

DATE ISSUED: January 20, 2005 **REPORT NO. PC-05-017**

ATTENTION: **Planning Commission, Agenda of January 27, 2005**

SUBJECT: PASEO DE MISSION HILLS - PROJECT NO. 40292
PROCESS FOUR

**OWNER/
APPLICANT:** Friars Mission Hills, LLC/ Paseo de Mission Hills, LLC

SUMMARY

Issue(s): Should the Planning Commission approve a request to construct a 61-unit residential condominium complex with retail and office space, which includes the restoration of two (2) existing buildings with eight (8) residential units which would be converted into affordable housing rental units located on West Washington Street within the Uptown Community Planning area?

Staff Recommendation:

1. **CERTIFY** Mitigated Negative Declaration No. 40292, and **ADOPT** Mitigation, Monitoring and Reporting Program (MMRP); and
2. **APPROVE** Vesting Tentative Map No. 113679 and Site Development Permit No. 113680.

Community Planning Group Recommendation: On October 5, 2004, the Uptown Planners voted 10-3-1 to recommend approval of the proposed project with conditions (Attachment 13).

Environmental Review: A Mitigated Negative Declaration has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) guidelines, which address potential impacts to Historical Resources (Archaeological), Paleontological Resources and Transportation/Circulation. A Mitigation, Monitoring and Reporting Program would be implemented with this project to reduce the impacts to a level below significance.

Fiscal Impact: None with this action. 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 commercial structures, one residential structure (currently being used as an office), two garages (one containing two-units on the second floor), and one kiosk. The proposed project, occupying 1.17-acres, could accommodate between 45 and 72 dwelling units based on the Uptown Community Plan. The proposed new 61-unit residential condominium complex provides for a net gain of 58 residential units (61 units minus the demolition of three residential units) within the Uptown Community.

As a component of the application, the proposed project will conform to the Inclusionary Affordable Housing Requirements and Council Policy 600-27(A) criteria for the Affordable/In-Fill Housing Expedite Program by setting aside eight existing rental units (seven studios and one one-bedroom) for households with an income at or below 50 percent Area Median Income (AMI) for a period of not less than 55 years. Currently the Affordable Housing rental rate of 50 percent AMI for a household of one (studio) is an annual income of \$24,000.00, and for a household of two (one-bedroom) is an annual income of \$27,400.00. The proposal would assist the City in addressing its shortage of affordable housing rental units during a time when the City Council has determined that the City of San Diego is in a Housing State of Emergency.

BACKGROUND

The proposed project site is located on the north side of the 800 Block of West Washington Street, bounded by Goldfinch Street, Falcon Street, and Fort Stockton Drive (Attachment 1). The 1.17-acre site is currently developed with four, one- and two-story retail/office buildings with eight existing rental units, a one-story restaurant, a retail kiosk, a one-story single family residence that is currently being used as an office, a two-story garage with two residential units on the second floor, a one-story garage, and a commercial parking lot (Attachment 2).

The site is located within the Uptown Community Plan that designates the 0.71-acre portion of the site for Mixed Use allowing 44-73 dwelling units per acre (dus/acre), and Medium to High Density Residential at 29-44 dus/acre on the 0.46-acre north-eastern portion of the site (Attachment 3). According to the Land Use Element of the Community Plan, the proposed project, occupying 1.17-acres, could accommodate between 45 and 72 dwelling units.

The proposed project site is located within the Mid-City Communities Planned District, and is currently zoned MR-1000 and CN-2A (Attachment 4). The northeast corner of the project site/block (Lots 17-24), bounded by Fort Stockton Drive and Falcon Street, is zoned MR-1000 (Residential - Multiple Unit; 1 dwelling unit per 1,000 square-feet of lot area). The remaining portion of the site/block (Lots 1-16) is zoned CN-2A (Mixed Use/Residential - Multiple Unit; 1

dwelling unit per 800 square-feet of lot area). The project as zoned, allows for a total of 59 units and the proposal includes an affordable housing density bonus request, which would allow for an additional 25 percent density bonus. However, the project is only requesting a 17 percent increase in density to allow for the development of ten additional units for a total of 69 units.

