

DATE ISSUED: September 23, 2004 **REPORT NO.** PC- 04-152

ATTENTION: Planning Commission, Agenda of September 30, 2004

SUBJECT: LEGACY WALK - PROJECT NO. 23357. PROCESS 5

REFERENCE: Report to the Planning Commission No. P-03-328: Initiation of an Amendment to the Progress Guide and General Plan and the Southeastern San Diego Community Plan.

**OWNER/
APPLICANT:** Robinson Family Trust/The Olson Company, LLC.

SUMMARY

Issue(s) – Should the Planning Commission recommend that the City Council approve a new 110-unit town-home style condominium project (includes 11 affordable housing units) on a 5.75-acre site located on the east side of South 43rd Street, south of Logan Avenue, in the Southcrest Neighborhood of the Southeastern San Diego Planning area?

Staff Recommendation:

1. Recommend that the City Council **Adopt** addendum to Environmental Impact Report No. 84-0721;
2. Recommend that the City Council **Approve** amendments to the Progress Guide and General Plan, and Southeastern San Diego Community Plan No. 98183;
3. Recommend that the City Council **Approve** Rezone No. 98182;
4. Recommend that the City Council **Approve** Site Development Permit No. 98185;
5. Recommend that the City Council **Approve** Vesting Tentative Map No. 98180;
6. Recommend that the City Council **Approve** Easement Abandonment No. 148975;

Community Planning Group Recommendation - On July 12, 2004, the Southeastern San Diego Planning Committee voted 7-0-2 to approve the project as proposed, contingent upon the group receiving and reviewing the environmental document when completed. The EIR Addendum was distributed for comment to the Committee on September 3, 2004. No comments were received from the Committee.

Environmental Review – An addendum to Environmental Impact Report No. 84-0721 has been prepared for this project in accordance with the State of California Environmental Quality Act (CEQA) Guidelines. All previously identified environmental impacts have been addressed and mitigated for in the previously certified environmental document and the associated permit conditions.

Fiscal Impact – All costs associated with the processing of this project are paid from a deposit account maintained by the applicant.

Code Enforcement Impact – None with this action.

Housing Impact Statement – The project proposes to demolish three existing single-family homes, and construct 99 market-rate, and 11 affordable multi-family for-sale townhomes on a 5.75-acre site. The proposed General/Community Plan Amendment would allow for approximately 60 multi-family dwelling units on a portion of the site where none are currently allowed. The City's Inclusionary Housing Ordinance is being met on-site as ten percent of the units (a total of 11 units) will be designated as affordable to households at or below 100% area median income (AMI).

BACKGROUND

The subject property is an approximately 5.75-acre site located on the east side of South 43rd Street, south of Logan Ave, in the Southcrest Neighborhood of the Southeastern San Diego Planning Area. The Southeastern San Diego Planning Area is located in the central urbanized portion of the City of San Diego, south of Martin Luther King Freeway (SR 94), west of Interstate 805, east of Interstate 5 and bordered with National City on the south (See Attachment 1). The site is primarily vacant, with the exception of a tire repair shop, welding shop, and three single-family homes.

Approximately 3 acres of the site is designated General Commercial in the Southeastern San Diego Community Plan, with the remaining 2.75 acres designated as Medium-High Density Residential (15-30 dwelling units per acre). The subject property is surrounded by vacant land and a neighborhood park to the north, low density residential to the south, medium density residential to the east, and vacant and dilapidated commercial properties to the west (See Attachment 1). Adjacent land use designations include Public Facilities to the North, Medium-High Density Residential (15-30 dwelling units per acre) to the east, Strip Commercial to the west, and Low Density Residential (5-10 dwelling units per acre) to the south (See Attachment 2).

The proposed project site is on 5.75 acres within the larger, 301-acre area encompassed by the Southcrest Redevelopment Project (SRP) Area. The SRP was adopted in 1986 and is bounded by

Interstate 15 and Interstate 5 on the west, on the east by 44th Street, to the south by Gamma and Vesta Streets, and to the north by Logan Avenue. The proposed Legacy Walk project is located in the northeastern portion of the SRP Area. The SRP Area is predominantly urbanized, containing a variety of land uses, including residential, commercial, light industrial, parks/open space, institutional, utilities, and vacant land.

