

## **REDEVELOPMENT ELEMENT**

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## Redevelopment

Redevelopment is the restoration of either a single piece of property or a collective unit of properties to a condition of physical, social and economic vitality. Redevelopment means the replanning, redesign, and in some cases clearance, reconstruction and rehabilitation of areas that have been determined to be blighted. In recent years the emphasis of redevelopment has shifted from the "urban renewal" concept of total land clearance to a concept which emphasizes conservation and rehabilitation with only selective clearance.

The initiation of the redevelopment process can be through both private and public efforts. Private redevelopment occurs continually throughout the City, usually on a small scale and only when economic conditions are favorable for such action. Public redevelopment is typically large in scope encompassing many acres and in areas where blighted conditions enable the California Community Redevelopment Law to be used.

The Redevelopment Element is defined in the state planning and zoning law as "consisting of plans and programs for the elimination of slums and blighted areas and for community redevelopment, including housing sites, business and industrial sites and for other purposes authorized by law." The redevelopment process is guided by the California Community Redevelopment Law, Section 33000 of the Health and Safety Code. It is based on the need for communities to have the legal and financial ability to correct serious conditions of physical, social and/or economic deterioration that adversely affect the public health, safety and welfare of the community. The code states that a redevelopment area initiated by a public redevelopment agency must be precisely defined and must be characterized by a substantial degree of blight - either physical, social or economic - which impedes the normal development and investment process and leads eventually to deteriorating land use, and/or economic and social conditions, which can be corrected only by public action. The term blight is broadly defined to include unfit or unsafe buildings, the results of faulty planning or lack of planning, unproductive land use and/or decreasing population.

The lack of private investment within a reasonable time frame necessary to eliminate blighted conditions is the primary reason for a public sector intervention. The municipal government must, at a public hearing, document the blighted conditions and describe its plan for redeveloping the area and removing such blight. After the adoption of the Redevelopment Plan by the City Council, the Redevelopment Agency then has the responsibility to implement the plan including assembling land and making it available for private development. The new development serves as a catalyst to stimulate other private reinvestments in the area and ensure against further blight and decay.

The Redevelopment Element can be viewed primarily as an implementation tool and can be used as such to implement the recommendations of the Land Use Elements; Housing, Commercial, and Industrial. In addition redevelopment actions will be guided by the standards, criteria, and policies of the Urban Design, Cultural Resource Management, and Public Facilities Elements. Redevelopment and rehabilitation of deteriorated and underutilized areas of the City will return them to a condition of social, economic and physical vitality. Thus, the Redevelopment Element is one of the most important tools the City of San Diego has to guide growth into developed

portions of the community, conserve the community facilities and resources of the City, and prevent sprawl.

## **FINDINGS**

The rush to suburbia has accelerated the deterioration of older central areas. Investment is directed to the new growth areas while sections of central cities grow older and more obsolescent. Loss of jobs, business, revenues, and prestige has resulted. Aging central areas have been left to those who lack means to change the situation.

In the past the redevelopment efforts of the City of San Diego have been directed primarily to areas of commercial and industrial usage, however future programs should include efforts at revitalization of older residential neighborhoods.

The future of older developments in the City revolve around the economics of rehabilitation and redevelopment. Too often in the past it was believed that potential market demand for higher intensity use would prevent deterioration and that older areas would be rebuilt. This belief in many cases led to improper zoning of land for higher intensity uses which in turn invited speculation and further decay because property owners deferred maintenance in the face of high taxes and the hope that the land would be purchased for higher intensity use. This cycle has led to the emerging conditions of blight in some areas which were previously in reasonably good condition.

The prime determinant prior to the declaration of a redevelopment project area is the finding of blight. Without a substantiation of blight the municipal Redevelopment Agency cannot legally or financially enter into a program of redevelopment.

Blight according to the California redevelopment law can be established on the basis of the condition of buildings both inside and out and also on the condition of the environment. It must be shown that these conditions are detrimental to the health, safety and welfare of the people in the community.

A building or structure is judged to be blighted, if for instance it is overcrowded or there is insufficient ventilation, light and sanitary facilities. A blighted environment covers physical, social and economic deterioration. This category includes such conditions as disuse as a result of improper planning, inadequate public improvements, a prevalence of depreciated value or impaired investment. In San Diego the condition of misuse or underutilization of land is more likely to occur rather than pure physical deterioration of structures.

