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MEMORANDUM

DATE ISSUED: April 22, 2009 Report No. 09-004

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of April 28, 2009

SUBJECT: Fifth Amendment to the Central Imperial Redevelopment Plan

Reference: On July 11, 2006, the City Council approved the initiation of community plan amendments to increase maximum densities and change land uses to provide additional housing opportunities and allow for the development of certain residential and mixed-use projects in the Southeastern San Diego and Skyline-Paradise Hills Community Planning areas.

REQUESTED ACTION

STAFF RECOMMENDATION – That the Redevelopment Agency of the City of San Diego:

- 1) Adopt a Resolution by which the Redevelopment Agency, as Lead Agency, approves and certifies the proposed Final Environmental Impact Report for the Fifth Amendment to the Central Imperial Redevelopment Plan No. 106715 makes certain Findings of Fact adopts a Statement of Overriding Considerations and adopts a Mitigation, Monitoring and Reporting Program;
- 2) Adopt a Resolution recommending the City Council's approval of the Report to City Council for the Fifth Amendment to the Redevelopment Plan for the Central Imperial Redevelopment Project;
- 3) Adopt a Resolution recommending the City Council's approval of the proposed Fifth Amendment to the Central Imperial Redevelopment Plan.

SUMMARY

COMMITTEE RECOMMENDATIONS/ COMMUNITY PARTICIPATION

On April 2, 2009, the Planning Commission voted to make the following recommendations, among others, to the City Council: approval of the Final Environmental Impact Report; adoption of the Fifth Amendment to the Central Imperial Redevelopment Plan; and approval of a finding that the Fifth Amendment is in conformance with the General Plan and Southeastern San Diego and Skyline-Paradise Hills Community Plans, as amended. The Report to the Planning Commission is contained in the attached Report to Council (Tab 14, Appendix C).

On March 25, 2009, the Southeastern Economic Development Corporation (SEDC) Board of Directors recommended approval of the Fifth Amendment to the Central Imperial Redevelopment Plan and related actions.

On March 18, 2009, the members of the former Central Imperial Project Area Committee (PAC) recommended approval of the Fifth Amendment to the Central Imperial Redevelopment Plan and related actions.

The recommendations of the three Community Planning Groups are detailed in the Report to the Planning Commission (Tab 14, Appendix C) and briefly the recommendations include:

On March 16, 2009, the Encanto Neighborhoods Planning Group approved the proposed amendment to the SESD Community Plan and all associated documents with *one change for two parcels located at 61st and Imperial.*

On March 9, 2009, the Southeastern San Diego Planning Committee voted not to support the amendment by a vote of 7-4-0.

On January 13, 2009, the Skyline-Paradise Hills Planning Group voted to recommend approval of the proposed amendment to the Skyline Paradise Hills Community Plan *with the condition that all first floor units be designed and constructed so that they may be utilized for either commercial or retail use at the discretion of the tenant or owner.*

Additional meetings are listed in the Summary of Meetings and Consultations with the Former PAC and the Community, included in Tab 14, Appendix D.

BACKGROUND

The Central Imperial Redevelopment Plan (Plan) was approved by the City Council in 1992 and has been amended four times. The first amendment to the Plan, adopted in January 1996, among other actions, deleted certain property from the area. The second amendment to the Plan, adopted in December 1996, added approximately 113 acres to the Project Area. The third amendment to the Plan, adopted in November 2000, added 19 acres to the Project Area. The fourth amendment to the Plan, adopted in October 2003, extended the ability to acquire property using eminent domain authority.

The proposed Fifth Amendment to the Central Imperial Redevelopment Plan (Fifth Amendment) considers nine redevelopment activity sites and is proposed to reflect certain changes to the Southeastern San Diego and Skyline-Paradise Hills Community Plans to: re-designate land uses; increase maximum residential density within identified areas of the Encanto Neighborhoods and a small portion of Skyline-Paradise Hills; add mixed use land use designations; and incorporate smart growth principles through a Community Plan Implementation Overlay Zone (CPIOZ) and through a new Village/ Mixed-Use Element in the community plans.

