

DATE ISSUED: October 21, 2004

REPORT NO. PC-04-172

ATTENTION: Planning Commission, Agenda of October 28, 2004

SUBJECT: CABRILLO KNOLLS TENTATIVE MAP – PROJECT NO. 10275
PROCESS FOUR

**OWNER/
APPLICANT:** Cabrillo Knolls, L.P., Owner/
Paul Anas, Applicant

SUMMARY

Issue(s) - Should the Planning Commission approve a Tentative Map for the conversion of fifty (50) existing residential units into condominiums and waive the requirement to underground existing overhead utilities (portions of Orange Avenue are currently being undergrounded) at 4221 34th Street in the Central Urbanized Planned District within the City Heights neighborhood of the Mid-City Communities Plan Area?

Staff Recommendation:

1. **Approve** Tentative Map No. 19269; and
2. **Approve** waiver to the requirement for the undergrounding of the existing overhead utilities.

Community Planning Group Recommendation – On April 5, 2004, the City Heights Area Planning Committee voted 13-2-1 to recommend approval of the proposed project (Attachment 9), with conditions.

Environmental Review - This project is exempt from environmental review pursuant to Article 19, Section 15301(k), Existing Facilities, of the California Environmental Quality Act (CEQA).

Fiscal Impact - 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 50 existing apartments to

condominiums, there would be a loss of 50 rental units and a gain of 50 for-sale units. This condominium conversion project was deemed complete prior to February 7, 2004, and is therefore exempt from the new regulations regarding inclusionary housing and tenant relocation assistance.

BACKGROUND

The 0.689-acre site is located at 4221 34th Street, on the northeast corner of Orange Avenue and 34th Street in the City Heights neighborhood of the Mid-City Communities Plan, and falls within the RM-1-1 and RM-1-3 zones of the Central Urbanized Planned District (Attachment 2). The site is designated within the Mid-City Communities Plan for Residential use at density of 21-25 dwelling units per acre (Attachment 3). The site is presently developed with a three-story, 50-unit apartment building over underground parking. The building consists of 2 studio units, 34 one-bedroom units, and 14 two-bedroom units, as well as 74 off-street parking spaces with access from Orange Avenue.

The 50-unit project was built in 1985 when the zone was R-3A (R-600), a multi-family residential zone, which permitted one unit per 600 square feet and allowed 52 units on the property. The site was incorporated into the RM-1-1 (one unit per 3,000 square feet) and RM-1-3 (one unit per 2,000 square feet) zones of the Central Urbanized Planned District in October 2000, and currently would allow 15 units on the property. The site is located within a Transit Area and project provides 74 off-street parking spaces where current regulations require 70 spaces. The project deviates from current density allowances, landscape, and may deviate from other development criteria. However, the project has previously conforming rights to be maintained as outlined in Chapter 12, Article 7, Division 1 of the San Diego Municipal Code (SDMC).

The project site is located within the Corridor neighborhood of City Heights. The neighborhood has been developing since World War II with higher density apartments and condominium development. The existing development is bounded on either side by existing development consisting of a two-story, multi-unit complex. The property across the street on 34th Street and Orange Avenue consists of a mixture of single family and multi-family residential development. The immediate area is surrounded by sites with similar zoning and land use designation. The Mid-City Communities Plan encourages the provision of market rate housing in a variety of types, sizes and costs to meet the needs of residents in all socioeconomic brackets and also recommends the rehabilitation of existing housing and the fostering of residential ownership in Mid-City.

DISCUSSION

Project Description:

The project proposes a Tentative Map for the subdivision of a 0.689-acre site to convert 50 existing apartment units into condominiums on one existing lot (Attachment 5). The applicant is also requesting that the requirement for the undergrounding of the existing overhead utilities be waived.

Section 125.0410 of the 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 SDMC. Staff has reviewed the proposed condominium conversion and determined that it complies with both the Subdivision Map Act and the SDMC.

