Agency expenditures and revenues are closely analyzed and reviewed in the City budget review process.

**Table 2**  
**Program Expenditures: 2011-2015**  
*Mission Street – Junipero Serra Blvd. Project Area*

	<i>Agency Share</i>	<i>Total Cost</i>	<i>Other Sources</i>	<i>Cost to Agency</i>
1. Planning	96%	\$ 315,000	\$15,000	\$ 300,000
2. Economic Development	97%	\$ 4,900,000	\$200,000	\$ 4,700,000
3. Building Rehab, Façade Improvement	94%	\$ 800,000	\$50,000	\$ 750,000
4. Circulation & Landscaping	87%	\$ 2,300,000	\$300,000	\$ 2,000,000
5. Public Facilities/Infrastructure	88%	\$ 2,400,000	\$400,000	\$ 2,000,000
6. Site Preparation & Development	95%	\$ 2,050,000	\$50,000	\$ 2,000,000
<b>Subtotal Non-Housing Project Costs</b>		<b>\$12,765,000</b>	<b>\$1,015,000</b>	<b>\$11,750,000</b>
7. Administration	100%	\$ 1,500,000	0	\$1,500,000
<b>Subtotal Non-Housing Costs</b>		<b>\$14,265,000</b>	<b>\$ 1,015,000</b>	<b>\$13,250,000</b>
8. Housing Program		\$ 5,500,000	\$2,000,000	\$ 3,500,000
<b>TOTAL COSTS:</b>		<b>\$19,765,000</b>	<b>\$3,015,000</b>	<b>\$16,750,000</b>

These costs are general estimates only and are subject to City budget review. They also do not include any offsetting revenues from the sale of acquired property or any sharing in the sales proceeds of the completed projects.

## **8. FIVE YEAR IMPLEMENTATION PLAN REVENUES**

Based on the tax increment projections presented in Table 3, the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area will generate over \$13.5 million in tax increment revenues for non-housing activities and administration during the five year Implementation Plan period (2011 to 2015).

Table 3 shows projected annual tax increment revenues available for non-housing projects and administration for the next five years of the Redevelopment Plan.

*Table 3*  
**Projected Tax Increment Revenues**  
**For Non-Housing Activities and Administration**  
**First Five Years (2010 through 2015)**  
**Mission/JS Project Area**

<b>Fiscal Year</b>	<b>Gross Tax Inc. Revenue</b>	<b>Non Housing &amp; Admin</b>
2011/12	\$3,266,000	2,612,800
2012/13	\$3,266,000	2,612,800
2013/14	\$3,298,660	2,638,928
2014/15	\$3,331,647	2,665,317
2015/16	\$3,364,963	2,691,970
<b>Total</b>	<b>\$ 16,527,270</b>	<b>\$13,221,815</b>

Source: Tax Increment Projections, Daly City Redevelopment Agency.

In addition to tax increment revenue, the Agency anticipates additional revenues of approximately \$ 4 million generated from land sales and shares of proceeds from real estate sales.

As indicated above, the Agency estimates expenditures of approximately \$13.2 million for non-housing activities and administration during the first five years and is projected to receive matching revenue (excluding Housing Set-Aside funds). Thus, tax increment revenues are projected to be sufficient to cover the Agency's planned expenditures for non-housing projects over the next five years of the Redevelopment Plan.

## **G. HOUSING COMPONENT OVERVIEW**

Sections G through L of this plan comprise the housing component of the Implementation Plan for the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area, and summarize the Agency's housing obligations pursuant to CRL Sections 33334.2, 33334.4, 33334.6, and 33341.3. These sections also provide an overall framework for the Agency's housing goals, policies and programs.

Section G describes statutory housing requirements. Building upon CRL requirements and background analysis, Section H outlines the Agency's proposed Housing Program over the five year Implementation Plan period as well as into the future. Section I describes the current five-year program of housing goals and activities. Section J addresses estimated Housing Set-Aside Fund revenues and expenditures. Section K describes how the Agency will comply with the CRL as it relates to housing production and Housing Set-Aside funds for the duration of the Redevelopment Plan. Lastly, Section L reviews how the Agency performed in comparison to the first Implementation Plan for the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area

### **1. REQUIREMENTS FOR AGENCY HOUSING ACTIVITIES**

The housing portion of an Implementation Plan sets forth specific goals and objectives in enough detail to measure performance. The CRL requires that an Implementation Plan include the following affordable housing planning components:<sup>1</sup>

- The total number of housing units projected to be developed, rehabilitated, price-restricted, assisted, or destroyed for three time periods: 1) on an annual basis for the next five years, 2) in aggregate for the second five years, and 3) in aggregate until the end of the Plan.
- A Housing Production Plan for the Project Area (the "AB 315 Plan").
- Identification of proposed locations for replacement housing, which the Agency would be required to produce if a planned project would result in the destruction of existing affordable housing.
- An explanation of how the goals, objectives, programs, and expenditures set forth in the Implementation Plan will implement the housing requirements of the CRL, including a housing program for each of the five years of the Implementation Plan.
- Estimates of deposits into the Housing Set-Aside Fund during the next five years and the Agency's plans for utilizing annual deposits to this fund.
- A description of how the Agency will comply with CRL affordable housing requirements for the duration of the Redevelopment Plan.

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<sup>1</sup> Affordable housing is defined in this chapter as housing which is affordable to households earning at or below 120 percent of median income for San Mateo County, assuming generally that 30 percent of household income is spent on housing. For 2010, 120% of median income for a 4-person family in SMC is \$119,300

## **2. AGENCY APPROACH TO MEETING HOUSING REQUIREMENTS**

The Agency intends to implement relevant goals, objectives, policies, strategies and programs from the General Plan Housing Element and Consolidated Plan in the Project Area.<sup>2</sup> The major goals of the Housing Program of the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project are:

- Encourage mixed commercial/residential use where appropriate.
- Expend housing funds in accordance with the CRL.
- Provide opportunities for affordable and market rate residential development, based on the CRL requirements for affordable housing.

From a regional housing needs perspective, the City has a shortage of housing and long waiting lists for below market rate (BMR) units. The Agency will promote the rehabilitation and new construction of market rate and BMR housing both within the Project Area and other parts of Daly City, in order to enhance the vitality of the area, and provide much needed housing.

One purpose of the residential development will be to implement a key provision of the CRL: the enhancement of housing opportunities for households earning at or below 120 percent of median income which is \$119,300 for a family of four in 2010 for Daly City. To the maximum extent possible the Agency will provide BMR units to Daly City residents in need of adequate housing at prices they can afford. The Agency will utilize at least 20 percent of all tax increment revenue allocated to the Agency to increase, improve and preserve Daly City's supply of housing available to such families.

The Agency plans to establish a range of housing programs which seek to enhance project design and leverage federal, state, local, and private funding sources to develop high quality, attractive, and affordable housing serving a diverse population. The funds directed toward this project will be used in a flexible manner in order to respond to favorable development opportunities.

The type of financial assistance to be provided may include cost write-down and gap financing to allow design enhancements, property acquisition, construction costs, predevelopment costs, and permit fees. Appropriate uses of these funds include new affordable rental and ownership housing construction, and assistance to homebuyers with acquiring affordable housing.

The most likely sites for construction of new housing in the Mission/J.S. area include vacant and underutilized parcels along Mission Street. The Agency has identified mixed-use development as one preferred development type. This would include projects featuring commercial uses on the ground floor, with residential units above.

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<sup>2</sup> The Housing Element of the General Plan is currently being updated. It identified the city's general housing needs, and the objectives and priorities to guide planning decisions and policies. The HUD Five Year Consolidated Plan was approved by the City Council in April 2008. It established housing, community developments, and emergency shelter goals for the City.

## a. **Statutory Requirements for Housing**

1. This section summarizes the Agency's housing requirements under the CRL, and provides background information and analysis regarding housing needs and conditions in the Project Area and the overall community. The major statutory requirements for affordable housing imposed on redevelopment agencies by the CRL may be categorized generally as:

- *Inclusionary Housing Requirement (Section 33413). Agencies must make available specified minimum percentages of new or substantially rehabilitated housing units in a Project Area at a legally defined affordable housing cost.*<sup>3</sup>
- *Housing Fund Requirement (Section 33334.2). Agencies are required to expend specified percentages of tax increment revenue for the provision of affordable housing.*
- *Replacement Housing Requirement (Section 33413). Agencies must replace within four years, housing units removed from the housing stock as a result of redevelopment activities.*

*These three requirements are described in greater detail in the following three sections. Relevant section references to the CRL are included in parentheses.*

### **3. INCLUSIONARY HOUSING REQUIREMENT**

As part of the Implementation Plan, the Agency must adopt a plan showing how it intends to meet its housing production requirement (the "Housing Production Plan"). The plan must be consistent with the community's housing element (the Housing Element), and must cover the following time periods:

- Production over the next five years.
- Production over the next ten years.
- Production through the life of the Plan.

The plan includes estimates of the number of residential units, which will be developed or substantially rehabilitated within a Project Area, and the number of affordable housing units at any location in the City, which will be developed in order to meet the requirements of the CRL. Additionally, the plan contains estimates of the number of units the Agency itself will develop during the time period of the plan, including the number of affordable housing units. The plan must be reviewed every five years in conjunction with the update of a community's housing element or with the Implementation Plan cycle. Section I of this chapter contains the Agency's Housing Production Plan for the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area. (Section 33413.(b)).

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<sup>3</sup> The CRL defines –substantially rehabilitated as rehabilitation of any multifamily rental unit or any single family Agency-assisted housing unit which has increased in value by at least 25 percent of the after-rehabilitation value of the dwelling (values include the value of the land).

**a. Agency Developed Housing**

The CRL affordable housing inclusionary production obligation requires that the equivalent of at least 30 percent of all new or substantially rehabilitated dwelling units developed directly by an agency be available at affordable housing costs to persons and families of very low, low, or moderate income. Of those units, at least 50 percent must be affordable to very low-income households. The 50 percent requirement translates to 15 percent of the total number of units developed or rehabilitated by an agency (50 percent of 30 percent equals 15 percent). This requirement applies only to units developed by an agency and does not apply to units developed by housing developers pursuant to agreements with an agency. (Section 33413.(b)(1).) This production requirement will not apply to the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area unless the Agency directly develops units in the Project Area.

