

**DATE ISSUED:** January 19, 2006                      **REPORT NO. PC-06-020**

**ATTENTION:**            **Planning Commission, Agenda of January 26, 2006**

**SUBJECT:**                      CENTREPOINT - PROJECT NO. 74816 - PROCESS 4

**OWNER/  
APPLICANT:**                      CentrePoint LLC, a Delaware Limited Liability Company

**SUMMARY**

**Issue(s):** Should the Planning Commission approve a request for the construction of a mixed-use development containing 312 for-sale residential units (97 townhouses, 204 residential flats, and 11 live/work units) and two commercial retail spaces on an 8.9 3-acre site located on the south side of El Cajon Boulevard, east of 63<sup>rd</sup> Street in the Crossroads Redevelopment Project Area within the Eastern Area Community of the Mid-City Communities Planning Area?

**Staff Recommendation:**

1.        **CERTIFY** Mitigated Negative Declaration No. 74816, and **ADOPT** the Mitigation, Monitoring and Reporting Program (MMRP); and
2.        **APPROVE** Vesting Tentative Map No. 229858 and
3.        **APPROVE** Site Development Permit No. 235622

**Community Planning Group Recommendation:** On September 13, 2005, the Eastern Area Planning Committee voted unanimously (10-0-0) to recommend approval of the project, which included approval of a letter addressing the reasons they recommend approval of the project (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). A Mitigation, Monitoring and Reporting Program would be implemented with this project to reduce the impacts to a level below significance.

**Fiscal Impact Statement:** 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 the existing buildings on site for the construction of a mixed-use development containing 312 for-sale residential units (97 townhouses, 204 residential flats, and 11 live/work units) and two commercial retail spaces. The proposed project site, occupying 8.93-acres, could accommodate 312 dwelling units based on the Mid-City Communities Plan designation for the site at 35 dwelling units/per acre (du/ac).

As a component of the application, the proposed project would conform with the Inclusionary Affordable Housing Requirements and Council Policy 600-27(A) criteria for the Affordable/In-Fill Housing Expedite Program by setting aside at least 10 percent (32 units) of the total for-sale dwelling units on-site for households with an income at or below 100 percent Area Median Income (AMI), currently \$63,400 for a family of four. However, the project site is also located within the Crossroads Redevelopment Project Area, and on February 7, 2006, the Redevelopment Agency (City Council) is scheduled to consider a Disposition and Development Agreement (DDA) for the proposed project. If this agreement is approved, then the developer would be providing a total of 15 percent (47 units) of the total for-sale dwelling units on-site for households with an income at or below 100 percent AMI.

The proposal would help the City address its shortage of affordable housing 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 at 6363 El Cajon Boulevard along the south side of El Cajon Boulevard, east of 63<sup>rd</sup> Street, north of Stanley Avenue and Seminole Drive, and west of Art Street (Attachment 1). The site is located within the Eastern Area Community of the Mid-City Communities Plan (Attachment 3), and is in the CU-2-3(Commercial Zone) and CT -2-3 (Commercial-Transitional Zone) Zones within the Central Urbanized Planned District Ordinance area (Attachment 4). Both zoning designations allows for one-unit per 1,000 square foot of lot area and the community plan allows 35 dwelling units/ per acre (du/ac) with a bonus of up to 43 du/ac for mixed-use projects; however, the project does not propose to utilize the density bonus provision. The project site, occupying 8.93-acres, could accommodate 312 dwelling units based on the Mid-City Communities Plan designation for the site at 35 du/ac, and a maximum of 389 dwelling units based on the zoning designations. The project site is also located within the boundaries of the Crossroads Redevelopment Area (Attachment 5).

The project site is generally rectangular shaped and encompassing nearly the entire block. There are three lots on this block which are not part of the proposed project. One of those lots is located at the corner of El Cajon Boulevard and 63<sup>rd</sup> Street, and is developed with a gas station. A second

lot is located at the corner of El Cajon Boulevard and Art Street, and is developed with a commercial building. The third lot is located on Seminole Drive, southwest of the Seminole Drive/Art Street intersection, and is currently developed with residential uses.