On November 13, 2003 the Planning Commission voted (6-0-0) to initiate a request for an amendment to the Southeastern San Diego Community Plan and the Progress Guide and General Plan to redesignate approximately 3 acres of this site from General Commercial to Medium-High Density Residential (15-30 dwelling units per acre). During that hearing the Planning Commission requested that staff analyze a number of issues. That analysis is provided below in the Discussion section of this report under “Community Plan Analysis.”

DISCUSSION

Project Description:

The proposed Legacy Walk residential project would include the demolition of three existing residences and two commercial structures (tire repair and welding shops), and the construction of a 110-unit, multi-family development on a 5.75-acre infill site. Ten percent or 11 of the units would be designated as affordable to households at or below 100% AMI. The project would also include 220 covered parking spaces, 19 guest parking spaces, and 11 motorcycle parking spaces.

The project proposes the construction of 232,673 square feet of multi-family development. The development would consist of eighteen (18) individual buildings, from two to three stories in height, with three distinct layouts (Buildings ‘A’, ‘B’, and ‘C’): Building ‘A’ would have four units per building, and there would be four Building ‘A’s on the project site for a total of sixteen (16) units. Building ‘B’ would house six units per building, with nine Building ‘B’s proposed for a total of 54 units. Building ‘C’ would consist of eight units per building, with five Building ‘C’s proposed for a total of 40 ‘C’ units.

The units would vary in size. Plan 1 units (46 total for the project) would be approximately 1,417 square feet, with three bedrooms and three bathrooms. Plan 2A (10 total units proposed) would be approximately 1,473 square feet, with three bedrooms, three bathrooms, plus a loft. Plan 2B (36 units proposed) would be approximately 1,473-square-foot units with four bedrooms and two and one-half bathrooms. Plan 3 (18 units proposed) would be approximately 1,976-square-foot units, with four bedrooms, two and one half bathrooms, and a loft.

Approval Descriptions:

The Southeastern San Diego Community Plan currently identifies a portion of the site (approximately 3 acres) for General Commercial land use and the remainder for Medium-High Density Residential (15-30 dwelling units per acre). The project proposes that the Southeastern

San Diego Community Plan and the Progress Guide and General Plan be amended so that the portion of the site currently identified for General Commercial land use be changed to Medium-High Density Residential. The applicant is also proposing a rezone to that portion of the site from Commercial (CT-2 Zone) to Multi-Family Residential (MF-1500 Zone).

The proposed project requires a Site Development Permit (SDP) in accordance with a Process 3 for residential development within the Southeastern San Diego Planned District (SESDDP), and an SDP in accordance with a Process 4 due to requested deviations to the regulations of the underlying zone. The project also requires a Tentative Map for condominium purposes, and a Process 5 Easement Abandonment to abandon a number of public easements on-site that are no longer used and do not have an anticipated use. The request for the Rezone, General/Community Plan Amendment, and Easement Abandonment requires the SDP and Tentative Map to be decided in accordance with Process 5 (City Council as the Decision Maker). Since the Municipal Code requires that approvals be consolidated, the proposed project must be considered by the Planning Commission prior to a final decision by the City Council.

Community Plan Analysis:

The proposed project requires a Land Use Plan Amendment. The Southeastern San Diego Community Plan currently identifies a portion of the site (approximately 3 acres) for General Commercial land use and the remainder for Medium-High Density Residential (15-30 dwelling units per acre). The project proposes that the Southeastern San Diego Community Plan be amended so that the portion of the site currently identified for General Commercial land use be changed to Medium-High Density Residential (15-30 dwelling units per acre). On November 13, 2003 the Planning Commission voted 6-0-0 to approve the initiation of the amendment and requested that a staff analysis include several issues. These issues and staff's response are included below.

