



THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: November 30, 2007 **REPORT NO.** PC-07-058

ATTENTION: Planning Commission, Agenda of December 6, 2007

SUBJECT: SUNROAD CENTRUM RESIDENTIAL - PROJECT NO. 99397
PROCESS 4

**OWNER/
APPLICANT:** Sunroad Centrum Partners, Limited Partnership (Attachment 10)

SUMMARY

Issue(s): Should the Planning Commission approve one 5-story residential building containing 129 residential units and two 4-story residential buildings containing 379 residential units, subterranean parking, two recreation centers, and a 2-acre park site on a 12.49 acre site located at 8773-8827 Lightwave Avenue and 8770-8786 Spectrum Center Boulevard in the Kearny Mesa Community Plan Area?

Staff Recommendation:

1. DENY Planned Development Permit No. 325462; and
2. DENY Vesting Tentative Map No. 329293.

Community Planning Group Recommendation: On August 16, 2006, the Kearny Mesa Planning Group voted 9-0 to recommend approval of a larger project with additional recommendations. Please see the Discussion section of this report. (Attachment 9).

Environmental Review: This project was addressed in the three previous environmental documents for the graded project site, including EIR No. 96-0165, the Addendum to EIR No. 96-0165, and the Sunroad Centrum Mitigated Negative Declaration LDR No. 41-0101. The project site does not contain any vernal pools, sensitive resources, or unique archeological resources, and complies with FAA regulations. The project is consistent with what was analyzed in the previous environmental documents and does not exceed

the approved number of residential units or the average daily trips (ADTs). No new mitigation would be required.

Fiscal Impact Statement: All costs associated with processing of this application are paid for by the applicant.

Code Enforcement Impact: None.

Housing Impact Statement: The project site is designated for Mixed Use Commercial and Residential and allows medium to high density residential yields. The proposed project will provide 508 dwelling units where none presently exist, and a density yield of approximately 40.7 dwelling units per acre which is considered a high density yield. The applicant proposes to set aside 48 units as Affordable Housing. This would help the City address its shortage of affordable housing stock during a time when the City Council has determined that the City of San Diego is in a housing state of emergency. This project is regulated by a preexisting Development Agreement (The New Century Center Master Plan) and is exempt from the Inclusionary Housing Ordinance.

BACKGROUND

The proposed project is located on 12.49 acres of the previous San Diego General Dynamics site within the CC-1-3 zone of the Kearny Mesa Community Planning Area (Attachments 1-3). There is a Development Agreement for the site which vests the New Century Center Master Plan as well as the old-code CA zone, therefore proposed development is required to comply with the CA zone, except as it is regulated by the Master Plan. The site is designated for Mixed Use Commercial and Residential development. The original New Century Center Master Plan was approved by the City Council on November 18, 1997, allowing General Dynamics (the original owner) to develop a high-density mixed-use retail, commercial and industrial business park on 242-acres centrally located within the Kearny Mesa Community Plan area. The project included adoption of the New Century Center Master Plan (Master Plan) as part of the Kearny Mesa Community Plan, approval of a Development Agreement between the City and General Dynamics, and adoption of Planned Industrial Development/Planned Commercial Development Permit (PID/PCD) No. 96-0165.

On October 2, 2000, PID/PCD Permit No. 99-1269 amended the original approval, Permit No. 96-0165, to include Residential use in the western portion of the property (Attachment 12). Amendments to the New Century Center Master Plan were also approved in October of 2000, to allow 550 dwelling units in the commercial mixed use area of the Master Plan, part of which included the subject site. The Development Agreement was also amended on October 2, 2000, to address the addition of residential use.

On November 12, 2002, another amendment to the Master Plan was approved to allow 570 additional residential units on the 33 acre commercial/mixed use area (Planning Areas "1A" "1B" and "2B") and an eight acre industrial area (Planning Area "3A")(Attachment 13). This approval brought the total permitted residential units in the Master Plan area to 1,568. Development of the additional 570 units will require the provision of a minimum two-acre park

on-site and a shuttle service to serve the uses. Per the City Council's action, implementation of the park and shuttle service requirement will be triggered by the issuance of the 999th building permit.

On April 17, 2003, the Planning Commission approved a Planned Development Permit and Tentative Map Waiver (PTS No. 5711), under a separate ownership, to construct 90 condominiums at the Sunroad A site. Also, on April 17, 2003, the Planning Commission approved a Planned Development Permit and Tentative Map Waiver (PTS No. 5715) to construct 168 condominiums at the Sunroad B property (also known as Promenade).

