



## THE CITY OF SAN DIEGO

DATE ISSUED: March 3, 2010 REPORT NO. RA-10-07

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Docket of March 9, 2010

SUBJECT: Public Hearing for the Adoption of the Second Implementation Plan for the  
Grantville Redevelopment Project Area.

REFERENCE: California Community Redevelopment Law Section 33490  
First Five-Year Implementation Plan for Grantville (May 17, 2005; RR-  
19380-1)  
Mid-Year Progress Report for Grantville (July 28, 2009; D-04442 / R-  
04442)

REQUESTED ACTION: That the Agency:

- 1) Conduct a public hearing to receive comments on the Second Implementation Plan for the Grantville Redevelopment Project Area; and,
- 2) Adopt the Second Implementation Plan for the Grantville Redevelopment Project Area.

STAFF RECOMMENDATION: That the Agency conduct a public hearing to receive comments and adopt the Second Implementation Plan for the Grantville Redevelopment Project Area.

BACKGROUND:

Since 1994, as a result of redevelopment reform legislation (AB 1290), California Redevelopment Law ("CRL"), Health a Safety Code Section 33490, requires each redevelopment agency to adopt, after a public hearing, a five-year implementation plan that contains specific goals and objectives for each adopted redevelopment project area. A new implementation plan is required to be adopted every five years.

The Grantville Redevelopment Project Area (the "Project Area") was adopted on May, 17, 2005 along with the First Implementation Plan that covers the period from May 17, 2005 to May 17, 2010. As required, this Second Implementation Plan outlines the specific goals and objectives of the Agency for the Project Area, the specific programs, including potential projects and estimated expenditures proposed to be made during the next five-year period, and an explanation of how the goals and objectives, programs, and expenditures eliminate blighting conditions.



### Redevelopment Agency

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Shortly after the adoption of the First Implementation Plan for Grantville, a lawsuit was filed by the County of San Diego (the “County”) and a private party against the City of San Diego (the “City”) challenging the validity of the Redevelopment Plan (the “2005 Litigation”).

Consequently, many of the specific goals and objectives established by the First Implementation Plan for eliminating blighting conditions, including specific projects, programs and expenditures, were placed on hold pending the outcome of the 2005 Litigation. In 2008, the parties reached a settlement agreement with respect to the 2005 Litigation, and beginning in Fiscal Year 2008-2009, the Agency began receiving tax increment monies (both past and current) and the goals and objectives of the First Implementation Plans were initiated.

During the limited time remaining on the First Implementation Plan after the settlement of the 2005 Litigation, the Agency has: 1) implemented a community plan land use designation update including ongoing economic and traffic studies; 2) worked to address flooding along Alvarado Creek; 3) proceeded to develop a feasibility study to increase traffic lanes on Mission Gorge Road at the I-8 interchange to alleviate traffic congestion; 4) established a Grantville Housing Enhancement Program (“HELP”) to provide low and moderate income homeowners with housing funds; 5) made contacts with businesses interested in relocating to Grantville; and 6) presented a Store Front Improvement Program (“SIP”) to the community planning group.

This Second Implementation Plan is similarly prepared pursuant to Section 33490 of CRL for the next five-year period from May 17, 2010 to May 17, 2015. This Second Implementation Plan also continues with many of the goals and objectives outlined in the First Implementation Plan that were not completed as a result of the 2005 Litigation and further outlines additional redevelopment activities proposed for the Grantville Project Area. The programs and activities in this Second Five-Year Implementation Plan do not currently anticipate the use of eminent domain.

#### DISCUSSION:

The Second Implementation Plan is provided as an attachment to this report. The plan also serves as the Project Area’s strategic plan and includes: 1) a background of the Grantville Redevelopment Project Area; 2) a description of the Project Area’s blighting conditions; 3) the Project Area’s goals and objectives; 4) proposed projects, expenditures, and contributions to the alleviation of blighting conditions for the five-year period; 5) an explanation of how the goals and objectives, projects and expenditures will alleviate and/or eliminate blighting conditions; and 6) an explanation of how the goals and objectives, projects and expenditures will implement the Project Area’s housing requirements.