Issue 1: The appropriate land use designation, density range, and zoning for the site:

Staff Response: The objectives of the Southeastern San Diego Community Plan include the provision that a variety of residential density ranges should be provided in order to establish a range of housing types to accommodate various living styles and family sizes. The Plan calls for higher residential densities (up to 30 units per acre) along the transportation corridors of Logan Avenue and National Avenue near the commercial developments in the neighborhood. While residential development is not currently identified for a majority of this site, the proposed redesignation to residential development can provide an incentive for redevelopment along the 43rd Street Corridor, while at the same time reflecting the development intensities of the adjacent residential neighborhood. Currently the section of the 43rd Street Corridor in the immediate vicinity of this site suffers from a significant retail vacancy rate and a far below average rental rate to potential retail tenants. Therefore, the infusion of new residential development along this corridor could potentially spur quality infill development of additional commercial, residential and mixed-uses on vacant or redeveloped land parcels.

Based on the above analysis, it is the Planning Department's recommendation that the appropriate land use designation for this site is Medium-high Density Residential to support a density range of 15 to 30 dwelling units per acre and the appropriate zoning for the site is MF-1500.

Issue 2: Impacts on housing availability (supply and demand) and affordability:

Staff Response: The Southeastern San Diego Community Plan encourages new housing development and states that it is clearly needed. The objectives also state that the level of owner occupancy in the community should be maintained or increased in order to increase maintenance of properties and pride in individual neighborhoods, and that an economically and ethnically balanced community should be achieved. The proposed plan amendment to redesignate approximately 3 acres of primarily vacant land from General Commercial to Medium-High Density Residential (15-30 dwelling units per acre) would allow for approximately 60 multi-family dwelling units on the portion of the site where none are currently allowed, with an additional 50 multi-family dwelling units on the remainder of the site. These units would be for-sale, thus meeting the Community Plan objective to increase owner occupancy. In addition, the City's Inclusionary Housing Ordinance would be met on-site as ten percent of the units will be designated as affordable, thus meeting the plan's objective for economically balanced communities.

Issue 3: Impacts on commercial land supply and demand:

Staff Response: Approximately three acres of the site are currently designated as General Commercial Use. With this existing land use there are a number of issues that would arise if the site were to be developed as currently designated:

A) New commercial development would compete with the Southcrest Plaza and Imperial Marketplace, two projects developed in the last decade in partnership with SEDC (Southeastern Economic Development Corporation). The significant amount of existing vacancies and low rents along the adjacent corridor suggests that adding additional commercial development could negatively impact these two centers and in turn weaken the overall retail market.

B) Site constraints would preclude direct automobile access to the commercial development from either National Avenue or 43rd Street. Due to the 43rd Street and Logan/National Avenue Realignment Capital Improvements Project, the City's Traffic Engineering section has determined that no curb cuts will be allowed on either Logan Avenue or 43rd Street along the property boundary. Without vehicular access to the site from either of these major streets, commercial development is not viable.

C) In the immediate vicinity of the project site there is significant commercial vacancy providing lower cost space to future commercial tenants in the vicinity. Market research indicates that retail rents in the immediate vicinity are \$0.85 - \$1.00 per square foot per month as opposed to

the standard of \$2.25 per square foot per month which is currently used to economically justify new commercial construction.

Issue 4: The adequacy of existing public services and facilities, including schools, parks, fire, police and transit services, to determine whether the additional units proposed would negatively impact the current levels of these services:

Staff Response: The proposed project would be served by Baker Elementary School, located on T Street in the Southcrest neighborhood. According to San Diego City Schools, the current 2004 student enrollment is 565 students, as compared to the school's capacity of up to 650 students. Therefore, there appears to be adequate school facilities in place to service the proposed project.

Currently there are over 50 acres of neighborhood and community parks within several blocks of the project site, with over 10 additional acres expected to be completed in the immediate future as part of the Chollas Creek Enhancement Project. Current parks include: Mountain View, Kennedy, Willie Henderson and Southcrest Park. There are presently 2 libraries within the project vicinity, Beckwourth and Malcolm X.

The Southcrest neighborhood is served by the Southeastern Division of the San Diego Police Department. In addition to the division headquarters, there are two substations within the community, the Southeastern Storefront and the Paradise Valley Satellite substation. As for fire stations, there are presently three (Station numbers 7, 12, and 19) to serve the immediate vicinity.

Numerous public transit services are located within walking distance of the proposed project site, including bus lines 11 and 955, which would provide residents with easy accessibility to all of San Diego County.