**b. Housing Not Developed by the Agency**

When dwelling units are developed or substantially rehabilitated in a Project Area by public or private entities other than a redevelopment agency, including entities receiving agency assistance, at least 15 percent of these units must be affordable to very low, low, or moderate income households. Six percent of the total number of units developed or substantially rehabilitated must be available to very low-income households. Below are listed current qualifying income limits for a four-person family in these categories. The Agency anticipates that at least 6% of the substantially rehabilitated units within the Project Area will be occupied by families qualifying for agency assistance under these income limits.

**4. HOUSING FUND REQUIREMENT**

The CRL requires an agency to set aside in a separate Low and Moderate Income Housing Fund (the Housing Set-Aside Fund) at least 20 percent of all tax increment revenue generated from its Project Areas. The funds must be used for the purpose of increasing, improving, and preserving the community’s supply of affordable housing. Such housing must be available at affordable housing cost to persons and families of very low, low, or moderate income. These funds may be applied towards low/moderate income housing developed at any location within city limits. (Sections 33334.2 and 33334.3). For Daly City, the Housing Set-Aside funds represent 75 percent of all funds available for affordable housing and that percentage share is likely to increase as the increment increases and federal funds decline.

**a. Fund Targeting: Income Levels and Affordable Housing Cost**

Daly City’s Housing Set-Aside Fund moneys are targeted to the following specific income levels:<sup>4</sup>

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<sup>4</sup> The Health and Safety Code defines low and moderate income in Section 50093, low income in Section 50079.5, and very low income in Section 50105.

**Table 4**  
**2010 Daly City Income Definitions**

<b>Income Category</b>	<b>Definition</b>	<b>Maximum Income (Household of 4)</b>
Very Low	Incomes up to 50% of area median income, adjusted for family size.	\$53,750
Low	Incomes typically from 50% up to 80% of area median income, adjusted for family size. <sup>5</sup>	\$86,000
Moderate	Incomes typically from 80% up to 120% of area median income, adjusted for family size. <sup>6</sup>	\$119,300

Table 5 shows the maximum income limits for each income level by household size for 2010 in Daly City and San Mateo County. These income limits were published by the State of California Department of Housing and Community Development (HCD) utilizing income limits prepared by the U.S. Department of Housing and Urban Development (HUD).

**Table 5**  
**2010 Daly City Maximum Incomes**  
**By Income Category and Household Size**

<b>Income Category</b>	<b>Household Size</b>							
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>1. Very Low</b>	\$37,650	\$43,000	\$48,400	\$53,750	\$58,050	\$62,350	\$66,650	\$70,950
<b>2. Lower</b>	\$60,200	\$68,800	\$77,400	\$86,000	\$92,900	\$99,800	\$106,650	\$113,500
<b>3. Median</b>	\$69,600	\$79,500	\$89,450	\$99,400	\$107,350	\$115,300	\$123,250	\$131,200
<b>4. Moderate</b>	\$83,500	\$95,450	\$107,350	\$119,300	\$128,850	\$138,400	\$147,950	\$157,500

Source: State of California, Department of HCD, June 2010

Housing assisted by Housing Set-Aside Fund moneys must be available at an affordable housing cost in accordance with the CRL. Table 6 shows the affordable housing cost definitions by income level and tenure. Table 7 shows the affordable monthly housing cost corresponding to each income level applicable to the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area.

Measure of income and housing cost for Daly City tend to be skewed by other, wealthier communities included in the group from which ‘averages’ are drawn. For this reason the Agency needs to continue to be sensitive to the needs of Daly City residents specifically.

<sup>5</sup> In any given year the definition can be different; income limits are published by California’s Department of Housing and Community Development based on data published by the U.S. Department of Housing and Urban Development (HUD) pursuant to Health and Safety Code 50079.5.

<sup>6</sup> In any given year the definition can be different; income limits are published by the state’s Department of Housing and Community Development based on data published by the U.S. Department of Housing and Urban Development (HUD) pursuant to Health and Safety Code 50093.

**Table 6**  
**Affordable Housing Cost**

Income Level	Rental Housing <sup>7</sup>		Ownership Housing	
	% Income Spent on Housing	% of Area Median Income	% Income Spent on Housing	% of Area Median Income
Very Low	30 percent	50 percent	30 percent	50 percent
Low	30 percent	60 percent	30 percent	70 percent
Moderate	30 percent	110 percent	35 percent <sup>8</sup>	110 percent

Source: California Health and Safety Code, Sections 50052.5 and 50053

**Table 7**  
**2010 Income Limits and**  
**Corresponding Affordable Monthly Housing Cost for Typical Units**  
**Daly City**

Income Level	Annual Income		Affordable Monthly Housing Cost*	
	2BR	3BR	2BR	3BR
	Family of 3	Family of 4	Family of 3	Family of 4
Very Low	\$48,400	\$53,750	\$1,210	\$1,344
Lower	\$77,400	\$86,000	\$1,935	\$2,150
Median	\$89,450	\$99,400	\$2,236	\$2,485
Moderate	\$107,350	\$119,300	\$2,684	\$2,982

Source: State of California, Department of HCD, June 2010

\* California Redevelopment Law states that affordable monthly rental housing cost cannot exceed 30% of annual income distributed over 12 months, (35% for certain owner-occupied lower income units.)

**b. Provision of Housing According to Need**

Over the life of a redevelopment plan, agency financial assistance that is not being provided by other governmental programs must be provided at minimum in proportion to housing need by income level. The proportion is calculated based on the number of housing units needed for very low income, low and moderate income households divided by the total number of units needed for all three income levels. (Section 33334.4).

The Association of Bay Area Governments (ABAG) sets forth the affordable housing need for the City in the City's regional fair share allocation. Table 8 shows the fair share allocation and

<sup>7</sup> Rental housing costs include utility costs. Affordable housing costs are adjusted by family size.

<sup>8</sup> But not less than 28 percent of actual income.

the targeting objective currently applicable to the Daly City Redevelopment Agency for housing affordable to persons at or below 120 percent of median income. The Agency will use the Housing Set-Aside Fund to meet these needs where feasible.

**Table 8**  
**ABAG Regional Fair Share Allocations**  
**Affordable Housing Need by Income Category**  
**Daly City**

<b>Income Category</b>	<b>Units Needed</b>	<b>% Share</b>
Extremely Low <sup>9</sup>	120	17.1%
Very Low	121	17.3%
Low	121	17.3%
Moderate	338	48.3%
Subtotal	700	100%
Above Moderate	507	
Total	1,207	

Sources: ABAG Regional Housing Needs Allocation for Daly City, Draft City Housing Element (updated in 2009) for housing production from 2009-2014.

The Agency will provide financial assistance in proportion to the need, based on fair share units needed shown in the second column of Table 8. In other words, at least 35 percent of funds will be spent on units affordable to very low income households, at least 17 percent will be spent on units affordable to low or very low income households, and no more than 48 percent will be spent on units affordable to households with moderate incomes.

The CRL also requires that moneys in the low and moderate income housing fund be expended to assist housing that is available to all persons regardless of age in at least the same proportion as the population under 65 years bears to the total population of the community as reported in the most recent census of the United States Census Bureau. Table 9 provides an overview of Daly City population distributed by age and documents that at least 88 percent of Agency housing funds should be spent on housing that is available to all persons regardless of age.

**Table 9**  
**Daly City 2000 Population Under the Age of 65**

Total Population	103,621
Population Under 65	91,135
Percent of Population Under 65	87.95%

Source: U.S. Census 2000

More recent census data, specifically the 2006-2008 American Community Survey, estimates that that this percentage has remained about the same.

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<sup>9</sup> Extremely low is defined as household income less than 30% of area median income.

### **c. Duration of Affordability**

The CRL requires the placement and recordation of affordability controls on any new or substantially rehabilitated housing assisted by Housing Set-Aside Fund moneys. These controls on assisted housing units require that the units remain affordable for the longest feasible time, but not less than certain minimum time periods. The minimum periods of affordability are 55 years for rental housing and 45 years for owner-occupied housing, with a shorter duration permitted if an agency recoups its Housing Set-Aside Fund investment when an assisted owner-occupied unit is sold at a non-affordable price or to a non-qualifying buyer (Section 33334.3).

## **5. REPLACEMENT HOUSING REQUIREMENT**

The Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project anticipates the destruction or removal of very few housing units. CRL requires that the Implementation Plan address the replacement-housing requirement for the Agency. When residential units sheltering households earning at or below 120 percent of median income are destroyed or removed, or are no longer affordable due to agency action, an agency must replace within four years those units with an equal number of replacement units which have an equal or greater number of bedrooms. (Section 33413.) At least thirty days prior to acquiring property or adopting an agreement that will lead to the destruction or removal of low and moderate income housing units, an agency must adopt by resolution a replacement housing plan that generally describes the location, timing, and method by which replacement housing will be provided. (Section 33413.5)

Replacement units may be located anywhere within the territorial jurisdiction of the agency. An agency may either construct replacement housing, or cause housing to be constructed through agreements with housing developers. The basic income and affordability standards for replacement housing are the same as those for use of Housing Fund moneys (described below). The units must be available at affordable housing cost to households of low and moderate income. In addition, the CRL requires that 100 percent of the replacement units be available at affordable housing cost to the same income level of households as were displaced from the units removed or destroyed

Replacement housing must remain affordable for the longest feasible duration, and for at least as long as the land use controls of the redevelopment plan remain in effect. The affordability controls on such units must be made enforceable by recorded covenants or restrictions.

## **H. HOUSING PRODUCTION PLAN**

In summary, the Agency plans to meet its housing production requirement through new construction and acquisition/rehabilitation of rental units. According to Table 10, the Agency anticipates that 108 housing units will be built or substantially rehabilitated in the Project Area between 2011 and 2015, which will generate a housing production requirement of 17 affordable units. Of these, 9 must be occupied by households with very low incomes and 17 will be occupied by households with very low, low and moderate incomes (see Category 2 Table 5).