The Uptown community went through a major re-zone pursuant to Ordinance No. O-17306 N.S., adopted on May 30, 1989, which changed the corridor along West Washington Street from a general commercial zone to a high intensity, pedestrian-oriented commercial zone that encourages a mixture of residential, office and commercial uses. The Uptown Community Plan was revised in 1988 and incorporated the re-zoning, pursuant to Resolution No. R-270273, adopted on February 2, 1988.

The surrounding development consists of a mixture of one- and two-story commercial structures; and two-, three-, and four-story multi-family structures (Attachment 5). Currently, the south side of West Washington Street is developed with retail, office, restaurant, and a neighborhood bar. The development on the west side of Goldfinch Street contains two restaurants, retail, and commercial office uses. The development to the north of the project site on Fort Stockton Drive contains two single-family residences that have been converted into retail uses and a three-story structure over parking garage, multi-family complex. The development at the northeast corner of Falcon Street consists of a two-story structure over garage, multi-family complex, and the Mission Hills Commons complex is located directly to the east of the project site.

The Mission Hills Commons complex encompasses the entire block to the east of the project site. The development includes 65 residential units (50 apartments, eight rowhomes, and a retail structure with seven residential lofts above), with a height of 50-feet and 23 deviations to the development regulations. The Planning Commission recommended approval of the project on April 20, 2000, and the City Council approved the project on May 16, 2000. The Planning Commission Report No. P-00-076 (with the Data Sheets and Exhibits) has been attached as reference (Attachment 6). On October 28, 2004, the Planning Commission approved Tentative Map No. 96003 to convert the existing 50 apartments and the retail structure with seven residential lofts above to condominiums (Planning Commission Report No. PC-04-171).

DISCUSSION

Project Description:

The project proposes to demolish three commercial structures, one residential structure (currently being used as an office), two garages (one containing two-units on the second floor), and one kiosk for the construction of the Paseo de Mission Hills mixed use development. The project is proposing to restore the “Ace Drugstore” and “Funcheon” buildings along West Washington Street in accordance with the Secretary of Interior Standards for Restoration. In 1952, these buildings were joined with a third building (this building is proposed to be demolished) and “modernized” to create the Mission Hills Shopping Center. Once restored, both buildings may be eligible for listing on the National and/or Local Registers. The project also proposes the

construction of a five-story plus mezzanine building for retail and residential use, that contains 5,135 square-feet of retail and 120,779 square-feet of residential space in the form of 61 one-, two-, and three-bedroom condominium units that includes a two-level, 69,667 square-foot subterranean parking garage as well as the construction of a two-story, 4,979 square-foot retail and office addition to the “Ace Drugstore” building. The project would also incorporate a public pedestrian path or “Paseo” and courtyard through the project site with access from approximately the mid-blocks of West Washington Street, Goldfinch Street, and Falcon Street. This Paseo would be landscaped with sitting and patio areas for the public, and private areas for the residents.

Development of the proposed project requires the approval of a Process 4 Vesting Tentative Map (VTM) and a Process 4 Site Development Permit (SDP). The SDP is required for development within the Mid-City Planned District Ordinance and due to requested deviations to the regulations of the underlying zone (setbacks, street yard, height, diagonal plan dimension, floor area ratio, visibility area, loading area, and turn-around area) and deviations from the Affordable Housing Density Bonus provisions.

Community Plan Analysis:

The Uptown Community Plan designates the 0.71-acre portion of the site for mixed-use allowing 44-73 dwelling units per acre and medium to high density residential development at 29-44 dus/acre on the 0.46-acre north-eastern portion of the site. According to the plan, the proposed project, occupying 1.17 acres, could accommodate between 45 and 72 dwelling units. The proposal to construct 69 residential dwelling units, implements the Plan’s Land Use element. Recommendations in the Uptown Community Plan specifically focus on the commercial area adjacent to West Washington and Goldfinch Streets and encourage the development of neighborhood-serving mixed use projects that improve the appearance of existing commercial structures, enhance the pedestrian atmosphere, promote smooth traffic flow along West Washington Street and reduce auto/pedestrian conflicts. Further, the Conservation, Cultural and Heritage Resources of the Plan promote the preservation of historical structures at their original location as well as in their historic context whenever possible (pg. 188). For a more in-depth analysis, please refer to Attachment 19.