The Housing portion of the Second Implementation Plan includes: 1) estimates of deposits into the Low and Moderate Income Housing Set-Aside Fund (the “Housing Set-Aside Fund”) during the next five years; 2) the Agency’s potential plans for utilizing annual deposits to the Housing Set-Aside Fund; (3) an explanation of the housing units and housing requirements for the Project Area; 4) the anticipated breakdown of any new dwelling units that may be developed for very-low, low and moderate income households over the next 10 years; and (5) an estimate of the

number of new dwelling units that could be developed in the Project Area over the life of the Redevelopment Plan. Pursuant to CRL, adoption of an implementation plan does not constitute an approval of any specific program, project or expenditure and does not change the need to obtain any required approval of a specific program, project or expenditure from the Agency and City Council.

Whereas CRL requires a five-year implementation plan regardless of the economic conditions during the five-year period, it should be noted that the timing of the proposed projects and programs may be greatly influenced by market conditions and the ability of the private sector to respond to Agency initiatives. The projects, programs and expenditures represented in this Second Implementation Plan rely heavily on the private sector's ability to obtain financing for projects and the Agency's ability to maintain and increase the flow of tax increment revenue.

The proposed projects and programs are also reflective of the Grantville redevelopment goals established by the Grantville Redevelopment Plan. Of these goals, eliminating blighting conditions, traffic circulation and congestion relief, updates to the community plan, improved infrastructure, and the San Diego River Master Plan have a heightened priority. Within the next five years, additional projects and programs are likely to become available. It should also be noted that, prior to the expenditure of Agency funds for public facilities and improvements, the City Council and Agency are required to make certain findings including that the proposed improvements are consistent with the implementation plan adopted for the Project Area.

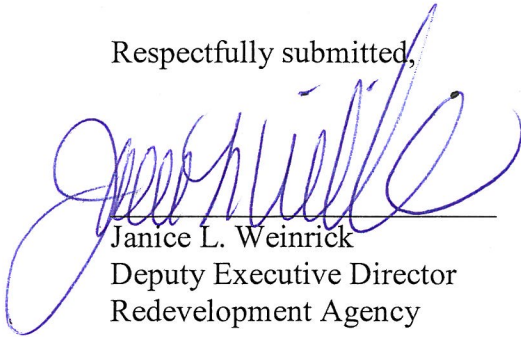
FISCAL CONSIDERATIONS: There is no fiscal impact associated with this action. The Second Implementation Plan does not commit the Agency or the City to any funding requirements. Any financial obligations of the Agency will be discussed as part of the Agency's annual budget and as projects are proposed and will be subject to Agency approval.

PREVIOUS AGENCY and/or COMMITTEE ACTIONS: On May 17, 2005, the Agency adopted the First Implementation Plan for the period of May 17, 2005 to May 17, 2010. On July 28, 2009, the Agency conducted a mid-term public hearing to evaluate the progress of the First Implementation Plan. At the time of this report, the Second Implementation Plan is scheduled for presentation as an information item to the Navajo Community Planners on February 22, 2010. Recommendations and/or comments from the meetings, if any, will be reported at the public hearing.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS: This is a publicly noticed hearing. Notices were posted in at least four (4) permanent places within the Project Area for a period of three (3) weeks. The notice of the public hearing was also published in the Daily Transcript once a week for three (3) successive weeks prior to the hearing. The Second Implementation Plan has also been available electronically on the City's website at <http://www.sandiego.gov/redevelopment-agency/index.shtm>.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: Key stakeholders are the residents, land owners, and businesses in the Grantville Project Area as well as the communities in and adjacent to the Project Area including Allied Gardens. This activity is not a “project”, and therefore, is exempt from the California Environmental Quality Act (the “CEQA”) pursuant to State CEQA Guidelines Section 15060(c) (3). The inclusion of projects and programs, potential projects and expenditures in an implementation plan shall not eliminate a review pursuant to CEQA at the time of approval of the program, project or expenditure to the extent that it would be otherwise required.

Respectfully submitted,



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Attachment:

1. Second Five-Year Implementation Plan for the Grantville Redevelopment Project Area