On May 15, 2003, the Planning Commission approved a Planned Development Permit and Tentative Map Waiver (PTS No. 5611) for the Spectrum Townhomes project to allow development of thirteen buildings with a total of 148 townhome condominium units.

On June 19, 2003, the Planning Commission approved a Planned Development Permit and Tentative Map Waiver (PTS No. 2552) to construct 120 condominium units.

The current Sunroad Centrum Residential project proposes the development of 508 dwelling units in one (1), five-story residential building and two (2), four-story multi-family residential buildings with underground parking and the creation of a 2-acre public park. The project is located on portions of Planning Areas 1A, 2B, and 3A and is regulated by the New Century Center Master Plan, Development Standards and Design Manual of Planned Commercial Development (PCD)/Planned Industrial Development (PID)/Planned Residential Development (PRD) Permit LDR No. 99-1269.

The proposed project requires a Planned Development Permit to amend PCD/PID/PRD No. 99-1269 (Land Development Code Section 126.0602). A Vesting Tentative Map is required, by the Land Development Code Section 125.0410, for the proposed division of the 12.49 acre site into four lots for a residential apartment, condominium development and public park site.

The project was originally heard by the Planning Commission on April 26, 2007, and was subsequently continued to May 31, 2007; June 21, 2007; August 9, 2007; September 6, 2007; and October 11, 2007, to allow Sunroad Enterprises to work with San Diego Gas and Electric (SDG&E) regarding the existing substation within the Master Plan area and a proposed new substation location.

CITY STAFF RECOMMENDATION FOR DENIAL

Over the past several months City staff, the City Attorney's Office, Sunroad, SDG&E, and William Lyon Homes have engaged in a series of meetings and good faith correspondence in an effort to resolve the SDG&E substation relocation issue. Although these negotiations were useful and productive, and several options were reviewed and analyzed, a final resolution acceptable to all parties could not be reached.

The New Century Master Plan Design Manual includes a provision which states that "in connection with the introduction of residential uses within the Mixed Use

Commercial/Residential area, the existing SDG&E substation shall be relocated to a non-residential portion of the site". In view of this Master Plan language, the fact that there is no consensus amongst the stakeholders to immediately relocate the SDG&E substation at this time, and therefore no absolute assurance that the substation will be relocated, City staff and the City Attorney's Office must recommend denial of the Sunroad Centrum Residential project. Staff has prepared the draft Planning Commission Planned Development Permit Resolution with findings appropriate for denial of the project (Attachment 7).

DISCUSSION

Project Description:

The 12.49 acre site is located on eight vacant parcels at 8773-8827 Lightwave Avenue and 8770-8786 Spectrum Center Boulevard (Attachment 1). The surrounding area is developed with a mix of commercial and residential uses, with some Light Industrial uses to the North and Southwest (Attachment 4). The project proposes one 5-story (maximum height approximately 63' 6") residential building, Building A South with 129 units, and two 4-story residential buildings, Buildings B & C with 184 and 195 units respectively; two floors of subterranean parking; two recreation centers; and a 2-acre public park.. Building A South proposes 8 studio units, 63 one-bedroom units and 58 two-bedroom units. Building B proposes 8 studio units, 96 one-bedroom units, and 80 two-bedroom units. Building C proposes 15 studio units, 101 one-bedroom units, and 79 two-bedroom units (Attachment 5).

In an effort to address all of the stakeholders' concerns regarding relocating the SDG&E substation, Sunroad's proposed project has been revised/adjusted as follows:

1. The Master Plan identifies a possible 0.69-acre SDG&E substation relocation site (Lot 6, Attachment No. 14), owned by Sunroad, approximately 200 feet west of the Sunroad Centrum Residential project site. Sunroad has agreed to grant a Building Restricted Easement over a 0.69-acre site on the east portion of Lot 6 and a west portion of Lot 7 (Attachment 14), which would remain in place until the SDG&E substation is relocated (Attachment 8, Condition No. 6). This Building Restricted Easement would prohibit Sunroad from developing this site until the substation is relocated.
2. The original project included four separate buildings, two 5-story buildings and two 4-story buildings. Sunroad has agreed to delete one of the 5-story buildings located on the northwest portion of the project site (Lot 2), nearest the 0.69-acre parcel (Lot 6) identified in the Master Plan as a possible SDG&E substation relocation site. This revision reduces the encroachment of residential development towards the possible SDG&E relocation site, and allows a greater potential opportunity for the SDG&E substation to utilize Lot 6 and 7 if needed. This revision also reduces (provisionally) the residential unit yield by 86 units.
3. Sunroad has agreed not to develop this northwest portion of their project site (Lot 2) until the SDG&E substation is relocated. A condition (#44) has been incorporated into the Planned Development Permit which prohibits Sunroad from pursuing the necessary

discretionary approvals until the SDG&E substation is relocated.