Community Group Recommendation:

On October 5, 2004, the Uptown Planners voted 10-3-1 to recommend approval of the proposed project with conditions (Attachment 13). To summarize, the Uptown Planners directed the applicant to continue working with the Uptown Partnership, City staff, Uptown Planners, the Mission Hills Business Improvement District (BID) and the Mission Hills community to maximize the amount of parking on and off-site, ensure that the new retail spaces conform to the existing scale and rhythm along Goldfinch Street, that funding be provided for enhancements to the West Washington Street median as well as ensuring that the entire site be improved with new historically-scored sidewalks, a consistent street tree palette and enhanced pedestrian “ladder style” crosswalks. The Uptown Planners also recommended that the existing neon signs be

reincorporated and that the bungalow on Falcon Street be made available for moving and reuse.

Based on the Uptown Planners recommendations, the applicant worked with City staff as well as Mission Hills BID and community representatives to ensure that the requested revisions were incorporated into the project. These included revisions to the landscape plans and materials palette. The applicant has also agreed to make the bungalow available for moving and reuse.

Acknowledging the community's desire to include additional parking, the project is providing 177 parking spaces within the subterranean parking garage, where 162 parking spaces are required under the Land Development Code. The project also proposes to close four existing curb cuts. However, as designed due to the addition of corner pop-outs, the proposed project would have a net loss of two on-street parking spaces along Fort Stockton Drive and no on-street parking would be provided south of the project driveway on Falcon Street.

The intersection at the corner of West Washington and Goldfinch Streets currently has an approved and funded Capital Improvement Project (CIP No. 39-216.0) that includes constructing pedestrian pop-outs on all four corners of the intersection. The applicant has agreed to work with City staff to fund a portion of the median improvement through this CIP project.

Environmental Analysis:

The City of San Diego conducted an Initial Study which determined that the proposed project could have a significant environmental effect in the areas of Historical Resources (Archaeological), Paleontological Resources and Transportation/Circulation. The study also included a discussion on Historical Resources (Architectural). A historical evaluation was prepared by Scott A. Moomjian, Esq. (dated March 2004) to evaluate the potential historical and architectural significance of five commercial building, one single-family residence (currently used as commercial/office use), and one apartment building on the proposed project site. An addendum was prepared by Scott A. Moomjian, Esq. (dated May 2004) addressing the "Ace Drugstore" and "Funcheon" buildings. Both reports were reviewed by the City of San Diego's Historic Resources Board (HRB) Design Assistance Subcommittee (July 7, 2004, and October 6, 2004) and the City's Planning Historical Review staff. Based on the information, both the "Ace Drugstore" and "Funcheon" buildings may be eligible for listing on the National and/or local Registers should the facades be removed and the buildings restored in accordance with the Secretary of Interior Standards for Restoration.

The two buildings have not yet been listed, and the HRB had decided that it would not make a determination on the historicity of the buildings until the structures have been restored, including the removal of the facades. Therefore, as a project feature, the applicant is proposing to restore the two buildings and seek historic designation from HRB after the restoration is complete. Because the eligibility of these structures cannot be determined until after the restoration is complete, these buildings are not significant per the State of California Environmental Quality Act (CEQA) or the City of San Diego Significance Determination Thresholds at this time. Therefore, a Mitigated Negative Declaration has been prepared for the project in accordance with

CEQA guidelines, which address potential impacts to Historical Resources (Archaeological), Paleontological Resources and Transportation/Circulation. A Mitigation, Monitoring and Reporting Program would be implemented with this project to reduce the impacts to a level below significance.

