

DATE ISSUED: June 17, 2005

REPORT NO. PC-05-200

ATTENTION: **Planning Commission, Agenda of June 23, 2005**

SUBJECT: LAFAYETTE HOTEL & RESIDENCES, PROCESS FOUR

OWNER/ Hampstead Lafayette Hotel, LLC

APPLICANT: Hampstead Partners, Inc.

SUMMARY

Issue: Should the Planning Commission approve an application to demolish a portion of an existing hotel, renovate an historical portion of the hotel and construct a two-story to 17-story, multi-family residential condominium project that would house 42 affordable units, 229 market rate units, and 17 new hotel rooms at 2223 El Cajon Boulevard in the Greater North Park Community Planning area? .

Staff Recommendation:

1. **Certify** Environmental Impact Report No. 40351, **Adopt** the CEQA Findings and Statement of Overriding Considerations, and **Adopt** the Mitigation Monitoring and Reporting Program;
2. **Approve** Site Development Permit No. 114024; and
3. **Approve** Vesting Tentative Map No. 174082.

Community Planning Group Recommendation: On October 19, 2004, the Greater North Park Planning Group voted 11-1-1 to recommend approval of the project as proposed, with no conditions.

Environmental Review: Environmental Impact Report Number 40351 was prepared, and finalized on June 9, 2005 in accordance with the State of California Environmental Quality Act (CEQA) Guidelines. The proposed project would result in significant land use and visual quality and neighborhood character impacts due to the height of the project (approximately 172 feet in height). No mitigation measures would reduce this impact to

below a level of significance. Approval of “No Project” or the “Community Plan Compliant Alternative” would, however, reduce this impact to below a level of significance, as discussed in the Environmental Analysis Section below.

A Mitigation, Monitoring, and Reporting Program would be implemented which would reduce, to below a level of significance, the potential environmental impacts identified from the environmental review process for the following resource areas: Traffic and Circulation, Paleontological Resources, and Solid Waste.

Fiscal Impact 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: According to the Greater North Park Community Plan, the project site could accommodate between 118 and 219 residential units. However, according to zoning, the site can accommodate a maximum of 204 units, which is the basis for calculating the requested density bonus. The applicant has requested an affordable housing density bonus of 33 percent to allow for 67 additional residential dwelling units.

In order to achieve 271 residential dwelling units on site (204 + 67), the applicant has elected to meet the requirements of both the Inclusionary Housing Ordinance and the Density Bonus Regulations by including an affordable component; selling at least 20% of the units, or 42 residential units at prices affordable to median and moderate income households. Twenty one of the units (twelve 1 -bedroom units and nine 2-bedroom units) shall be affordable to households earning no more than 100 percent of the area median income (currently \$57,050 for a 3-person household); and 21 of the units (twelve 1-bedroom units and nine 2-bedroom units) shall be affordable to households earning no more than 120 percent of the area median income (currently \$68,450 for a 3-person household).

The project has been conditioned to require the applicant to comply with the Affordable Housing Requirements of the City's Inclusionary Housing Ordinance and the Density Bonus Affordable Housing Requirements. Prior to receiving the first residential building permit, the applicant must enter into an agreement with the San Diego Housing Commission to assure that the restricted units are built and sold to appropriate households.

BACKGROUND

The subject 2.32-acre property is located on the south side of El Cajon Boulevard between Mississippi Street on the west and Louisiana Street on the east. The site is located at 2223 El Cajon Boulevard (APN 445-402 01) within the North Park Redevelopment Project area and the Greater North Park Community Planning area. The Greater North Park Community is bounded

by Interstate 805 to the east and Park Boulevard to the west, and stretches as far north as Adams Avenue and as far south as Upas Street (See Attachment 2).

The site is also located within the Mid-City Communities Planned District, is zoned CL-1 (Commercial Linear) and MR-800B (Mid-City Residential; 1 unit per 600 square-feet), and falls within the Transit Overlay Zone. Surrounding land uses include general retail/commercial to the north, general commercial and multi-family rental units to the east and west, with duplexes, condominiums, and a single-family residence to the south.

The site is currently developed with the historically designated Lafayette Hotel complex. The northern portion of the project site (approximately 1.16-acre), fronting on El Cajon Boulevard, is designated Community Commercial in the Greater North Park Community Plan, allowing high to very residential development, up to 55 to 110 dwelling units per acre (See Community Plan Analysis Section), and the southern portion of the project site (approximately 1.16-acre), north of and fronting on Howard Avenue is designated for high to very high residential development at 45 to 75 dwelling units per acre.

Because the project proposes the development of 42 affordable for-sale units 21 at or below, 100% of the Area Median Income (AMI), and 21 at or below 120% AMI, the land use approvals have been processed through the “Affordable/In-Fill Housing and Sustainable Buildings Expedite Program.”

DISCUSSION

Project Description:

The applicant has requested a Site Development Permit and a Vesting Tentative Map to demolish a portion of an existing hotel (the southern half which fronts on Howard Avenue) and to develop a two-story, 9,843-square-foot hotel building that would house eight hotel rooms; and a four-story to 17-story, 290,426-square-foot multi-family residential condominium building that would house 42 affordable units, 229 market rate units, and nine new hotel rooms.

