

DATE ISSUED: April 22, 2010

REPORT NO. PC-10-034

ATTENTION: **Planning Commission, Agenda of April 29, 2010**

SUBJECT: LOFTS AT OLD CITY HALL – PROJECT NO. 171488
PROCESS FOUR.

**OWNER/
APPLICANT:** Jason Zana ENZA Investments, LLC
Diane Roberts

SUMMARY

Issue(s): Should the Planning Commission approve an application for a tentative map to convert 13 existing commercial condominium units into 12 residential condominium units and 1 commercial unit within an existing historic building?

Staff Recommendation: APPROVE Tentative Map No. 619329

Community Planning Group Recommendation: The Center City Advisory Committee placed this item on the March 17, 2010 consent agenda and unanimously voted to approve the project (21-0-2) with no additional conditions or recommendations.

Environmental Review: The Center City Development Corporation acting as the lead agency determined that the proposed project is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to Article 19, Section 15301, (Existing Development). This project is not pending an appeal of the environmental determination. The environmental exemption determination for this project was made on January 25, 2010, and the opportunity to appeal that determination ended February 15, 2010.

Fiscal Impact Statement: There are no fiscal impacts. All of the costs associated with processing this application are paid for by the applicant.

Code Enforcement Impact: There are no code enforcement impacts with this application.

Housing Impact Statement: The Gaslamp Quarter District permits mixed-use commercial and residential development. The proposed tentative map would convert 13 existing commercial condominium units into 12 residential condominiums and one commercial condominium unit and provide a net increase of dwelling 12 units within the Downtown Community Planning Area. The project proposes market-rate units and would pay an in-lieu fee to comply with the Inclusionary Housing Ordinance.

BACKGROUND

The project site is located at 433 “G” Street in the Gaslamp Quarter Planned District within the Downtown Community Plan and the Centre City Redevelopment area. The 0.01 acre site contains the historic structure known as Old City Hall. The four-story building is currently occupied by commercial uses including the nightclub Jimmy Love’s on the ground floor and basement. The second, third and fourth floors contain 12 commercial spaces that were converted into commercial condominiums in April 2006. The site is within the heart of the historic Gaslamp District that features mixed use development with an emphasis on ground floor retail, restaurant and nightclub uses with residential or commercial office uses within the upper stories.

The historic structure was originally constructed in 1874 as the two-story Commercial Bank of San Diego. The Florentine-Italian style building was designed by London Architect William Lacey and has the distinction of being the first structure constructed of brick, stonework and iron girders all made in San Diego. In July, 1882 the San Diego Library was opened on the second floor with 7,000 volumes and grew to the point that in 1889 the building was enlarged to four stories. In 1893, following a world wide business depression, the bank closed and the library moved to a new location. The building was sold through a court-ordered auction to a private citizen in 1899 who in turn sold it to the City of San Diego the following year.

Throughout the year 1900 the City relocated the tax collector, assessor, auditor, Mayor, City Attorney, City Justice, City Clerk, Fire Commissioner, Board of Delegates, Board of Alderman, Board of Public Works, City Engineer and Board of Health into the building. The structure was maintained as City Hall for the next 38 years before outgrowing the space and moving to what is now the County of San Diego’s administrative offices on Harbor Drive. In 1939 one dissenting vote saved the building from being razed as “an eyesore” and the City used it as a storage facility until selling the property to a private party in 1944. Since that time the building has changed ownership several times and has been used for a variety of commercial uses including a Thrifty Drug Store and adult bookstore. With the emergence of the Gaslamp District in the 1980’s the building was restored to its former grandeur and in 1995 the unreinforced masonry building was retrofitted and reinforced to comply with current seismic regulations.

DISCUSSION

Project Description:

The project proposes to convert 13 existing commercial condominium spaces into 12 residential condominium units and one commercial unit. The 12 residential units would occupy the second, third and fourth floor of the existing historic building and the commercial unit would consist of the first floor and basement area.

Community Plan Analysis:

The project is located within the Gaslamp District within the Downtown Community Plan area. The proposed conversion of commercial space into residential dwelling units to create a mixed-use development would be consistent with the recommended commercial and residential land use of the Downtown Community Plan. The ground floor commercial space would continue to operate as a nightclub and residential development would be located on the floors above. This configuration would be consistent with the recommendations of the plan to promote pedestrian activity at the street level and locate residential uses on upper floors. The project would also assist in the adaptive reuse of the historic building while providing additional housing opportunities in the Gaslamp District.

Project-Related Issues:

The project is requesting a Tentative Map for the subdivision of a 0.01-acre site that is currently developed with 13 commercial condominium units. Section 125.0410 of the San Diego Municipal Code requires that a Tentative Map be processed for the subdivision of land. The Tentative Map request is a Process Four Planning Commission decision as outlined in San Diego Municipal Code Section 125.0430 (Decision Process for a Tentative Map). According to San Diego Municipal Code Section 125.0440, Findings for Tentative Maps, the decisionmaker may approve a Tentative Map if the decisionmaker finds that the proposed division of land complies with the requirements of the Subdivision Map Act and the San Diego Municipal Code.

Historic District:

As previously discussed the structure is a designated historic building and within the designated Gaslamp Quarter Historic District. However, the proposed project is for the subdivision of the existing units and no exterior work is proposed. All of the interior walls would remain in the current configuration and no modifications would be permitted for the exterior finish materials, including existing doors and windows.

Affordable Housing:

The project is subject to the Inclusionary Housing regulations. The applicant has indicated they would satisfy these requirements by paying an Inclusionary Affordable Housing In-Lieu Fee of \$29,865.46. The in-lieu fee amount takes into account the second and third floor habitable space only as the fourth floor fees were paid as part of the previous map for conversion to the live/work quarters and the ground floor remains commercial space. The project has been conditioned that the in-lieu fee would be paid prior to recordation of the Final Map and pursuant to the Affordable Housing Requirements of the City's Inclusionary Housing Ordinance (Chapter 14, Article 2, Division 13 of the Land Development Code; and DSD Information Bulletin 532).

Underground Utility Waiver:

There are no existing overhead utility lines within the right-of-way and the project has been conditioned for the subdivider to underground any new service lines as necessary for this development.

Conclusion:

The proposed subdivision of 13 existing commercial condominiums into 12 residential condominiums and one commercial condominium would be consistent with the applicable Downtown Community plan, Gaslamp Planned District Ordinance and the City of San Diego Land Development Code. The project has been determined to be exempt from further environmental review pursuant to the California Environmental Quality Act in that the project is within an existing facility and no interior or exterior modifications would be permitted with this action. The Centre City Advisory Committee has reviewed and recommended approval of the tentative map and staff believes the findings to approve the project can be affirmed.

ALTERNATIVES:

1. **Approve** Tentative Map No. 619329, **with modifications.**
2. **Deny** Tentative Map No. 619329, **if the findings required to approve the project cannot be affirmed.**

Respectfully submitted,

Mike Westlake
Program Manager
Development Services Department

John P. Hooper
Project Manager
Development Services Department

BROUGHTON/JPH

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map
4. Project Data Sheet
5. Draft Map Resolution with Findings
6. Draft Map Conditions
7. Map Exhibit
8. Community Planning Group Recommendation
9. Ownership Disclosure Form