If the Planning Commission chooses to approve the project as proposed by Sunroad, the Commission will need to include Planned Development Permit findings appropriate for that approval.

Environmental Analysis:

This project was addressed in the three previous environmental documents for the graded site including the Addendum to EIR No. 96-0165, EIR No. 96-0165, and the Sunroad Centrum Mitigated Negative Declaration LDR No. 41-0101. The project site does not contain any vernal pools, sensitive resources, or unique archeological resources, and complies with FAA regulations. The project is consistent with what was envisioned in the previous environmental documents and does not exceed the approved number of residential units or the average daily trips (ADTs). No new mitigation would be required.

The project would be subject to the Mitigation, Monitoring and Reporting Program (MMRP) conditions required by the previously cited environmental documents including the requirement for paleontological monitoring, a waste management plan, and transportation improvements.

Community Plan Analysis:

The proposed project is located within New Century Center (NCC) in the Kearny Mesa Community Planning area, is designated in the plan for Mixed Use Commercial and Residential, and is subject to the development criteria of the NCC Master Plan, Design Manual and Development Standards (Attachment 13). The project proposes to construct 508 residential units with on-site recreational facilities, a 2.0-acre park, and other park-like public amenities.

The NCC occupies the former General Dynamics campus, and the community plan includes a number of objectives. Specifically, the plan recommends that the site be developed with a mixture of uses including residential on the western portion; establish site planning standards and architectural design guidelines that will further a sense of community identity; create a featured locale within a landscaped setting that will establish an important central focus for the site, which is open to the public and provides pedestrian non-vehicular linkages; and provide park facilities if more than 998 dwelling units are constructed for the entire master plan area.

The project will provide a residential use conforming to site planning and architectural design guidelines, while creating a landscaped featured locale, and providing a 2.0-acre public park.

The residential element of the community plan includes the policy of encouraging residential development on urban infill sites within mixed-use projects. The NCC is a mixed-use project and the proposed project will provide 508 dwelling units in a residential development.

The Master Plan of the NCC describes the proposed uses in each of the planning areas, and allows medium to high density residential uses in Planning Areas (PA) 1A, 2B, and 3A. The project proposes to provide residential development in a portion of PA 1A, 2B, and 3A, with a

density yield of approximately 40.7 dwelling units per acre, which is consistent with the recommended density range of NCC Master Plan.

The proposed project meets the objectives and policies of the community plan and the NCC Master Plan, Design Manual, and Development Standards.

Community Planning Group Recommendation

On August 16, 2006, the Kearny Mesa Planning Group voted 9-0 to recommend approval of this project with the additional recommendation that the park include some passive landscaped areas with trees, shaded sitting areas and other landscaped elements including a tot area. Also, it was requested that the street parking adjacent to the park be posted to limit parking to either a two or four hour limit so it will not become an alternative for residents to their assigned residential parking (Attachment 9). Park planning staff will be working with the Park and Recreation Board and community to determine the amenities for the proposed park site. The Planned Development Permit does not regulate on-street parking, however the applicant has agreed to work with Traffic Engineering, Streets, to study a parking time limit zone.

On August 4, 2006, the San Diego Spectrum Design Review Committee (DRC) approved this project as depicted in preliminary drawings and elevations.

Project-Related Issues:

Height:

The project proposes one 5-story (maximum height approximately 63' 6") residential building, and two 4-story (maximum height approximately 47') residential buildings, two floors of subterranean parking; two recreation centers; and a 2-acre public park. The project site has a Development Agreement and Master Plan which specifies that the zone for this site is the CA zone, in accordance with the Municipal Code in effect prior to January 3, 2000. There is no height limit in the CA zone. However, the City required review by the San Diego Regional Airport Authority and the Federal Aviation Administration.

On March 5, 2007, the Federal Aviation Administration (FAA) issued a Determination of No Hazard to Air Navigation for this project.

On April 5, 2007, the San Diego Regional Airport Authority found this project to be consistent with the Certified Land Use Plan for Marine Corp Air Station Miramar because it identifies residential and recreational uses as being compatible outside the 60db CNEL noise contour. This project is not located in the Montgomery Field Airport Influence Area.

