

DUPLICATE ORIGINAL

**Second
IMPLEMENTATION PLAN
(2000-2004)**

for the

BARRIO LOGAN REDEVELOPMENT PROJECT

**Adopted
June 29, 1999**

The Redevelopment Agency of the City of San Diego

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OFFICE OF THE REDEVELOPMENT AGENCY
SAN DIEGO, CALIF.

I. INTRODUCTION

This *Second* Implementation Plan (the "Plan") is being prepared and adopted according to California Community Redevelopment Law. This Plan identifies project activities scheduled for the next five years, beginning in 1999 and ending in 2004.

The Barrio Logan Redevelopment Project was adopted on May 20, 1991 and will remain in effect for forty (40) years after its date of adoption. The 133-acre project was adopted to reconstitute Barrio Logan as a viable mixed-use community, to encourage compatible land use patterns, and to encourage private investment in the community. Specifically, the plan was adopted to assist the development of the Mercado del Barrio Project to serve as a catalyst to further community reinvestment. The first phase of the redevelopment project, the 144-unit Mercado Apartments, held its grand opening on June 24, 1994, and have been fully occupied since the opening. Additionally, the Crosby Street Widening Project has also been a redevelopment landmark of phase one. The second phase of the redevelopment project, the Mercado Commercial Center, is among the main priorities and goals set for completion during the next five years of implementation.

II. DESCRIPTION OF PROJECT BLIGHTING CONDITIONS

Conditions of project blight have begun to be addressed by the development of the Mercado del Barrio Apartments complex. The project area continues to exhibit blighting conditions, including the following: 1) lots have been subdivided in an inadequate size for proper usefulness and development; 2) inadequate public improvements exist throughout the area, including lack of open space for recreational purposes, an overburdened traffic system, and inadequate public facilities; 3) there is a prevalence of depreciated values and impaired investments, and the project area exhibits social and economic maladjustment; 4) property values have not kept pace with other areas of the City due to existing conditions, but are high enough to inhibit private investment without redevelopment assistance; 5) structures are substantially older and in deteriorated condition; and 6) the development pattern of the area creates significant land use conflicts.

III. SPECIFIC GOALS AND OBJECTIVES OF THE AGENCY FOR THE PROJECT AREA

In general, the goals and objectives for the project area are to: 1) Eliminate and prevent the spread of blight and deterioration; 2) Encourage the cooperation and participation of residents, business people, public agencies and community organizations; 3) Reconstitute the community as a viable mixed-use area with compatible land use patterns; 4) Encourage new and continuing private investment; 5) Achieve an environment with a high level of concern for urban design and land use principles; 6) Develop an accessible transportation network; 7) Resolve parking and

vehicular traffic problems and produce an acceptable level of service on project area arterials; 8) Encourage the development of a commercial environment which positively relates to adjacent land uses and upgrade and stabilize existing commercial uses; 9) Promote local job opportunities, preserving the area's existing employment base, and providing vocational training for community residents; 10) Create a balanced mix of new housing stock, including new very low, low and moderate income housing as well as encouraging rehabilitation of existing dwelling units; 11) Provide a basis for and coordinate the location and programming of public service facilities; 12) Encourage the preservation and enhancement of the distinctive character of the community and promote the development of the community's cultural and ethnic qualities; 13) Provide an environment conducive to the health, safety and well-being of community residents; 14) Provide relocation assistance when necessary to area residents and businesses; and 15) Coordinate revitalization efforts with other programs developed by the City.

These specific goals and objectives as noted above would continue during the five years represented by this Implementation Plan. Expansion of the Barrio Logan Redevelopment Area should be completed in the near future, subject to available funding, in order to eliminate blight in surrounding areas. Since the Barrio Logan Redevelopment Project is not anticipated to have available any tax increment other than housing set-aside monies, and to service existing debt until the year 2017, another important goal for the Project Area and Agency staff will be to seek additional funding sources for seed money to complete projects in Barrio Logan.

