



THE CITY OF SAN DIEGO

## REPORT TO THE PLANNING COMMISSION

**DATE ISSUED:** May 03, 2007 **REPORT NO. PC-07-045**

**ATTENTION:** Planning Commission, Agenda of May 10, 2007

**SUBJECT:** 8501 GLENHAVEN VESTING TENTATIVE MAP - PROJECT NO. 90740, J.O. 42-5691, PROCESS FOUR

**OWNERS/  
APPLICANT:** Nelson M. Millsberg, and Edgar A. Millsberg (Attachment 8)

### SUMMARY

**Issue:** Should the Planning Commission approve a Vesting Tentative Map for the conversion of fifty (50) existing residential units into condominiums at 8501 Glenhaven Street, within the Serra Mesa Community Plan area?

### Staff Recommendation:

**Approve** Vesting Tentative Map and Waiver of Undergrounding No. 334146.

**Community Planning Group Recommendation:** The Serra Mesa Planning Group considered the project on March 16, 2006, and a motion to support the project with the provision to require the undergrounding of utilities was split on a vote of 4-4-0. The applicant subsequently provided new information on the project to the Serra Mesa Planning Group at its regular monthly meeting on March 15, 2007. The vote at this meeting was to recommend denial of the project on a vote of 9-1-0 for reasons discussed in the report.

**Environmental Review:** This project is exempt from environmental review pursuant to Article 19, Section 15301, Existing Facilities, of the California Environmental Quality Act (CEQA). This project is not pending an appeal of the environmental determination. The environmental exemption determination for this project was made on December 23, 2005, and the opportunity to appeal that determination ended January 24, 2006.



**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 fifty (50) existing apartments to condominiums, there would be a loss of fifty (50) rental units and a gain of fifty (50) for-sale units. This condominium conversion project was deemed complete on December 21, 2005, and is therefore subject to the new regulations regarding Inclusionary and affordable on-site housing, and tenant relocation assistance.

## **BACKGROUND**

On June 13, 2006, the City Council adopted and modified regulations for condominium conversions. This project is subject to additional requirements for landscaping, a building conditions report, onsite Inclusionary Housing, noticing, and tenant relocation benefits. Based on the adopted language and project timing, all of these new regulations apply to this project; however the new parking regulations do not. Accordingly, this project has been reviewed against the new regulations, and this project can proceed to its discretionary hearing.

The 1.61-acre site is located 8501-8549 Glenhaven Street in the RM-3-7 zone and the Serra Mesa Community Plan area (Attachment 3). The Community Plan designates this site as Multi-family Residential, with a medium (existing) density of 15-43 units per net acre. The site is presently developed with five (5), two-story structures containing five (5) studios, five (5) one-bedroom and forty (40) two-bedroom units. Fifty (50) covered off-street parking spaces are provided on the site. Access to parking is from Hurlbut and Glenhaven Streets. Surrounding development consists of single- and multi-family residential development zoned RM-1-1, to the north, south, and east. An elementary school is located to the west of the project site.

The existing project was constructed in 1959. At that time the site was zoned R-4 and would have allowed for 175 dwelling units. 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 conforms to the current density requirement of one unit per 1,000 square feet of lot area for the existing fifty (50) units in the RM-3-7 Zone, which would allow 70 units to be constructed today. Under current criteria, ninety-five (95) off-street parking spaces would be required. However, the project has previously-conforming rights to be maintained as outlined in Chapter 12, Article 7, Division 1 of the Land Development Code.

## **DISCUSSION**

### **Project Description:**

The project proposes a Vesting Tentative Map for the subdivision of a 1.61-acre site to convert

fifty (50) existing dwelling units into condominiums on five (5) existing lots (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 decisionmaker 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**

The neighborhood currently contains power poles and overhead utilities lines adjacent to the site along the south side of Glenhaven Street and east side of Afton Street. There are power lines located across the street on the south side of Hurlbut which do not serve the project site but extend to other properties in the neighborhood. The City's Undergrounding Master Plan for Fiscal Year 2006, designates the site within Block 6Y, and the date for undergrounding has been established for the year 2016 (Attachment 10).

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, (B) (6), "The conversion would involve an inordinate cost to the development. Such determination is to be made where practical on the basis of cost estimates supplied or confirmed by the utility companies or a utility consultant and should be considered with regard to the type of development, the aesthetic benefits, and relative costs if the facilities were to remain overhead. Generally, in residential projects, the conversion cost prorated to the entire development should not exceed 1% of the average sales price of the living units within the development."

The applicant has provided a cost estimate from SDG&E (\$270,002) to underground the existing overhead facilities in the abutting public right-of-way as well as an estimate from Burnham Real Estate for the finished converted retail value of the project (Attachment 11). The project has a retail value of \$15,175,000. The average price per unit is estimated at \$303,500; therefore the cost to underground the existing overhead facilities would represent approximately 2.0% of the average sales price.

