



REPORT

DATE: For the Agenda of March 1, 2002 **ITEM 103**

REPORT NO.: HCR02-013

SUBJECT: Approval to Participate in a Model School Project via a Joint Powers Agreement (Council District 3)

SUMMARY

Issue: Should the Housing Authority join the San Diego Unified School District, the City of San Diego, and its Redevelopment Agency to participate in a joint effort to develop a new school site with housing and commercial elements?

Recommendation: That the Housing Authority authorize the Chief Executive Officer (CEO) to enter into a Joint Powers Agreement (JPA), in a form acceptable to General Counsel and the governing bodies of the member agencies, to establish a framework to cooperatively plan and execute such a project.

Fiscal Impact: None with this action. However, development or financing of affordable housing with Housing Commission resources is anticipated. Future staff and operational costs may be identified in a later report.

Affordable Housing Impact: It is anticipated that this joint effort will result in the development of more than 100 units of affordable housing to replace housing anticipated to be lost for school construction. More concise information will be presented as specific plans are determined.

Future Related Actions: The Joint Powers Agreement will be presented for adoption in a joint meeting of the City Council, the Redevelopment Agency and the Housing Authority. Any Housing Commission financial participation in new housing development would be considered at a future Housing Commission meeting.



BACKGROUND

The San Diego Unified School District received voter approval to issue bonds to rehabilitate and build new elementary schools. In order to acquire land and develop new schools in urban neighborhoods, it is anticipated that more than 2,000 existing residential units would be razed. One of the new elementary schools is being planned in the City Heights Redevelopment Project Area. To plan for the school in a way that most effectively responds to a broad range of community needs, the school district has held extensive discussions with staff of the Housing Commission, the Redevelopment Agency, and various City departments. Numerous community meetings have also been held.

In addition to more than 150 private residences, it is anticipated that the Housing Commission will lose up to 16 units of Public Housing if a redevelopment plan is implemented. The Housing Commission would receive compensation for the lost housing and would need to acquire or develop replacement housing.

DISCUSSION

The San Diego Unified School District would like to build a new elementary school in the general vicinity of 43rd Street and Myrtle. The development of schools in fully developed urban space is extremely difficult but also offers rare opportunities for community enhancement. A Joint Powers Agency (JPA) consisting of the City, School District, Housing Authority and Redevelopment Agency is being proposed to explore the concept of a community-based model school as a focal point for neighborhood improvement. This model is being received with much interest and enthusiasm.

As envisioned, the proposed JPA would facilitate the planning, financing, and construction of a development that could include: 1) a new elementary school for 700 students; 2) multifamily mixed-income and for sale housing to replace housing units that will be removed by the construction of the school; 3) recreational opportunities and park space; 4) neighborhood commercial uses; and 5) additional family services such as daycare and healthcare. To launch the process, the JPA would publish a request for qualifications for a master developer of the model school project.

A joint powers agreement would enable the parties to form a Joint Powers Agency that could take preliminary actions to plan a model school project and to determine feasibility. The agency's findings would then be made available to the agency members for consideration of further actions. For example, future affordable housing development would return to the Housing Commission if Commission funds were involved. A draft joint powers agreement is currently being reviewed by all of the parties. Its form is very preliminary and, as such, is not included as an attachment to this report.

The JPA would be modeled after the City-County JPA used to build the Halls of Justice in downtown San Diego; it would be a legal entity separate from each of the members. It would have the authority to acquire or sell property, contract for the acquisition of goods and services, issue bonds or otherwise finance an approved project, and all other powers granted to it by State legislation. The JPA would not be effective until approved by the governing boards of all JPA member entities. As currently envisioned, the Housing Commission would take a lead staffing role in administering the JPA.

Next steps include seeking member agencies' approval of the JPA, state legislation to clarify its powers and authorities, site selection, preparation of a comprehensive environmental impact report to address all the proposed uses, adoption of a financing plan and selection of a master developer. Also to be determined is the ultimate disposition plan – which member agency would own which assets or whether the JPA would have an ongoing ownership role.

SUMMARY

The school district is under no obligation to provide replacement housing when it develops a school. Joint planning of a variety of land uses offers a unique opportunity to foster community livability and provide replacement housing while expanding existing infrastructure.

ALTERNATIVES

Decline the opportunity to participate in the joint powers agency. The school district will proceed with its plans to build a new elementary school. It is likely that such development would not provide residential replacement.

Respectfully submitted,

Jack D. Farris
Manager, Housing Finance
& Development

**Signature on File
with Original Document**

Approved by,

Elizabeth C. Morris
Chief Executive Officer