Private redevelopment in San Diego is spotty and not usually concentrated in one particular area. However, it is occurring now in the older portions of the City; the beach communities, downtown and the peripheral areas surrounding Centre City. Much of the redevelopment is a combination of rehabilitation and recycling of older structures to new and more viable uses. In the downtown, buildings once used for industrial and warehousing are being rehabilitated for office and commercial use. Residential dwellings close to the core are being used for office and some retail.

In the beach communities the trend has been toward redevelopment but usually in commercial areas. Uses then remain virtually the same but at a greater intensity. Residential rehabilitation is also quite noticeable in the beach communities with either additional stories and/or units being added. Both the 30-foot height limit and the Coastal Act could possibly be a factor in inhibiting the act of total clearance in the redevelopment process.

When a commitment to the use of redevelopment is made, great care must be exercised to ensure that implementation of the project does not replace a situation of physical, social or economic blight with a solution that adversely impacts the project and adjacent areas because of an improper or unsympathetic physical solution.

The largest potential building sites present the greatest problems and challenges for moderation of physical development form. On these sites, normal controls over the form and intensity of construction that are intended primarily for smaller sites have less precision, and the external effects of large developments upon the surrounding area may be far greater. With large sites the chances for public controversy and frustration, and divisive effects in the community are multiplied. For these reasons, the larger sites require separate and more intensive consideration in policies relating to site design and building form. Of special importance is the continuing involvement of citizen participation in the planning and implementation of redevelopment areas.

## **PUBLIC PROCESS**

The City Council established the Redevelopment Agency in 1958 in order to provide a method and structure for the revitalization of deteriorating areas. At that time the City Council also declared itself to be the Redevelopment Agency. The agency is, however, a separate legal entity which operates under the authorization granted to it by state law.

No redevelopment activities were undertaken until 1969 when the agency passed a series of resolutions setting forth operational procedures. In 1975 the Centre City Development Corporation was formed for the purpose of advising the Redevelopment Agency on implementation of redevelopment projects in the downtown area. The corporation is nonprofit and composed of seven directors, an executive director and limited staff. The corporation receives staff support from the Redevelopment Agency and other City departments.

The redevelopment process is accomplished by a series of steps or actions, each of which must be accompanied with an authorization by ordinance or by resolution. In San Diego the redevelopment process is usually initiated by the City Council with the designation of a survey area. This designation permits an area to be studied to determine whether a project or projects within an area are feasible. Following that, the selection of the project area and the formulation of a preliminary plan is accomplished by the Planning Commission. The Redevelopment Agency then prepares the Redevelopment Plan. The last step is the adoption of the final Redevelopment Plan by the City Council. A report which accompanies the plan includes a description of existing conditions, a relocation plan, proposed methods of financing, provisions for owner participation and an environmental impact statement.

While redevelopment projects may be undertaken by a variety of funding sources, the basic method of financing provided under the law is tax increment financing. Tax increment financing enables a community to undertake redevelopment projects without the assistance of further state, federal or other local funds. All of the projects that are currently being implemented by the Redevelopment Agency of the City of San Diego contain the provision of tax increment financing.

Basically, the role of the Redevelopment Agency is one of being the catalyst for changing the environment. The agency implements the plan by acquiring land, relocating residences and business, removing the blight, constructing necessary new public improvements, and making the land available for new development. Thereafter, the success of a specific project depends upon private investment in new construction in conformity with development agreements negotiated with the agency. It is significant that the ultimate success of most development projects depends upon the agency's ability to entice the private sector to make the necessary investment. To do so, the agency must not only be persuasive, but, also, able to give adequate assurance to the private investor that the proposed plan will, indeed, be implemented. Generally speaking, the bulk of the total investment in any project area is from the private sector.

## **GOAL**

REDEVELOP AND REHABILITATE DETERIORATED AND UNDERUTILIZED AREAS OF THE CITY TO A CONDITION OF SOCIAL ECONOMIC AND PHYSICAL VITALITY ENSURING THAT REDEVELOPED AREAS COMPLEMENT THE URBAN FABRIC, THE RESOURCES TO BE CONSERVED AND THE COMMUNITY ENVIRONMENT.

- Revitalize older portions of existing urban development having the most critical needs for renovation or having the best potential for development of multi-purpose centers.
- Maintain and conserve sound existing development.

## **GUIDELINES AND STANDARDS**

Although each project area has unique characteristics, there are general guidelines applicable to all redevelopment projects.