Issue 5: Consistency between the proposed community plan amendment and the City's Strategic Framework Element, Transit-Oriented Development Design Guidelines, and Housing Element goals for future development:

Staff Response: The proposed project is consistent with the recommendations of the Strategic Framework Element which emphasize that new residential development should contribute to increased walkability and provide housing opportunities near local employment centers as well as along transit corridors. The proposed project is located within walking distance to several employment centers, including industrial and commercial centers, as well as a major transit corridor which provides convenient access to the entire San Diego region.

The proposed project also incorporates several aspects of Transit-Oriented Development Design Guidelines. The proposed project provides for several pedestrian walkways directly linking the residents to the major transit corridors along Logan Avenue and 43rd Street. This direct connection will encourage walkability to the numerous amenities which surround the project site, including: several bus stops, Southcrest Plaza Shopping Center, several parks, Beckwourth

Library, several light-industrial centers, numerous churches and recreational centers, as well as adjacent neighborhood commercial and residential land uses.

The proposed project will provide 110 multi-family for-sale units with 10% of the units being sold as affordable, per the City of San Diego's Inclusionary Housing Ordinance. Therefore, the proposed project will meet the Housing Element goals by providing for sufficient new housing for a variety of income groups and increasing the number of affordable housing opportunities within the community.

Issue 6: Provision of amenities, application of urban design guidelines and pedestrian-scale elements per the adopted community plan:

Staff Response: The proposed project will visually and physically connect to the proposed 43rd Street and Logan/National Avenue Realignment Capital Improvements Project directly adjacent to the project site. This will include the provision of landscaped pedestrian pathways directly connecting to the future pedestrian improvements, as well as the orientation of front entrances towards 43rd Street and Logan Avenue to visually relate to these important corridors and the future improvements planned for them.

Issue 7: Feasibility of mixed-use development on this site:

Staff Response: As stated above, during the City's review process the Traffic Engineering section determined that no curb cuts will be allowed on either Logan Avenue or 43rd Street along the property boundary. This prohibition of curb cuts is due to the proposed 43rd Street and Logan/National Avenue Realignment Capital Improvements Project. In addition, the proposed Capital Improvements Project would prohibit on-street parking for the entire project frontage along both of these corridors. Without adjacent on-street parking or vehicular access to a potential commercial/retail component from either of these major streets, the site becomes nonviable for mixed-use development.

The applicant had a market analysis prepared for the site, which listed several additional reasons, which given the prohibition of vehicular access, would further support the case that the inclusion of a retail component at this site would not be viable at this time. The first such conclusion is that there is currently a significant retail vacancy in the immediate vicinity of the proposed project, providing lower cost space to potential retail tenants. Another conclusion is that market research indicates that retail rents in the immediate vicinity are well-below what is considered the standard to economically justify new construction.

Given the vehicular access and adjacent parking constraints, along with the conclusions of the market analysis, the feasibility of mixed-use development at this site is not particularly strong. Since this particular site is not a good candidate for mixed-use development in the traditional sense, there has been a focus to create direct pedestrian connections from this proposed residential project to the adjacent existing commercial uses, with the hopes of creating a viable horizontal mixed-use corridor.

Issue 8: Consistency between the project design and the proposed design for the adjacent Urban Plaza, including pedestrian connections to and from the Urban Plaza and the Educational Cultural Complex and related open space to the north:

Staff Response: During the City’s review process, the proposed project was redesigned to visually and physically relate to the proposed design for the adjacent 43rd Street and Logan/National Avenue Realignment Capital Improvements Project, as described above. The proposed project design not only allows for the construction of the proposed Capital Improvements Project as designed, but also complements it by providing for direct pedestrian connections as well as visual connections.

Environmental Analysis:

The City of San Diego previously prepared an Environmental Impact Report for the Southeastern San Diego Community Plan, Southcrest Redevelopment Plan, Central Imperial Redevelopment Plan, and Dells Imperial Redevelopment Plan Environmental Impact Report (EIR) No. 84-0721, as well as subsequent Addendums to EIR No. 84-0721, including addendums finalized in May 1987, July 1986, and March 1986.

