

DATE ISSUED: December 8, 2006

REPORT NO: PC-06-303

ATTENTION: Planning Commission, Agenda of December 14, 2006

SUBJECT: 4345 MCCLINTOCK TENTATIVE MAP; PROJECT NO. 86835
PROCESS FOUR

OWNERS: 4368 Ohio, LLC (Attachment 8)

APPLICANT: San Diego Land Surveying & Engineering

SUMMARY

Issue: Should the Planning Commission approve a Tentative Map for the conversion of 21 existing residential units to condominiums at 4345 McClintock Street, within the Normal heights neighborhood of the Mid-City Communities Plan Area?

Staff Recommendation:

1. **Approve** Tentative Map No. 275813; and
2. **Approve** waiver to the requirement to underground existing overhead utilities.

Community Planning Group Recommendation: The Normal Heights Community Planning Committee voted 8-0-1 to recommend approval of the proposed project on February 7, 2006, with recommendations as detailed in this report. (Attachment 7).

Environmental Review: This project was determined to be categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Article 19 Section 15301 on October 26, 2005 and the opportunity to appeal that determination ended November 17, 2005.

Fiscal Impact Statement: None with this action. All costs associated with the processing of this project are paid by the applicant.

Code Enforcement Impact: None with this action.

Housing Impact Statement: With the proposed conversion of 21 existing apartments to condominiums, there would be a loss of 21 rental units and a gain of 21 for-sale units. This condominium conversion project was deemed complete on October 18, 2005 and is therefore subject to the new regulations regarding Inclusionary housing and tenant relocation assistance. The property as a whole has three density bonus units restricted for low income households existing in accordance with a Density Bonus Agreements between the original developer and the Housing Commission in September 1987 and March 1988. These Density Bonus Agreements will expire in March and September 2008.

BACKGROUND

This Tentative Map project is subject to the condominium conversion regulations effective June 13, 2006, with the exception of the parking regulations, based on the City Council's specific adoption language for the "new" condominium conversion regulations. At the June 13, 2006, hearing, the City Council adopted regulations for additional requirements for landscaping, a building conditions report, onsite inclusionary housing, noticing and parking. Based on the adopted language and project timing, all of these new regulations apply to this project, with the exception of the parking regulations. Accordingly, this project has been reviewed against the new regulations, and this project can proceed to its discretionary hearing.

The 0.434 acre project site is located at 4345 through 4355 Mc Clintock Street in the CT-2-4 Zone of the Central Urbanized Planned District, and the Transit Area Overlay Zone, within the Normal Heights neighborhood of the Mid-City Communities Plan area (Attachment 3). The site is presently developed with 3, two-story structures containing 9 one-bedroom units, 10 two-bedroom units, and 2 three-bedroom units. Thirty-two off-street parking spaces are provided on the site: six spaces are accessed from McClintock Street at the front and 26 are accessed from the alley at the rear. The site is bounded on all sides by multi-family residential uses.

The existing improvements were constructed in 1987. At the time the site was constructed it was in the MR-100B Zone of the Mid-City Communities Planned District and would have allowed for 18 units at the base density, with a bonus of three additional units through the Housing Commission. A total of 21 units were constructed, with benefit of Density Bonus Agreements executed between the original developer and the Housing Commission. Current density requirements in the CT-2-4 Zone of the Central Urbanized Planned District refer to the RM-2-5 Zone regulations, which would allow 1 unit for every 1,500 square feet and would permit 13 units. Current parking regulations in the CT-2-4 and Transit Area Overlay Zones require 33 parking spaces on site. There are 32 parking spaces provided on site. The 32 parking spaces provided complied with the parking requirements in effect at the time of construction. The development complied with the zoning and development regulations in effect at the time of construction and no Building or Zoning code violations have been recorded against the property.

The project does not conform with the current maximum density of 13 units and provides 32 parking spaces where 33 are currently required. The project also has previously-conforming rights to be maintained as outlined in Chapter 12, Article 7, Division 1 of the Land Development Code.

Affordable Housing Density Bonus Agreement

The subject property is a 21-unit complex that has three density bonus units per three separate Density Bonus Agreements executed between the original developer and the Housing Commission. At the time the complex was constructed, it was built as three separate structures, each having its own Density Bonus Agreement, as described below. All three density bonus units are rent and occupancy restricted for low-income households from 20 years from the date of original occupancy.

The Housing Commission has no objection to the property being converted to condominiums; however, the terms of the Density Bonus Agreements require the designated density bonus units to remain rent restricted for the full 20-year term. Upon termination of the Density Bonus Agreement, the restrictions will lapse and the property owner may sell the bonus units as market rate units.

However, as a condition of the Tentative Map, the Housing Commission has requested that certain language be inserted into the Tentative Map Resolution. This affordable housing condition would require the property owner to incorporate into the project's DRE White Paper Report specific language identifying the Density Bonus Agreement and the remaining term of restrictions on the specific density bonus units. Condition Nos. 12, 13 and 14 address this issue.

The Housing Commission has confirmed that all 21 units are subject to the City's Inclusionary Housing Ordinance and Tenant Relocation Benefits, as discussed further within this report, under "Project-Related Issues."

DISCUSSION

Project Description:

The project proposes a Tentative Map for the subdivision of a 0.431 acre site to convert 21 existing dwelling units into condominiums on one existing lot (Attachment 5). The applicant is also requesting that the requirement for the undergrounding of existing overhead utilities be waived.