A three-level, subterranean parking garage would be constructed underneath these structures, providing 500 parking spaces. Additionally, the project would reconstruct the existing swimming pool and a clock tower/cupola located on the Lafayette Hotel, in conformance to the U.S. Secretary of Interior Standards for Reconstruction.

The proposed project includes construction of a multiple-use development located immediately south of the existing main Lafayette Hotel building (formerly known as the Imig Manor). The existing hotel was designated a historical hotel in 1993, based on its past political, social, and cultural significance. The existing historic hotel is currently comprised of five one-story to four-story buildings, a large pool, patio areas, two surface parking lots, and two one-story subterranean parking garages.

The proposed project would involve the demolition of four existing buildings on the southern portion of the project site. In addition, the existing east and west parking lots and subterranean garages would be removed. The new development would be located primarily on the southeast corner of the project site, immediately behind (as viewed from El Cajon Boulevard) the main Lafayette Hotel building. As proposed, the main 1940's-era hotel building would be renovated and maintained in its current location. A replica of the original clock tower, which was previously removed, would be reconstructed over the existing historic hotel with a stucco and wood finish. The existing Amateur Athletic Union (AAU) regulation pool on the project site, designed by actor and Olympic athlete Johnny Weismuller, would be demolished and reconstructed in a manner that would retain the original pool's basic design, terrazzo tiling at the pool bottom, and dimensions. The new pool would be located within the proposed courtyard area of the development. The historic cupola of the primary structure would also be reconstructed. All of these project components will be in compliance with the Secretary of Interior Standards, as described in the Historic Resources Analysis Section and Section 4.8 of the Environmental Impact Report.

For Sale Residential Condominiums

The proposed condominium building would front Louisiana Street, Howard and Mississippi Street in a "C" shape around a central courtyard containing the swimming pool. The building height varies and steps from 4 floors along Mississippi Street up to 17 stories at the corner of Louisiana Street and Howard Avenue. The structure would be approximately 172 feet in height (excluding antennas, flagpoles, mechanical equipment, etc. that could potentially be located on the roof) from the ground floor level. The Floor Area Ratio would be 5.16.

The proposed 151 one-bedroom units (24 affordable and 127 market rate) would range in size from 506 to 894 square-feet and the proposed 120 two-bedroom units (18 affordable and 102 market rate) would range in size from 760 to 1,816 square-feet. The three-level below grade parking structure would contain 500 vehicular spaces, 14 accessible spaces, 144 bicycle spaces, and 21 motorcycle spaces.

On the lower floors, the exterior would include materials (stucco, brick veneer) and color palette that are complementary to the existing historic hotel. White detailing and pediments at the building entries would be included, reproducing at a smaller scale the portico on El Cajon Boulevard. The building would step back at the higher levels. The upper floors have contrasting stucco finish colors with white aluminum window frames, clear anodized aluminum windows and increased transparency. The first through the fourth floors would have vinyl window frames. The majority of the ground floor units would have private patios. Balconies on the first through fourth floors would be wrought iron painted black with metallic awnings. The balconies above the fourth floor would be glass with a metal top rail to maximize the view from these units. A wood trellis with paint finish would be interspersed on the upper floors. The architectural elements have been included to reduce the perceived mass of the building façade.

New Hotel Building

The project also includes a new two-story hotel building that would house eight hotel units, and an additional nine hotel units would be located in the new for sale residential building. This new hotel building would be approximately 9,843 square-feet (including rooms located in the for sale residential condominium building) and would be located between the new for sale residential building and the reconstructed pool/courtyard area. Based on the proposed hotel rooms, the required number of parking spaces for the new hotel building is 17 (1.0 spaces x 17 units = 17 for the new hotel rooms) and 73 spaces for the existing historic hotel building. The existing Red Fox Restaurant, located within the existing hotel building, would require nine parking spaces. The total parking requirement for the hotel and existing Red Fox Restaurant would be 99 parking spaces. The existing parking garage below the existing historic hotel building provides 30 existing parking spaces and 69 parking spaces located within the new for sale condominium parking garage would be designated to the hotel and Red Fox Restaurant.

The exterior of the new hotel building, including walls, roof and architectural treatments, would complement the materials (stucco, brick), color palette, and design character of the existing historic hotel. The exterior walls would feature a brick façade with wainscot underneath the windows. The railing on the stairway and upper landing would feature black vertical rails.

The proposed renovation of the historic hotel would include the cupola reconstruction matching the historic photographs and completed per the Secretary of Interior's Standards; new asphalt composite shingle roofing, and additional elements as discussed in the Historical Resources Analysis below.

The applicant has requested deviations to the San Diego Municipal Code (SDMC) requirements for Setbacks, Height, Floor Area Ratio, and Off-street Loading Spaces. The Mid-City Communities Planned District Ordinance (MCCPDO) allows projects to deviate from the regulations of the underlying zone, provided that the MCCPDO Site Development Permit findings can be made. Staff believes that the Planning Commission can make the appropriate findings. Please see the Deviations Section below for additional information.

A traffic study was required for the proposed development. The proposed 271 multi-family condominium units, 17 new hotel rooms, existing 73 hotel rooms, and the existing 3,263 square-feet of restaurant space is estimated to generate 1,626 average daily trips with 130 morning peak-hour trips and 146 afternoon peak -hour trips. A trip credit was applied to the existing currently occupied and active uses on this site. The existing uses on site are generating approximately 400 average daily trips with 24 morning peak-hour trips and 32 afternoon peak-hour trips. Therefore, the project is expected to generate an additional 1,226 average daily trips with 106 morning peak hour trips and 114 afternoon peak hour trips. A total of 500 vehicular parking spaces would be provided where 500 are required.