The project site is currently developed with seven structures of varying sizes, including two small kiosk/shops located in the north central portion of the project site; one, one-story wood frame restaurant building also located in the north central portion of the site; one, one-story wood frame commercial/retail building located along 63<sup>rd</sup> Street; one, two-story wood frame commercial/retail/office building located along El Cajon Boulevard towards the northeastern portion of the site; one, two-story wood frame apartment building located at the northwest corner of the intersection of Art Street and Seminole Drive; and one, one- and two-story wood frame and stucco commercial/retail shopping complex (College Center) that comprises the main portion of the existing shopping center. The College Center contains approximately 130,000 square-feet of commercial/retail/office space that is mostly vacant, boarded up or underutilized. The project site is fully developed with buildings, hardscape, and landscape. All of those existing improvements would be demolished with the proposed project. None of the buildings are considered historic, and there are no sensitive biological habitats on or adjacent to the subject property, nor is the property within or adjacent to the City of San Diego's Multi-Habitat Planning Area.

The subject property is immediately surrounded by commercial/retail development to the north, northwest and northeast. As previously mentioned, El Cajon Boulevard traverses the northern boundary of the site, with commercial/retail uses lining the boulevard directly across the street from the subject property. Adjacent uses to the south, southeast, and southwest are generally comprised of an existing park (Henry Clay Park) and residential neighborhoods containing 1- and 2-story, multi-family rental units, with a few 1-story detached units, which are designated for multi-family use. Land use designations for the areas adjacent to the site are predominantly Commercial/Mixed-Use and Residential.

## **DISCUSSION**

### **Project Description:**

The proposed project would demolish seven existing structures and construct a new, mixed-use development located at 6363 El Cajon Boulevard. The proposed development would include 312 residential dwelling units in 3-story townhomes and 4-story flats. Approximately 12,878 square-feet of commercial development is also proposed with this development and parking would be provided in private garages and a 4-level parking structure.

There are seven (7) Type 'A' buildings proposed and thirty-eight (38) units would be provided in Building Type 'A' (3-story townhomes with side-by-side garages). There are six (6) Type 'B' buildings proposed and fifty-nine (59) units would be provided in Building Type 'B' (3-story townhomes with tandem garages). In addition, 215 units would be provided in Building Type 'C' (4-story condominiums on grade). One Type 'C' building is proposed, with parking provided in the adjacent 4-story parking garage. (Please see Attachment 7 for a site plan).

Building Type A (Townhomes w/ side-by-side garages.):

Plan	Type	Quantity	Size	% of Mix
1	2 BR + Loft	11	1,625 S.F	29 %
2	2 BR + Den	13	1,686 S.F.	34 %
3	3 BR	14	1,832 S.F.	37 %

Building Type B (Townhomes w/tandem garages.):

Plan	Type	Quantity	Size	% of Mix
1	2 BR	5	1,395 S.F	9 %
1X	2 BR	5	1,479 S.F	9 %
2	2 BR	6	1,459 S.F	10 %
3	3 BR	21	1,478 S.F	36 %
4	3 BR	6	1,743 S.F	10 %
5	4 BR	16	1,714 S.F	27 %

Building Type C (Four story condominiums on grade with commercial along El Cajon Blvd.):

Plan	Type	Quantity	Size	% of Mix
1	1 BR	48	788 S.F	22 %
2	1 BR	16	89 S.F	7 %
3	2 BR	28	100 S.F	13 %
3X	1 BR + Den	12	100 S.F	6%
4	2 BR	16	111 S.F	7 %
5	2 BR	60	119 S.F	28 %
6	2 BR	20	122 S.F	9 %
7	2 BR	4	131 S.F	2 %
8	1 BR + Work	11	187 S.F	5 %

The 8,866 square-feet of office/commercial space would be provided in Building Type ‘C’, in live work units. The work spaces would be located on the ground floor, fronting to El Cajon Boulevard. Parking for the commercial uses would be provided on the ground floor of the parking garage, with access from a driveway located on El Cajon Boulevard. In addition, 4,012 square feet of retail/commercial space would be located in Building Type ‘C’, also fronting on El Cajon Boulevard, with parking provided on the ground floor of the parking garage.

Development of the proposed project requires the approval of a Process 4 Site Development Permit to deviate from the development regulations (Parking- to permit tandem parking to count as two spaces outside the Residential Tandem Parking Overlay Zone) and to deviate from the City’s Inclusionary Housing Ordinance for unit mix/type; and a Process 4 Vesting Tentative Map for condominiums (301- residential, 11-live/work, and 2-commercial).