Section 125.0410 of the San Diego Municipal Code (SDMC) requires that a Tentative Map be processed for the subdivision of land. According to SDMC Sections 125.0440 and 125.0444, *Findings for Tentative Maps and for Condominium Conversions*, the decisionmaker may approve a Tentative Map for the purposes of the conversion of residential property into a condominium project if the decision maker finds that the proposed conversion complies with the requirements of the Subdivision Map Act and the San Diego Municipal Code. Staff has reviewed the proposed condominium conversion and determined that it complies with both the Subdivision Map Act and the San Diego Municipal Code.

Undergrounding of Existing Utilities

San Diego Municipal Code Section 144.0240 allows the subdivider to apply for a waiver from the requirement to underground the existing overhead utilities within the boundary of the subdivision or within the abutting public rights of way. City staff has determined the undergrounding waiver request qualifies under the guidelines of Council Policy 600-25, *Underground Conversion of Utility Lines at the Developer's Expense*, in that the conversion involves a short span of overhead facility (less than 600 feet in length), the conversion is a requirement of a condominium conversion of an existing development and the conversion would not represent a logical extension to an underground facility.

The applicant will be required to underground all existing service to the site per Condition No. 24 of the draft Tentative Map resolution (Attachment 6). The applicant would also be required to underground any new service run to any new or proposed structures within the subdivision per Condition No. 18 of the draft Tentative Map resolution (Attachment 6).

The neighborhood currently contains power poles and overhead utilities lines in the alley. The utility lines to these poles extend to other properties located north and south within the alley. The poles closest to this property, which carry the lines serving this site, are located within the rear alley right-of-way. As indicated above, all utilities serving this property will be required to be undergrounded. The waiver is being requested for the requirement to underground adjacent utilities serving the surrounding properties. The City's Undergrounding Master Plan for Fiscal Year 2006 designates the site within Block 3II, and the date for undergrounding has been established for the year 2019 (Attachment 10).

Community Planning Group and Neighborhood Recommendations:

On February 7, 2006, the Normal Heights Community Planning Committee voted 8-0-1 to recommend approval of the proposed project with a suggestion that one of the units be converted to a community room instead of a unit (Attachment 7). The applicant has indicated the desire to proceed with the conversion of all units to condominiums, as allowed by the applicable regulations.

Project-Related Issues:

All condominium conversion projects not yet heard by July 25, 2006, must conform with the current regulations regarding: inclusionary housing, tenant relocation benefits, the provision of a building conditions report, conformance with landscape regulations, and conformance with noticing requirements. This project is not required to conform with the new parking regulations for condominium conversions, based on specific language adopted by the City Council.

The requested conversion of these residential units to condominiums represents primarily a change in ownership. The applicant has certified that the required 60-day Notices of Intent to Convert to Condominiums were provided to the tenants on July 1, 2005 (Attachment 11).

Inclusionary Housing Ordinance and Tenant Relocation Benefits Conformance:

The project has been conditioned to require the subdivider conform with the City's Inclusionary Housing Ordinance (Chapter 14, Article 2, Division 13 of the Land Development Code) and demonstrate conformance with the Municipal Code provisions for Tenant Relocation Benefits (Chapter 14, Article 4, Division 5) to the satisfaction of the City Manager and the Housing Commission, prior to the recordation of the Final Map.

The applicant has agreed to provide two units affordable to and sold to households earning no more than 150% of the area median income (AMI) and pay an in-lieu fee on the square footage of the remaining 19 units.

The City's current Condominium Conversion Ordinance (SDMC Section 144.0508) states that "Condominium conversion projects of 20 or more units shall satisfy the inclusionary housing requirements onsite in accordance with Section 142.1306." Further, the City's Inclusionary Housing Ordinance (SDMC Section 142.1306.a) states that "Condominium conversion units affordable to and sold to households earning less than 150% of the AMI pursuant to an agreement entered into with the San Diego Housing Commission shall not be included in the dwelling units total for purposes of applying the 10 percent inclusionary housing requirement." Therefore, by providing two units at 150% AMI, the number of units subject to SDMC Section 144.0508 is reduced to 19, qualifying the project to pay an in-lieu fee on the remaining square footage.

The applicant has elected to pay an in-lieu fee of \$32,182.50 (12,873 square feet x \$2.50) to satisfy the Inclusionary Housing requirement, as allowed by the City's Inclusionary Housing Ordinance (Chapter 14, Article 2, Division 13 of the Land Development Code).

Building Conditions Report and Landscape Requirements

In accordance with the current regulations, the applicant provided a Building Conditions Report and Landscape Concept Plan. Both of these documents have been reviewed for conformance with the applicable regulations within Land Development Code (Chapter 14, Article 4, Division 5) and have been accepted by staff as conforming with the regulations.

Noticing

The proposed project has been conditioned to conform with all new noticing requirements for condominium conversions.

Conclusion:

Staff has reviewed the request for a Tentative Map for the conversion of 21 residential units into condominiums and has found the project to be in conformance with the applicable sections of the San Diego Municipal Code regulating Tentative Maps. Staff believes the requirement findings can be supported and recommends the Planning Commission approve the project as proposed.

ALTERNATIVES

1. **Approve Tentative Map No. 275813with modifications.**
2. **Deny Tentative Map No. 275813if the findings required to approve the project cannot be affirmed.**

Respectfully submitted,

Mike Westlake
Program Manager
Development Services Department

Michelle Sokolowski
Development Project Manager
Development Services Department

WESTLAKE/MS

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map
4. Project Data Sheet
5. Tentative Map
6. Draft Map Conditions and Subdivision Resolution
7. Community Planning Group Recommendation
8. Ownership Disclosure Statement
9. Project Chronology
10. City's Undergrounding Master Plan – Map 3II
11. Sample of 60-Day Notice of Intent to Convert
12. Photos of Existing Front and Rear Elevations