Based upon a review of the current Legacy Walk project, it has been determined that there are no new significant environmental impacts not considered in the previous EIR, no substantial changes have occurred with respect to the circumstances under which the project is undertaken, and there is no new information of substantial importance to the project. Therefore, in accordance with State CEQA Guidelines, an addendum has been prepared for this project.

In the long term, the project would add 7.5 seconds of delay to the unsignalized intersection of 43rd Street and Newton Avenue. This exceeds the threshold 2.0 second delay for intersections operating at LOS F and, therefore, the project has been conditioned to contribute 10 percent of the cost (the project’s fair share amount) of future signalization of that intersection as a mitigation measure. This condition reduces the project’s cumulative impact to less than significant.

Project-Related Issues:

Deviations from the Land Development Code Development Regulations

Deviations have been requested for tandem parking, loading areas, and façade/design orientation.

Tandem Parking: The parking requirement for this project is 220 spaces, and the project is providing 128 standard spaces and 92 tandem parking spaces, for a total of 240 parking spaces. Tandem parking spaces are not allowed in this area so a deviation is required. In general, the concern with tandem parking is that residents park only one car in the garage and create a shortage of on-street parking with their second car. This potential issue will be

addressed by recording Covenants, Conditions, and Restrictions (CC&R) as part of the development which will require residents to park within their assigned spaces, and a Homeowners Association and Management Company will be set up to police the issue. The requirement to provide 220 standard side-by-side garages would require a reduction in the total number of units in the project, would increase the total cost of each unit, and could result in the loss of or reduction to the total number of affordable housing units currently proposed. The CC&R requirement in this case appear to provide a viable alternative to conventional side-by-side parking, and allows the applicant to continue to provide low cost and affordable homes.

Loading Spaces: The intent of the loading space regulation is " to minimize disruption of traffic flow by freight-carrying vehicles blocking the public right-of-way and to minimize impacts to vehicular and pedestrian circulation . . ." The proposed project situates the loading space in the center of the "L" shaped parcel, providing easy access for deliveries throughout the project site, and the shape of the parcel minimizes any impacts to the circulation pattern because there are alternative points of entry and routes of travel. Second, the nature of owner-occupied homes (as required by the Owner Participation Agreement with SEDC) does not warrant an additional loading space as would other uses; The code lumps all multiple unit residential units in one category while owner-occupied homes do not see the type of turn-over as rentals units and generally have less freight than commercial uses. Additionally, this project barely meets the requirements for a second loading space under the municipal code. The project contains approximately 232,000 gross square feet and the code requires 2 spaces for projects with 200,001 to 500,000 square feet.

Façade/Design Orientation: The intent of the Façade/Design Orientation regulations is to create an enhanced connection between residents of a development and the neighboring community. However, along 43rd Street, directly in front of Buildings 1 and 2, a retaining wall is required and thus, having an entry door facing this wall would not be visually pleasing nor very secure for the occupants. Additionally, Building 1 is on the corner of 43rd Street and Newton Avenue. In order to make this corner more attractive, create a strong visual and physical appearance to the gateway of the neighborhood, and to create a pedestrian friendly development, the applicant proposed to orient the building towards Newton. Additionally, the orientation of Building 9 allows for more pleasing views since immediately across 44th Street is a large block wall, and the surrounding landscaping and properties are not well maintained.

As an infill location, the 5.75 acre odd shaped site is constrained by existing streets and developed properties as well as by existing utility easements and a proposed road realignment of 43rd Street, National Avenue and Logan Avenue. In addition, the Southcrest community desires an increase in owner occupied units with a wide range of housing types to accommodate various living styles and family sizes. Requiring the 10 foot front yard setback, the orientation of the buildings, and an additional loading space would reduce the number of market rate and affordable units, thus minimizing the positive impact on the

City's shortage of entry-level and affordable housing. Allowing these deviations allows for additional units, which assists in providing affordable housing options to City of San Diego residents.

The MR 1500 Zone allows for the development of up to 172 residential units on the 5.75 acre site. However, due to the shape of the lot, utility easements that run through the site and the proposed roadway realignment of 43rd Avenue which necessitate larger setbacks along 43rd Street, the density of the MR 1500 Zone can not be achieved in any meaningful way without the requested deviations. To achieve the desired density without deviations would require the units to be smaller, buildings with minimal architectural character, a bland layout of the site, and/or the height of the buildings would need to be increased dramatically and thus, out of scale with the surrounding uses.