**Community Plan Analysis:**

The subject property is an approximately 8.93-acre site located on a generally rectangular shaped lot and encompassing nearly the entire block that abuts El Cajon Boulevard to the north and is within the Eastern Area Community of the Mid-City Communities Planning area. According to

the Land Use Element of the Mid City Communities Plan, the construction of market-rate housing is encouraged to create opportunities for home ownership and to upgrade the overall value of housing stock in the community. The proposed project would implement this recommendation by developing 312 multi-family residential units where none currently exist. In regard to the provision of parking facilities associated with new residential development, the community plan recommends locating private off-street parking behind multi-family structures. The proposed project would implement this recommendation by incorporating a multi-story parking structure that would be screened by the residential and commercial structures proposed within the development, in addition to the existing commercial and residential structures adjacent to the project site. Additionally, garages would be provided for each of the proposed residential units

The proposed project would also implement recommendations in the community plan for promoting pedestrian orientation by providing street trees throughout the development and non-contiguous sidewalks along the residential streets that abut the project, as well as 10-foot contiguous sidewalks and pedestrian oriented lighting along El Cajon Boulevard. Although a single driveway would be proposed along the project's frontage on El Cajon, the proposed feature would support the proposed live-work and commercial areas in this project by providing patrons with visible and direct access to and from the proposed parking structure. Additionally, pedestrian warning signs, visual mirrors, and enhanced paving would be proposed along this access/egress area to minimize any pedestrian/vehicular conflicts. The proposed project would also provide pedestrians with direct access from the public street to the proposed commercial building, housing units, and live-work lofts. Further, the project would also include 5-foot wide pathways that would facilitate internal pedestrian circulation within the project.

The project implements the recommendation in the Economic Development Element of the community plan that specifically encourages establishing opportunities for live/work lofts and other developments designed to accommodate a combination of living and working environments. The project proposes approximately 8,866 square-feet of office/commercial space in the form of live-work units. The work spaces would be located on the ground floor, fronting on El Cajon Boulevard, and the parking for the commercial uses would be provided on the ground floor of the parking garage, with access from the proposed driveway located on El Cajon Boulevard. In addition, 4,012 square feet of retail commercial space would be located in Building Type 'C', also fronting on El Cajon Boulevard, with parking provided on the ground floor of the parking garage.

In order to assist in addressing the provision of recreation amenities with new development, the project proposes a centrally located swimming pool facility. Several passive recreational areas containing barbecues, seating and gathering areas, water features, and trellises are proposed throughout the proposed project. Additionally, the 2.5-acre Clay Neighborhood Park is located south of the project along Seminole Drive.

### **Environmental Analysis:**

The City of San Diego conducted an Initial Study which determined that the proposed project could have a significant environmental effect to Historical Resources (Archaeological). The

project site is located in proximity to several recorded archaeological sites, but no survey was required for the proposed project because the site is completely developed. However the site has the potential to contain archaeological resources based on the proximity to recorded sites. Any disturbance to the project site has the potential to impact buried archaeological resources. Therefore, the Mitigation, Monitoring, and Reporting Program (MMRP) detailed in Section V of the Mitigated Negative Declaration (MND) No. 74816 would be required. The MMRP includes archaeological monitoring during removal of landscape, hardscape, and grading. In addition, the recovery, recordation, and curation of any discovered archaeological materials would be required. Implementation of the MMRP would reduce the project's impacts to below a level of significance. This MMRP measure is consistent with the MMRP detailed in the Environmental Impact Report (State Clearinghouse Number (SCH) Number 2002071002) for the Crossroads Redevelopment Area which requires archaeological monitoring for any disturbance of developed areas.

The noise, hazardous materials, geology/soils, and transportation/circulation issue areas were determined to be potentially significant during the initial review of the proposed project. Upon further review of the issues, including review of any required technical studies, it was determined that the issues would not result in significant impact and therefore no mitigation would be required to mitigate impacts to below a level of significance

### **Project-Related Issues:**

Disposition and Development Agreement (DDA) - On February 7, 2006, the Redevelopment Agency (City Council) is scheduled to consider a Disposition and Development Agreement (DDA) for the proposed project. If this agreement is approved, the developer would be providing a total of 15 percent (47 units) of the total for-sale dwelling units on-site for households with an income at or below 100 percent Area Median Income (AMI). The project is being processed through the City's Affordable/In-Fill Housing Expedite Program; therefore, the project and the DDA are being processed concurrently.

The DDA is not before the Planning Commission for a decision; however, the following is a synopsis of the DDA. The estimated total project cost (land/buildings) is approximately \$110,000,000. The total Redevelopment Agency (the "Agency") subsidy for the project would be \$5,245,000 which provides for a subsidy of \$111,595 per affordable unit and \$78,283 per affordable bedroom. The Agency's subsidy has been adjusted to reflect the Developer's commitment to pay \$455,000 toward the replacement housing cost obligation. The Agency's subsidy will be in the form of a developer advance/loan. Interest on the loan will begin at the issuance of the certificate of occupancy for the affordable units, expected to occur August 2008. The loan will be repaid through the tax increment generated by the project, but the Agency will have the ability to pay the loan off sooner.