The Agency anticipates that approximately 40 units affordable to very low-income households and 14 units affordable to moderate income households will be developed in the project area by non-Agency interests between 2011 and 2015 (Category 3 in Table 5)

It is further anticipated that development of about 76 affordable housing units outside of the Project Area will occur during the next 5 years. Of these, 60 will be affordable to households of very low income and 16 will be made available to moderate income households. (See Category 4 in Table 5). The CRL allows the Agency to count half of these, or 38, toward the Mission/J.S. Project Area's housing production obligation.

Thus, through housing development activities inside (54 units) and outside (38 units) the project area and through housing rehabilitation activities, the Agency will exceed its affordable housing production obligation (17 units) the Mission/J.S. area during the next five years of the Plan.

## **1. HOUSING PRODUCTION (2011 THROUGH END OF REDEVELOPMENT PLAN)**

The Agency projects that a total of 338 new or substantially rehabilitated housing units will be developed in the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area over the next 16 years (see Table 10).

### Production (2011 through 2015)

Over the next five years, the Agency anticipates that approximately 108 new housing units could be developed in the Project Area.

### Production (2016)

For the year 2016, the Agency anticipates that approximately 30 new housing units could be developed and about one unit could be substantially rehabilitated in the Project Area.

## **2. HOUSING PRODUCTION OBLIGATION (2011 THROUGH 2016)**

### **a. New and Substantial Rehabilitation Unit Obligation**

Based upon the forecasted 138 new and substantially rehabilitated housing units in the Project Area between 2011 and 2016 in Table 10, the Agency would have an obligation to ensure that a total of 22 new affordable units are developed. Of these, 12 units must be made available at affordable housing cost to very low-income households. This housing obligation would be met by new construction as well as acquisition and rehabilitation of existing housing both inside and outside of the project area.

### **b. Replacement Obligation**

For the years 2011 through 2016, it is anticipated that no housing units will be destroyed or removed within the project area. Therefore, the Agency will have no replacement obligation.

**c. Meeting the Housing Production Requirement**

The production requirement can also be met by developing affordable housing outside of the Project Area; however, the requirement is doubled to 30 percent. For the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area, if 120 affordable units were developed outside of the Project Area, a total of 60 units would be counted towards the housing obligation between the years 2011 and 2020.

It is expected that approximately 88 units of affordable housing will be developed using this method between the years 2011 and 2015. Therefore, 44 of these units would count towards meeting the Agency's housing production obligation. Both within and outside the Project Area, housing production will be accomplished with the creation of units affordable to units affordable to households with incomes meeting the income limits described above.

Table 10 shows how the Agency *anticipates meeting its housing production requirement over the life of the Plan.*

**Table 10**  
**Housing Production Obligation**  
**5-Year & Life of Plan**  
**(2011-2015, 2016)**  
**Mission Street-Junipero Serra Blvd. Redevelopment Project Area**

	2010-15 *	2016	Total	%
<b>1. Housing Production</b>				
<i>New Units</i>	108	30	138	
<i>Substantial Rehab</i>	0	1	1	
<i>Subtotal</i>	108	31	139	
<b>2. CRL Housing Production Requirement</b>				
<i>Very Low</i>	9	3	12	9%
<i>Very Low, Low or Mod</i>	17	5	22	16%
<i>Subtotal</i>	17	5	22	16%
<b>3. Proposed Units in Redevelopment Area Meeting CRL Requirements</b>				
<i>Very Low</i>	40	2	42	30%
<i>Very Low, Low or Mod</i>	54	5	59	42%
<i>Subtotal</i>	54	5	59	42%
<b>4. Proposed Units Outside of Redevt. Area Meeting CRL Requirements<sup>10</sup></b>				
<i>Very Low</i>	60	10	70	
<i>Very Low, Low or Mod</i>	76	12	88	
<i>Subtotal</i>	76	12	88	
<b>5. Proposed Units Outside of Redevt. Area Meeting CRL Requirements and counted toward Project Area production requirements</b>				
<i>Very Low</i>	30	5	35	
<i>Very Low, Low or Mod</i>	38	6	44	
<i>Subtotal</i>	38	6	44	
<b>6. Total Remaining Obligation (Surplus)</b>				
<i>Very Low</i>	(61)	(4)	(65)	
<i>Very Low, Low or Mod</i>	(75)	(6)	(81)	
<i>Subtotal</i>	(75)	(6)	(81)	

<sup>10</sup> The CRL allows the Agency to count one half of the units developed outside of the redevelopment project area toward the Mission/J.S. Project Area's housing production obligation.

# **I. HOUSING OBJECTIVES AND PROGRAMS**

## **1. HOUSING ACTIVITY GOALS AND OBJECTIVES**

In addition to discussion of an agency's progress in meeting its specific affordable housing obligations under the CRL, an Implementation Plan must set forth the agency's goals and objectives for affordable housing every five years.

During the next five years of the Redevelopment Plan from 2011 through 2015, the Agency will concentrate on achieving those goals that are most applicable to the Agency's affordable housing activities, as well as the objectives articulated by the Housing Element of the City's General Plan and the Consolidated Plan.

The Agency is committed to assisting the City in achieving the goals and objectives presented in the Housing Element. The overall goal of the Housing Element states:

*It is vitally important that locally responsible government institutions give priority attention to preserving and enhancing Daly City's stable residential environment, so persons of all ages, races, and incomes can choose to live here in safe, attractive and affordable housing.*

In addition, the Agency will further the individual objectives of housing rehabilitation, housing conservation, and new construction.

## **2. HOUSING PROGRAM**

The Agency's Housing Program complies with Housing Element goal and objectives set forth above. The Agency will refine these programs to assist in providing high quality, attractive, affordable housing serving a diverse population.

The Agency's funds will be used in a flexible manner to respond to favorable development opportunities. The type of financial assistance to be provided may include cost write-down and gap financing for projects utilizing federal and state funds, as well as loans for property acquisition, development renovation, on- and off-site improvements, predevelopment costs, and development fees. In carrying out its purpose to increase the housing supply, the Agency may use the following:

- Acquire land or building sites.
- Improve land or building sites with on-site or off-site improvements.
- Donate land to public or private entities.
- Finance insurance premiums pursuant to CRL Section 33136.
- Construct buildings or structures.

- Provide subsidies to, or for the benefit of, persons or families of very low, low, or moderate income.
- Develop plans, pay principal and interest on bonds, loans, advances or other indebtedness, or pay financing or carrying charges.
- Require the integration of affordable housing units with units developed for market rate housing.
- Assist the development of affordable housing by developers.

### **3. PROPOSED ANNUAL HOUSING ACTIVITIES – CURRENT FIVE YEAR PERIOD (2011-2015)**

The Agency recognizes the important role of housing programs and activities in its Redevelopment Program. Consequently, the proposed Housing Program should not be viewed simply as an implementation procedure for the Agency’s stated goals and objectives related to affordable housing, but as a key element in its overall revitalization efforts. Through the annual budgeting process, the Agency will translate the housing objectives and programs described in this chapter into specific budget expenditures using the limited Housing Set-Aside Fund deposits that are expected during the current five-year Implementation Plan period from 2011 through 2015.

#### **Schedule for Annual Unit Production**

The CRL requires that the Agency formulate annual housing production goals over the current five-year period. The annual production goals are targets that the Agency has established. The Agency expects to take advantage of opportunities as they are presented and to initiate actions as necessary, consistent with the CRL and the City’s Housing Element, to preserve and facilitate the development of affordable housing for households whose basic needs are not met by the private housing market. The Housing Program for the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area will focus on new construction, rehabilitation of existing housing, and possibly, implementation of a first time homebuyer program.

#### **New Construction**

The Agency and City will work with developers, both nonprofit and for-profit, to identify underutilized properties in the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area. During this five-year planning period (2011-2015), it is estimated that 108 new housing units could be developed in the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area. A minimum of 15 percent of total number new units will be made available to low and moderate income households. Housing set-aside funds will be used to ensure financial feasibility of affordable units and might be offered in the form of developer subsidies or down payment assistance to lower income first time homebuyers. The Agency will implement homebuyer education activities in conjunction with all developments that provide ownership units for lower income households.

### Housing Rehabilitation Program

During 2011 through 2026, the Agency will offer housing rehabilitation assistance to an estimated ten Mission/J.S. homes as well as for rental housing that is occupied by households with incomes within the limits specified in Table 5. Utilizing Housing Set-Aside Funds, this program will provide low interest loans for housing rehabilitation activities such as roofing, floor coverings, painting, termite repairs, electrical upgrades, plumbing, heating and general property clean-up. Agency staff will be available to assist program participants in all phases of the rehabilitation process including property inspection, development of work specifications, contractor selection, construction administration, and contractor payment.

### First-Time Homebuyer Program

The Agency will assist low and moderate-income first-time homebuyers to purchase homes in the Project Area through the use of Housing Set-Aside Funds. The Agency will accomplish this goal by offering incentives to developers of new housing to include affordable units in the development.

### Acquisition and Rehabilitation Program

Housing Set-Aside might be utilized to assist developers undertaking an acquisition/rehabilitation project. The acquisition and rehab of 20 housing units could require approximately \$1.5 million in subsidies which could be funded with Housing Set-Aside as well as CDBG funds, HOME funds and/or tax credit equity.

At this time, based on information and opportunities known to date, the Agency plans to achieve the following annual housing goals within the Project Area.

Through the Year 2015:

- Work with private to developers to facilitate construction of 108 units in the Project Area with at least 15% for low and very low-income households. The Agency estimates that it will be able to provide financial assistance or otherwise assist in the development of approximately 54 units affordable to low and moderate income households units within the project area between 2011 and 2015.
- Utilize RDA funds and other resources to subsidize development of 76 affordable housing units on or near key transit corridor sites outside the redevelopment project area. These developments will include (1) development of approximately 35 condominium units at 7555 Mission Street for very low income households and development of other underutilized parcels near the Colma and John Daly BART stations and acquisition/rehabilitation of existing rental units.
- Work with non-profit developers to complete acquisition/rehabilitation of 20 rental units for very low income households.

**2011**

- Facilitate completion and sale of 14 affordable units within the Landmark development
- Acquisition/Rehab of 10 units targeted to very low income households.

**2012**

- Provide predevelopment assistance for development of 40 new rental units.

**2013**

- Provide construction subsidies for 40 new affordable rental units

**2014**

- Provide assistance for two housing rehabilitation loans for income eligible homeowners.