The project site would receive vehicular access from El Cajon Boulevard (existing circular driveway in front of the renovated Lafayette Hotel), Mississippi Street (existing access), and Louisiana Street (two proposed driveways). Public Improvements would include the closing of

non utilized driveways fronting the property, corner pop-outs, new sidewalk at corner pop-outs, curb and gutter along the project frontage, and landscape.

Site drainage would be conveyed through a private storm drain system and pass through a proprietary filtration system, before discharging into the existing public drainage system located within the public right-of-way. The project proposes to grade 1.29 acres (40 % of the site) resulting in 82,000 cubic yards of cut. All 82,000 cubic yards of cut are to be transported off-site.

The proposed landscaping would be in conformance with the San Diego Municipal Code, Landscape Regulations and would include ground-covering plants, vines, annual/perennials, low and medium and large sized shrubs, small palms, hedge shrubs, small accent trees, and medium and large spreading shade tree sizes.

The existing historic hotel is separate from the southern portion of the site where the existing townhomes and other hotel-associated structures have been constructed over the years and where the proposed new hotel and new for sale residential building would be located. In response to the community's concern to maintain the historic nature of the existing historic hotel, the intent of the landscape plan is to retain and enhance existing landscaping within this area. The large canopy size of the existing Eucalyptus citrodora along El Cajon Boulevard limits the number of new street trees. Closer tree spacing would be inconsistent with the spacing of Eucalyptus along EL Cajon Boulevard. Although the required number of trees along this section of El Cajon Boulevard is ten trees, six trees are proposed due to these constraints.

Sidewalks along Louisiana Street, Mississippi Street, and Howard Avenue would be replaced as a part of the new construction. The replaced sidewalks would have the same historic score pattern as the neighborhood (i.e., 2-foot x 2-foot grid). Varying planter levels between the building and the public sidewalks would be included to provide a layering of plant material. The layered planters would also provide screening between the private patios on the ground floor and the public sidewalk/street area. Decorative planter walls and colorful contrasting plant material with overhead shade trees would soften and accent the building. The various height planters against the building, with plant materials along with trees are intended to bring the scale of the building down to pedestrian scale as one walks along public sidewalks. Enhanced paving is called out for the private patio areas to provide interest.

The project also includes new street trees along Howard Avenue (14 24-inch box Fern Pine Trees), Louisiana Street (12 24-inch box Sapphire Dragon and Chinese Elm trees, one interior project tree, and three small accent trees), and Mississippi Street (14 24-inch box Sapphire Dragon and Chinese Elm trees).

The pool and deck area would be reconstructed in keeping with the existing historic layout with a tan colored concrete area with an acid wash. A total of ten planters with low stucco walls would be provided surrounding the pool area. Palm trees of varying sizes, project interior trees, small shade trees, and daylilies would accent and enhance the pool area. The interior courtyard that surrounds the pool recreational area would contain a combined total of eight small accent trees.

Community Plan Analysis:

The Greater North Park Community Plan designates the subject 2.32-acre property for community commercial (approximately 1.16 acres) and multi-family residential uses (approximately 1.16 acres). Residential development along El Cajon Boulevard, as a component of a mixed-use project, is permitted at a density of 55 to 75 dwelling units per acre, with the opportunity for obtaining a bonus to very high density at 110 dwelling units per acre. Residential development along the southern portion of the site is permitted at a density of 45 to 55 dwelling units per acre with the opportunity for obtaining a density bonus to high density residential at 75 dwelling units per acre. According to the Plan, the project site could accommodate between 118 and 219 residential units, based on parcel accumulation and compliance with the Urban Design Element of the plan. However, according to the underlying zones, the site could accommodate up to 204 units, which is used as the basis for Affordable Housing Density Bonus calculations.

Recommendations embodied in the City's Housing Element include ensuring the development of sufficient new housing opportunities for all income groups as well as significantly increasing the number of affordable housing opportunities within the City. Accordingly, up to 275 units could be developed with the application of an affordable density bonus of 35%. The proposal to develop a mixture of 229 market-rate and 42 affordable residential units, for a total of 271 units, as part of a mixed-use project implements the Land Use Element of the Community Plan as well as the General Plan's Housing Element.

The Urban Design Element of the Greater North Park Community Plan recommends the preservation and restoration of unique or historic structures within the community and also identifies the La Fayette Hotel as a community landmark. The Cultural and Heritage section of the Plan recommends the preservation of the cultural and heritage resources of Greater North Park. The proposal to preserve and renovate the hotel and restaurant implements the recommendations found in the plan. Furthermore, the new residential structure has been designed with a compatible yet different architectural character from the existing historic hotel and surrounding area.

El Cajon Boulevard is the subject of "The Design Study for the Commercial Revitalization of El Cajon Boulevard." The design study establishes a series of general design guidelines intended to assist in achieving the study's major objective which is business revitalization. The Urban Design Element of the Plan incorporates the objectives and recommendations of the Design Study which include ensuring that the appearance and compatibility of new development be considered when reviewing development proposals. Further, the overall bulk and scale of a project should be reviewed to ensure that it fits with the surrounding character of the community. The treatment of building facades is of particular importance and should also be reviewed.