The Developer owns the property and has been successful in negotiating leasehold amendments or agreements with the nine existing long term commercial/business tenants that occupy the project site. Therefore, the Agency may not be required to provide any assistance with acquiring any leasehold interests; however, the DDA will include a provision for Agency assistance regarding leasehold acquisitions, if necessary. There is one multi-family residential building that

occupies the project site that contains nine-units. The Developer has successfully reached financial agreements with all of the residential tenants regarding relocation.

Deviation to the Inclusionary Housing Ordinance - The City's Inclusionary Housing Ordinance (the "Ordinance") requires that for-sale residential development projects set aside at least 10 percent of their dwelling units for occupancy by, and at prices affordable to, households earning up to 100 percent AMI (\$63,400 for a family of four). In addition, projects can comply with the requirements of the Ordinance by paying an in-lieu fee. The project is subject to the Ordinance.

The Developer has decided to meet the affordable housing requirements of the Ordinance with the approval of the above mentioned DDA by setting aside 15 percent (47 units) of the total dwelling units in the project for occupancy by, and at prices affordable to, households earning up to 100 percent AMI. The Ordinance (§142.1309 (b)) further 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.

As proposed, the project deviates from this requirement of the Ordinance because it would restrict 27 one-bedrooms and 20 two-bedroom units as affordable. To meet the requirement of the Ordinance, the project would need to restrict 11 one-bedroom, 24 two-bedroom, and 12 three-bedroom units as affordable housing.

Deviations from the requirements of the Ordinance can be granted through a variance described under §142.1304 (c) of the Ordinance. As a Process 4 development review, a variance requires the approval by the Planning Commission. Pursuant to § 142.1304(c) of the Ordinance, a variance may be granted as follows:

A development located within an adopted redevelopment project area and subject to a San Diego Redevelopment Agency agreement may seek a variance from the requirements of this Division upon an express finding that the development is fulfilling a stated significant objective of the Redevelopment Agency's approved Five Year Redevelopment Plan for the Redevelopment Project Area.

The project is located with the Crossroads Redevelopment. The project furthers the objectives of the California Community Redevelopment Law and the Redevelopment Plan for the Crossroads Redevelopment Project (see below). The development of the site will be pursuant to an Agreement with the Redevelopment Agency of the City of San Diego and the fulfillment generally of this Agreement are in the vital and best interests of the City of San Diego and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements.

Goals and Objectives of Crossroads Redevelopment Plan;

- Enhance economic growth within the Project Area by continuing ongoing efforts to revitalize commercial areas, particularly the commercial corridor along El Cajon Boulevard and University Avenue, and establishing one or more Business Improvement

Districts.

- Improve public infrastructure and undertake other public improvements in, and of benefit to, the Project Area, such as undergrounding electrical distribution lines and telephone lines along major streets, widening, reducing or otherwise modifying existing roadways or creating additional streets, walkways, and paths for proper pedestrian, bicycle, and/or vehicular circulation.

In addition, the project will provide 47 Affordable Housing units within the Eastern Area Community of the Mid-City Communities Planning Area. This development will result in a gain of affordable for-sale housing stock in an area which has a significant demand for this type of housing.

Deviation from the San Diego Municipal Code (SDMC) - Parking Deviation - The project is proposing one deviation from the development regulations to permit tandem parking to count as two spaces outside the Residential Tandem Parking Overlay Zone. The parking plan for the project includes a total of 610 spaces, and enclosed tandem spaces are being proposed within the garages associated with the 39 townhomes. The deviation would allow the developer to count the 39 spaces as two spaces for a total of 78 spaces (approximately 6 percent of the total parking spaces being provided). The project is providing the total number of required off-street parking spaces and the shared parking plan and design is in conformance with the SDMC.

Transportation/Circulation - A traffic impact analysis was prepared for the proposed project dated October 12, 2005 (RBF Consulting). The proposed project is forecast to generate approximately 2,302 average daily trips (ADTs). The project site, as currently developed and assuming full occupancy would generate approximately 15,700 ADTs. The site is currently only 30% occupied, and generates approximately 2,452 driveway trips, or 1,994 cumulative trips per day. Therefore, the proposed project would result in an increase of 308 trips per day, and a decrease from the full occupancy of the existing site of approximately 13,398 ADT. The proposed project would generate approximately 190 AM peak hour and 220 PM peak hour trips, with 102 net new AM peak hour, and 38 net new PM peak hour trips. So while the total ADTs are reduced from the existing uses, there is an increase in the AM and PM peak hour trips to and from the project site.