**2015**

- Acquisition/Rehab of 10 units targeted to very low income households.

**J. HOUSING PROGRAM REVENUES AND EXPENDITURES**

**1. HOUSING SET-ASIDE FUND**

The primary funding source for the Agency’s housing activities will be the 20 percent portion of annual tax increment revenue deposited by the Agency into its Housing Set-Aside Fund. Table 11 shows the estimated deposits into the Housing Set-Aside Fund. The housing funds balance for the Mission Street-Junipero Serra Blvd Commercial Business District Redevelopment Project Area at the beginning of 2011-15 implementation plan was \$720,977. The Agency projects that it will deposit approximately \$3,305,454 into the Housing Set-Aside Fund in the next five years.

**Table 11  
Deposits to Housing Set-Aside Fund - 2011 to 2015  
Mission Street-Junipero Serra Blvd Commercial Business District  
Redevelopment Project Area**

<b>Fiscal Year</b>	<b>Dollars</b>
2011/12	\$653,200
2012/13	\$653,200
2013/14	\$659,732
2014/15	\$666,329
2015/16	\$672,993
<b>Total</b>	<b>\$3,305,454</b>

Source: Daly City Redevelopment Agency.

## **2. ESTIMATED HOUSING SET-ASIDE FUND EXPENDITURES 2011-15**

Table 12 shows estimated Agency affordable housing expenditures of approximately \$3.5 million during the next five years and approximately \$3.3 million in tax increment revenues, leaving negative net fund balance in 2015.

**Table 12**  
**Estimated Housing Fund Deposits and Expenditures**  
**2011 to 2015**

**Mission St.-Junipero Serra Blvd. Commercial Business Dist. Redevelopment Project Area**

<b>Year</b>	<b>Deposits to Housing Set-Aside Fund</b>	<b>Total Planned Expenditures</b>
2011	\$653,200	\$ 750,000
2012	\$653,200	\$ 250,000
2013	\$659,732	\$ 1,500,000
2014	\$666,329	0
2015	\$672,993	\$ 1,000,0000
<b>Five Year Total</b>	<b>\$3,305,454</b>	<b>\$3,500,000</b>

The Agency targets its Housing Set-Aside Fund for specific income groups as required by the CRL. The Agency will make every effort to encourage the development of housing affordable to a variety of income levels, with special emphasis on very low and low-income households. By combining various funding sources, and in partnership and collaboration with others dedicated to the development of affordable housing, the Agency is confident it will be able to meet its housing production obligations within the next ten years.

The Agency will provide financial assistance in proportion to community needs based on percentage shares shown in the “required share” column of Table 13. In other words, at least 35 percent of funds will be spent on housing affordable to very low income households, at least 17 percent will be spent on housing affordable to low income households, and no more than 48 percent will be spend on housing affordable to moderate income households. The Agency estimates that 100 percent of housing set aside funds will be spent on housing affordable to very low-income households during the years 2011 through 2015. One hundred percent of these units will be available to households with children.

**Table 13**

**Housing Set-Aside Fund Distribution by Income Category  
Five-Year Period (2011-15)  
Mission Redevelopment Project Area**

	<b>Required Share <sup>1</sup></b>	<b>Proposed Share</b>	<b>Proposed Tax Increment Funds</b>
Very Low	35%	100%	\$3,500,000
Low	17%	0%	0
Moderate	48%	0%	0
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>\$3,500,000</b>

(1) Proportional share required under CRL3334.4 and consistent with regional housing needs as documented in City of Daly Housing Element.

Table 14 shows Housing Fund expenditures by income category over the next five years and the approximate number of households that will be assisted.

**Table 14  
Number of Households Assisted by Income Category  
Housing Set-Aside Fund Expenditures  
Mission Redevelopment Project Area  
(2011-15)**

<b>Income Category</b>	<b>Set-Aside Expenditures</b>	<b>Households Assisted</b>
Very Low	\$3,500,000	30
Low	0	0
Moderate	0	0
	\$3,500,000	30

The Agency will combine the Housing Set-Aside Fund revenue from the Redevelopment Project Area with other funding sources devoted to the provision of affordable housing. These other funding sources include, but are not limited to, Housing Set-Aside funds from other Project Areas, Community Development Block Grant (CDBG) funds, Home Investment Partnership (HOME) funds, California Housing Finance Agency (CalHFA) assistance, the State’s Department of Housing and Community Development (HCD) programs, low income housing tax credit equity funds, and other creative financing options such as private sector or foundation contributions.

In conclusion, the Agency’s goals will meet its CRL affordable housing production requirements in the next five years of the Implementation Plan. The housing production requirements will be met by affordable units assisted outside the Project Area as well as inclusionary housing within the Project Area. Furthermore, in accordance with CRL, the Agency is proposing to assist in the

development of units and spend Housing Set-Aside Funds by income category in accordance with need from 2010 to 2015.

## **K. AGENCY COMPLIANCE WITH CRL HOUSING REQUIREMENTS THROUGH END OF PLAN**

The Agency will comply with CRL housing requirements through the end of the Redevelopment Plan by continuing to meet housing production and replacement requirements and using at least 20 percent of tax increment revenues for the purpose of increasing, improving and preserving the community's supply of affordable housing.

## **L. REVIEW OF PREVIOUS IMPLEMENTATION PLAN**

In July, 2007, the Agency adopted an updated five-year plan for the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project Area. In accordance with Section 33490.2(C)(iv), the Agency shall report on the following topics regarding the previous Implementation Plan:

- 1) amount of Housing Set-Aside Funds utilized to assist units affordable to, and occupied by, extremely low, very low, and low income households
- 2) number, location, level of affordability of units newly constructed with other locally controlled government assistance and without Agency assistance and that are required to be affordable to, and occupied by, persons of extremely low, very low, or low income for at least 55 years for rental housing or 45 years for homeownership housing
- 3) amount of Housing Set-Aside Funds utilized to assist housing units available to families with children, and the number, location and level of affordability of those units.

During the 2006-10 Implementation Plan period the Agency utilized housing set-aside funds for site acquisition, consultant fees and for relocation. Specifically, the Agency acquired property needed for the Landmark development as well as the 31,000 square foot site located at 7555 Mission Street.

Table 15 below summarizes Housing Set-Aside expenditures for the years 2006 through 2010 by income level. .

Significant affordable housing accomplishments associated with the Mission Junipero Serra Redevelopment Project during the 2006-10 Implementation Plan include completion of the two ownership units by Habitat for Humanity at the former Parkview Clubhouse site and near completion of 14 BMR units within the Landmark Development. Both of these projects will

have 45-year affordability periods, memorialized with recorded affordability covenants. In addition, both of these projects are available to families with children.

**Table 15**  
**Mission St.-Junipero Serra Blvd. Commercial Business Dist. Redevelopment Project**  
**Housing Set-Aside Revenues and Expenditures (Fiscal – 2006-10)**

<b>FY</b>	<b>Housing Set-Aside Revenue</b>	<b>Housing Funds Expended</b>
05-06	\$ 547,172	\$ 3,890,365 <sup>1</sup>
06-07	\$ 640,844	\$ 0
07-08	\$ 755,966	\$ 0
08-09	\$ 660,220	\$ 0
09-10	\$ 603,763	\$ 29,894 <sup>2</sup>
<b>TOTAL</b>	<b>\$ 3,207,965</b>	<b>\$ 3,920,259</b>

- 1) Acquisition of Sofos (Landmark) property and 7555 Mission Street
- 2) Consultant fee for development of Landmark homebuyer program

Table 16 shows annual housing set aside fund expenditures for 2006-10 by income category.

**Table 16**  
**Mission St.-Junipero Serra Blvd. Commercial Business Dist. Redevelopment Project**  
**Housing Set-Aside Expenditures by Income Category**  
**(Fiscal 2006-10)**

<b>Year</b>	<b>Income</b>	<b>Category</b>		
		<b>Very Low</b>	<b>Low<sup>1</sup></b>	<b>Moderate</b>
<b>FY</b>				
05-06		\$3,010,365		\$880,00
06-07				
07-08				
08-09				
09-10		\$3,010,365		\$ 29,894

Table 17 shows the percentage of housing set-aside funds expended by income category and indicates that the Agency spent the required share of 35 percent of housing set-aside revenue for housing units affordable to very low-income households. Overall, during the ten-year period of 2006 through 2010, a total of \$3.0 or 77 percent of total tax increment expenditures was spent on the development of housing units affordable to households at or below the “very low” income definition described above.

**Table 17**

**Mission Street-Junipero Serra Blvd Commercial Business District  
Housing Set-Aside Distribution by Income Category (Fiscal – 2006-10)  
Target vs. Actual**

	Target %	Expended	Actual % of Expended Funds
Very Low	33%	\$3,010,365	77%
Low	29%	\$0	0%
Moderate	38%	\$909,894	23%
Total	38%	\$3,920,259	100%
TOTAL HOUSING FUND REVENUE 2006-10 = \$3,207,965			

## **M. IMPLEMENTATION PLAN CONCLUSION**

This Five-Year Implementation Plan describes specific goals and objectives of the Daly City Redevelopment Agency, specific proposed programs including potential projects, estimated expenditures proposed to be made during the next five years, and an explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the project areas and implement the Affordable Housing Set-Aside Fund. This Implementation Plan conforms to the requirements of the California Community Redevelopment Law and is intended to be used as a flexible guide used to respond to changing market conditions and the current policies of the Redevelopment Agency.

