

**NOTICE OF CONSIDERATION AND ACTION ON THE PROPOSED
REPLACEMENT HOUSING PLAN FOR THE
PROPERTY LOCATED AT 2121 JUNIPERO SERRA BOULEVARD
MISSION STREET-JUNIPER SERRA BOULEVARD COMMERCIAL
BUSINESS DISTRICT REDEVELOPMENT PROJECT AREA**

Notice is hereby given that the Daly City Redevelopment Agency (the "Agency") will meet on Monday, June 11, 2007 at 7:00 P.M. in the City Council Chamber, located at 333 90th Street in Daly City, California, to consider and act upon the proposed Replacement Housing Plan for the property located at 2121 Junipero Serra Boulevard (the "Project") located in the Mission Street-Juniper Serra Boulevard commercial Business District Redevelopment Project Area. At any time not later than the time and date set forth above the meeting, any person may file in writing with the City Clerk of the City of Daly City a statement of objections to the proposed Replacement Housing Plan. At the day, hour and place of the meeting, any and all persons having any comments on or objections to the proposed Replacement Housing plan, or who question the regularity of any of the prior proceedings, may appear before the Agency and show cause why the proposed Replacement Housing plan should not be approved.

Pursuant to California Health and Safety Code Section 33413.5, the Agency has made a draft of the proposed Replacement Housing plan available to the general public for review and comment. Interested persons may inspect and, upon payment of the costs of reproduction, obtain copies of the proposed Replacement Housing Plan from the office of the City Clerk located on the Second Level at 333 90th Street, Daly City, California. The proposed Replacement Housing Plan may be inspected and downloaded free of charge by **clicking here** or at any branch of the Daly City Public Library.

The Replacement Housing Plan includes a description of the Project, as well the following required components: (1) the general location of housing to be rehabilitated, developed or constructed pursuant to Section 33413; (2) an adequate means of financing such rehabilitation, development, or construction; (3) a finding that the replacement housing does not require the approval of the voters pursuant to Article XXXIV of the California Constitution, or that such approval has been obtained; (4) the number of dwelling units housing persons and families of low- or moderate-income planned for construction or rehabilitation; and (5) the timetable for meeting the Replacement Housing Plan's relocation, rehabilitation and replacement housing objectives.

Dated: May 25, 2007

Replacement Housing Plan

Pacifica Plaza Phase III

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

June 11, 2007

**Daly City Redevelopment Agency
333 90th Street
Daly City, CA 94044**

TABLE OF CONTENTS

I.	Introduction.....	1
II.	Definitions.....	1
III.	Replacement Housing Requirements.....	2
IV.	Project Description.....	3
V.	Residential Units to be Removed and Replaced.....	4
VI.	General Location of Housing to be Rehabilitated, Developed or Constructed.....	4
VII.	Financing of Replacement Housing.....	4
VIII.	Timetable Replacement Housing Development.....	4
IX.	Compliance with Article XXXIV of the California Constitution.....	5
X.	Provision for Public Review and Comment.....	5

I. INTRODUCTION

This Replacement Housing Plan (the “Replacement Housing Plan”) for Pacific Plaza Phase III (“Subject Property”) has been prepared pursuant to Section 33413.5 of the California Health and Safety Code for the Daly City Redevelopment Agency (the “Agency”). Section 33413.5 requires that, not less than 30 days prior to the execution of an agreement for the acquisition of real property, or the execution of an agreement for the disposition and development of property, or the execution of an owner participation agreement, which agreement would lead to the destruction or removal of dwelling units from the low-and moderate-income housing market, the Agency shall adopt by resolution a replacement housing plan.

In addition, Section 33413.5 mandates that the Replacement Housing Plan shall include the following components:

- The number of dwelling units housing persons and families of low- or moderate-income to be removed and replaced by construction or rehabilitation;
- The general location of housing to be rehabilitated, developed or constructed pursuant to Section 33413;
- An adequate means of financing such rehabilitation, development or construction;
- The timetable for meeting the Replacement Housing plan’s relocation , rehabilitation and replacement housing objectives; and
- A finding that the replacement housing does not require the approval of the voters pursuant to Article XXXIV of the California Constitution or that such approval has been obtained:

II. Definitions

Very-Low-Income Household

Persons and families whose gross incomes do not exceed 50 percent of the area median income adjusted for family size.

Low-Income Household

Persons and families whose gross incomes exceed 50 percent but do not exceed 80 percent of the area median income adjusted for family size.

Moderate-Income Household

Persons and families whose gross incomes exceed 80 percent but do not exceed 120 percent of the area median income adjusted for family size.