Undergrounding Waiver Request:

The overhead utility lines for the development have already been undergrounded. However, the property currently contains utility poles and overhead utility lines that are supplying utility services to the surrounding community. There are two utility poles located within the right-of-way on the south property line located along Orange Avenue (in process of being undergrounded) and two utility poles located within the right-of-way on the east property line located along the alley (not part of the undergrounding in process). The project site is located on the east side of 34th Street, north of Orange Avenue within Council District Three. The City's Undergrounding Master Plan for Fiscal Year 2004 designates the site within Block 3O and is proposed to be undergrounded in Fiscal Year 2023 (Attachment 6). However, Orange Avenue is one of nine (9) underground conversion projects in construction that have been funded under California Public Utility Commission (CPUC) Rule 20A.

The undergrounding of utilities along Orange Avenue is currently in process and the utility pole located within the right-of-way shall be removed once this has been completed. The portion of Orange Avenue from 33rd Street to 40th Street (which includes the subject property) has been partially completed (SDG&E completed, SBC and Cable has not been completed) and the next section of Orange Avenue is scheduled for Fiscal Year 2005 (Attachment 7).

SDMC 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, *Underground Conversion of Utility Lines at the Developer's Expense*, in that the conversion is a requirement of a condominium conversion of an existing development and the conversion involves a short span of overhead facilities less than a full block in length and the conversion would not represent a logical extension to an undergrounding facility. The applicant would be required to underground any new service run to any new or proposed structures within the subdivision per Condition No. 6 of the draft Tentative Map resolution (Attachment 8).

Community Planning Group Recommendation:

On April 5, 2004, the City Heights Area Planning Committee recommended approval of the proposed project in a vote of 13/2/1 (Attachment 9). The group indicated that a critical caveat that the applicant agreed to was to follow the proposed policy to pay three months relocation benefits to

the existing tenants who choose not to buy after the conversion. The project was Deemed Complete on November 25, 2003, prior to the new regulations regarding inclusionary housing and tenant relocation benefits adopted by the City Council on March 15, 2004, and is therefore not subject to these new regulations. Accordingly, staff cannot require the applicant to conform with the provision of tenant relocation benefits as recommended by City Heights Area Planning Committee. Any agreement by the applicant regarding this issue would be outside the scope of this Tentative Map. The committee also requested as part of the motion to require the undergrounding of utilities or the payment of an in lieu fee if that is not feasible. Based on the preceding information regarding the undergrounding of the existing utilities, staff continues to support the undergrounding waiver request.

Project Related Issues:

The requested conversion of these residential units to condominiums represents primarily a change in ownership. The applicant has certified that the required 60-day Notice of Intent to Convert to Condominiums was provided to the tenants May 11, 2004 (Attachment 11). A sample of the 60-day Notice and tenant list is also attached (Attachment 11).

All condominium conversion projects Deemed Complete on or after February 7, 2004, must conform to the new regulations regarding inclusionary housing and tenant relocation benefits adopted by the City Council on March 15, 2004. This proposed project was Deemed Complete on November 25, 2003, and is therefore not subject to these new regulations.

CONCLUSION:

Staff has reviewed the request for a Tentative Map for the conversion of 50 residential units into condominiums and the request to waive the requirements of the undergrounding of existing overhead utilities, and has found the project to be in conformance with the applicable sections of the SDMC regulating Tentative Maps and Council Policy 600-25 regulating undergrounding of existing overhead utilities. Staff has determined that the development is consistent with the land use designation of the Mid-City Communities Plan and believes the required findings can be supported (Attachment 8). Therefore, staff recommends that the Planning Commission acknowledge the Environmental Exemption and approve the project as proposed.

ALTERNATIVES

1. **Approve** Tentative Map No. 19269, with modifications.
2. **Deny** Tentative Map No. 19269, if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

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

**Jeffrey A. Peterson, Project Manager
Development Project Manager
Development Services Department**

ESCOBAR-ECK/JAP

Attachments:

1. Aerial Photo
2. Project Location /Zoning Map
3. Community Plan Land Use Map
4. Project Data Sheet
5. Tentative Map
6. City's Undergrounding Master Plan, Block 30
7. City's Undergrounding Master Plan, 20-A Allocation Status (Page 2)
8. Draft Map Conditions and Subdivision Resolution
9. Community Planning Group Recommendation
10. Ownership Disclosure
11. Copy of Tenant Notices
12. Project Chronology