



THE CITY OF SAN DIEGO
Redevelopment Agency's Report

DATE ISSUED: July 9, 2003

REPORT NO. RA-03-21
CMR-03-130

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Honorable Mayor and Members of the City Council
Docket of July 15, 2003

SUBJECT: First Amendment to the Barrio Logan Redevelopment Plan. - Barrio
Logan Redevelopment Project Area.

REFERENCE: Report No. RA 91-93, RA 91-92, Ordinance No. R-17644, DEP No. 90-
0133, No- R-03018.

SUMMARY

Issue(s) – Should the Redevelopment Agency/City Council:

- 1) Approve the proposed First Amendment to the Barrio Logan Redevelopment Plan, in order to extend the Agency's eminent domain authority an additional 12 years.
- 2) Certify the Environmental Secondary Study prepared for the proposed First Amendment.

City Manager/ Executive Director Recommendations

Executive Director's Recommendations:

- 1) Approve the First Amendment to the Barrio Logan Redevelopment Plan, in order to extend the Agency's eminent domain authority an additional 12 years.
- 2) Approve the report for the First Amendment to the Barrio Logan Redevelopment Plan and authorize submittal to the City Council.
- 3) Certify the Environmental Secondary Study was prepared and considered prior to approving the amendment.

City Manager's Recommendations:

- 1) Adopt the Ordinance to extend the Agency's eminent domain authority for an additional 12 years.

2) Certify that the Environmental Secondary Study was reviewed and considered prior to approving the amendment.

Planning Commission's Recommendations: On June 5, 2003, the Planning Commission voted 5-0 to support the amendment to the plan.

Other Recommendation - On April 16, 2003 the Barrio Logan Project Area Committee (PAC) voted 9-1 in favor of recommending approval of the Plan amendment.

Environmental Impact - The Final Environmental Impact Report for the Barrio Logan Redevelopment Project (DEP No. 90-133) was certified in April 30 1991. On February 28, 2003, a Secondary Environmental Study was completed by BRG Consulting Firm. This Secondary Study was conducted in compliance with the Redevelopment Agency Procedures for Implementation of the California Environmental Quality Act and the State CEQA Guidelines. The determination of this Secondary Study is that the Proposed First Amendment to the Redevelopment Plan will not result in any significant environmental impacts other than those identified and addressed in the previously certified EIR.

Fiscal Impact – None with this action.

Code Enforcement Impact - None with this action.

Housing Affordability Impact – This action may contribute to the displacement of affordable units. A housing replacement plan will accompany future actions. The Barrio Logan Implementation Plan is consistent with the City's Comprehensive Affordable Housing Strategy. In preparation for the amendment to the Plan the Agency has prepared an updated Relocation Plan.

BACKGROUND

The City of San Diego City Council ("Council") adopted an Ordinance No. R-17644, on May 20, 1991, adopting the Barrio Logan Redevelopment Project Area with the purpose of pursuing redevelopment activities in the Barrio Logan Community pursuant to California Community Redevelopment Law, Health and Safety Code ("Code") 33000 *et seq.* On April 30, 1991, the Final Environmental Impact Report for the Barrio Logan Redevelopment was certified. In that report findings regarding the environmental impacts of the proposed redevelopment activities were made. These documents contain information that serve as guidelines for the redevelopment activity that is undertaken in the Barrio Logan Project Area.

The boundaries of the Project Area encompass 133 acres of land and are described in detail within the Redevelopment Plan. Generally speaking, the project area is located on the northernmost portion of Barrio Logan bounded by Interstate 5 on the east, Commercial Avenue on the north, 16th and Newton on the Northwest, Harbor Drive on the west, a portion of Port tidelands between Beardsley and Bayfront Drive, to Evans Street. The southernmost portion of the project area follows Logan Avenue from Evans to 26th Street.

The Barrio Logan Community was chosen as an area in need of redevelopment assistance for a variety of reasons. The project area reflects a pattern of residential and commercial uses interspersed with a variety of industrial uses. There is evidence of incompatible land use and development conditions symptomatic of both physical and economic blight. A substantial

portion of the residential stock is old and declining in condition. Commercial, industrial and residential uses are intermixed within the Area. This has continued to hamper the area's ability to achieve commercial viability and led to worsening living conditions for area residents.

As required by California Health and Safety Code, a Second Implementation Plan for the Barrio Logan Area was prepared and adopted on June 29th, 1999. This Second Implementation Plan outlined further steps and proposed projects for the continued elimination of blight in the Project Area. The Barrio Logan Redevelopment Plan will be in effect for forty (40) years from the date of its adoption. The power of Eminent Domain is one of the tools contained within the Barrio Logan Redevelopment Plan, which is necessary to implement the goals of the project area. Under the Plan, Eminent Domain was approved for the first twelve years of the project area's existence.

Completed Agency Projects

Although the Barrio Logan Redevelopment Project Area has faced budgetary constraints, the Agency has managed to undertake several projects within the Barrio Logan Community. The Agency has continued to work diligently with the Project Advisory Committee ("PAC") to accomplish these project area goals.

Within the first five years of the redevelopment project area the 144 unit Mercado Apartments held its grand opening (June 24, 1994). The project has been fully occupied since opening. A Disposition and Development Agreement ("DDA") for the Chuey's Restaurant was approved in 2001 and is expected to be under construction within the next two months. Another highlight of the first five years of the First Implementation Plan was the completion of the Crosby Street Widening Project in 1993.

