

DATE ISSUED: March 30, 2005

REPORT NO. P-05-088

ATTENTION: Planning Commission Agenda of April 7, 2005

SUBJECT: REDEVELOPMENT PLAN CONFORMITY WITH THE GENERAL PLAN AND RELATED COMMUNITY PLANS, AND RECOMMENDATION REGARDING THE REDEVELOPMENT PLAN TO THE CITY COUNCIL FOR THE GRANTVILLE REDEVELOPMENT PROJECT

REFERENCE: Redevelopment Agency Report No. RA-04-23, Docket of August 10, 2004; Planning Commission Report No. PC-04-124, Agenda of August 5, 2004; Redevelopment Agency Report No. RA-04-06 and City Managers Report No. CMR-04-038, Docket of March 30, 2004; and Planning Commission Report No. PC-04-036, Agenda of February 19, 2004.

SUMMARY:

Issues:

Should the Planning Commission:

1. Approve a Resolution finding that the Draft Redevelopment Plan for the Grantville Redevelopment Project conforms to the General Plan of the City of San Diego and the Navajo, Tierrasanta and College Area Community Plans?
2. Recommend that the City Council and Redevelopment Agency approve the Grantville Redevelopment Plan for the Grantville Redevelopment Project Area?
3. Authorize the transmittal of the recommended Redevelopment Plan and Program Environmental Impact Report to the Redevelopment Agency?

Executive Director's Recommendation – Recommend approval of the Grantville Redevelopment Plan and certification of the Program Environmental Impact Report to the Redevelopment Agency and City Council. If changes are made to the proposed plan or boundaries subsequent to your recommendation then those changes will be submitted for Planning Commission consideration on April 28, 2005

Community Planning Group Recommendations – The Navajo Community Planners, Inc. and Tierrasanta Community Council have reviewed the Draft Redevelopment Plan and the Draft Program Environmental Impact Report.

Redevelopment Advisory Committee (RAC) – The Grantville RAC held their first monthly meeting on February 10, 2004. Staff expects the RAC to make a recommendation on the Redevelopment Plan and implementation of redevelopment programs at their March 28, 2005 meeting.

Environmental Impact – This action does not require an environmental review. A Program Environmental Impact Report (“PEIR”) is being prepared to analyze the impacts of the Grantville Redevelopment Project (“Project Area” or “Project”). The public comment period for the Grantville Project Area PEIR was December 13, 2004 to February 14, 2005. The PEIR will be certified concurrently with the adoption of the proposed Grantville Redevelopment Plan before a joint public hearing of the Redevelopment Agency and City Council April 19, 2005.

Fiscal Impact – There is no direct fiscal impact with this action. Previous City Council actions have authorized funding for the City/Agency costs associated with Plan adoption activities. A comprehensive fiscal analysis will be prepared in conjunction with the plan adoption process and preparation of the Final Report to the City Council.

Code Enforcement Impact – After the adoption of the Redevelopment Plan, tax increment funds derived from the Project Area may be used to eliminate health and safety code violations, which contribute to blight in the Project Area.

Housing Affordability Impact – California Redevelopment Law (“CRL”) requires that 20% of funds derived from redevelopment tax increment be set aside to ensure that low and moderate income residents have access to safe, decent, and affordable housing. Implementation of the proposed Project will be consistent with the City’s Comprehensive Affordable Housing Strategy.

BACKGROUND:

The San Diego Planning Commission (“Planning Commission”) was initially involved in the Redevelopment Plan adoption process when it approved a Preliminary Plan for the Project August 5, 2004 by adopting Resolution 3550-PC. Since adoption of the Preliminary Plan, the Agency has prepared a variety of other documents as required by the California Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* (“CRL”). These documents include draft versions of the Redevelopment Plan and Program Environmental Impact Report. Pursuant to CRL the Planning Commission was provided a copy of the Draft Redevelopment Plan for the Grantville Redevelopment Project Area prior to March 10, 2005 for review and consideration.

The Planning Commission is now requested to participate in the Plan adoption process by:

- Determining whether the Redevelopment Plan conforms to the City of San Diego General Plan; and

- Considering adoption of a resolution constituting its report and recommendation on the Draft Redevelopment Plan.

The Draft Redevelopment Plan provides a general framework for the implementation of redevelopment programs within the 970-acre Project Area.