Affordable Housing:

The Development Standards (Volume 2, Page IV-7) of the NCC states "after the 550th dwelling unit within the mixed use Commercial/Residential area (Planning Area 1A, 1B, 2B and 3A), residential projects shall include approximately 10% of the proposed units as affordable housing.

Further, the NCC defines affordable housing as units for households earning no more than sixty-five percent (65%) of the area median income, or an equally acceptable affordable housing program.” Prior development rights have been approved for 526 residential units in these planning areas, leaving 24 units of the proposed project not subject to the affordable housing requirement. Therefore 484 of the proposed residential units with this application would be subject to the affordable housing provision as stated in the NCC Master Plan. Accordingly, forty-eight (48) units of affordable housing will be provided on-site and the project will meet the affordable housing recommendations of the NCC Development Standards. (This project is regulated by a preexisting Development Agreement and is exempt from the Inclusionary Housing Ordinance).

Park Issues:

The developer is proposing a minimum contiguous 2.0 useable acre public park developed to support active recreational programming and 1.42 acres of linear park around the perimeter of the Sunroad Centrum development, for a total of 3.42 useable acres, to satisfy population-based park requirements for the project. They are also required to provide a pro rata share of the cost of a community recreation building and a community swimming pool, to be paid as park fees at the time of issuance of building permits. These fees are to be based on current fair market value of the land and current design and construction costs, determined by the Park Planning and Development Division, at time of permit issuance in lieu of the park portion of the Kearny Mesa Development Impact Fee.

Pedestrian Linkages and Connectivity:

The Design Manual (Volume 3, Section V, A6) of the NCC states that ground floor residential units facing public streets should have direct access to the street. Further, stoop units, patio entries, or other designs should be used to connect ground floor entry doors to public sidewalks. Staff has included this as Condition 41 in Planned Development Permit No. 325462 for those units that face Spectrum Center Boulevard (Attachment 6).

In addition, the Design Manual requires connectivity between uses and other residential developments. The proposed project would continue the meandering jogging trail around the park area and the residential units proposed to the north and south. In addition there are existing eight-foot, non-contiguous sidewalks that serve as pedestrian linkages with other residential and commercial developments both existing and planned.

Transit Services:

The NCC Master Plan (Volume 2, page III-8), recommends a bus/shuttle loop route within the master project, interconnected with on-site uses to accommodate employees and customers accessing the site via bus transit. Currently there is limited bus service through the master project. In addition, Condition No. 40, of the draft permit requires that “prior to building permit issuance for the 999th residential unit within the New Century Center Master Plan area, the Owner/Permittee shall assure the provision of an internal shuttle transit system, satisfactory to the City Engineer, including, but not limited to, the shuttle system implementation schedule and

duration and operational characteristics (e.g. route, frequency, daily hours of operation).” This condition is to satisfy the Mitigation Monitoring and Reporting Program for the Master Plan Amendment that was approved November 12, 2002.

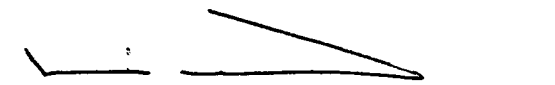
CONCLUSION

The NCC Master Plan objectives were to produce a Project that encompasses all levels of land uses to create a community that can have compatible residential, commercial and employment opportunities. The proposed residential project contributes to this goal with its proximity to planned office and recreational improvements as well as retail and industrial uses to the north and east. Although Staff has determined that most of the required findings can be made as the project meets the applicable San Diego Municipal Code regulations and requirements, the project fails to meet the findings regarding consistency with the community plan, as it refers to the New Century Center Master Plan’s requirement to relocate the SDG&E substation site. Therefore, Staff recommends denial of the project as proposed.

ALTERNATIVE

1. Approve Planned Development Permit No. 325462 and Vesting Tentative Map No. 329293, with modifications and appropriate findings.

Respectfully submitted,



Mike Westlake
Program Manager
Development Services Department



Jeannette Temple
Development Project Manager
Development Services Department

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map
4. Project Data Sheet
5. Project Plans/Vesting Tentative Map
6. Draft PDP Permit
7. Draft PDP Resolution
8. Draft Vesting Tentative Map Conditions and Subdivision Resolution
9. Community Planning Group Recommendation
10. Ownership Disclosure Statement
11. Project Chronology
12. Planned Industrial Development/Planned Commercial Development (PID/PCD) Permit No. 99-1269
13. New Century Center Master Plan
14. Parcel Map No. 18972