The Redevelopment Agency's involvement in the Barrio Logan community during the initial years of the Second Implementation Plan has been extensive. Because of a very limited budget available for redevelopment activities in Barrio Logan, Agency staff has been pursuing other resources to promote the goals and objectives of the project area. Agency staff has succeeded in achieving the Renewal Community designation for Barrio Logan. The Renewal Communities Zone will provide many of the development incentives for local businesses. The Storefront Improvement Program has been another tool that has been available to small businesses in Barrio Logan and has been used to improve the presentation of the community. Three businesses have participated in the program in the past two years utilizing over \$17,700 in small business assistance grants

Recently, Agency staff has been very focused in the revitalization of the Logan Avenue Business District. The Agency has negotiated and executed a DDA with a developer for a project that will contribute to revitalizing Logan Avenue. The project will develop affordable housing and new neighborhood serving commercial retail space spaces along Logan Avenue.

These projects will be crucial in the removal of blight in the Project Area. Increased new affordable housing strategically mixed with neighborhood serving commercial establishments will positively affect the Barrio Logan Project Area. Without Agency actions to facilitate these upcoming projects, the Area would continue to decline economically.

DISCUSSION

Prior to amending the Redevelopment Plan to extend eminent domain authority, certain findings need to be made that directly support the proposed action. A blight study was prepared to confirm that blighting conditions are still existent in Barrio Logan. In addition, an environmental secondary study was prepared to re-evaluate the environmental impacts of redevelopment activities in the project area. Because of changes in State laws regarding relocating residents and businesses that could be affected by eminent domain, an updated relocation plan was prepared to accompany the action of extending eminent domain. With this action, the current project area relocation plan will be updated. All of these reports were completed and have been used to compile staff's recommendations.

Blight Present In Area (See attached Secondary Blight Study)

In preparation for the proposed amendment process of the Barrio Logan Redevelopment Plan, the Agency prepared a secondary blight report ("SBR"). The SBR was done to ensure that the original blight report was sufficient as well as to document current blighting conditions within the project area. The SRB (Attachment 1) was completed in December of 2002 for the proposed first amendment. The SRB was completed by Agency staff and shows conclusively that physical and economic blighting conditions still prevail within the Barrio Logan Redevelopment Area.

Environmental Impact (See attached Secondary Environmental Study)

An independent Environmental Secondary Study ("ESS") was conducted by BRG on February 28, 2003. The final determination of the study is that based on environmental analysis contained in the study, the proposed action will not have any significant effect on the environment other than as identified in the previous and original Environmental Impact Report ("EIR"). The study revealed that the original EIR is still sufficient and that a negative declaration, subsequent environmental impact report, or an addendum to environmental impact report will not be required.

Redevelopment Plan Consistency with City's General Plan

The City's General Plan relies on community plans to determine permitted land uses in areas of the City that are covered by community plans. The community plan that covers the project area is the Barrio Logan/Harbor 101 Community Plan. Section 1.0 of the Barrio Logan Redevelopment Plan states:

"The Plan, when adopted by ordinance, will be consistent with the Barrio Logan/Harbor 101 Community Plan and the Local Coastal Plan, as amended."

The language of the plan, other than the reference to the eminent domain authority, will remain the same. Therefore, the Amended Plan will continue to be in compliance with the Community Plan. In addition to the Plan is the Barrio Logan Planned District Ordinance last amended in March of 1992. Nothing in the proposed action would alter the Planned district Ordinance for Barrio Logan.

The Barrio Logan Redevelopment Plan

As previously mentioned the Barrio Logan Project Area had some measured success in eliminating blight in the area. Yet, considerably more work needs to be done in the Barrio Logan Community. The Barrio Logan Redevelopment Plan ("Plan") was adopted in 1991. This is the blueprint for the implementation of the Agency's goals of redeveloping the Barrio Logan

Community. The Agency has yet to achieve all of the goals the Plan has outlined and without further Agency actions the Plan will fall short of its goal to redevelop Barrio Logan. In order to implement the Plan as originally intended, the Agency will need to utilize all of its resources, including its eminent domain authority.

Without its eminent domain authority the Agency will have difficulties accomplishing the main goals and objectives outlined in Section 1.2 of the Plan, which is to “eliminate and prevent the spread of blight and deterioration, and to conserve, rehabilitate and redevelop the Project Area in accordance with the Plan and consistent with the Community Plan”. This goal has not been met.

The Code specifies that it is within the authority of the Agency to acquire real property, demolish or remove buildings and rehabilitate or produce housing to accomplish the goals of the Plan. Due to high speculation and less than average property sales in the area, acquiring some properties through conventional means would be unlikely. Furthermore, due to a high probability of properties with contaminated soils within the project area, acquiring some property may require agency assistance. Owners of contaminated sites that can either sell or develop their own land, often let properties sit idle and contribute to blighting conditions in the community.

ALTERNATIVES

- 1) Approve the amendment for an amount of time less than 12 years. This alternative is not the optimum choice for ensuring continued redevelopment of the Barrio Logan Project Area.
- 2) Disapprove of the proposed First Amendment to the Barrio Logan Redevelopment Plan. This alternative will severely weaken the Agency’s ability to meet its goals of removing blight in the Barrio Logan project Area.

Respectfully submitted,

Todd Hooks
Deputy Executive Director,
Redevelopment Agency

Hank Cunningham
Assistant Executive Director,
Redevelopment Agency/Director,
Community and Economic Development

Approved: Bruce A. Herring
Deputy City Manager

ATTACHMENTS:

1. Secondary Blight Study: Barrio Logan Redevelopment Project Area
2. Environmental Secondary Study for the Proposed Extension of Eminent Domain Powers for the Barrio Logan Redevelopment Project
3. Updated Plan and Method for Relocation: Barrio Logan Redevelopment Project
4. Amended Barrio Logan Redevelopment Plan.