Affordable Renter-Occupied Housing Cost

Section 50053 of the California Health and Safety Code states that for any rental housing development, “affordable rent,” including a reasonable utility allowance, shall not exceed:

- (1) For very-low-income households, the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.
- (2) For lower-income households whose gross incomes exceed the maximum income for very-low-income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, those lower-income households with gross incomes that exceed 60 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.
- (3) For moderate-income households, the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those moderate-income households whose gross incomes exceed 110 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

Replacement Dwelling Unit

For this Replacement Housing Plan, “Replacement Dwelling Unit” means a dwelling unit developed or constructed in the City of Daly City pursuant to Section 33413 in replacement of a dwelling unit destroyed or removed from the low- and moderate-income housing market by the Agency and which is decent, safe and sanitary, contains at least the same number of bedrooms and other living areas as the dwelling unit destroyed or removed, and is available at affordable housing cost to low and moderate-income households

III. REPLACEMENT HOUSING REQUIREMENTS

Section 33214(a) of the California Health and Safety Code requires that whenever low- or moderate –income household dwelling units are destroyed or removed for the housing market as part of a redevelopment project which is subject to a written agreement with a redevelopment agency or where

financial assistance has been provided by the agency, the agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed or constructed, for rental or sale to persons and families of low-or moderate-income, an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency.

When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent of the replacement dwelling units shall be available at affordable housing cost to persons in the same or lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units.

Section 33413(f) of the California Health and Safety Code modified these requirements as follows:

Notwithstanding subdivision (a), the agency may replace destroyed or removed dwelling units with a fewer number of replacement dwelling units if the replacement dwelling units meet both of the following criteria:

- (1) The total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the destroyed or removed units. Destroyed or removed units having one or no bedroom are deemed for this purpose to have one bedroom.
- (2) The replacement units are affordable to the same income level of households as the destroyed or removed units

IV. PROJECT DESCRIPTION

In 1999, the Agency began implementation of a 10-acre development known as Pacifica Plaza. Overall, the Pacific Plaza project is a four-phase mixed-use commercial development comprised of 621,000 s.f. of office space, 41,200 s.f. of retail space, a 20-screen theater, and a hotel/conference center. To date, initial phases of the project have brought economic revitalization and visual improvement to a neighborhood that was marked by underutilized buildings and vacant property. The businesses occupying the first two phases at Pacific Plaza have added over 1,400 jobs to the City's economy.

Phase III of Pacifica Plaza will include a 270,000 s.f. Class A office building as well as extend the south parking structure with additional parking to meet the requirements of the new project and be in compliance with Planned Redevelopment-54 Standards. In 2003 the Agency acquired a building located in the Phase III site area and within the Mission Street-Juniper Serra Boulevard Commercial Business District Redevelopment Project Area. The property includes one building located at 2121 through 2125 Junipero Serra Boulevard. Within the building are two residential apartments and several smaller office and commercial spaces.

V. RESIDENTIAL UNITS TO BE REMOVED AND REPLACED

The Subject Property contains two one-bedroom residential units. These will be replaced per the California Health and Safety Code.

VI. GENERAL LOCATION OF HOUSING TO BE REHABILITATED

The Agency has already taken action to provide replacement dwellings. Pursuant to California Health and Safety Code Section 33413, replacement of the two residential units removed from 2121 Junipero Serra Boulevard will be provided by one unit at the Hillcrest Gardens Senior Housing Project located at 35 Hillcrest and one rental unit located at 260 Abbot.

VII. FINANCING OF REPLACEMENT HOUSING

The Agency transfers all of the 20% set-aside funds from each redevelopment project area into a restricted fund for affordable housing. This money is used by the Agency to assist in the production of affordable housing as required by law. The Hillcrest Senior Housing project is being funded with a combination of Daly City Redevelopment Agency Housing Set-Aside funds, Federal CDBG and HOME funds, San Mateo County Housing Endowment and Regional Trust funds and a HUD 202 Capital Advance.

Acquisition and Rehabilitation of the 5-unit residential project at 260 Abbot is being financed with CalHFA HELP funds and CDBG funds.

VIII. TIMETABLE FOR DEVELOPMENT OF REPLACEMENT HOUSING

Within four years of the destruction or removal of any low or moderate income housing, the Agency will rehabilitate, develop or construct, or cause to be rehabilitated, developed or constructed for rental or sale to low or moderate income families replacement dwellings for those units lost as result of the project's implementation. Pacific Plaza Phase III has a target start date for construction of September 2007, prior to which time the two residential units will be demolished. Of the two replacement units identified to replace units removed for the Pacific Plaza development one (at 35 Hillcrest) is under construction with anticipated completion date of Fall 2008. The other (260 Abbot) was acquired by the Agency in February 2007. It is currently undergoing rehabilitation and will be completed with a recorded affordability restriction by the Fall of 2008.

IX. COMPLIANCE WITH ARTICLE XXXIV OF THE CALIFORNIA CONSTITUTION

Article XXXIV of the California Constitution requires voter approval of all low-rent housing projects that are developed, constructed or acquired by a public entity. Under Section 3701 of the California Health and Safety Code, the Project is not a “low-rent housing project” as defined in Section 2 of Article XXXIV of the California Constitution because the housing units that have or will be developed to replace dwelling units previously or currently occupied by lower-income households. Therefore, the proposed replacement housing does not require the approval of voters pursuant to Article XXXIV of the California Constitution.

X. PROVISION FOR PUBLIC REVIEW AND COMMENT

In accordance with Section 33413.5, a draft of the Replacement Housing Plan has been made available for review and comment by the general public and other public agencies.