In relation to the height of the proposed project, staff acknowledges that the project could adversely affect the Urban Design Element's goal of ensuring that the character and scale of new development is compatible with surrounding development. However, the Element also calls for the development of a "varied urban character." In addition, objectives embodied in the Housing and Commercial Elements of the Plan also call for placing higher residential densities along El

Cajon Boulevard in order to provide increased residential development along this major commercial strip which is also a major transit corridor. Staff can support the requested deviations due to the benefits associated with the preservation of the historic hotel, the inclusion of 42 affordable units, the location of the project along one of the most heavily utilized transit corridors as well as the potential positive effect this new development would have as a catalyst for new development along El Cajon Boulevard. For a more detailed discussion on the issue of building height and scale in relation to the Plan's Urban Design policies, please refer to the section in this report on height and scale.

Objectives embodied in the Transportation Element of the Community Plan encourage the provision of adequate off-street parking in residential and commercial areas. In support of this objective, the proposed project is proposing to provide sufficient parking for both the residential and hotel portions of the project. Further, the Element and the Transit-Oriented Development Design Guidelines recommend the use of alternate modes of transportation, including public transit, bicycles and pedestrian travel. The project site is located along the Transit First Showcase Project alignment and is directly served by bus lines 1, 2, 6, 15, 15A, 15B, and 115 run along El Cajon Boulevard and Texas Street. The frequency of service ranges from 10 minute intervals during peak travel times and 30-60 minute intervals during non-peak hours. Bus stops that serve these lines are located at the intersection of Texas Street and El Cajon Boulevard. Opportunities for resident ridership are high due to the number and frequency of bus trips.

Greater North Park Community Plan recommendations for enriching the pedestrian experience include increasing sidewalk widths when appropriate, identifying street tree themes to create neighborhood identities through coordinated street plantings, increasing pedestrian-oriented lighting, and varying pavement materials. The project, as proposed, incorporates wider sidewalks, corner pop outs, enhanced landscaping as well as a variety of shade-producing street trees and the preservation of mature Eucalyptus along El Cajon Boulevard.

Height and Scale

Land uses surrounding the project site include multi- and single-family residential and commercial development. A land use survey was conducted to identify the existing land uses and development characteristics within a two block radius of the project site. The study area included 25 city blocks, bounded on the north by Monroe Avenue, on the south by Lincoln Avenue, on the east by Arizona Street, and on the west by Florida Street. Study findings determined that the building heights in this area range between one and three stories or approximately 12 to 35 feet in height.

Development directly south of the project site is characterized by mostly two and a few three-story multi-family structures. However, there is one single-family residence directly across from the project site along Howard Avenue. Development to the east and west includes low intensity commercial structures along El Cajon Boulevard with two-story multi-family buildings located adjacent to Howard Avenue along both Mississippi Street and Louisiana Street. The height of the existing structures directly to the south, east and west varies between approximately 12 feet and 35 feet.

Although the proposed project is not within the same scale as the surrounding area, the project clusters development along El Cajon Boulevard, a major transportation corridor, where increased density is strongly encouraged by the policies and objectives embodied in the Progress Guide and General Plan and the Greater North Park Community Plan. According to the Commercial Element of the Plan, the Texas Street and El Cajon Boulevard node, which includes the project site, is designated as a high density mixed-use node allowing up to 110 dwelling units per acre. Further, parcels along both sides of Howard Avenue, as well as Mississippi Street and Louisiana Street are zoned MR-800(B) and have a maximum height limit of 60 feet, where a structure is located above parking. Furthermore, the area between Mississippi Street and Louisiana Street, south of El Cajon Boulevard (to mid-block) is zoned CL-1 and does not have a height limit associated with the zone.

Specific objectives embodied in the Urban Design Element of the Plan relating to building scale call for preserving the architectural variety and residential character of Greater North Park as well as developing projects which create a sense of arrival at major community gateways. The objectives also call for developing a varied urban character within the community but also suggest that new buildings should be in character and scale with their neighborhoods. Enhancing the appearance of major streets through the design of new development, public improvements and landscaping should be encouraged as well as the preservation of existing street trees and increasing the quality of landscaping in public right-of-way and front yard areas. The elimination of visual clutter, including nonconforming signs and overhead utility lines should be considered when new development occurs as well as the preservation and restoration of unique or historic structures within the community.

According to the Plan, harmony should be promoted in the visual relationships and transitions between new and older buildings. New buildings should be made sympathetic to the scale, form and texture of surrounding development. Where new buildings reach exceptional height and bulk in comparison to existing structures, large surfaces should be articulated and textured to reduce their apparent size and to reflect the pattern of the surrounding development. Multi-family buildings should be designed and evaluated in the context of surrounding development.

Specific recommendations found in the Urban Design Element related to building scale include ensuring that building bulk should be controlled through the use of vertical and horizontal offsets and other architectural features including balconies, porches and bay windows, which serve to break up building facades. Building surfaces should be articulated and textured to reduce their apparent size and should be textured by using different materials, colors or facades to produce separate elements. Upper floors should be treated so that they actually, or seem to, set back and recede. Structures of over two stories in particular should incorporate this treatment. Taller portions of buildings should be set back from the required front setbacks. Accordingly, this treatment would control building scale by emphasizing one- and two story facades along street frontages. Landscaping should also be used to add texture to blank walls, soften edges, and provide a sense of pedestrian scale.

