

DATE ISSUED: October 15, 2004

REPORT NO. PC-04-168

ATTENTION: **Planning Commission, Agenda of October 21, 2004**

SUBJECT: DIAMOND STREET CONDO TM - PROJECT NO. 38974.
PROCESS FOUR

**OWNER/
APPLICANT** Koon/Huffman Limited Partnership; c/o Steve Huffman.

SUMMARY

Issue(s) - Issue(s) - Should the Planning Commission approve a Tentative Map and Waiver of Undergrounding to convert 41 residential apartment units to condominium ownership at 1633 Diamond Street within the Pacific Beach Community Plan area?

Staff Recommendation:

1. **APPROVE** Tentative Map and Waiver of Undergrounding No. 111142.

Community Planning Group Recommendation - The Pacific Beach Community Planning Committee voted 13-0-0 on July 26, 2004, to recommend approval of the project as submitted with no additional conditions.

Other Recommendations – None

Environmental Review - The project is Exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) Article 19, Section 15301(k), 'existing facilities'.

Fiscal Impact – None with this action. All costs associated with the processing of this project are paid by the applicant through maintenance of a deposit account with the City of San Diego.

Code Enforcement Impact - None

Housing Impact Statement - Approval of the proposed conversion of 41 residential apartment dwelling units to condominiums would result in an increase of 41 for-sale market-rate units and the loss of 41 existing rental units. There is no loss or addition to the supply or demand for housing in the Pacific Beach Community.

BACKGROUND

The 25,000 square-foot site is located at 1633 Diamond Street on the south side between Ingraham and Jewell Streets in the RM-1-1 zone of the Pacific Beach Community Plan area. The existing 41 residential unit building was constructed in 1972 when the site was zoned R-4 and would have permitted up to 62 dwelling units. The site is within the Coastal Height Limit Zone but not in the Coastal Overlay Zone. The existing building on-site, is a three-story stucco structure with surface parking within the front-yard setback on Diamond Street and garage spaces on the ground level off the alley to the rear. It is assumed that the development complied with all development criteria at the time as building and occupancy permits were approved. Property sites in the adjacent areas are developed with a varied mix of residential developments, a Middle School and park a block westerly and commercial development southerly of the site.

This project is subject to the City of San Diego's, 'Inclusionary Housing Ordinance' and the San Diego Housing Commission has stipulated that the applicant will pay an in-lieu fee to the Housing Commission prior to the filing of a Final Map to comply with the requirements of the Ordinance. Also, an income survey of existing tenants will need to be completed by the Housing Commission to determine if any existing tenants will qualify for relocation assistance under provisions of the Inclusionary Housing Ordinance.

DISCUSSION

Project Description:

The project proposes a Tentative Map for the subdivision of this 25,000 square-foot site to consolidate the lot for the conversion of 41 residential apartments units into condominiums. The conversion of the 41 apartments to condominiums would remove 41 rental units from the market within the Pacific Beach Community and create 41 new units for ownership at a generally accepted entry level cost. The tenants have the right of first refusal to purchase his or her unit at the same or better terms than those that will be offered to the public. No other entitlements accrue to the Owner/Permittee through this action other than the change of ownership to condominiums. The site has been fully developed for approximately seventeen years.

Waiver of Undergrounding:

The Council District 2 'neighborhood' in which the project site is located is in Block 2-Y and a date and schedule for undergrounding has not been determined by the City Council (Attachment

No. 10).

San Diego Municipal Code Section 144.0240, allows the subdivider to apply for a waiver of 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, *Undergrounding Conversion of Utility Lines at the Developers Expense* (Attachment No. 11), in that it involves a short span of under 600-feet, would not represent a logical extension to an undergrounding facility and is a condominium conversion application. The applicant would be required to underground any new service run to any new or proposed structures within the subdivision, per Condition No. 5 of the draft Subdivision Resolution.

There are two power poles serving this property in the alley along the south of the property. If the undergrounding were required, the two power poles would be removed and 200-feet of power line undergrounded. However, two new poles would be required at the property corners and the overall appearance would 'crowd' the other power poles adjacent off-site. No power poles or lines serve the property from Diamond Street.

Community Plan Analysis:

The Pacific Beach Community Plan designates this site for a residential development. The site is within an area developed with a variety of residential types, public school, City park and commercial retail southerly of the site. No physical changes to the building or site are being conveyed with this condominium conversion.

Project-Related Issues:

The requested conversion of these residential units to condominiums represents primarily a change in ownership and key applicable issues to the review and consideration of approval is that this project application was deemed complete after February 6, 2004, and is subject to the condominium amendments added to the Inclusionary Affordable Housing Regulations. The request to waive the undergrounding of existing overhead utilities is in accord with City Council policy.

The project was Deemed Complete on June 17, 2004, after the adoption of the March 15, 2004, Amendments of Chapter 14, Article 2, Division 13, Sections 142.1303 and 142.1306 of the San Diego Municipal Code, all relating to Inclusionary Affordable Housing Regulations. Therefore, the proposed project is subject to the amended regulations.

The Pacific Beach Community Planning Committee has recommended approval of the requested project as submitted.

Conclusion:

The project application is a Tentative Map for the conversion of 41 residential units to condominium ownership with no other entitlements requested or granted with this action. The project will make available residential dwelling units for ownership at more affordable prices than single-family and new condominium units and allow existing renters into ownership.

ALTERNATIVES:

1. **Approve** Tentative Map and Waiver of Undergrounding Permit No. 111142 with modifications.
2. **Deny** Tentative Map and Waiver of Undergrounding Permit No. 111142 if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

Marcela Escobar-Eck
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Development Services Department

Robert Korch
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. Tentative Map
6. Draft Map Conditions and Subdivision Resolution
7. Community Planning Group Recommendation
8. Ownership Disclosure Statement
9. Project Chronology
10. Council Undergrounding Schedule
11. City Council Policy 600-25

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