IV. SPECIFIC PROJECTS AND EXPENDITURES PROPOSED TO BE MADE DURING THE NEXT FIVE YEARS

Significant project development is anticipated to be accomplished in the project area during the next five years, as indicated below. Constraints on project development include much lower than originally anticipated tax increment revenues generated within the project area. Additional project development capital is anticipated through annual applications for project funding through the Community Development Block Grant (CDBG) program and through other available sources. Collection of tax increment funds will continue throughout the period of this Implementation Plan. Since this redevelopment project is below base, it is not currently receiving any tax increment revenues. Tax increment growth over the five years of this Plan, which is (conservatively) based upon recently updated financial projections and dependant upon new development, is estimated as follows for the five years of this Plan: 1999-2000 Work Program - \$0; 2000-2001 Work Program - \$25,339; 2001-2002 Work Program - \$56,546; 2002-2003 Work Program \$64,377; 2003-2004 Work Program - \$72,363. These estimates will depend largely upon the extent to which the Work Program described in this Plan is implemented.

Twenty percent (20%) of future tax increment, anticipated to begin in 2001, will be set aside in the Housing Fund for the development of housing. Additional shares of tax

increment will be distributed to the following local taxing entities: 1) San Diego Unified School District, 2.68 percent; 2) San Diego Community College District, .10 percent; 3) County of San Diego, 15 percent. Increased tax increment revenues beyond the current total are highly dependent upon the success and performance of the redevelopment projects currently under development.

A. FIVE YEAR PROJECTS SCHEDULE

1999-2000 Work Program

Complete Disposition and Development Agreement to implement the Mercado del Barrio Commercial Project. Monitor project construction and assist with project development. Expenditures for project construction will be from private funding. No Agency funding for project construction is anticipated.

Complete Project Area Boundary Expansion (*Pending sufficient project funding*).

Work with Port Commission on South Embarcadero Planning Process to improve connections between San Diego Harbor and the Barrio Logan Community

Coordinate Brownsfield activities with the Project Area Committee.

Implement Public Improvements Action Plan (*pending sufficient project funding*). Plan will include specific recommendations for public infrastructure improvements throughout the project area. Expenditures are anticipated to include approximately \$40,000 dollars.

Work with Housing Commission to complete rehabilitation projects with Low/Moderate housing set-aside monies. Housing set-aside estimated at \$35,000.

Assess Logan Avenue commercial corridor improvement needs, including potential commercial in-fill development and facade improvements, and develop action plan (*pending sufficient project funding*).

Monitor project activities and coordinate community and local business input into the project development process. Staff Project Area Committee (PAC).

2000-2001 Work Program

Complete Disposition and Development Agreement to implement the Mercado del Barrio Commercial Project. Monitor project construction and assist with project development. Expenditures for project construction will be from private funding. No Agency funding for project construction is anticipated.

Complete Project Area Boundary Expansion (*Pending sufficient project funding*).

Work with Port Commission on South Embarcadero Planning Process to improve connections between San Diego Harbor and the Barrio Logan Community

Coordinate Brownsfield activities with the Project Area Committee.

Implement Logan Avenue Commercial Corridor Action Plan (*pending sufficient project funding*). Plan will include specific recommendations for improvements to commercial facades, infill commercial development, and associated efforts to improve the commercial viability of the corridor. Expenditures are anticipated to include approximately \$25,000 dollars.

Continue Implementation of the Public Improvements Action Plan (*pending sufficient project funding*). Plan will include specific recommendations for public infrastructure improvements throughout the project area. Expenditures are anticipated to include approximately \$40,000 dollars.

Work with Housing Commission to complete rehabilitation projects with Low/Moderate housing set-aside monies. Housing set-aside estimated at \$35,000.

Monitor project activities and coordinate community and local business input into the project development process. Staff Project Area Committee (PAC)

2001-2002 Work Program

Complete construction of Mercado del Barrio Commercial Project. Monitor project construction and assist with project development. Expenditures for project construction will be from private funding. No Agency funding for project construction is anticipated

Continue Implementation of the Logan Avenue Commercial Corridor

Action Plan (*pending sufficient project funding*). Plan will include specific recommendations for improvements to commercial facades, infill commercial development, and associated efforts to improve the commercial viability of the corridor. Expenditures are anticipated to include approximately \$50,000 dollars.

