

DATE ISSUED: March 31, 2005 **REPORT NO. PC-05-072**
ATTENTION: **Planning Commission, Agenda of April 7, 2005**
SUBJECT: BALBOA AVENUE TENTATIVE MAP - PROJECT NO. 42604
PROCESS 4

**OWNER/
APPLICANT:** Dana K. Horne, Trustee of the Dana K. Horne Living Trust Dated
November 1, 2000, Chris J. and Julie K. Wilhemy, Trustees of the Chris
and Julie Wilhemy Living Trust, and Eric William and Kimberly Ann
Mayor, Trustees of the Eric William and Kimberly Ann Mayor Trust
Dated April 20, 1999,

SUMMARY

Issue(s): Should the Planning Commission approve a Tentative Map, Waiver of Undergrounding and a Coastal Development Permit to convert 12 residential apartment units to condominium ownership at 2112 Balboa Avenue within the Pacific Beach Community Plan area?

Staff Recommendation:

1. APPROVE Tentative Map and Waiver of Undergrounding No. 123896; and
2. APPROVE Coastal Development Permit No. 123912.

Community Planning Group Recommendation: The Pacific Beach Community Planning Committee approved this application by a vote of 7-6-0 on February 28, 2005, with concerns over parking and landscaping but with no suggested 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 with this action.

Housing Impact Statement: Approval of the proposed conversion of 12 residential apartment dwelling units to condominiums would result in an increase of 12 for-sale market-rate units and the loss of 12 existing rental units. There is no loss or addition to the supply or demand for housing in the Pacific Beach Community.

BACKGROUND

The 8,846 square-foot site is located at 2112 Balboa Avenue on the south side between Noyes and Olney Streets in the RM-2-5 zone of the Pacific Beach Community Plan area. The existing 12 residential unit building was constructed in 1967/68 when the site was zoned R-4 and would have permitted up to 22 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 eight open surface parking spaces accessed off the abutting alley, four parking spaces within garages accessed from Balboa Avenue and an additional open space accessed from Balboa Avenue. 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, commercial services within walking distance and the coastal resources of Mission Bay five blocks to the south and the Pacific Ocean fifteen blocks to the west.

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 to the Housing Commission prior to the filing of a Final Map to comply with the requirements of the Coastal Affordable Housing Replacement Ordinance in the amount of \$64,800 for two 1-bedroom low-income units and one 2-bedroom moderate-income unit, and it is required that 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 and Coastal Development Permit for the subdivision of this 8,846 square-foot site to consolidate the lots for the conversion of 12 residential apartment units into condominiums. The conversion of the 12 apartments to condominiums would remove 12 rental units from the market within the Pacific Beach Community and create 12 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 37 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 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. 14), 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 no power poles adjacent to this site within the alley abutting this site. If the undergrounding were required, two new power poles would be provided on the south side of the alley opposite the property corners and only 50-feet of existing power lines would be undergrounded. The visual result would be the 'crowding of existing and new power poles and the 50-feet of undergrounding would look unbalanced. No power poles or lines serve the property from Sapphire Street Street.

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 July 14, 2004, after the adoption of the 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, Waiver of Undergrounding and Coastal Development Permit for the conversion of 12 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. 123896 and Coastal Development Permit No. 123912 **with modifications.**
2. **Deny** Tentative Map and Waiver of Undergrounding No. 123896 and Coastal Development Permit No. 123912 **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
Development Project Manager
Development Services Department

Attachments:

1. Aerial Photographs
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. Copy of Notices Provided Tenants
13. City Council Undergrounding Schedule
14. City Council Policy 600-25, Undergrounding