(The historical evaluations and traffic studies are available for public review at the Land Development Review Division of the Development Services Department. However, copies of the reports have been provided to the Planning Commissioners as an attachment to the MND No. 40292.)

According to the Uptown Community Plan EIR, a general infilling and accompanying population increase is anticipated within the central urbanized area of the City, including Uptown. The overall dwelling unit capacity of 25,010 under the community plan (adopted 2/88) is lower than permitted under the prior plan and allowed zoning, which was estimated to be 27,300 dwelling units. As such, anticipated growth in the Uptown Community resulting from infilling will occur, although the maximum development forecast under the Plan will be less than that allowed under prior zoning. Therefore, according to the EIR, the current community plan (2/88) is not considered to be growth-inducing. The project, as proposed, is also not considered growth-inducing since it is not requesting a community plan amendment or rezone to increase density. Further, the site falls within an urbanized area where growth is expected. The site lies on a major transportation corridor that has bus and trolley services in close proximity to the site and is served by existing infrastructure, including fire, police and life services, a library within 200 feet of the site, and has access to existing sewer, water and electrical services.

Project-Related Issues:

Deviations from the San Diego Municipal Codes (SDMC)- The proposed project complies with the Uptown Community Plan Urban Design Element by maintaining and enhancing the existing commercial space along all of West Washington and Goldfinch Streets, incorporating pedestrian access to either commercial or residential uses from all sides of the site, including a public “Paseo” for pedestrian access through the site and enhancing landscaping features and historically-scored sidewalks around the site, as well as restoring the “Ace Drugstore” and “Funcheon” buildings along Washington Street so they may be submitted for consideration to the Local and/or National Historic Registers . Furthermore, the Urban Design Element of the Uptown Community Plan recommends that new construction should be compatible with the existing surrounding development relating to form and scale. To achieve these goal and recommendation, the applicant has requested the following deviations:

- (1) Fort Stockton Street (Section 103.1505(c)(6)): A nine-foot nine-inch deviation to the required ten-foot front yard setback within the MR-1000 zone. The project is required to dedicate three-feet of the property along Fort Stockton Street. This three-foot dedication along with moving the curb two-feet will provide for a minimum ten-foot curb to property distance and still provide a thirty eight-foot street width in compliance with the City’s Street Design Manual.

- (2) Falcon Street (Section 103.1505(c)(6)): A one-foot three-inch to five-foot four-inch deviation to the required six-foot street yard setback within the MR-1000.
- (3) Falcon Street (Section 103.1505(c)(6)(B)): Each story or portions of a story above the second story shall be set back an additional three-feet (calculated from the minimum requirement for the story below) for street yard setback within the MR-1000. A four-foot three-inch to eight-foot six-inch deviation to the third floor street yard setback. A seven-foot three-inch to eleven-foot six-inch deviation to the fourth floor street yard setback. A ten-foot two-inch to fourteen-foot six-inch deviation to the fifth floor street yard setback.
- (4) Southeast and Northeast corners of Building A (Section 103.1505(c)(6)(D)): This provision of the code requires a twenty five-foot triangular area at the corners within the MR-1000 zone where no structures are permitted. A one-foot seven-inch to four-foot deviation at the southeast corner, located next to the entrance to the subterranean parking garage. A fourteen-foot nine-inch deviation at the northeast corner. Both corners includes pop-outs within the public right-of-way that provides for a thirteen-foot clearance on Fort Stockton Drive and a twenty four-foot clearance on Falcon Street.
- (5) Visibility Areas of Building A (Section 113.0273): This provision of the code requires a sixteen-foot triangular visibility area at the corners and a ten-foot triangular visibility area at driveways. A six-foot nine-inch deviation for the Northwest corner. An eight-foot five-inch deviation for the Northeast corner. A one-foot ten-inch deviation to the driveway visibility due to the existing condition/location of the Northeast corner of Building D.
- (6) Height Limit for Building A (Section 103.1505(c)(3)): The proposed Building A proposes a maximum height of sixty five-feet. A maximum height of fifty-feet is allowed within the MR-1000 zone, where a maximum of 150-feet is allowed within the CN-2A zone. Approximately 1/3 of the proposed project site is located within the MR-1000 zone. Therefore, a fifteen-foot deviation for portion of Building A within the MR-1000 zone is requested.
- (7) Floor Area Ratio for Building A (Section 103.1505(c)(1)): This provision of the code requires a maximum of 0.75 floor area ratio (FAR) within the MR-1000 zone, where a mixed commercial/residential project within the CN-2A zone has no maximum FAR. The proposed overall FAR for the site is 2.84; however, approximately 1/3 of the proposed project site is located within the MR-1000 zone. Therefore, a deviation to allow for a 4.12 FAR within the portion of Building A in the MR-1000 zone is requested.
- (8) Diagonal Dimension for Building A (Section 103.1505(d)): This provision of the code requires a maximum diagonal plan dimension of 100 percent of street frontage within the MR-1000 zone. The portion of the street frontage within the MR-1000 zone is approximately 100-feet. Therefore, a deviation to allow for an approximately 213-foot diagonal plan dimension on the third, fourth, and fifth floors for the portion of Building A in the MR-1000 zone is requested.
- (9) Street Yard for Building A. (Section 103.1505(c)(5)): This provision of the code requires a minimum street yard of 20 square-feet of street frontage within the MR-