ATTACHMENT 2 VALUATION ANALYSIS

## Valuation Analysis - Property #5

City of Daly City as Successor Agency to Former Redevelopment Agency

Long-Range Property Management Plan dated March 2015

Subject Property	City	# Units	Lot Size (Acres)
Abbot Avenue Apartments - 260 Abbot Ave	Daly City	5 DU	0.06 AC

Comparable Sales (Attached)	City	Sale Date	Sale Price	# Units	Lot Size (Acres)	Price / Unit
1) 689a Lisbon Street	San Francisco	10/30/2014	\$220,000	3 DU	0.06 AC	\$73,333 / DU
2) 115 Hearst Avenue	San Francisco	10/3/2014	\$940,000	5 DU	0.08 AC	\$188,000 / DU
3) 192 196 Laidley Street	San Francisco	8/15/2014	\$400,000	4 DU	0.19 AC	\$100,000 / DU
4) 192 196 Laidley Street	San Francisco	7/23/2014	\$516,000	4 DU	0.19 AC	\$129,000 / DU
5) 222 Plymouth Avenue	San Francisco	6/3/2014	\$750,000	4 DU	0.14 AC	\$187,500 / DU
6) 68 Cayuga Ave	San Francisco	12/24/2013	\$235,000	2 DU	0.06 AC	\$117,500 / DU
7) 192 196 Laidley Street	San Francisco	10/29/2013	\$612,000	4 DU	0.19 AC	\$153,000 / DU
8) 192 196 Laidley Street	San Francisco	10/29/2013	\$440,000	4 DU	0.19 AC	\$110,000 / DU
9) 345 Esplanade Avenue	Pacifica	9/25/2013	\$333,000	4 DU	0.18 AC	\$83,250 / DU
10) 187 189 Lee Avenue	San Francisco	8/28/2013	\$563,000	3 DU	0.04 AC	\$187,667 / DU
11) 44 2nd Avenue	Daly City	6/28/2013	\$756,500	4 DU	0.06 AC	\$189,125 / DU
12) 227 Brighton Road	Pacifica	6/24/2013	\$585,000	4 DU	0.14 AC	\$146,250 / DU
13) 542 544 London Street	San Francisco	6/10/2013	\$328,000	2 DU	0.06 AC	\$164,000 / DU
14) 311 Spruce Avenue	South San Francisco	6/5/2013	\$400,000	2 DU	0.13 AC	\$200,000 / DU
<b>Average</b>			<b>\$505,607</b>	<b>4 DU</b>	<b>0.12 AC</b>	<b>\$144,902 / DU</b>

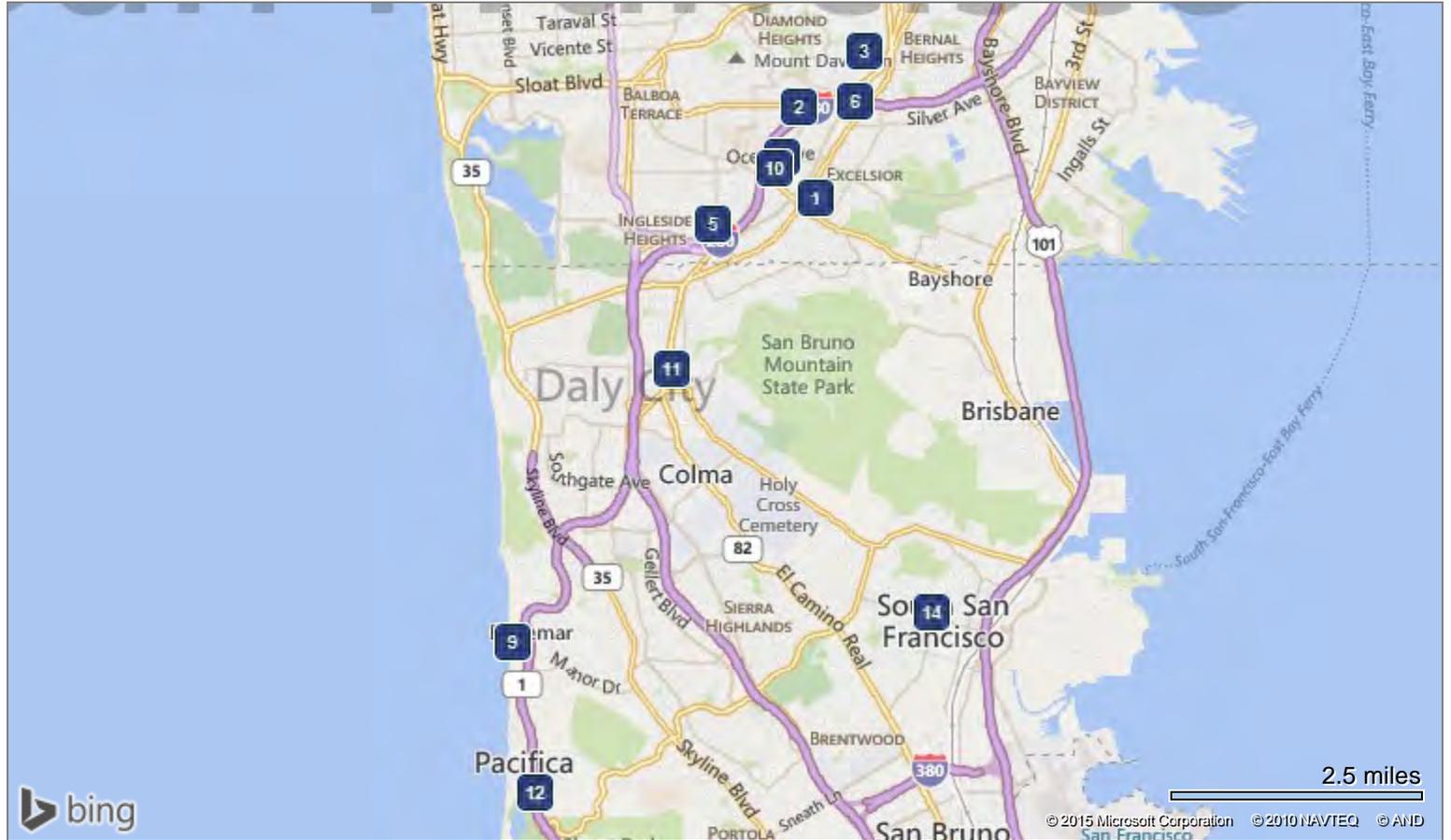
Preliminary Subject Valuation	
Subject Property Size	5 DU
Average Comparable Price / Acre	\$144,902 / DU
Subject at Average Price / Acre	\$724,509
Discount for affordable housing covenant income constraints	(50%)
<b>Adjusted Value</b>	<b>\$362,254</b>

### Notes:

Sample Set = 2-5 unit multifamily sales within last 2 years within 5 miles of Site

## Sale Map w/ Line Item Report for Multifamily Properties

### Map



Property Address	Sale Date	Sale Price	Property Type	Subtype
1 689a Lisbon Street San Francisco, CA	10/30/2014	\$220,000 (\$73,333.33/Unit)	Multifamily	Duplex/Triplex/Fourplex
2 115 Hearst Avenue San Francisco, CA	10/03/2014	\$940,000 (\$188,000/Unit)	Multifamily	Duplex/Triplex/Fourplex
3 192 196 Laidley Street San Francisco, CA	08/15/2014	\$400,000 (\$100,000/Unit)	Multifamily	Duplex/Triplex/Fourplex
4 192 196 Laidley Street San Francisco, CA	07/23/2014	\$516,000 (\$129,000/Unit)	Multifamily	Duplex/Triplex/Fourplex
5 222 Plymouth Avenue San Francisco, CA	06/03/2014	\$750,000 (\$187,500/Unit)	Multifamily	Duplex/Triplex/Fourplex
6 68 Cayuga Ave San Francisco, CA	12/24/2013	\$235,000 (\$117,500/Unit)	Multifamily	Duplex/Triplex/Fourplex
7 192 196 Laidley Street San Francisco, CA	10/29/2013	\$612,000 (\$153,000/Unit)	Multifamily	Duplex/Triplex/Fourplex
8 192 196 Laidley Street San Francisco, CA	10/29/2013	\$440,000 (\$110,000/Unit)	Multifamily	Duplex/Triplex/Fourplex
9 345 Esplanade Avenue Pacifica, CA	09/25/2013	\$333,000 (\$83,250/Unit)	Multifamily	Duplex/Triplex/Fourplex
10 187 189 Lee Avenue San Francisco, CA	08/28/2013	\$563,000 (\$187,666.67/Unit)	Multifamily	Duplex/Triplex/Fourplex
11 44 2nd Avenue Daly City, CA	06/28/2013	\$756,500 (\$189,125/Unit)	Multifamily	Duplex/Triplex/Fourplex
12 227 Brighton Road Pacifica, CA	06/24/2013	\$585,000 (\$146,250/Unit)	Multifamily	Duplex/Triplex/Fourplex
13 542 544 London Street San Francisco, CA	06/10/2013	\$328,000 (\$164,000/Unit)	Multifamily	Duplex/Triplex/Fourplex

	<b>Property Address</b>	<b>Sale Date</b>	<b>Sale Price</b>	<b>Property Type</b>	<b>Subtype</b>
14	311 Spruce Avenue South San Francisco, CA	06/05/2013	\$400,000 (\$200,000/Unit)	Multifamily	Duplex/Triplex/Fourplex

## Valuation Analysis - Property #6

City of Daly City as Successor Agency to Former Redevelopment Agency

Long-Range Property Management Plan dated March 2015

Subject Property	City			Lot Size (Acres)	
Pacific Plaza – Phase III Office Site - E Side of Junipero Serra Blvd at Westlake Ave	Daly City			2.36 AC	

Comparable Sales (Attached)	City	Sale Date	Sale Price	Lot Size (Acres)	Price / Acre
1) 710 Santa Barbara Avenue	Millbrae	11/27/2013	\$2,080,000	1.85 AC	\$1,125,330 / AC
2) 101 Tiptoe Lane	Hillsborough	6/20/2014	\$3,500,000	3.42 AC	\$1,023,510 / AC
3) 6 Spruce Court	Pacifica	12/12/2014	\$1,773,000	2.09 AC	\$846,330 / AC
Average			\$2,451,000	2.45 AC	\$998,390 / AC