- Evaluate all potential redevelopment projects in terms of two distinct processes: **renovation and new construction**. The human dislocation and high costs associated with new construction often combine to make renovation restoration a highly desirable approach to redevelopment. Neighborhoods which vary in age but are in essentially sound condition should be maintained. Priority for redevelopment should be given to those areas where conditions of physical, economic, and social blight exist and that cannot be corrected by other means.
- Recognize the special urban design problems posed in large redevelopment projects. The larger a potential site for redevelopment, the greater are apt to be the size and variety of the urban design questions raised. Larger sites may mean greater visual prominence of

development and greater impact on the surrounding community. As more land is included in a single project, the possibilities are increased that the public resources, historic sites, and street space will be affected. Larger developments also have substantial requirements for public services including transportation and access.

- Redevelopment projects should be designed to minimize displacement of existing residents, businesses and uses. Where displacement is necessary care should be taken to ensure that the relocation process does not destroy the existing social/economic framework of the project area. This means not only the provision of adequate replacement housing, but the relocation and resettlement of those institutions and facilities that provide goods, services and job opportunities to the relocatees.
- Discourage acquisition and redevelopment of large areas, unless such development is carefully designed with respect to its impact upon adjacent areas. The guidelines of the Urban Design Element will help to some extent in reducing the negative effects of development on large sites. They will not, however, deal with all the special problems raised or guarantee good quality of design.

There is no substitute for early and frequent communication as to the merits of a particular project between the developer on the one hand and public officials and interested citizens on the other. Such communication will give an early and more reasoned assessment of the positive and negative effects of the project upon the City and the surrounding area and will reduce the chances of later delays and controversies. Processes toward these ends should be employed for all major projects in the City.

- Protect the livability and character of neighborhoods from the intrusion of incompatible new development.

Whatever redevelopment steps are undertaken may be counterproductive if human scale is not provided by the new development. Human scale can be retained if new buildings, even large ones, avoid the appearance of massiveness by maintaining established building lines and providing human scale at their lower levels through the use of texture and details. If the ground level of existing buildings in the area is devoted to shops, then new buildings should avoid breaking the continuity of retail space. The amenities that contribute to the livability and character of adjacent neighborhoods should be safeguarded and strengthened.

- In the implementation of redevelopment projects, care should be taken to avoid creating an image of abandonment and economic depression through the clearance of existing structures. Unless the structures are vacant or a blighting influence, it is usually desirable to have entered into a development agreement prior to removal of structures.

Cleared land, especially in a downtown area creates a feeling of abandonment and a sense of economic depression. A standing building even though vacant is far better than a lot devoid of use.

- Buildings that have been designated as historic sites or of significant architectural or cultural value should be incorporated into the redevelopment plan. This type of structure because of its familiarity for residents creates a sense of stability and place within an area that may, for a period of time, be characterized by upheaval and change.
- Emphasis should be placed on the rehabilitation and recycling of buildings where appropriate and the development of adaptive reuse programs.

Many buildings, although not falling within the historic category described above, possess architectural integrity and are compatible to their settings lending themselves gracefully to new uses.

- In order to provide community input there should be a committee of property owners, residents and other interested citizens for each redevelopment project area. This may be an existing group such as a community planning committee or a project area committee formed in accordance with the provisions of the California Redevelopment Law.

Although property owners and residents may decline to participate in the planning for a redevelopment project area, they should be offered the opportunity. This would ensure maximum participation in the process.

## **RECOMMENDATIONS**

Public agencies have implementation powers not available to the private sector. To effect the changes desired for redevelopment, a number of government tools can be utilized such as tailored zoning, code and ordinance modifications and variances, development rights transfers, utilization of air rights, eminent domain, and the purchase of easements. Public funds can be utilized to encourage private enterprise to invest dollars and manpower in redevelopment areas. Local funds can be utilized for land assembly, street improvements, placement or relocation of utilities, landscaping and parking to attract private investment.

The key element in implementation for the public agency is the use of tax increment financing and the speed and skill by which proposals can be carried through the negotiated procedures leading toward actual redevelopment. The City's commitment to projects hinges on various City departments and their cooperation in overseeing the various facets of physical improvements which then contribute to social and economic upgrading. The private sector will in turn follow the lead of City government with investments that produce the tax increment monies necessary for financing.

The circle of involvement from both the private and public sector must be equally divided for a successful redevelopment project. Both must be economically motivated not necessarily for the same reasons, but the end result should be the same, the redevelopment of an area that produces economic and social benefits to the City and profit for the private developer.