1000 zone. The portion of the street frontage within the MR-1000 zone is approximately 100-feet, and the proposed project would require a minimum 2,000 square-feet of street yard. Therefore, a deviation to allow for a 969 square-foot street yard for the portion of Building A in the MR-1000 zone is requested.

- (10) Loading Area (Section 142.1010): This provision of the code requires a minimum of one off-street loading area for the proposed project. A deviation to allow for no off-street loading area is requested.
- (11) Turn-around Area (Section 142.0560(d)(3)): This provision of the code requires a minimum 144 square-feet (equal to one residential parking space, 9-feet x 18-feet). A deviation to allow for a 120 square-foot turn-around area is requested.

Deviations from the Affordable Housing Density Bonus Provisions- The proposed project is a 69-unit mixed-use (commercial/residential) development located in the Mission Hills neighborhood of the Uptown Community Planning area. The project as zoned, allows for a total of 59 units and the proposal includes an affordable housing density bonus request that would allow for an additional 25 percent density. However, the project is only requesting a 17 percent increase in density to allow the development of ten additional units for a total of 69 units: 61 for-sale newly constructed market-rate condominiums (1, 2 and 3-bedroom units) and eight affordable rental units to be renovated in an existing potentially historic structure (studio units ranging in size from 400 to 536 square-feet).

According to current state density law, the developer is required to provide any one of the following:

1. 20% of the units (12 units) affordable to low-income households (earning \leq 60% AMI) for a period of 30 years;
2. 10% of the units (6 units) affordable to very low-income households (earning \leq 50% AMI) for a period of 30 years; or
3. 20% of the condominium units (12 units) affordable to moderate-income households (\leq 120% AMI) for a period of 10 years

SDMC Section 143.0720(b)(4) states that “The affordable units shall be designated units which are comparable in bedroom mix and amenities to the market-rate units in the development and are dispersed throughout the development.” The proposed development does not meet this comparability provision; however, state density bonus law does permit the density bonus units to be located in geographic areas of the development other than the areas where the units for lower income households are located.

The Inclusionary Housing Ordinance (Section 142.1309 (b)) requires that the affordable units shall be comparable in bedroom mix, design and overall quality of construction to the market-rate units in the development, except that the affordable units shall not be required to exceed three bedrooms per unit. The proposed project also deviates from this requirement.

The San Diego Housing Commission supports this development for the following reasons:

1. The project will provide eight (8) rental units, two (2) more units than the six (6) that are required under state density bonus law.
2. The eight affordable units will be affordable to households earning $\leq 50\%$ AMI, which is more stringent than the Inclusionary Housing requirement of $\leq 65\%$ AMI
3. The project is located in an area with few affordable housing units. SANDAG Data Warehouse shows there are approximately 17,815 existing housing units in the 92103 Zip Code Area, which includes the community of Mission Hills. The Housing Commission has restricted approximately 83 units (1/2% of the total housing units) in this area.
4. The proposed development meets the requirements of state density bonus law.
5. State law permits developers to request at least a 25 percent increase in density. The applicant has requested only a 17 percent density increase.