The project has been conditioned that the applicant shall underground "on-site" utilities to the existing power lines. The applicant would be required to underground any service run to any new or proposed structures within the subdivision as conditioned in the draft Vesting Tentative Map resolution (Attachment 6, Engineering Conditions 14 & 15) The draft Vesting Tentative Map indicates the proposed "service run", (on-site utilities to be undergrounded.)

### **Community Planning Group and Neighborhood Recommendations:**

The Serra Mesa Planning Group considered the project on March 16, 2006. A motion to support the conversion of fifty existing residential units to condominiums with the provision to require the undergrounding of utilities was split on a vote of 4-4. No further action was taken by the group. In a letter dated March 17, 2006, Cindy Moore, Chair of the Serra Mesa Planning Group identified concerns expressed by non-supporters of the motion. (Attachment 7)

A subsequent presentation was made to the Serra Mesa Planning Group by the applicant on March 15, 2007. The Community Planning Group believed their previous concerns had not been addressed and on a new vote of 9-1-0 recommended denial of the project. (Attachment 7a)

Three main issues were cited and staff response is in italics;

1. Inadequate parking at the complex. There are only fifty parking spaces for fifty studio, one, and two bedroom apartments. It was suggested that if apartments are going to be converted without being required to meet the current parking requirement that a developer should be required to pay an in lieu fee for mass transit. *There is no construction proposed with this project, therefore no additional parking is required. As indicated above, the project has previously conforming rights to be maintained as outlined in Chapter 12, Article 7, Division 1 of the Land Development Code.*
2. Lack of a timeline since the owner plans to sell the property for someone else to proceed with the conversion and the need to maintain rental housing in the community. *Once the Vesting Tentative Map and the Final Map are approved, there is no time limit for the actual conversion of the units to condominiums. On-site affordable housing is being provided.*
3. The exterior of the property needs attention (termite damage, peeling paint, damaged walls, crumbling concrete, etc.). *Requirements of building conditions report must be satisfied prior to final map.*

### **Project-Related Issues:**

All condominium conversion projects not yet heard by July 25, 2006, and not subject to a valid environmental determination appeal, must conform to 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 to the new parking regulations for condominium conversions, based on specific language adopted by the City Council. This project was reviewed under the new requirements.

### **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 shall provide a relocation assistance payment to all tenants of the project. The relocation payment shall be three months rent based on the current San Diego "fair market rent" for apartment size, as established by the U. S. Department of Housing and Urban Development. The relocation payment shall be paid no later than the day on which the applicant/owner gives notice to the tenant to vacate the premises and shall be based on the fair market rent at the time of the notice.

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." The applicant has agreed to provide five (5) units affordable to and sold to households earning no more than 100% of the area median income (AMI). The Inclusionary Ordinance requires the bedroom mix of the affordable units to be comparable to the bedroom mix of the entire project (i.e. 4 two-bedroom units and 1 studio or one-bedroom unit.)

#### *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 to the regulations.

#### *Noticing*

The proposed project has been conditioned to conform to all new noticing requirements for condominium conversions. The requested conversion of these residential units to condominiums represents primarily a change in ownership. The applicant has certified that the "*Notice for Condominium Conversion Map*" required under California Government Code Section 66427.1(a) and Municipal Code Section 125.0431 has been given to each tenant and person applying for the rental of a unit of the proposed condominium conversion map. (Attachment 12)

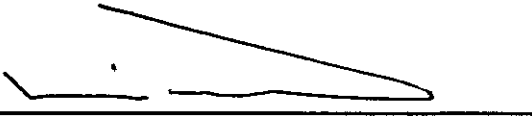
#### **Conclusion**

Staff has reviewed the request for a Vesting Tentative Map for the conversion of fifty (50) 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 Vesting Tentative Map and Waiver of Undergrounding No. 334146, with modifications.**
2. **Deny Vesting Tentative Map and Waiver of Undergrounding No. 334146, if the findings required to approve the project cannot be affirmed.**

Respectfully submitted,



**Mike Westlake  
Program Manager  
Development Services Department**



**Jeffrey W. Robles  
Development Project Manager  
Development Services Department**

WESTLAKE/JWR

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map
4. Project Data Sheet
5. Vesting Tentative Map
6. Draft Map Conditions and Subdivision Resolution
7. Community Planning Group Recommendation, comment letter, elevations to CPG.
8. Ownership Disclosure Statement
9. Project Chronology
10. City's Undergrounding Master Plan
11. Underground Utility Waiver Request and cost estimate
12. Certification of Tenant Notice for Condominium Conversion Map
13. Photos of existing Project
14. Project Summary/Executive Summary from Building Conditions Report