In order to specifically address the lower scale structures in the surrounding vicinity of the project site, the first four floors of the project would be comprised of mostly town homes with

entrances and patios facing onto the street. This would serve to greatly enhance the opportunity for pedestrian/resident interaction. The upper floors would incorporate balconies and the building would be clad with a brick finish to the top of the fourth floor. The building would then step-back and incorporate terraces, thus minimizing the overall bulk and mass of the taller elements of the structure.

Through various reviews with local organizations, including the Greater North Park Planning Committee, the project has been re-designed to decrease the building mass and bulk to create a scale that better integrates with the neighborhood. The project has multiple step-backs, setbacks and terraces designed into the upper floors that would provide a reduction in the overall bulk and scale of the structure. Architectural features designed to reduce the perceived mass of the building façade have been incorporated into the design. Specifically, white detailing and pediments at the building entries would be included, reproducing at a smaller scale the existing entry on El Cajon Boulevard. The facades of buildings at pedestrian levels would provide a close relationship between the building and the street. Variations in height and depth of wall surfaces and architectural detailing would be provided on all sides of structures and the project proposes to incorporate walk-up town home units along Louisiana Street as well as along Howard Avenue. The majority of the ground floor units would have private patios. Balconies on the first through fourth floors would include wrought iron railings and would be painted black with metallic awnings. The balconies above the fourth floor would have glass with a metal top rail. As designed, the main entrance to the residential portion of the building would be located on Mississippi Street with a lobby and drop-off area for residents and guests. Planters, landscaping, walkways, and patios would be incorporated along the street.

Other Community Projects

With regard to projects approved and/or under development along El Cajon Boulevard, currently, the 6-story Renaissance Project located in the Mixed-Use Node at 30th Street and El Cajon Boulevard is developing 100 affordable senior units and 40 market rate units. The Boulevard project located at Florida Street and El Cajon Boulevard, which was recently approved by the City Council, will contain 153 market rate and 27 affordable units and will be approximately 7-stories in height. Both of these projects did not have historical resources associated with them and therefore could develop over the entire project sites, rather than being limited to a portion of the area, which is the case of the proposed project.

Environmental Analysis:

Environmental Impact Report (EIR) Number 40351 was prepared, and finalized on June 9, 2005 in accordance with the State of California Environmental Quality Act (CEQA) Guidelines. The proposed project would result in significant land use and visual quality and neighborhood character impacts due to the height of the project. No mitigation measures would reduce this impact to below a level of significance. Approval of No Project or the Community Plan Compliant Alternative would, however, reduce this impact to below a level of significance, as discussed in the Environmental Analysis Section below.

Implementation of the proposed Mitigation, Monitoring, and Reporting Program (MMRP) would reduce the environmental effects of the proposed project to below a level of significance, with the exception of the significant, unmitigable Land Use (direct) and Visual Effects and Community Character (direct) impacts. The evaluation of environmental issue areas in the EIR concluded that the project would also result in significant but mitigable direct impacts associated with Traffic and Circulation, Paleontological Resources, and Solid Waste.

Significant Unmitigated Impacts

Land Use: The proposed project would reach a height (without roof accessory structures) of 172 feet, which exceeds the height limit of the MR-800B Zone by 112 feet. The proposed project would therefore result in a significant and unmitigable land use impact associated with a conflict with the Greater North Park Community Plan Urban Design Element Objective relative to scale, in that, new buildings are supposed to be in “character and scale with their neighborhoods,” which this project proposes a 17-story building in a neighborhood dominated by one- and two-story commercial and residential buildings.

Visual Quality and Neighborhood Character: As stated above, the project proposes to exceed the height limit of the MR-800B Zone by 112 feet and would conflict with the Urban Design Element of the Greater North Park Community Plan relative to building scale. In addition, the project site is developed with buildings ranging from approximately 12 to 35 feet in height, or one to three stories, and the project would introduce a new structure that contrasts with the existing development.

Recommended Mitigation or Alternatives for Significant Unmitigated Impacts

The proposed project would result in significant land use and visual quality and neighborhood character impacts due to the height of the project (approximately 172 feet in height). No mitigation measures would reduce this impact to below a level of significance. Approval of the No Project or the Community Plan Compliant Alternative would, however, reduce this impact to below a level of significance as discussed below.

No Project Alternative: The No Project Alternative would continue the existing usages of the project site, with no alteration or expansion of the existing uses within the property. In addition, no restoration of the existing hotel would occur with the No Project Alternative. The significant impacts that may be avoided with this alternative would include land use and visual quality and neighborhood character impacts.

Community Plan Compliant Alternative: This alternative assumes build-out with a project in compliance with all of the applicable regulations for the project site, with no deviations required. This alternative would have a maximum height of 60 feet over enclosed parking in the MR-800B zone, reduced density and floor area ratio (FAR) when compared to the proposed project, and would comply with all required setbacks and design guidelines. The project would include 120 condominium units in a six-story structure, and the existing Lafayette Hotel would comprise the existing 73 units, plus 8 new units. This alternative would avoid the significant impacts to land use and visual quality and neighborhood character.