Proposed Scale and Neighborhood Compatibility- The Urban Design Element of the plan recommends that new construction should be compatible with the existing architectural detail and overall appearance or the quality development in the surrounding neighborhood (Pg. 78). Further, the design of the buildings should be articulated so as to relate to the form and scale of surrounding structures through the use of compatible setbacks, building coverage and floor area ratios (Pg 78). The Mission Hills Commercial District, where the project is being proposed, is characterized by a varied mixture of development styles dating from the 1920's through 2000. Structures range from one-story bungalows to four- and five-story residential condominium projects.

On the West Washington street portion of the project, two stories of commercial with a portion of residential on the south/east corner are proposed. These uses are existing and reflect the same type of use and scale as what is currently developed on the south side of West Washington Street. Along approximately 60 percent of Goldfinch Street, the development is existing and two stories tall and the remaining approximately 40 percent of the site is proposed to be five stories high with commercial on the ground floor. This reflects the existing commercial development on the west side of Goldfinch Street and also reflects the adopted land use designation if the west side is to ever redevelop, as they are designated similarly.

Along Fort Stockton Drive, the development is proposed to be five stories of residential condominiums along with the townhouses that would front the street. The design incorporates front entrances and patios along the street in order to enhance the opportunity for pedestrian/resident interaction. This would reflect the Community Plan's Medium to High Density Residential designation that is allowed on the north side of Fort Stockton Drive and also reflects the existing multiple story multi-family residential development that is located on the north-eastern corners of Falcon Street and Fort Stockton Drive.

Along Falcon Street, approximately 25 percent of the development would be two stories of commercial use with residential above, and the remaining street frontage would consist of a five-story high residential structure with townhouse front doors and patios facing the street. To the

east of the project site is the recently constructed Mission Hills Commons project that is comprised of four-stories of housing and the parking garage which comprises a partial story aboveground, thus making the structure close to five-stories high.

Architectural harmony with the surrounding neighborhood and community is achieved by providing a number of elements including: ground floor townhouse entry and patio features, enhanced façade articulation and increased retail transparencies, wider historically-scored sidewalks, new shade-producing street trees to line the parkways of all street frontages, and by enlisting a variety of building materials that can also be found in the neighborhood such as brick, stone and stucco. The restoration of the two West Washington Street structures help to further achieve the plan's recommendations for integrating and restoring historical structures into project proposals. Further, the provision of ground-floor retail along Goldfinch Street that is in harmony with the existing structures that are proposed to remain enhances the pedestrian atmosphere and promotes economic prosperity within the Mission Hills Commercial District.

Height - The proposed height of the project, 65 feet at its highest point within the central and northern portions of the site and 22 feet at the lowest point along West Washington Street, is in keeping with the existing and developing character of the commercial district. According to the zoning, the majority of the site has a height limit of 150 feet. A small portion of the site, at the northeast section of the block has a maximum height limit of 50 feet. Further, parcels to the north of Fort Stockton Drive have an allowable 50 foot height limit. The retention and restoration of the potentially historical two-story structures along West Washington Street along with the overall design, pedestrian-orientation, scale and massing of the project, provide sufficient justification to support a 23 percent increase in height along the rear portion of the site.

Emergency Response Times- The proposed project site is located within an existing urbanized area and currently serviced by police, fire, and emergency medical services. City of San Diego Fire Station No. 8, located at 3974 Goldfinch Street, is approximately one block to the south of the project site and has a response time of approximately 1.3 minutes. The project site is located within the City of San Diego Police Department's Western Division which had an average emergency response time of 7.2 minutes in 2002 (with a city-wide average of 7.4 minutes).

