

## Blackhorse Homeowners Association

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### **Notice to Homeowners October 16, 2020 Status of Ground Lease and of Environmental Claims Submitted for Court Review**

#### **Current Status of Blackhorse Ground Lease**

The Board of Blackhorse Homeowners Association is aware of the interest amongst existing homeowners, prospective buyers, brokers, and prospective mortgage lenders, concerning the status of the ground lease with the Regents of the University of California and the University of California, San Diego (collectively UC). As a general policy, and where appropriate, UC uses ground leases for development of UC property by private developers at campuses throughout California.

Currently, the UC position is that there will be no extension or other modification to the ground lease. However, UC has asserted that it is working on a "buy-back" proposal. Conversations started in February 2018. As of October 16, 2020, UC has not presented a proposal, despite several entreaties by the Board. UC asserts the proposal is now delayed for at least another year because of pandemic related issues. The repeated delay of the proposal is most confounding.

After acquisition from the Black family, the land which Blackhorse and the Estancia now occupy continued to be known as the "Stables" property. In the mid 1980's, UC's private developers submitted a "Stables" proposal to the City for over 300 residential units in three story buildings with other amenities including hotel and retail. The City Council rejected it by vote of 8-0, sending it back to UC for modification. Upon the Council's final approval of developer modifications and project reductions, all of the leases (total of eight) were set to end on November 30, 2051. But, in about 2003-04, UC modified the Estancia lease to end December 31, 2066. All rent for the Blackhorse leases was prepaid in 1986. Until 2051, UC will receive no income from any use of Blackhorse. Over the years, the Board, the Ground Lease Committee, individual owners, and supporters have made several attempts to engage UC in discussions on extension of the lease. The Board will continue to consider every reasonable option for a modification.

#### **Environmental Claims Filed for Court Review**

In early 2020, through a series of public meetings, UC San Diego introduced the community to the Theatre District Living and Learning Neighborhood (TDLLN) project. This project was conceived under the 2018 Long Range Development Plan (LRDP). UC San Diego stated that the project would not be subject to a full Environmental Impact Review (EIR) pursuant to the California Environmental Quality Act (CEQA). Rather UC San Diego insisted that the environmental issues raised by the project could be addressed by an Addendum to the 2018 LRDP. The Addendum process is a short-cut procedure under CEQA to allow agencies to bypass a full EIR where a project has been previously vetted. But the LRDP did not identify the Theatre District project in any detail. Moreover, the Addendum has precluded the Board from submitting expert statements questioning the project's lack of mitigation of significant environmental concerns.

In September 2020, the UC Regents (the approving agency under CEQA) ostensibly approved the Addendum with minimum examination of claims made by the Board and the community. On advice of counsel, the Board authorized the commencement of a lawsuit against UC San Diego and the Regents. Our attorneys filed the lawsuit this week. The case includes both procedural and substantive claims challenging the failure to follow CEQA. Our co-plaintiff is the La Jolla Shores Association, sharing cost and fees, and adding additional strength to our claims. We will provide updates about the lawsuit as developments emerge.