Subarea A: Commercial, office, and light industrial uses. The Project Area includes parcels north of Interstate 8 between Fairmount Avenue and Waring Road. The northern boundary includes parcels on both sides of Friars Road from Fairmount Avenue to the four corners of Zion Avenue and Mission Gorge Road. The far west side of the San Diego River makes up the western boundary. The eastern boundary includes parcels on both sides of Mission Gorge Road from Zion Avenue in the north to Mission Gorge Place in the south, along with the parcels on both sides of Mission Gorge Place. The southeast portion also includes the first seven parcels on the southern side of Adobe Falls Road.

Subarea B: Industrial with limited office and commercial uses. The southern edge of the Project Area is comprised of parcels at the intersection of Mission Gorge Road and Old Cliffs Road. The area continues north along both sides of Mission Gorge Road and reaches its furthest northern point just south of Margerum Avenue (excluding the industrial park off Katelyn Court and Goen Place on the eastside of Mission Gorge Road). The western edge of the San Diego River is the western boundary for this area, except at the northwest corner. The eastern edge of the area also includes 12 commercial/industrial parcels on both sides of Princess View Drive from the eastern corner of Mission Gorge Road going north. This area contains sand and gravel processing facilities to the northwest of Princess View Drive with industrial storage to the south along the western portion of Mission Gorge Road. This area is bounded to the north by the Mission Trails Regional Park. In this area sand and gravel processing operations take place on both sides of the San Diego River with a western boundary of the residential neighborhood along Colina Dorada Drive.

Subarea C: The Project Area includes the shopping center complex that is made up of the parcels bound to the northwest by the alley between Waring Road and Glenroy Street; by Zion Avenue to the northeast; by Carthage Street to the southeast; and by Orcutt Avenue to the southwest. Additional area to the north, across Zion Avenue includes Allied Gardens Community Park with other community services such as the Edwin A. Benjamin Library, Lewis Middle School, and two churches.

The Project Area exhibits conditions of both physical and economic blight as defined by CRL.

Overall, 90% of all parcels in the Project Area suffer from one or more physical blighting conditions. To make this assessment, data from field surveys, code enforcement, police and other sources was evaluated. The physical blight conditions of the properties within the Project Area include: deterioration and dilapidation, inadequate vehicle access, substandard building materials along with faulty additions, inadequate parking and loading, outdoor storage, obsolescence, excessive lot coverage, code enforcement violations, parcels of irregular form and incompatible uses. The presence of these conditions reflects a lack of investment by property owners in maintaining their properties in good condition to assure the safety of persons who work in the

area. These conditions also hinder the economically viable use or capacity of buildings/lots in the Project Area.

To accurately represent existing economic conditions, the Project Area has been analyzed and information has been gathered from the City, County and private sources to document the deteriorating economic conditions of the Project Area. The following are some economic blighting conditions that contribute to the lack of proper utilization of Project Area properties: low lease rates, low property values, the presence of hazardous materials and crime.

A blighted area may be one that is characterized by one or more conditions of both physical and economic blight and, in addition, characterized by the existence of inadequate public improvements, parking facilities or utilities. The main commercial corridors are all affected by heavy traffic, and the Project Area suffers from flooding due not only to its location near Alvarado Creek and the San Diego River, but also a lack of proper infrastructure. The area lacks necessary storm drain infrastructure to hold back floodwaters as well as contain, and send for treatment urban runoff from industrial portions of the Project Area.

Draft Redevelopment Plan

CRL requires the Planning Commission to receive the Draft Redevelopment Plan 30 days prior to the hearing. The Draft Redevelopment Plan was submitted to the Planning Commission prior to March 10, 2005. The Plan presents a set of tools that will be available to address blight conditions that exist and to assist with implementation of the Community Plans that cover the area. The projects and programs envisioned for the area currently include: economic development programs, infrastructure improvements and environmental programs. Concurrent with adoption of the Redevelopment Plan, the Agency will adopt the first Grantville Five-Year Implementation Plan (see Attachment 3) for the area. Implementation activities will be determined on an annual basis through the Agency's annual budget and work programs, as required by law. Activities will largely depend on the level of available funding, market conditions, and property owner, business and developer interest in participation in rehabilitation and new development.