Continue Implementation of the Public Improvements Action Plan (*pending sufficient project funding*). Plan will include specific recommendations for public infrastructure improvements throughout the project area. Expenditures are anticipated to include approximately \$50,000 dollars.

Complete Project Area Boundary Expansion (*Pending sufficient project funding*).

Work with Port Commission on South Embarcadero Planning Process to improve connections between San Diego Harbor and the Barrio Logan Community

Coordinate Brownsfield activities with the Project Area Committee.

Work with Housing Commission to complete rehabilitation projects with Low/Moderate housing set-aside monies. Housing set-aside estimated at \$11,000.

Monitor project activities and coordinate community and local business input into the project development process. Staff Project Area Committee (PAC)

2002-2003 Work Program

Monitor completion of Mercado del Barrio Commercial Project. No Agency funding for project construction is anticipated.

Continue Implementation of the Logan Avenue Commercial Corridor Action Plan (*pending sufficient project funding*). Plan will include specific recommendations for improvements to commercial facades, infill commercial development, and associated efforts to improve the commercial viability of the corridor. Expenditures are anticipated to include approximately \$40,000 dollars.

Continue Implementation of the Public Improvements Action Plan (*pending sufficient project funding*). Plan will include specific

recommendations for public infrastructure improvements throughout the project area. Expenditures are anticipated to include approximately \$50,000 dollars.

Complete Project Area Boundary Expansion (*Pending sufficient project funding*).

Work with Port Commission on South Embarcadero Planning Process to improve connections between San Diego Harbor and the Barrio Logan Community

Coordinate Brownsfield activities with the Project Area Committee.

Work with Housing Commission to complete rehabilitation projects with Low/Moderate housing set-aside monies. Housing set-aside estimated at \$13,000.

Monitor project activities and coordinate community and local business input into the project development process. Staff Project Area Committee (PAC).

2003-2004 Work Program

Continue Implementation of the Logan Avenue Commercial Corridor Action Plan (*pending sufficient project funding*). Plan will include specific recommendations for improvements to commercial facades, infill commercial development, and associated efforts to improve the commercial viability of the corridor. Expenditures are anticipated to include approximately \$40,000 dollars.

Continue Implementation of the Public Improvements Action Plan (*pending sufficient project funding*). Plan will include specific recommendations for public infrastructure improvements throughout the project area. Expenditures are anticipated to include approximately \$50,000 dollars.

Complete Project Area Boundary Expansion (*Pending sufficient project funding*).

Work with Port Commission on South Embarcadero Planning Process to improve connections between San Diego Harbor and the Barrio Logan Community

Coordinate Brownsfield activities with the Project Area Committee.

Work with Housing Commission to complete rehabilitation projects with Low/Moderate housing set-aside monies. Housing set-aside estimated at \$14,000.

Monitor project activities and coordinate community and local business input into the project development process. Staff Project Area Committee (PAC).

V. EXPLANATION OF HOW THE GOALS AND OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE PROJECT BLIGHTING CONDITIONS

The specific project blighting conditions of the Project Area are being addressed by current and future planned project activities. The Mercado del Barrio Residential and Commercial projects currently in planning and development will serve as a catalyst for further private investment within the Project Area. The Residential Project of Phase I of the Barrio Logan Redevelopment Project, currently provides housing opportunities for Very Low and Low Income families and has removed an existing incompatible land use over one square block, a San Diego Gas and Electric facility. The Commercial Project will replace a mix of incompatible and haphazard residential and industrial land uses over two square blocks and will provide a new focus for commercial activity as well as providing space for a community cultural facility. The Crosby Street Improvement and Widening Project has already corrected a number of current vehicular transportation problems, provided improved access through the Project Area and to the Commercial Project, and visually improved the image of the community. These planned projects will improve employment opportunities for area residents and will strengthen the existing Barrio Logan/Southeast San Diego Enterprise Zone Job Referral Service.

Planned future projects, including public improvements generally and to the Logan Avenue commercial corridor, and planned residential rehabilitation projects, will incrementally alleviate existing blighting conditions throughout the project area. An emphasis will be placed upon preserving the existing urban fabric, including existing commercial enterprises and the supply of single family and multi-family residential dwelling units.