A number of events necessitate the proposed Fifth Amendment, specifically:

- Currently the Southeastern San Diego Community Plan **does not allow mixed use** commercial and residential projects or higher density residential projects.
- City Council's approval of the **Village Center at Euclid and Market** project, as one of the five chosen "City of Villages Pilot Projects" (February 2004). The planning process for this Village was led by residents and members of the Coalition of Neighborhood Councils (CNC) who formed the Euclid Market Action Team (EMAT). EMAT and CNC worked in collaboration with the City of San Diego and the Jacobs Center for Non Profit Innovation (2000-2004) in meetings, planning circles, and charettes to develop the plan for the Pilot Village and the surrounding area.
- Formation of the City's Comprehensive **Affordable Housing Collaborative**, development of the Comprehensive Affordable Housing Strategy and the Redevelopment Agency's selection of proposals to receive funding assistance. The Agency selected a proposal located at SR-94 and Euclid Avenue (referred as the Hilltop and Euclid Redevelopment Activity), to provide a combination of affordable and market rate residential units (March 2004).
- SEDC's hosting of four **Density Dialogues** with the community (March 2004 through June 2004), including a bus tour of affordable housing, to gain comments and concerns over key impacts that may result from increased density in the area. The Dialogues concluded with a Neighborhood Workshop on Housing hosted jointly with the City of San Diego. Area residents reviewed development proposals, and engaged

developers in a give and take session. Among the overriding community concerns were the potential traffic impacts, **and the request to take a comprehensive overview of all proposed development in the area in order to analyze potential impacts.**

- Adoption of SEDC's **Imperial Avenue Corridor Master Plan** (Master Plan) (December 2005) which provides redevelopment recommendations, design guidelines and implementation strategies for mixed use commercial and residential uses along both sides of Imperial Avenue, in two areas between I-805 and 69th Streets. The Master Plan's overriding goal is to **guide future redevelopment efforts along Imperial Avenue** by providing a broad range of commercial, residential, mixed use, and transportation choices to the community.
- San Diego Association of Governments' (SANDAG) adoption of the **Regional Comprehensive Plan** (2004), a strategic planning framework providing a vision based on smart growth and sustainability as well as the adoption of the updated "**Smart Growth Concept Map**" illustrating the location of existing, planned, and potential smart growth areas (July 2008). The Concept Map identifies smart growth "place types" which include the Village Center at Market and Euclid site as a Community Center, and the Imperial Avenue Corridor as a Mixed Use Transit Corridor.
- The City of San Diego's adoption of the **updated General Plan** (March 2008) guided by the City of Villages strategy and the citywide policies adopted as a part of the General Plan **Strategic Framework Element** in 2002, which plans for increased residential and commercial mixed uses along transit corridors and "village" areas. The City of Villages strategy focuses future housing, retail, employment, educational, and civic uses in mixed-use village centers of different scales. By directing growth primarily toward village centers and transit corridors, the General Plan supports the preservation of established residential neighborhoods, the management of growth over the long term, and the attainment of sustainability goals.
- **City Council's initiation of community plan amendments** and rezones to increase maximum densities and change land uses to provide additional housing opportunities and allow for residential and mixed-use development in the Southeastern San Diego and Skyline-Paradise Hills Community Planning areas on July 11, 2006.

DISCUSSION

Environmental Review – A Program Environmental Impact Report (EIR) for the Fifth Amendment to the Central Imperial Redevelopment Plan was prepared in accordance with the State of California Environmental Quality Act (CEQA) Guidelines. As a Program EIR, the document is intended to be used by SEDC/City of San Diego Redevelopment Agency as the "Lead Agency", related to approvals of the proposed redevelopment plan amendment and when taking specific actions necessary to achieve the goals of the Central Imperial Redevelopment Plan. The Program EIR is intended to be used by the City of San Diego as a "Responsible Agency" related to approvals of the amendment to the Southeastern San Diego and Skyline-Paradise Hills Community Plans and when taking action on subsequent permits to allow development in accordance with the proposed Fifth Amendment.

The EIR project description includes nine redevelopment activities and the policy changes and amendments to the relevant planning documents. The Program EIR document provides a comprehensive review of the potential impacts of projects that may be developed under the amended land use designations and rezones. The Draft EIR was issued on December 8, 2008, for a 45-day public review period. During the course of the public review period, comments were received and the City of San Diego determined that additional analysis was warranted with respect to Water Supply. A Revised Draft EIR that focused on the issue of water supply was re-circulated for an approved 30-day public review period on February 11, 2009. Response to all written comments received on both the Draft EIR and Revised Draft EIR were prepared, and are incorporated into the March 2009 Final Program EIR.

A Mitigation, Monitoring and Reporting Program has been prepared and when implemented could reduce, below a level of significance, some of the potential impacts identified. Five areas of environmental impacts have been identified as not fully mitigated to a level less than significant at the Programmatic-level of analysis: Transportation/Circulation, Air Quality, Cultural Resources, Biological Resources and Public Services and Facilities (Water Supply). Draft CEQA Findings and a Statement of Overriding Considerations have been prepared to allow the decision maker to adopt the project with significant and unmitigated impacts. These documents are included in Tab 2 attached to this report.