Mitigation, Monitoring and Reporting Program Incorporated Into the Project

In an effort to reduce or avoid those impacts identified as potentially significant with implementation of the proposed project to below a level of significance, the following summary of mitigation measures have been incorporated into the project.

Traffic and Circulation: A significant, mitigable impact has been identified at the intersection of El Cajon Boulevard and Mississippi Street as a result of project traffic during the PM peak hour. Mitigation in the form of partial closure of a median at the intersection of El Cajon Boulevard and Mississippi Street would reduce the significant impact at that intersection to below a level of significance. This partial closure would allow eastbound and westbound left turns from El Cajon Boulevard, but would prohibit northbound and southbound through and left turns from Mississippi Street.

Paleontological Resources: A significant, mitigable impact has been identified for the proposed project based on the geologic formations (Lindavista formation and Pomerado conglomerate) of the project site, and the amount (approximately 82,000 cubic yards) and depth of cut (approximately 30 to 40 feet) required to construct the proposed project. Mitigation measures have been proposed in the form of monitoring to ensure that any discoveries would be recorded, reported, and curated. These mitigation measures are detailed in Chapter 4, Section 3 of the body of the environmental impact report, as mitigation measure 4.3-1.

Solid Waste: The proposed project could result in a significant, mitigable impact to solid waste as a result of the proposed demolitions and new construction. Therefore, a mitigation measure would be required to ensure that those potential impacts would be reduced to below a level of significance, as detailed in mitigation measure 4.10-1. That mitigation measure requires the preparation of a Waste Management Plan subject to approval by both the City's Development Services Department and the Environmental Services Department. That plan is required to address waste disposal issues for all stages of the proposed project (demolition, construction, and occupancy phases).

Project-Related Issues:

Deviations – The project proposes to deviate from the San Diego Municipal Code (SDMC) requirements for one setback, height, floor area ratio, and off-street loading area. The Mid-City Communities Planned District Ordinance (MCCPDO) allows projects to deviate from the regulations of the underlying zone, provided that the MCCPDO Site Development Permit findings can be made. Staff believes that the Planning Commission can make the appropriate findings. In addition, the Density Bonus regulations applicable to this project have been applied and entitle the applicant to a 33 percent density bonus for residential development by entering into an agreement with the San Diego Housing Commission, as discussed below.

Setback - The project is designed with a deviation to the required setback along Mississippi Street. The applicant is requesting a setback of 10 feet 5 inches for the 4th floor along Mississippi Street, where the San Diego Municipal Code requires a setback of 12 feet. This deviation allows for a more appropriate massing, and a more articulated building, which serves to increase the building's façade articulation and reduce the apparent bulk and scale of the building. Therefore, staff can support the requested setback deviation.

Height - The Maximum height allowed in the MR-800 Zone is 60 feet. The project is designed with a building height of 172 feet. The deviation allows the development to use some of the height allowed in the CL-1 zone in the MR-800B zone. While there is no height limit within the CL-1 Zone along El Cajon Boulevard, the project was designed to shift the height from the CL-1 to the MR-800B Zone in order to: (1) preserve the historic hotel, which is located in the CL-1 Zone, (2) to accommodate the residential densities anticipated by the Community Plan, and (3) develop 42 affordable, for-sale residential units on-site. As per the applicant, not allowing the height deviation would increase the required Redevelopment Agency subsidy and, render the project financially infeasible. Reducing the height to comply with the height limit, while maintaining the historic hotel and pool, would result in a substantial reduction from 271 units including the loss of the affordable units. Demolition of the hotel and pool could yield the maximum density of 271 units but would result in the loss of the historic hotel and pool. Therefore, staff supports the requested deviation to allow the height in the CL-1 Zone (where there is no height limit) to be consistent with, and transferred to, portions of the MR-800B parcels.

Floor Area Ratio (FAR) – As per the Mid-City Communities Planned District Ordinance section governing FAR, there is no limit on the amount of residential FAR allowed for that portion of the site zoned CL-1. The maximum FAR for the MR800B zoned portion of the site is 2.25, with a maximum of 0.75 within the front 40 percent of the lot. The project is proposing an FAR of approximately 6.2 within the front 40 percent of the lot.

As discussed in the San Diego Municipal Code regulations governing Site Development Permits, if the premises (project site) is located in two or more zones, the maximum gross floor area permitted on the premises shall be the sum of the gross floor area permitted in each of the zones, and may be distributed without regard to the zone boundaries.

Staff can support the requested deviation because: the CL-1 zoned portion of the lot has unlimited FAR for residential development; the presence of the historic hotel precludes development on this portion of the site for residential development; and the floor area and associated bulk and massing are located in the southeaster portion of the site, to lessen any impacts to the historic hotel.

Off-Street Loading Area – Section 142.1010 of the San Diego Municipal Code requires four off-street loading spaces for the proposed development. The project proposes two off-street loading (just west of Louisiana Street) spaces that are consistent with requirement of the San Diego Municipal Code, and the continued use of one existing on-street (yellow curb) loading space adjacent to the project on El Cajon Boulevard. The new residential construction on the

southern portion of the site would be served by the proposed two off-street loading spaces and the hotel and restaurant uses will be accommodated by sharing one of the proposed off-street loading spaces off Louisiana Street and existing on-street loading space on El Cajon Boulevard. In addition, existing driveway on El Cajon Boulevard will further accommodate loading activities associated with arrival and departure of hotel guests.