Other Actions on or Near the Site

Alternative Site for Memorial Area Middle School: The subject site was selected as one of three alternative sites for a new middle school within the Southeastern San Diego Community Planning Area. A Notice of Preparation/Environmental Initial Study to study the three sites was sent to the Governor's Office of Planning and Research in September of this year. The project entails acquisition of land and the construction and operation of a new public middle school for 6th through 8th grade students. The applicant is fully aware of the selection and wishes to continue through the review and approval process.

Future Road Realignment Project for 43rd Street/National Avenue/Logan Avenue: The Engineering and Capital Projects Department has a planned Capital Improvement Project proposed for the improvement of the subject intersection at the north and west boundaries of the Legacy Walk project. The project proposes to realign the intersection of 43rd Street and Logan Avenue. The realignment project's design is near completion, yet the necessary funding to make the project a reality has not yet been identified. The Legacy Walk project has been designed so that setbacks from the new road alignment would be met, should the project obtain the necessary funding to move forward. The applicant is fully aware of the proposed realignment project and wishes to continue through the review and approval process.

Critical Project Features to Consider During Substantial Conformance Review

- Affordable Housing Units. The total number of affordable housing units proposed could not be reduced without an amendment to the Site Development Permit, decided in accordance with Process 4 (Planning Commission decision with appeal to the City Council).

Conclusion:

The objectives of the Southeastern San Diego Community Plan include the provision that a variety of residential density ranges should be provided in order to establish a range of housing types to accommodate various living styles and family sizes. The Plan calls for higher residential densities (up to 30 units per acre) along the transportation corridors of Logan Avenue and National Avenue near the commercial developments in the neighborhood. While residential development is not currently identified for a majority of this site, the proposed redesignation to residential development can provide an incentive for redevelopment along the 43rd Street Corridor, while at the same time reflecting the development intensities of the adjacent residential neighborhood.

The proposed project is consistent with the recommendations of the Strategic Framework Element which emphasize that new residential development should contribute to increased walkability and provide housing opportunities near local employment centers as well as along transit corridors. The proposed project also incorporates several aspects of the Transit-Oriented Development Design Guidelines. The proposed project provides for several pedestrian walkways directly linking the residents to the major transit corridors along Logan Avenue and 43rd Street. This direct connection will encourage walkability to the numerous amenities which surround the project site, including: several bus stops, Southcrest Plaza Shopping Center, several parks, Beckwourth Library, several light-industrial centers, numerous churches and recreational centers, as well as adjacent neighborhood commercial and residential land uses.

The proposed project will provide 110 multi-family for-sale units with 10% of the units being sold as affordable, per the City of San Diego's Inclusionary Housing Ordinance. Therefore, the proposed project will meet the Housing Element goals by providing for sufficient new housing for a variety of income groups and increasing the number of affordable housing opportunities within the community.

ALTERNATIVES

1. **Approve** the project with modifications.
2. **Deny** the project if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

Marcela Escobar-Eck
Deputy Director, Project Management Division
Development Services Department

Daniel Stricker
Development Project Manager
Development Services Department

Betsy McCullough
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HALBERT/DES

Attachments:

1. Aerial Photograph/Project Location Map
2. Community Plan Land Use Map
3. Project Data Sheet
4. Project Site Plan
5. Vesting Tentative Map
6. Floor Plans (Plan Types 1, 2, and 3)
7. Building Composite Plans (Building Types A, B, C)
8. Building Elevations (Building Types A, B, C)
9. Landscape Plans
10. Draft Vesting Tentative Map Conditions and Subdivision Resolution
11. Draft Site Development Permit with Conditions
12. Draft Permit Resolution with Findings
13. Planning Commission Community Plan Amendment Initiation Resolution
14. Draft Community Plan Text and Graphics
15. Draft Rezone Ordinance with B Sheet
16. Draft Community Plan Amendment Resolution
17. Community Planning Group Minutes, including Recommendation
18. Planning Commission Resolution – Recommendation to City Council
19. Ownership Disclosure Statement
20. Project Chronology