

DATE ISSUED: September 27, 2000

REPORT NO.: 00-194

ATTENTION: Honorable Mayor and City Council
Docket of October 3, 2000

SUBJECT: City Heights Redevelopment Plan

SUMMARY:

Issues - Should the City Council take the following actions regarding the City Heights Redevelopment Plan?

- 1) State for the record that the Final Environmental Impact Report for the City Heights Redevelopment Plan, the Mitigated Negative Declaration for the First Amendment to the Redevelopment Plan and the Final Environmental Impact Report for the Mid-City Communities Plan have been reviewed and considered prior to consideration of this action and make a determination that the Environmental Secondary Study for this action has been completed in compliance with the California Environmental Quality Act and State CEQA Guidelines.
- 2) Approve and adopt the Third Amendment to the Redevelopment Plan for the City Heights Redevelopment Project.

Manager's Recommendation: Approve the resolutions and ordinance and adopt the Third Amendment to the City Heights Redevelopment Plan.

Other Recommendations: The City Heights Redevelopment Project Area Committee (PAC) voted to recommend approval of the proposed eminent domain authorization at its June 12, 2000 meeting. The final recommendations of the PAC and Planning Commission at their September, 2000 meetings will be presented at the Council hearing.

Fiscal Impact: There is no direct fiscal impact with this action. The proposed amendment is intended to increase the effectiveness of the Redevelopment Program in City Heights. Successful implementation of the City Heights Redevelopment Project would result in the generation of additional tax increment and other revenues and would result in a net fiscal benefit.

BACKGROUND

The City Heights Redevelopment Plan was approved and the Redevelopment Project established by City Council ordinance on May 11, 1992. The City Heights Redevelopment Project Area consists of 1984 acres located in the Mid-City planning communities of City Heights, Normal Heights and Kensington-Talmadge. A map of the Project Area is included in Attachment 3, Report to Council on the Redevelopment Plan Amendment.

Since adoption of the Plan, redevelopment activities have focused primarily on the City Heights Urban Village Project, where a new elementary school, police substation, library/park, community service center, child care center, performing arts center and community college

facility have already been completed and a new retail shopping center, office building and town homes are still in the process of being installed.

On April 16, 1996, City Council approved the First Amendment to the Redevelopment Plan. The Amendment provided for the following modifications to the Redevelopment Plan:

removed 285 parcels considered unnecessary for redevelopment from the Project Area, reducing its total acreage from 2,062 to 1,984;

modified the designated land uses within the ten block City Heights Urban Village project area in accordance with the Urban Village Project Master Plan;

expanded the Redevelopment Agency's unrestricted authority for use of eminent domain within the ten block Urban Village area;

modified the total tax increment limit and bonded indebtedness limit based on new financial projections for the Redevelopment Project.

On August 4, 1998 the City Council approved the current Mid-City Communities Plan. This new plan established new land use designations for the Mid-City area, which includes the entire City Heights Redevelopment Project Area.

The most recent Five Year Implementation Plan for the City Heights Redevelopment Project was adopted by the Redevelopment Agency on September 14, 1999. This document established the implementation goals, objectives, strategies and anticipated projects for the current five year period. Included in the Implementation Plan recommendations is the Third Amendment to the Redevelopment Plan.

DISCUSSION:

California Community Redevelopment Law requires that all redevelopment plans be consistent with the General Plans and local community plans for the specific redevelopment project areas. As a result of the 1998 amendment of the Mid-City Communities Plan, the City Heights Redevelopment Plan land use map is no longer consistent with the Community Plan land use map. This discrepancy could cause problems for implementing projects in the areas where the discrepancies occur. The proposed Third Amendment to the Redevelopment Plan would change the land use map to match that of the current Community Plan.

A crucial element of redevelopment in the State of California is the use of eminent domain for private property acquisition. Without this tool, two current phases of the City Heights Urban Village Project — the retail shopping center project and the office and town homes project — could not proceed. The City Heights Redevelopment Plan has attempted to balance the community desires for revitalization and removal of blight with protection of community integrity, particularly within stable residential neighborhoods.

When the Redevelopment Plan was introduced to the City Council in 1992, the areas authorized for unconditional use of eminent domain were restricted to properties fronting major streets. Attachment 4 shows the areas in the Project Area where unconditional use of eminent domain is

currently authorized. The partial authorization was an attempt to balance the competing community interests, but it has proved to impede some redevelopment proposals because of the inability to assemble large enough areas of land to make projects economically viable. In addition, significant areas of relatively stable residential neighborhoods were included under eminent domain authorization. The 1996 First Amendment broadened eminent domain authority throughout the ten block Urban Village area, but left intact existing designations for the remainder of the Project Area.

The current Plan Amendment proposal, as shown on the Attachment 5 map, continues to follow a targeted approach and attempts to continue to balance the community goals of removing blight and revitalizing the area versus protecting the neighborhood integrity. The areas considered for potential redevelopment property acquisition are the commercially zoned areas and the area immediately surrounding the new I-15 Freeway. In response to community requests, the commercially zoned area fronting on Poplar Street would continue to not have unrestricted eminent domain authority.

The proposed Third Amendment would remove unrestricted eminent domain authorization from approximately 199 acres of land where it currently exists. These areas are residentially zoned. The proposed amendment would add unrestricted eminent domain authorization to approximately 110 acres of land. As a result, the total acreage of areas with unrestricted eminent domain authorization would be reduced by 89 acres.

Specific areas where Agency property acquisition will take place is unknown at this time. Available resources will limit the Agency's ability to undertake projects to only a few areas. Projects are expected to be pursued only where the best opportunities present themselves to remove existing blight and to partner with private property owners and investors. The proposed Plan Amendment is considered to provide the minimum authorization needed to be able to respond to future conditions and successfully pursue redevelopment opportunities when they arise.

ALTERNATIVE

1. Do not adopt the Third Amendment to the City Heights Redevelopment Plan.
2. Adopt the Third Amendment with modifications.

Respectfully submitted,

Hank Cunningham
Director
Economic Development & Community Services

Approved: George Loveland
Assistant City Manager

CUNNINGHAM/JJL

- Attachments:
1. Third Amendment to the City Heights Redevelopment Plan
 2. Agency Report to Council on the Proposed Redevelopment Plan Amendment
 3. Project Area Map showing current eminent domain authorization

4. Project Area Map showing proposed eminent domain authorization

Note: Copies not available in electronic format. A copy of the attachments is available for review in the Office of the City Clerk.