Density - The CL-1 and MR- 800B Zones of the Mid-City Communities Planned District Ordinance allow for the development of 204 residential units on the 2.32 -acre site. The Density Bonus regulations applicable to this project entitle the applicant to a 33 percent density bonus for residential development by entering into an agreement with the San Diego Housing Commission. The agreement would ensure that at least 20 percent of the pre-bonus units (42 units) in the development shall be affordable to moderate-income households (households with income at or below 120 percent of AMI as adjusted for household size) at sales prices not to exceed 35 percent of 110 percent of AMI as adjusted for household size. The 33 percent density bonus would permit the development of 67 additional units beyond the underlying zoning of 204 units, for a total of 271 units.

$$204 \text{ DU} \times 33\% = 67 \text{ units} + 204 \text{ DU} = 271 \text{ DU}$$

The Inclusionary Housing Ordinance requires that 10 percent of the units in the project be price restricted and affordable to households with incomes at or below 100 percent AMI. The 42 affordable units will assist both median and moderate-income households as follows:

42 Affordable Units: 24 1-bedroom and 18 2-bedroom units		
	<u>Inclusionary Housing</u>	<u>Density Bonus</u>
Number of units	21 (twelve 1-bedroom and nine 2-bedroom)	21 (twelve 1-bedroom and nine 2-bedroom)
Sales Price Restriction	35% of 100% AMI	35% of 110% AMI
Income Limits	100% AMI	120% AMI

Historical Resources Analysis:

The 1946 Imig Manor (Lafayette Hotel) at 2223 El Cajon Boulevard was designated City of San Diego Historical Site Number 319 on September 22, 1993. The proposed project that is associated with the Imig Manor (Lafayette Hotel) was reviewed by the Historical Resources Board (HRB) Design Assistance Subcommittee on two occasions; August 18, 2004 and October 6, 2004. The Design Assistance Subcommittee is comprised of six of the 15 members of the Historical Resources Board. The subcommittee consists of design professionals (three architects, one landscape architect and an interior designer), with the exception of one member who is a property manager.

At the August 18, 2004 meeting, the comments regarding the proposed design included the following:

- Reduce the apparent massing impacts on the historical hotel. Diverse suggestions were provided to accomplish this, either through reducing the height of the tower and adding another tower to create a symmetrical design or reduce the girth and increase the height of the single tower.
- Do not mimic the historical hotel with the design, materials and elements of the new construction.
- Diverse comments were provided on the reconstruction of the pool, as either supported or as being of secondary importance that could be sacrificed in order to achieve the massing impact reduction.
- The applicants were encouraged to restore the historical colors to the hotel, and historical postcards were provided electronically to the applicants.

Since that time, the applicants met with HRB staff and staff from other disciplines to discuss design options for the new construction. The applicants addressed issues from the Historical Resources Board Design Assistance Subcommittee and HRB staff, as well as issues related to the community plan, environmental and zoning issues from other staff.

At the October 6, 2004 meeting of the Design Assistance Subcommittee, revised elevations were presented to the subcommittee. The plans showed a more stepped, modern design for the new construction, clearly differentiating the new construction from the historic resource. The tower height is 17 stories, but the girth has been reduced by half as the building rises. The four story historically designated Imig Manor/Lafayette hotel building and base are faced with brick.

Subcommittee board member comments at the October meeting included:

- The applicants have addressed the previous comments for the most part.
- The retention of the hotel, the clear articulation and the four story base are all positive attributes of the project, although the brick definitely needs to be differentiated from the brick on the historical hotel. (*Permit Condition 19*)
- There is a trade off and community benefit from the project in that the historical hotel is being preserved intact and restored.
- The historical colors should be restored to the hotel, which so far is not shown on the elevations. (*Permit Condition 20*)
- The majority of the Subcommittee (five of the six members) commented that the project meets the Secretary of the Interior's Standards (underlined for emphasis).

- Board member Emme commented that the project is still too massive and it is not a unique design.

At this meeting, two members of the public, Mary Wendorf of Uptown Planners and Bruce Coons of the Save Our Heritage Organisation (SOHO) objected to the height of the tower.

In order to be consistent with the Design Assistance Subcommittee comments and the Secretary of Interior's Standards for Rehabilitation, Historical Resources Board staff addressed the following issues as permit conditions of the proposed project and the applicant has agreed to the following conditions:

Regarding the historic Imig Manor/Lafayette Hotel structure:

- The historical light blue color of the structure and the historical red color of the roof shingles will be verified by testing and will be matched (*Permit Condition 20*).
- The swimming pool will be reconstructed per the Secretary of Interior's Standards (*Permit Condition 21*).
- The reconstruction of the historic cupola will match precisely the historic photograph and will be completed per the Secretary of Interior's Standards (*Permit Condition 22*).
- The original windows should be rehabilitated if possible to meet the Secretary of Interior's Standards. Only if the applicant evidences to HRB staff that it is not possible to rehabilitate the original windows may the original windows be replaced. If they must be replaced, the new windows should match the original historic windows in material, finish, profile and function. If necessary, the original single glazing may be replaced with laminated glazing (*Permit Condition 18*).