The on-going project goals and objectives will help ensure continued progress toward alleviation of existing project blighting conditions and will facilitate continued re-investment in the community. Periodic reassessment of existing and planned projects will help guide the redevelopment project toward a contemporary and efficient response to project area conditions.

VI. EXPLANATION OF HOW THE GOALS AND OBJECTIVES, PROJECTS AND EXPENDITURES WILL IMPLEMENT PROJECT HOUSING REQUIREMENTS

A. GOALS AND OBJECTIVES

California's Community Redevelopment Law requires that not less than twenty percent (20%) of all tax increment generated by the project shall be used for the purpose of increasing the community's supply of very low, low and moderate income housing. Additionally, affordable dwelling units shall remain affordable for not less than the period of land use controls established in the project plan. The Redevelopment Project's on-going goal is to develop housing in compliance with current legislation with available project resources.

B. PROJECTS AND EXPENDITURES TO BE MADE DURING THE NEXT FIVE YEARS

1. ANNUAL (FIVE-YEAR) HOUSING PROGRAM

Housing set-aside funds from the Barrio Logan Redevelopment project will be made available for residential rehabilitation efforts aimed at very low, low and moderate income housing units. It is anticipated that the San Diego Housing Commission will assist or administer the housing rehabilitation plan and will focus on owner-occupied dwelling units within the Project Area. Twenty percent of the tax increment revenues received by the project will be contributed annually to the housing set-aside fund. These funds will be used to generate housing within the Project Area. As of June 30, 1999, the Barrio Logan Housing Set-Aside Fund balance is estimated to be \$33,000. An additional \$43,725 (based upon recently updated, conservative financial projections) is estimated to be added to the Housing Set-Aside Fund over the five years of this Plan (i.e., \$0 in 1999-2000, \$5,068 in 2000-2001, \$11,309 in 2001-2002, \$12,875 in 2002-2003 and \$14,473 in 2003-2004). These funds will be used to generate housing within the Project Area.

a. Projected Housing Units

o Number of Housing Units to be Developed

Future housing assistance will be comprised of housing rehabilitation assistance in the Barrio Logan Project Area. Assuming a hypothetical \$5,000 per unit for rehabilitation, it is estimated that up to seven (7) Very Low, Low and Moderate Income units will be completed in the 2000-2001 Work Program, two (2) in

the 2002-2003 Work Program, two (2) in the 2002-2003 Work Program and two (2) in the 2003-2004 Work Program.

o Number of Housing Units to be Price Restricted

Not applicable at this time.

o Number of Housing Units to be Otherwise Assisted

Not applicable at this time.

b. Description of Agency Plans for Using Annual Deposits in the Low/Moderate Income Housing Fund

o Funds to Be Made Available Annually

The entire \$76,735 in the Barrio Logan Housing Set-Aside Fund will be made available to meet the Agency housing requirements. It is estimated that approximately \$38,068 will be expended in the 2000-2001 Work Program, \$11,309 in the 2001-2002 Work Program, \$12,875 in the 2002-2003 Work Program, and the remaining balance in the 2003-2004 Work Program. Because of the potential demand for additional funds to provide housing rehabilitation assistance, it is anticipated that, to the extent permitted by law, housing funds from other adopted Project Areas may be made available for use within the Barrio Logan Redevelopment Project Area.

o Funds to Be Transferred to the Housing Authority

Depending on the exact nature of the proposed housing rehabilitation assistance program to be developed for the Barrio Logan Redevelopment Project, all unencumbered housing set-aside funds may be made available to the San Diego Housing Commission for implementation.

2. IDENTIFICATION OF PROPOSED LOCATIONS SUITABLE FOR ANY REQUIRED REPLACEMENT DWELLING UNITS

The seven housing units that were displaced by the proposed Mercado del Barrio Commercial Project have been entirely replaced by the Mercado Apartments. Housing relocation assistance, as required by the Community Redevelopment Law, was offered to all affected property owner and tenants within the Project Area.