Redevelopment Plan Consistency with City's General Plan:

The City's General Plan relies on community plans to determine permitted land use in areas of the City that are covered by community plans. The three community plans that cover the proposed Project Area are the Navajo Community Plan, Tierrasanta Community Plan and the College Area Community Plan. The Redevelopment Plan is intended to enable the Agency to assist with the implementation of these Community Plans. Section 500.1 of the Redevelopment Plan states:

“...land uses permitted in the Project Area shall be those permitted by the General Plan, the applicable Community Plan, and any applicable City zoning ordinance, all as they now exist or are hereafter amended and/or supplemented from time to time. In the event the General Plan, the applicable Community Plan, or any applicable City zoning ordinance is amended or supplemented with regard to any land use in the Project Area, the land use provision of this Plan, including without limitation, all Exhibits attached hereto, shall be automatically amended or modified accordingly without the need for any formal plan amendment process.”

As such, the Redevelopment Plan’s land use, development standards, and other policies specifically refer back to the appropriate provisions of the General Plan, community plans and other applicable policies and ordinances. No alteration to existing land use or development policies is proposed by the Redevelopment Plan.

The Planning Commission must also determine that the location, purpose, and extent of any real property to be acquired by dedication or otherwise for street, square, park or other public purpose, any real property to be disposed of, any street to be vacated or abandoned and any public building or structure to be constructed, or authorized to be constructed by the Agency for purposes of carrying out the Plan, conforms to the General Plan. The Redevelopment Plan does not establish any distinct activities related to future public properties and facilities (including parks and streets) that are contrary to the City’s General Plan. Any involvement by the Agency in such public properties and facilities must be consistent with the adopted community plans that pertain to the Project Area.

DISCUSSION:

CRL Section 33346 requires that before the Redevelopment Plan is submitted to the City Council of the City of San Diego (“City Council”), the Planning Commission shall first issue its report and recommendation on the Plan and determine its conformity to the General Plan.

As outlined in the Draft Resolution, the Planning Commission is requested to consider the following:

- Report and Provide Recommendations: The Planning Commission is to make a report on the proposed Plan and provide its recommendation to the Agency and City Council. The attached resolution constitutes the Planning Commission’s report and recommendation and states that the Planning Commission recommends adoption of the Plan for the reasons stated above.
- Find that the Redevelopment Plan Conforms to the General Plan and related Community Plans: The attached Redevelopment Plan does not provide a specific plan for the redevelopment, rehabilitation, or revitalization of any Project Area properties. Instead, the Plan establishes a process and framework within which improvement programs will be considered by the Agency. The Plan is consistent with the General Plan, community plans and other applicable codes, ordinances and guidelines as it incorporates by

reference the land use policies in the General Plan (and other applicable codes and ordinances); permitted land uses, development standards, and densities are explicitly provided by these documents, as they currently exist or are hereafter amended.

Pursuant to Government Code Section 65402, the Planning Commission also determines that the location, purpose, and extent of any real property to be acquired by dedication or otherwise for street, square, park or other public purpose, any real property to be disposed of, any street to be vacated or abandoned and any public building or structure to be constructed, or authorized to be constructed by the Agency for purposes of carrying out the Plan, conforms to the General Plan. As such, the Redevelopment Plan conforms to the General Plan, and implementation of projects provided by the Plan involving the acquisition or disposition of real property and public purpose also conform to the General Plan.

SUMMARY:

CRL Section 33346 states that prior to the submittal of the Redevelopment Plan to the legislative body, the Redevelopment Plan shall be submitted to the Planning Commission for its report and recommendation concerning the Redevelopment Plan and its conformity to the jurisdiction's general plan. The Planning Commission can recommend for or against the approval of the Redevelopment Plan.

Upon approval, the Planning Commission's report and recommendation, as embodied in the enclosed resolution, will be submitted to the City Council and Agency at a joint public hearing scheduled for April 19, 2005, after which the City Council may consider adoption of the Plan. CRL requires the Agency to resubmit the redevelopment plan to the Planning Commission if the City Council changes the plan, or the boundaries of the project area to exclude land, after receipt Planning Commission's report and recommendation. If changes occur that excluded land from the project area the redevelopment plan will be resubmitted to Planning Commission for consideration on April 28, 2005.

Respectfully Submitted,

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HC/DFP/twr/rsg (533-7519)

NOTE: Due to the size of Attachment 1 and 3 there was a limited distribution. They are available for review in the Redevelopment Agency's Office and electronically at www.sandiego.gov/redevelopment-agency/grantville.shtml.

ATTACHMENTS:

1. Draft Redevelopment Plan for the Grantville Redevelopment Project Area.
(Provided to Planning Commission prior to March 10, 2005)
2. Draft Planning Commission Resolution regarding Redevelopment Plan Adoption.
3. Draft Grantville Five-Year Implementation Plan (Section C).