Regarding the relationship of the proposed new structure to the historically-designated Imig Manor/ Lafayette Hotel:

- The brick facing proposed for the new tower may not match the brick facing of the historic structure (*Permit Condition 19*).

Important considerations regarding the design of the new tower in relation to the historic resource that the HRB staff and subcommittee members took into consideration were:

- The placement of the new tower to the rear of the site, instead of a location adjacent to the historic resource.
- The complete separation of the new tower from the historic resource, assuring no physical impact to the resource.
- The use of materials (i.e. brick facing) on the new tower that is complementary to the resource, but clearly new.

- The design of the new tower to be a background element to the primary element, the historic Imig Manor/Lafayette Hotel.
- The articulation of the proposed new tower to diminish its mass to the extent possible in order to reduce its impact on the historic resource.

In conclusion, the HRB staff and a majority of the HRB Design Assistance Subcommittee feel strongly that changes proposed to the existing historic resource, as well as the relationship of the proposed tower at the rear of the site to the historic resource are consistent with the Secretary of Interior's Standards for Rehabilitation.

Community Interest/Opposition:

The proposed project has generated community interest/opposition in the form of a number of telephone calls and emails, which have been forward to the Planning Commission. In summary, the opposition cited the following: the height, bulk, and scale of the development; the perceived increased traffic and congestion; and the cumulative impacts of this project with others currently proposed or under construction along El Cajon Boulevard.

Calls were also received in favor of the proposed project, citing the need for infill housing, urban density where infrastructure already exists, and both residential units and affordable housing units in the North Park area.

Critical Project Features to Consider Should a Substantial Conformance Review Be Requested

- Intensity of Development: The site shall be limited to 135 percent of the density (with Density Bonus) allowed by the underlying zone.
- Site Design: The project design should not increase the amount of deviation from the regulations of the development regulations of the underlying zone, unless the Site Development Permit findings could still be made with those additional deviations.
- Environmental Documents: The project design should remain within the parameters of the scope of the Environmental Impact Report.
- Affordable Housing: The affordable housing units must meet the requirements of the Housing Commission agreement.
- Historical Element: The proposed renovation to the Lafayette Hotel can not be minimized.

Conclusion

Other than the requested deviations, for which staff believes that findings can be made, and the project's unmitigable impacts associated with the EIR, staff finds the Lafayette Hotel and Residences project consistent with the recommended land use, design guidelines, and development standards in effect for this site per the Mid-City Communities Planned District Ordinance, the North Park Redevelopment Plan, the adopted Greater North Park Community Plan, and City of San Diego Progress Guide and General Plan.

The proposed development would provide 27 for -sale residential units, 42 of which would be affordable to moderate income families, at a time when the City of San Diego has declared a Housing State of Emergency. The mix of one- and two-bedroom units would house individuals, small and large families earning 100 to 120 percent of the area median income.

ALTERNATIVES

In accordance with CEQA Guidelines §15126.6(a), the EIR describes a range of reasonable alternatives to the project which could feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project. The following alternative projects are evaluated in the EIR.

Community Plan Compliant Alternative - The Community Plan Compliant Alternative assumes build-out of the project site in accordance with the existing zoning limitations of the property. This alternative would implement a project in compliance with all of the applicable regulations for the project site, with no deviations required. This project would have a maximum height of 60 feet over enclosed parking in the MR-800B zone, reduced density and floor area ratio, and would comply with all required setbacks and design guidelines. The characteristics of this alternative would include 120 units with a height of six stories, and the hotel would be comprised of 73 existing units and 8 new units.

No Project Alternative - The No Project Alternative assumes continuance of the existing land uses of the project site. There would be no alteration or expansion of the existing uses within the property. Redevelopment of the project site while retaining the existing hotel requires a specific project that provides the economic means to maintain and revitalize the primary function of the historic hotel. However, under this alternative, the currently constrained hotel operations would be restricted even further by not allowing development of the project. Specifically, renovation of the existing hotel, necessary to ensure economic viability, would not occur, and affordable housing would not be provided onsite.

Reduced Height Alternative - The Reduced Height Alternative is similar to the proposed project. All components would be the same as the proposal with the following exceptions. Under the Reduced Height Alternative, the height would be reduced to eleven stories, but maintaining the same square footage. The modifications could include an increase in the heights of the proposed

low rise buildings to accommodate the square footage. The number of residential units would remain the same. The Hotel would remain the same with 73 existing units and 11 new units. The building would appear more massive and more uniform in height than the proposed project.

Respectfully submitted,

Marcela Escobar-Eck
Deputy Director, Customer Support and
Information Division
Development Services Department

Daniel Stricker
Customer Support and
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Development Services Department

HALBERT/DES

Attachments:

1. Aerial Photograph/ Project Location Map
2. Community Plan Land Use Map
3. Project Data Sheet
4. Title Sheet
5. Site Plans
6. Floor Plans/Roof Plan
7. Elevations/Sections
8. Landscape Plans
9. Vesting Tentative Map
10. Shadow Study
11. Draft Vesting Tentative Map Conditions and Subdivision Resolution
12. Draft Permit with Conditions
13. Draft Permit Resolution with Findings
14. Community Planning Group Recommendation (Minutes)
15. Ownership Disclosure Statement
16. Project Chronology
17. Draft Environmental Resolution