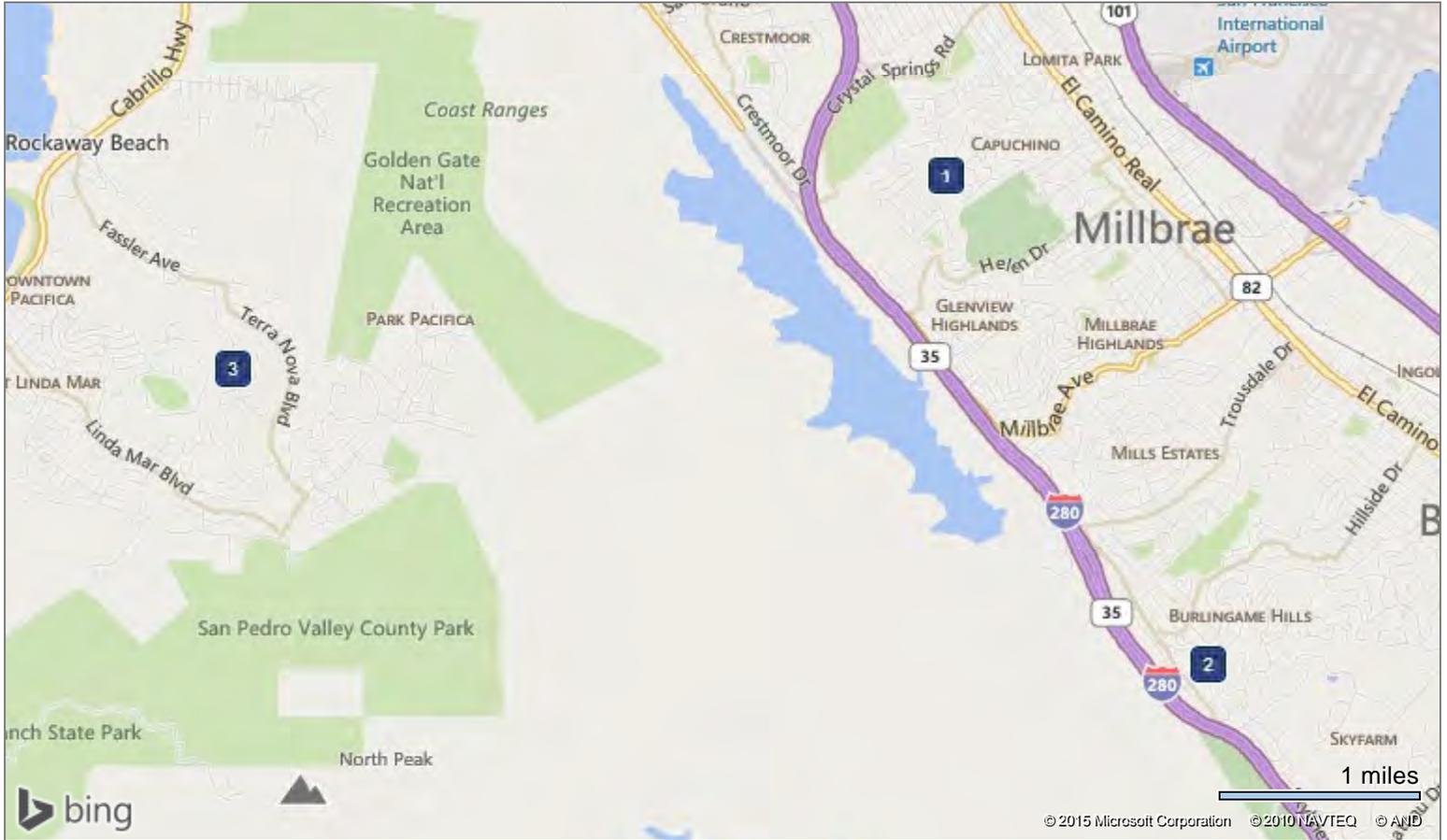
Preliminary Subject Valuation	
Subject Property Size	2.36
Average Comparable Price / Acre	\$998,390 / AC
Subject at Average Price / Acre	\$2,360,748
Estimated demolition at 18,000 SF x \$5.00 PSF	(\$90,000)
<b>Adjusted Value</b>	<b>\$2,270,748</b>

### Notes:

Sample Set = Commercial land sales between 1 and 5 acres within last 2 years within 10 miles of Site

## Sale Map w/ Line Item Report for Land

### Map



	Property Address	Sale Date	Sale Price	Property Type	Subtype
1	710 Santa Barbara Avenue Millbrae, CA	11/27/2013	\$2,080,000 (\$1,125,329.82/Acre)	Land	Commercial/Other (land)
2	101 Tiptoe Lane Hillsborough, CA	06/20/2014	\$3,500,000 (\$1,023,510.03/Acre)	Land	Commercial/Other (land)
3	6 Spruce Court Pacifica, CA	12/12/2014	\$1,773,000 (\$846,330.21/Acre)	Land	Commercial/Other (land)

## Valuation Analysis - Property #7

City of Daly City as Successor Agency to Former Redevelopment Agency

Long-Range Property Management Plan dated March 2015

Subject Property	City	Lot Size (Acres)
Pacific Plaza – Hotel Site - E Side of Junipero Serra Blvd, S of John Daly Blvd	Daly City	1.26 AC

Comparable Sales (Attached)	City	Sale Date	Sale Price	Lot Size (Acres)	Price / Acre
1) 710 Santa Barbara Avenue	Millbrae	11/27/2013	\$2,080,000	1.85 AC	\$1,125,330 / AC
2) 101 Tiptoe Lane	Hillsborough	6/20/2014	\$3,500,000	3.42 AC	\$1,023,510 / AC
3) 6 Spruce Court	Pacifica	12/12/2014	\$1,773,000	2.09 AC	\$846,330 / AC
<b>Average</b>			<b>\$2,451,000</b>	<b>2.45 AC</b>	<b>\$998,390 / AC</b>

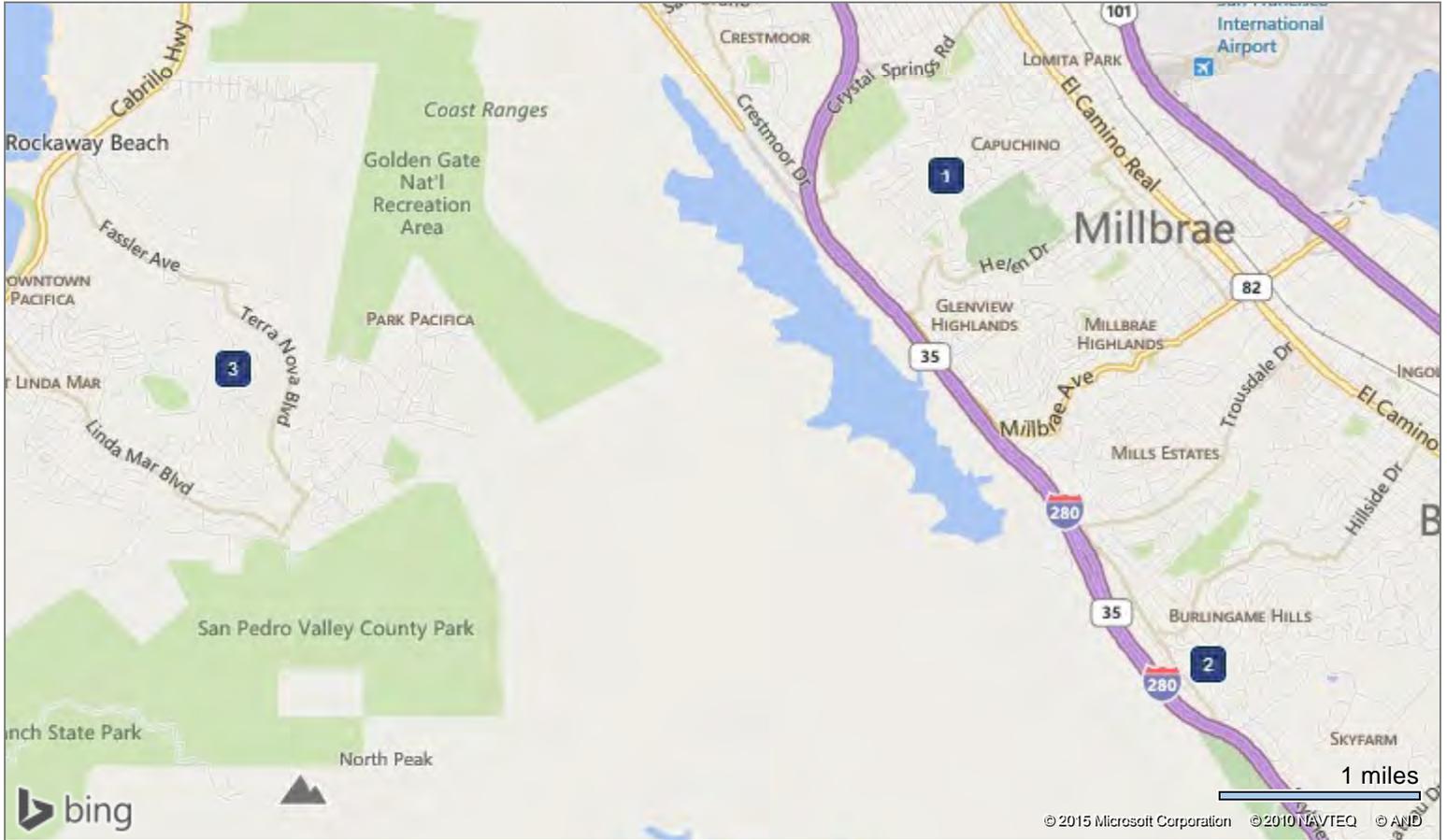
Preliminary Subject Valuation	
Subject Property Size	1.26
Average Comparable Price / Acre	\$998,390 / AC
<b>Subject at Average Price / Acre</b>	<b>\$1,260,868</b>

### Notes:

Sample Set = Commercial land sales between 1 and 5 acres within last 2 years within 10 miles of Site

## Sale Map w/ Line Item Report for Land

### Map



	Property Address	Sale Date	Sale Price	Property Type	Subtype
1	710 Santa Barbara Avenue Millbrae, CA	11/27/2013	\$2,080,000 (\$1,125,329.82/Acre)	Land	Commercial/Other (land)
2	101 Tiptoe Lane Hillsborough, CA	06/20/2014	\$3,500,000 (\$1,023,510.03/Acre)	Land	Commercial/Other (land)
3	6 Spruce Court Pacifica, CA	12/12/2014	\$1,773,000 (\$846,330.21/Acre)	Land	Commercial/Other (land)

## Valuation Analysis - Property #8

City of Daly City as Successor Agency to Former Redevelopment Agency  
Long-Range Property Management Plan dated March 2015