Most traffic impacts are mitigated by roadway improvement measures. Impacts that are significant and unmitigable are identified on one segment of Imperial Avenue from San Jacinto to Valencia Parkway due to current safety concerns over street widening. SEDC and City have worked out a mitigation approach whereby the project will fully construct most of the improvements needed to alleviate existing and project-related congestion on local streets and intersections, rather than having the project pay fair share contributions to future improvements. With this approach the project is responsible for providing all identified improvements except for those associated with the needed widening of 47th Street from Market Street to Imperial Avenue. This project would be left to the City and future developers to fund through the collection of Development Impact Fees. Impacts to 47th Street would be significant and unmitigable with this approach. Also significant and unmitigable impacts are the identified freeway impacts to I-805 and SR94.

The Air Quality impacts are primarily a result of emissions from increased vehicular trips. At this Program EIR level, project specific details are not known, resulting in potential impacts to Cultural Resources and Biological Resources that cannot be accurately predicted at this level of review. Although adequate mitigation has been identified for these resources, the feasibility of the mitigation is dependent upon the specific details of future projects. Therefore, potential impacts to these resources are considered significant and unmitigable at the programmatic level.

The City-prepared Revised Water Supply Assessment does not demonstrate that adequate water supplies are available to serve the project. This is because the City's 2005 Urban Water Management Plan (which is the basis for the project's water supply assessment) still utilizes the 2001 SANDAG projections for 2030 growth in San Diego. The 2001 growth projections did not take into account the City's adopted City of Villages strategy or the transit oriented development strategies being implemented by these proposed amendments. Three mitigation measures have been identified to reduce overall water use, including LEED-equivalent water use reduction measures to achieve an overall reduction in water use of 7.5 percent for residential and 5 percent for commercial use, and all landscaping is required to incorporate water conserving irrigation strategies. These measures cannot fully mitigate the impacts to a level of less than significant.

The Final EIR including Technical Appendices was prepared in March 2009 and is available for review at the City Clerk's office, and SEDC's office and website at <http://www.sedcinc.com/reports.html>. A Summary of Impacts is included in Tab 2 attached to this report.

Amendments to the Community Plans - In order to implement the Imperial Avenue Corridor Master Plan; the Village Center at Euclid and Market, the Hilltop and Euclid development and other opportunities to increase the supply of affordable housing, amendments to the Southeastern San Diego and Skyline Paradise Hills community plans are proposed to apply mixed use or higher density residential land use designations on certain areas to accommodate a mix of uses, and to allow this type of development within the area. The majority of the amendment language proposed for the community plans is contained in the new 'Village/Mixed-Use' elements of the plans which introduces the new Community Plan Implementation Overlay Zone (CPIOZ) for the areas. Also proposed are amendments to the Land Development Code to recognize the new CPIOZ, and the associated rezones necessary to implement the mixed-use, higher density and residential uses included with the proposed community plan amendments.

Report to Council - Pursuant to California Redevelopment Law (Health and Safety Code Sections 33000, et.seq.) a Report to the City Council is prepared for the purpose of presenting the information, documentation and evidence that is required by Sections 33352, 33450 and 33457.1 to accompany a proposed amendment to a redevelopment plan and to explain the reasons for the amendment. Section 33352 contains the requirements for preparation of the Report to Council, and provides that the Report to Council be prepared addressing those sections of the report which are applicable to the amendment. As described in Table 1 of the Draft Report to Council, several elements of a Report to Council are not applicable to this Amendment which does not add territory to the redevelopment project area. The Draft Report to Council for the Fifth Amendment to the Central Imperial Redevelopment Plan includes the applicable sections of Section 33352 and is included in Tab 14 attached to this report.

Redevelopment Plan Amendment - California Redevelopment Law requires Redevelopment Plans to be consistent with the City's General Plan. As the community plan land use maps are proposed to be revised, the Central Imperial Redevelopment Plan Land Use Map and the section of the redevelopment plan describing the land use will be amended to provide consistency with the Southeastern San Diego and Skyline Paradise Hills Community Plan Land Use maps, and is included in Tab 3 attached to this report.

SUMMARY/CONCLUSION

Staff Recommendation – that the Redevelopment Agency:

Having reviewed and considered the Final EIR for the Fifth Amendment to the Redevelopment Plan and other documents and information submitted; the Report to Council for the Fifth Amendment to the Redevelopment Plan for the Central Imperial Redevelopment; the proposed Fifth Amendment to the Central Imperial Redevelopment Plan; and having determined that the Proposed Fifth Amendment is in conformity with the General Plan, that the Redevelopment Agency adopt the proposed resolutions.



Approved by
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Interim Chief Administrator



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Attachments: Joint Public Hearing Project Packet