Undergrounding of Overhead Utility Lines- The project site currently contains NO overhead utility lines. The proposed development DOES NOT request a waiver of the undergrounding of overhead utility lines. The City's Undergrounding Master Plan for Fiscal Year 2004 designates the site within Block 2D and has already been undergrounded in 2000 (Attachment 14).

Community Interest/Issues:

The proposed project has generated community interest/opposition in the form of two petitions with approximately 1,255 signatures, 48 emails, and 14 letters addressed and/or sent to the Development Project Manager (Attachment 15- contains the cover letters and one copy of the petitions). The petitions, emails, and letters are available for public review at the Project Management Division of the Development Services Department. In accordance with SDMC

Section 112.0302(b), all persons who provided an address and/or was legible that signed the petitions, sent an email and/or letter to the Development Project Manager where sent a Notice of Public Hearing.

The Mission Hills Heritage letter, dated October 17, 2004, summarizes the community concerns regarding historic preservation, building height, density/traffic impacts, and appearance (Attachment 16).

Critical Project Features to Consider During Substantial Conformance Review

- **Buildings and Site Design**- The restoration and submission for historical designation of the “Ace Drugstore” and “Funcheon” Buildings along Washington Street, the public “Paseo” for public pedestrian access through the site, enhanced landscaping/ sidewalks around the site.

Conclusion:

The proposal to construct 69 residential dwelling units, implements the Plan’s Urban Design Element provides specific policy direction for the commercial area adjacent to West Washington and Goldfinch Streets. These policies encourage the expansion of neighborhood-serving commercial services and mixed-use development that enhance and improve the appearance of existing commercial structures, the pedestrian atmosphere, as well as promote smooth traffic flow along West Washington Street and reduce auto/pedestrian conflicts.

The project proposes to restore two potentially historical landmarks along West Washington Street, provide pedestrian access to the commercial and residential uses from all sides of the site, significantly improve the public right-of-way through new historically-scored sidewalks, shade-producing street trees and enhanced landscaping as well as the provision of a public “Paseo” through the center of the site. Neighborhood-serving retail establishments are proposed along West Washington and Goldfinch Streets that incorporate a high degree of transparency as well as awnings to provide shelter and shade from the environment.

As a component of the application, the project will set aside eight existing rental units (seven studios and one one-bedroom) for households with an income at or below 50 percent Area Median Income (AMI) for a period of not less than 55 years. The proposal would assist the City in addressing its shortage of affordable housing rental units during a time when the City Council has determined that the City of San Diego is in a Housing State of Emergency. Therefore, staff recommends that the Planning Commission approve the project as proposed.

ALTERNATIVE

1. **CERTIFY** Mitigated Negative Declaration No. 40292, and **ADOPT** Mitigation, Monitoring and Reporting Program (MMRP); and **APPROVE** Vesting Tentative Map No. 113679 and Site Development Permit No. 113680, **with modifications.**

2. **DO NOT CERTIFY** Mitigated Negative Declaration No. 40292, and **DO NOT ADOPT** Mitigation, Monitoring and Reporting Program (MMRP); and **DENY** Vesting Tentative Map No. 113679 and Site Development Permit No. 113680, **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
Development Project Manager
Development Services Department

ESCOBAR-ECK/JAP

Attachments:

1. Project Location Map
2. Aerial Photograph
3. Community Plan Land Use Map
4. Mid-City Communities Planned District Zoning Map
5. Surrounding Community Photos
6. Mission Hills Commons Planning Commission Report No. P-00-076 with attachments
7. Project Data Sheet
8. Project Site Plan(s) /Vesting Tentative Map
9. Project Plans
10. Draft SDP Resolution with Findings
11. Draft SDP Permit with Conditions
12. Draft VTM Resolution with Findings
13. Community Planning Group Recommendation
14. City's Undergrounding Master Plan for Fiscal Year 2004, Block 2D
15. Cover Letters and one copy of the Petitions
16. Mission Hills Heritage letter, dated October 17, 2004
17. Ownership Disclosure Statement
18. Project Chronology
19. Conformance with the Progress Guide and General Plan and Community Plan