Subject Property	City	Lot Size (Acres)
Landmark Plaza – Phase II Mixed Use Site - 6601 Mission St	Daly City	0.27 AC

Comparable Sales (Attached)	City	Sale Date	Sale Price	Lot Size (Acres)	Price / Acre
1) 1335 Adobe Drive	Pacifica	12/9/2014	\$100,000	0.43 AC	\$232,320 / AC
2) 1560 Bryant Street	Daly City	8/22/2014	\$800,000	0.41 AC	\$1,965,593 / AC
3) 438 Magellan Drive	Pacifica	3/7/2014	\$257,500	0.45 AC	\$573,510 / AC
4) 2107 Palmetto Ave	Pacifica	12/10/2013	\$350,000	0.31 AC	\$1,129,032 / AC
5) 493 Eastmoor Ave	Daly City	9/10/2013	\$750,000	0.37 AC	\$2,038,054 / AC
<b>Average</b>			<b>\$451,500</b>	<b>0.39 AC</b>	<b>\$1,187,702 / AC</b>

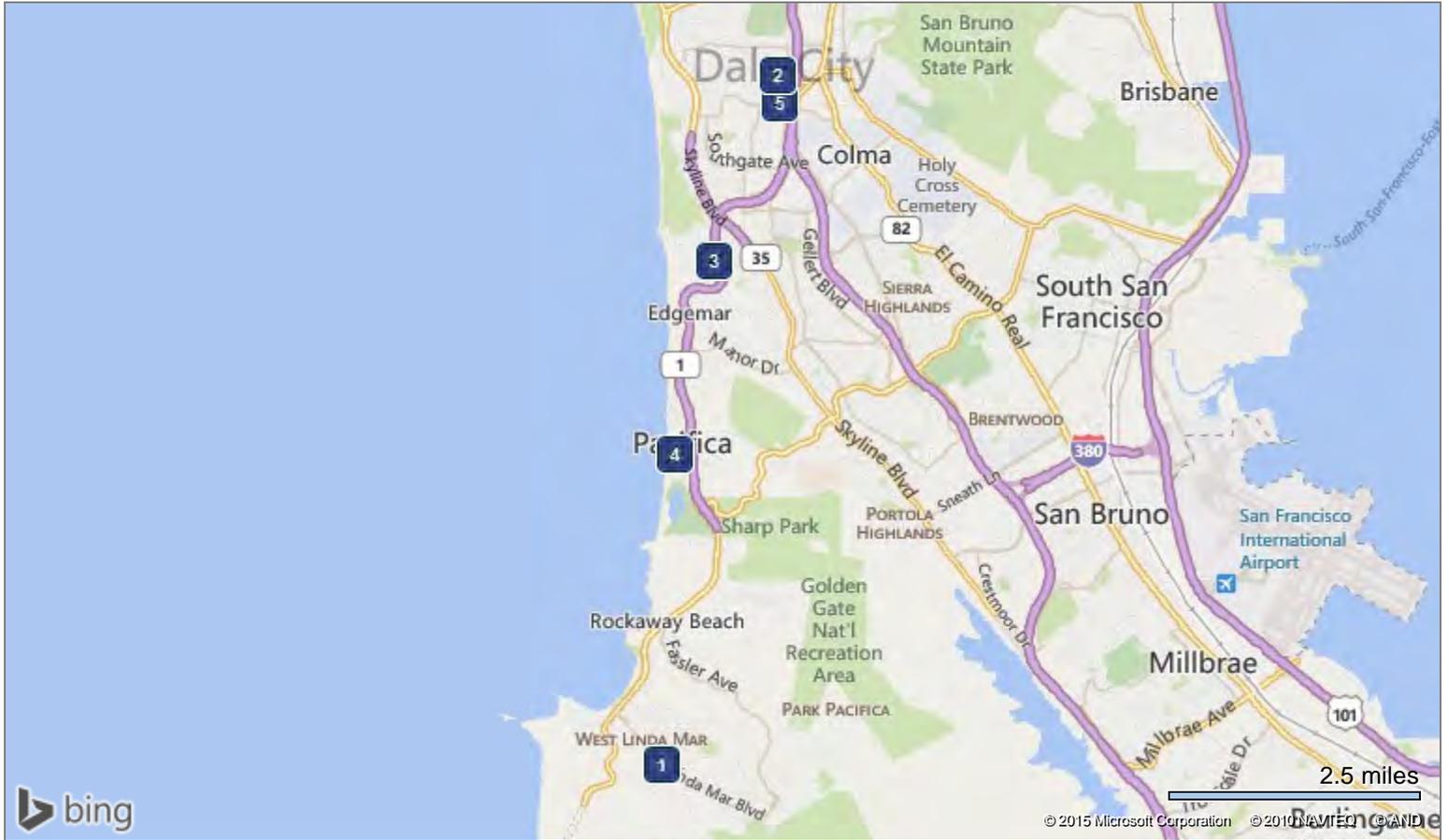
Preliminary Subject Valuation	
Subject Property Size	0.27
Average Comparable Price / Acre	\$1,187,702 / AC
Subject at Average Price / Acre	\$315,221
Discount for irregular shape, planned development constraints	(15%)
<b>Adjusted Value</b>	<b>\$267,938</b>

### Notes:

Sample Set = Commercial land sales between 0.2 and 1 acre within last 2 years within 10 miles of Site

## Sale Map w/ Line Item Report for Land

### Map



Property Address	Sale Date	Sale Price	Property Type	Subtype
1 1335 Adobe Drive Pacifica, CA	12/09/2014	\$100,000 (\$232,319.98/Acre)	Land	Commercial/Other (land)
2 1560 Bryant Street Daly City, CA	08/22/2014	\$800,000 (\$1,965,593.27/Acre)	Land	Commercial/Other (land)
3 438 Magellan Drive Pacifica, CA	03/07/2014	\$257,500 (\$573,509.56/Acre)	Land	Commercial/Other (land)
4 2107 Palmetto Ave Pacifica, CA	12/10/2013	\$350,000 (\$1,129,032.25/Acre)	Land	Commercial/Other (land)
5 493 Eastmoor Ave Daly City, CA	09/10/2013	\$750,000 (\$2,038,053.71/Acre)	Land	Commercial/Other (land)

## Valuation Analysis - Property #9

City of Daly City as Successor Agency to Former Redevelopment Agency  
 Long-Range Property Management Plan dated March 2015

Subject Property	City			Lot Size (Acres)	
Geneva Library Site - 2960 Geneva Ave	Daly City			0.11 AC	

Comparable Sales (Attached)	City	Sale Date	Sale Price	Lot Size (Acres)	Price / Acre
1) 2022 Palmetto Avenue	Pacifica	5/14/2014	\$220,000	0.18 AC	\$1,219,082 / AC
2) 466 Kings Rd	Brisbane	5/7/2014	\$65,000	0.13 AC	\$504,886 / AC
3) 1060 Date Street	Montara	1/23/2014	\$160,000	0.11 AC	\$1,393,920 / AC
4) 224 Del Monte Road	Half Moon Bay	4/3/2013	\$135,000	0.14 AC	\$973,609 / AC
<b>Average</b>			<b>\$145,000</b>	<b>0.14 AC</b>	<b>\$1,022,874 / AC</b>

Preliminary Subject Valuation	
Subject Property Size	0.11
Average Comparable Price / Acre	\$1,022,874 / AC
<b>Subject at Average Price / Acre</b>	<b>\$117,410</b>

### Notes:

Sample Set = Commercial land sales between 0.1 and 0.2 acres within last 2 years within 15 miles of Site

Structure in poor condition with limited remaining useful life. Contributory value of structure and cost to demolish are assumed to offset one another.