3. ESTIMATES OF TOTAL HOUSING UNITS TO BE DEVELOPED

This Implementation Plan as required by California Redevelopment Law, shall estimate the number of new and rehabilitated dwelling units to be developed in the Project Area and the number of units for very low, low and moderate income households to be developed in order to meet inclusionary housing requirements. The inclusionary housing requirements state that: 1) Fifteen percent (15%) of all new or rehabilitated dwelling units developed by public or private entities *in a redevelopment project area* other than the Agency should be affordable to low and moderate income households, of which forty percent (40%) shall be available at affordable housing cost to Very Low Income households, and 2) Thirty percent (30%) of all new and rehabilitated dwelling units developed by an *Agency* shall be affordable for Low and Moderate Income households and not less than fifty percent (50%) shall be affordable for Very Low Income households.

a. Number of New or Rehabilitated Residential Units to be Developed in Project Area

o Life of the Redevelopment Plan Projection of total Residential Units

It is estimated that a range of between 800 and 883 housing units will be developed or rehabilitated as part of the Redevelopment Project over the life of the Redevelopment Plan. The numbers associated with Agency redevelopment activity would be correspondingly reduced to the extent housing units are developed in the Project Area by others without Agency assistance.

o Ten Year Projection of Total Residential Units

Over the next ten (10) years, beginning July 1, 1999, it is estimated that a range of between 20 and 100 dwelling units will be developed or rehabilitated. The numbers associated with Agency redevelopment activity would be correspondingly reduced to the extent housing units are developed in the Project Area by others without Agency assistance.

b. Estimates of the Number of Very Low, Low and Moderate Income Units Required to be Developed

o Life of the Redevelopment Plan

In accordance with the inclusionary housing requirements and assuming Agency redevelopment participation at the levels estimated in 3. a. above, the requisite number of housing units required to be made available to Very Low, Low and Moderate Income Uses over the life of the Redevelopment Plan is estimated to range between 120 and 132.

o Ten Year Projection

In accordance with the inclusionary housing requirements and assuming Agency redevelopment participation at the levels estimated in 3. a. above, the requisite number of housing units required to be made available to Very Low, Low and Moderate Income Units over the next ten (10) years, beginning July 1, 1999, is estimated to range is estimated to range between 3 and 22.

c. Number of new Very Low, Low and Moderate income units which have been developed in the Project Area.

o Current Status

The Mercado del Barrio Residential Project has provided 144 low and very low income units to the Barrio Logan Redevelopment Project Area. Of those

dwelling units, one hundred thirty-seven (137) were approved as replacement housing units for the City Heights Redevelopment Project Area. The seven (7) remaining units will be used as replacement housing for units destroyed for the Mercado Commercial Project.

d. Estimates of the Number of Agency Developed Residential Units to be Developed During the Next Five Years

It is not expected that the Agency itself will develop any Very Low, Low and Moderate Income Units.

e. Compliance with the General Plan and Progress Guide Housing Element

The provision of Very Low, Low and Moderate Income housing units as described in this Implementation Plan conforms with the stated goals and objectives of the City of San Diego General Plan and Progress Guide Housing Element.

VI. SUMMARY

The Implementation Plan for the Barrio Logan Redevelopment Project sets forth the specific projects planned for the Project Area during the next five years, in accordance with the Community Redevelopment Law. The plan provides for a limited number of *catalyst* projects in addition to the first new housing development in this community in over forty years, the Mercado Apartments, as well as the construction of a major community retail center, the Mercado del Barrio Commercial Project. One of the main goals and objectives of the Agency in the first year of this plan is to continue negotiations on the Disposition and Development Agreement to facilitate the commencement of Phase II of the Barrio Logan Redevelopment Project. The plan also sets forth the provisions for continued public improvements, improvements to the Logan Avenue commercial corridor, and the development of an overall public improvements strategy. In addition, the plan provides for continuing investment in housing rehabilitation projects which will help secure the major public investments currently planned for the Project Area. Most importantly, this plan provides for the expansion of the Barrio Logan Project Area to help alleviate blight in surrounding areas and improve the resource pool from which to provide for the elimination of blight.