

DATE ISSUED: February 17, 2005 **REPORT NO. PC-05-049**

ATTENTION: **Planning Commission, Agenda of February 24, 2005**

SUBJECT: REED AVENUE TENTATIVE MAP – PROJECT NO. 46870.
PROCESS 5

**OWNER/
APPLICANT:** **1401 Reed Avenue, LLC, Tracy Menki, Member**

SUMMARY

Issue(s): Should the Planning Commission approve Tentative Map and Waiver of Undergrounding No. 136871 and Coastal Development Permit No. 136870 for the conversion of twenty residential apartments to condominium ownership on a 15,682 square-foot lot at 1401 Reed Avenue in the RM-1-1 zone, Coastal Overlay Zone (non-appealable area) and Coastal Height Limit within the Pacific Beach Community Plan area?

Staff Recommendation:

1. **APPROVE** Tentative Map and Waiver of Undergrounding No. 136871; and
2. **APPROVE** Coastal Development Permit No. 136870.

Community Planning Group Recommendation: To date, the Pacific Beach Community Planning Committee has not forwarded a recommendation on this project to City staff. The PBCPC has received the initial application package, project ‘Cycle Issues’ report by the City and the resubmittal. The PBCPC has not submitted any opposition to similar requests processed to date for condominium conversions.

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 20 residential apartment dwelling units to condominiums would result in an increase of 20 for-sale market-rate units and the loss of 20 existing rental units. There is no loss or addition to the supply or demand for housing in the Pacific Beach Community.

BACKGROUND

The 15,682 square-foot site is located at 1401 Reed Avenue on the southeast corner of Reed Avenue and Gresham Street in the RM-1-1 zone of the Pacific Beach Community Plan area. The existing twenty (20) residential unit building was constructed in 1966 when the site was zoned R-4 and would have permitted up to 39 dwelling units. The site is within the Coastal Overlay Zone (non-appealable area), and Coastal Height Limit Zone. The existing building on-site, is a two-story structure with open surface parking within the front-yard setback on Reed Avenue and on the alley frontage at the rear of the site. It is assumed that the development complied with all development criteria at the time as building and occupancy permits were approved with variances for parking in the front yard setback and a reduction in street sideyard setback. Property sites in the adjacent areas are developed with a varied mix of residential developments within walking distance of coastal resources seven blocks to the west and four blocks to the south.

This project is subject to the City of San Diego’s, ‘Inclusionary Housing Ordinance’, Coastal Affordable Housing Replacement Regulations and the Condo Conversion Ordinance. The San Diego Housing Commission has stipulated that the applicant will pay an in-lieu fee (or provide replacement units) to the Housing Commission prior to the filing of a Final Map to comply with the requirements of the Coastal Affordable Housing Replacement Regulations and it is required that an income survey of existing tenants be completed 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 15,682 square-foot site to consolidate the existing five lots into one lot for the conversion of 20 residential apartments units into condominiums. The conversion of the 20 apartments to condominiums would remove 20

rental units from the market within the Pacific Beach Community and create 20 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 39 years.

Waiver of Undergrounding:

The Council District 2 ‘neighborhood’ in which the project site is located is in Block 2-U and a date and schedule for undergrounding has not yet been determined by the City Council. (Attachment No. 13).

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. 13), 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 area on Gresham Street with one at the corner of Reed Avenue and Gresham Street and one at the southside of the alley entrance. There are two additional power poles in the alley opposite the project site that service properties on both sides of the alley. If the undergrounding were required, the two power poles on Gresham Street would remain with approximately 144-feet of utility lines undergrounded. Within the alley, two power poles would be removed but one new pole would be required and approximately 125-feet of line undergrounded.

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 and coastal resources approximately three blocks to the west. 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 Coastal Affordable housing Replacement Regulations and the Condo Conversion Ordinance.

When evaluated, the Coastal Affordable Housing Replacement Regulations take precedence and the applicant will have to replacement two low-income units or provide an 'In-lieu Fee' of \$60,500 to the satisfaction of the San Diego Housing Commission. The request to waive the undergrounding of existing overhead utilities is in accord with City Council policy.

The project was Deemed Complete on June 21, 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 not forwarded a recommendation on this particular application but has had favorable recommendations for prior similar requests.

Conclusion:

The project application is a Tentative Map, Waiver of Undergrounding and Coastal Development Permit for the conversion of 20 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 No. 136871 and Coastal development Permit No. 136870 **with modifications.**
2. **Deny** Tentative Map and Waiver of Undergrounding No. 136871 and Coastal development Permit No. 136870 **if the findings required to approve the project cannot be affirmed.**

Respectfully submitted,

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

Robert Korch, Project Manager
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. Draft Coastal Development Permit with Conditions
8. Draft Coastal Development Permit Resolution with Findings
9. Community Planning Group Recommendation
10. Ownership Disclosure Statement
11. Project Chronology
12. Sample 'Notices to Tenants'
13. Undergrounding Schedule and City Council Policy 600-25