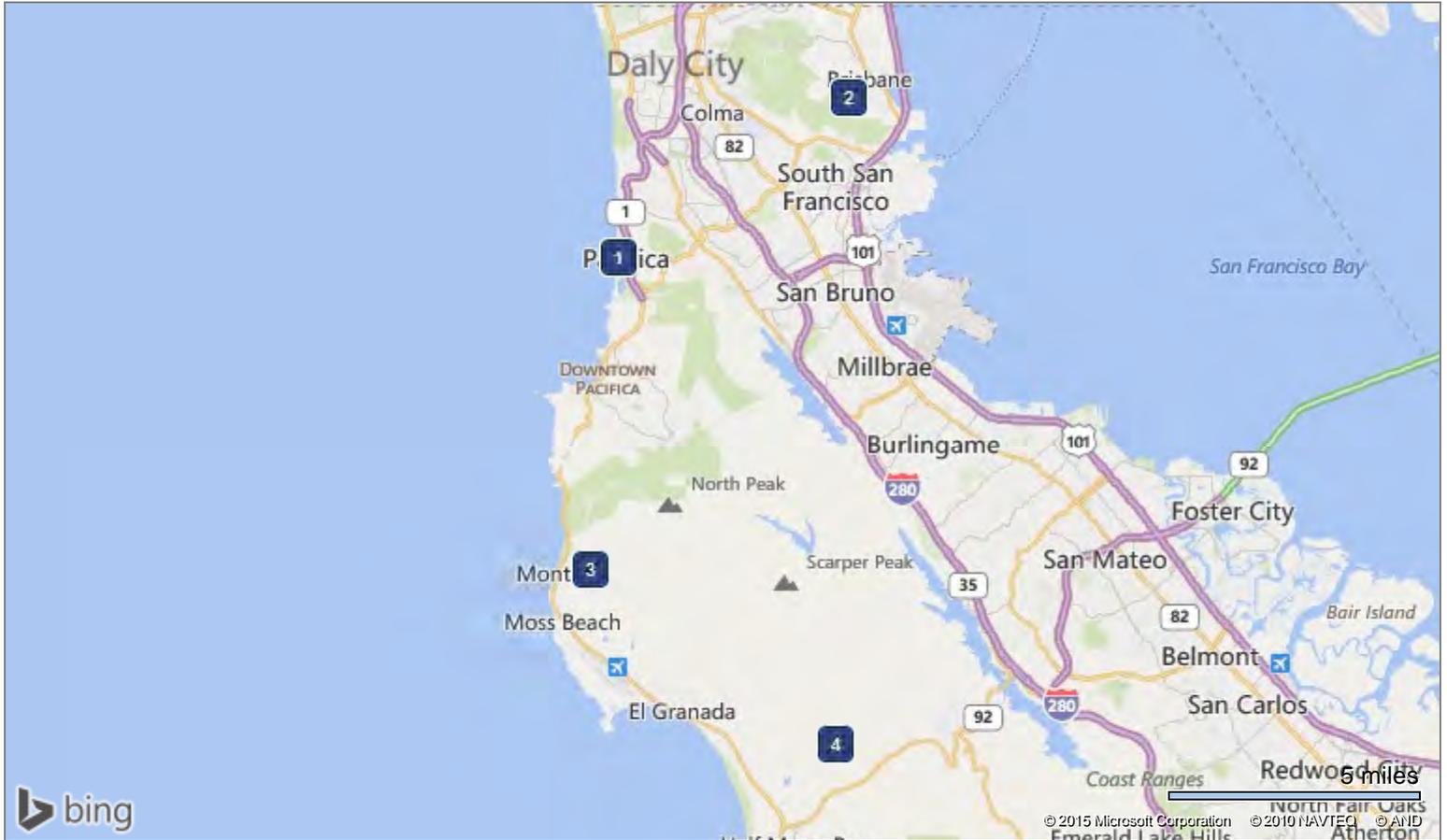


The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

865 South Figueroa Street, 35th Floor Los Angeles California 90017 ph 213.417.3300 fax 213.417.3311

## Sale Map w/ Line Item Report for Land

### Map



	Property Address	Sale Date	Sale Price	Property Type	Subtype
1	2022 Palmetto Avenue Pacifica, CA	05/14/2014	\$220,000 (\$1,219,081.73/Acre)	Land	Commercial/Other (land)
2	466 Kings Rd Brisbane, CA	05/07/2014	\$65,000 (\$504,885.76/Acre)	Land	Commercial/Other (land)
3	1060 Date Street Montara, CA	01/23/2014	\$160,000 (\$1,393,920.07/Acre)	Land	Commercial/Other (land)
4	224 Del Monte Road Half Moon Bay, CA	04/03/2013	\$135,000 (\$973,609.42/Acre)	Land	Commercial/Other (land)

## Valuation Analysis - Property #10

City of Daly City as Successor Agency to Former Redevelopment Agency

Long-Range Property Management Plan dated March 2015

Subject Property	City	Lot Size (Acres)
Geneva Fire Station Site - 3001 Geneva Avenue (NEC Geneva & Schwerin)	Daly City	0.14 AC

Comparable Sales (Attached)	City	Sale Date	Sale Price	Lot Size (Acres)	Price / Acre
1130 Chester Street	Oakland	12/29/2014	\$105,000	0.08 AC	\$1,330,367 / AC
1731 Goss Street	Oakland	11/21/2014	\$70,000	0.12 AC	\$607,531 / AC
1715 Goss Street	Oakland	11/21/2014	\$45,000	0.06 AC	\$780,956 / AC
1775 Chase Street	Oakland	11/14/2014	\$85,000	0.12 AC	\$724,721 / AC
1428 Center Street	Oakland	10/16/2014	\$100,000	0.07 AC	\$1,452,000 / AC
829 Wood Street	Oakland	7/31/2014	\$106,000	0.11 AC	\$961,950 / AC
1466 13th Street	Oakland	4/28/2014	\$79,500	0.06 AC	\$1,331,931 / AC
1619 11th Street	Oakland	4/28/2014	\$65,500	0.06 AC	\$1,104,172 / AC
1469 12th Street	Oakland	4/1/2014	\$35,000	0.04 AC	\$871,698 / AC
<b>Average</b>			<b>\$76,778</b>	<b>0.08 AC</b>	<b>\$1,018,370 / AC</b>

Preliminary Subject Valuation	
Subject Property Size	0.14
Average Comparable Price / Acre	\$1,018,370 / AC
<b>Subject at Average Price / Acre</b>	<b>\$143,638</b>

### Notes:

Sample Set = Low/med density residential land sales between 0.1 and 0.2 acres within last 2 years within 15 miles of Site

## Sale Map w/ Line Item Report for Land

### Map



Property Address	Sale Date	Sale Price	Property Type	Subtype
1 1130 Chester Street Oakland, CA	12/29/2014	\$105,000 (\$1,330,366.49/Acre)	Land	Residential (land)
2 1731 Goss Street Oakland, CA	11/21/2014	\$70,000 (\$607,531.31/Acre)	Land	Residential (land)
3 1715 Goss Street Oakland, CA	11/21/2014	\$45,000 (\$780,956.19/Acre)	Land	Residential (land)
4 1775 Chase Street Oakland, CA	11/14/2014	\$85,000 (\$724,721.09/Acre)	Land	Residential (land)
5 1428 Center Street Oakland, CA	10/16/2014	\$100,000 (\$1,452,000.07/Acre)	Land	Residential (land)
6 829 Wood Street Oakland, CA	07/31/2014	\$106,000 (\$961,950.33/Acre)	Land	Residential (land)
7 1466 13th Street Oakland, CA	04/28/2014	\$79,500 (\$1,331,930.70/Acre)	Land	Residential (land)
8 1619 11th Street Oakland, CA	04/28/2014	\$65,500 (\$1,104,171.78/Acre)	Land	Residential (land)
9 1469 12th Street Oakland, CA	04/01/2014	\$35,000 (\$871,698.23/Acre)	Land	Residential (land)

# *Successor Agency to the Daly City Redevelopment Agency Agenda Report*

Item # \_\_\_\_\_

**Meeting Date: March 9, 2015**

**Subject: Adopt Resolution Approving the Long Range Property Management Plan for the Former Daly City Redevelopment Properties Pursuant to California Health & Safety Code section 34191.5**

## Recommendation

It is recommended that the Successor Agency to the Daly City Redevelopment Agency adopt a resolution approving the Long Range Property Management Plan prepared in accordance with the provisions of California Health & Safety Code §34191.5 to forward to the Oversight Board and Department of Finance for review and approval.

## Background and Analysis

AB 1x 26 dissolved the Redevelopment Agency for the City of Daly City ("Former RDA") as of February 1, 2012. On June 27, 2012, AB 1484 was enacted to make technical and substantive amendments to AB IX 26 (collectively, these laws are referred to as the "Dissolution Act").

One of the Successor Agency's responsibilities under the Dissolution Act is to prepare a Long-Range Property Management Plan ("LRPMP") that governs the disposition and use of the real properties of the former Agency. Pursuant to Health and Safety Code section 34191.5, the LRPMP shall be submitted to the Oversight Board and the Department of Finance ("DOF") for approval, no later than six months following the issuance to the Successor Agency of DOF's Finding of Completion. The Successor Agency received DOF's Finding of Completion on December 5, 2014. Therefore, the deadline for submitting the LRPMP to DOF is May 5, 2015.

If the Successor Agency approves the Plan, the final LRPMP will be presented to the Oversight Board at its next scheduled meeting for approval. After the Plan is approved by the Oversight Board, the Plan will be submitted to DOF for review and approval.

Staff has prepared the attached LRPMP (see Attachment "A") which addresses the disposition and use of real properties of the Former RDA and includes the information required pursuant to Health and Safety Code Section 34191.5(c). The LRPMP includes an inventory providing specified information about each of the properties including the date of acquisition, the estimated current value, and a history of previous development proposals.

**Successor Agency to the Daly City Redevelopment Agency Agenda Report**

**Subject: Adopt Resolution Approving the Long Range Property Management Plan for the Former Daly City Redevelopment Properties Pursuant to California Health & Safety Code section 34191.5**

**Meeting Date: March 9, 2015**

**Page 2 of 3**

Permissible uses of the Former RDA’s real property assets in accordance to Health and Safety Code Section 34181(a) include retention for governmental use, retention for future development, sale, or satisfaction of enforceable obligations.

A summary of staff’s recommended disposition plan in the LRPMP for the Former RDA properties is included in the table below:

<b>#</b>	<b>Property</b>	<b>Location</b>	<b>Current Use</b>	<b>Proposed Disposition</b>
1)	Pentagon Parking (1)	Hillcrest Dr & Mission Circle	Public parking	Retain the property for continued public use
2)	Pentagon Parking (2)	Mission St & Bepler St	Public Parking, Office Building	Retain the property for continued public use
3)	Pentagon Parking (3)	San Jose Ave & Bepler St	Public Parking	Retain the property for continued public use
4)	Lawson Hall	125 Accacia St	Community Center	Retain the property for continued public use
5)	Abbot Apartments	260 Abbot Ave	Apartments (Affordable Housing)	Retain the property for fulfillment of enforceable obligation, then retention for future development (consistent with current affordable housing use)
6)	Pacific Plaza – Office Site	Junipero Serra Blvd & Westlake Ave	Mixed Use Buildings, Parking	Retain the property for future development
7)	Pacific Plaza – Hotel Site	Junipero Serra Blvd & John Daly Blvd	Vacant	Retain the property for future development
8)	Landmark Phase II Mixed Use Site	6601 Mission St	Vacant	Retain the property for future development
9)	Geneva – Former Library Site	2960 Geneva Ave	Vacant Building (Former Library)	Dispose of the property with sale proceeds to be distributed to affected taxing entities
10)	Geneva – Former Fire Station Site	Geneva Ave & Schwerin St	Vacant (Former Fire Station Site)	Dispose of the property with sale proceeds to be distributed to affected taxing entities

Conclusion

Staff recommends that the Successor Agency to the Daly City Redevelopment Agency adopt a resolution approving the Long Range Property Management Plan prepared in accordance with the

**Successor Agency to the Daly City Redevelopment Agency Agenda Report**

**Subject: Adopt Resolution Approving the Long Range Property Management Plan for the Former Daly City Redevelopment Properties Pursuant to California Health & Safety Code section 34191.5**

**Meeting Date: March 9, 2015**

**Page 3 of 3**

provisions of California Health & Safety Code §34191.5 to forward to the Oversight Board and DOF for review and approval.

Staff is available to provide any additional information desired by the Chair or Board Members.

Respectfully submitted,



Tatum Mothershead  
Interim Director  
Economic and Community Development



Rose Zimmerman  
City Attorney

**Attachments:**

Draft Long Range Property Management Plan (Attachment "A")