According to the traffic impact analysis, the Existing plus Cumulative plus Project conditions indicate that three study area intersections and twelve study area roadway segments would operate at LOS E or F, both with and without the proposed project. However the project would not exceed the City's significance criteria and the project would not result in a significant impact with this scenario. In addition, according to the traffic impact analysis, four study area intersection and ten study area roadway segments are calculated to operate at LOS E or F in the Horizon Year 2030 conditions, both with and without the proposed project.

Emergency Response Times - The proposed development site is within an existing urbanized area currently serviced by police, fire, and emergency medical services. The emergency response time to the project site is approximately 1.7 minutes from Fire Station 10, located at 62<sup>nd</sup> and Acorn Streets. That response time includes engine, truck, and Battalion Chief. Additional



emergency service to the project site is approximately 4.6 minutes for engines from Fire Station 17 at Orange and Chamoune Avenue; 5.5 minutes for engines from Fire Station 31 at College Avenue and Camino Rico; and 7.1 minutes for trucks from Fire Station 14 at Lincoln and 32<sup>nd</sup> Streets. The location is within the City of San Diego Police Department's Mid-City Division. The police beat for the project site is 821, which had an average emergency response time (Priority E) of 7.78 minutes and a response time (Priority 1) of 13.06 minutes from February 15 through October 31 in 2005, the most recent statistics available.

### **Critical Project Features to Consider During Substantial Conformance Review**

- **Buildings and Site Design** – The building design and/or site design should be fully analyzed to ensure that changes would reflect the type of multi-family development that would be compatible with the existing surrounding neighborhood and to ensure compliance with the goals and objectives of the Mid-City Communities Plan.
- **Live/work Units** - The Economic Development Element of the Mid-City Communities Plan specifically encourages establishing opportunities for live/work lofts and other developments designed to accommodate a combination of living and working environment and encourage incubator business development out of the home. The building design and/or site design should be fully analyzed to ensure that changes would reflect these goal and would not be sold and/or leased into separate residential units and commercial spaces.

### **Conclusion:**

The proposed request for the construction of a mixed-use development containing 312 for-sale residential units (97 townhouses, 204 residential flats, and 11 live/work units) and two commercial retail spaces meets the goals and objectives of the Crossroads Redevelopment Plan by revitalizing commercial areas, particularly the commercial corridor along El Cajon Boulevard. The existing shopping center (College Center) contains commercial/retail/office spaces that are mostly vacant, boarded up or underutilized.

The project would implement a variety of goals and recommendations in the Mid-City Communities Plan including the creation of additional home ownership opportunities, the promotion of pedestrian orientation, the promotion of live/work opportunities, and opportunities for a range of commercial goods and services in this area. Further, given the lack of recreational facilities in the Mid-City area, the proposed project would provide on-site active and passive recreational opportunities.

The proposed mixed-use development containing 312 for-sale residential units would include at least 10 percent (32 units) of the total for-sale dwelling units on-site for households with an income at or below 100 percent AMI (AMI). However, the project site is also located within the Crossroads Redevelopment Project Area, and on February 7, 2006, the Redevelopment Agency (City Council) is scheduled to consider a Disposition and Development Agreement (DDA) for the proposed project. If this agreement is approved, then the developer would be providing a total of 15 percent (47 units) of the total for-sale dwelling units on-site for households with an income

at or below 100 percent AMI.

Other than the requested deviations for parking (permit tandem parking to count as two spaces outside the Residential Tandem Parking Overlay Zone) and to deviate from the City's Inclusionary Housing Ordinance for unit mix/type, for which staff believes that findings can be made, staff finds the proposed project would be consistent with the recommended land use, design guidelines, and development standards in effect for this site per the San Diego Municipal Code and would not have an adverse effect on the Mid-City Communities Plan.

**ALTERNATIVE**

1. **Certify** Mitigated Negative Declaration No. 74816, and **ADOPT** Mitigation, Monitoring and Reporting Program (MMRP); **Approve** Vesting Tentative Map No. 229858, and **Approve** Site Development Permit No. 235622, **with modifications**.
2. **Do Not Certify** Mitigated Negative Declaration No. 74816, and **Do Not ADOPT** Mitigation, Monitoring and Reporting Program (MMRP); **Deny** Vesting Tentative Map No. 229858, and **Deny** Site Development Permit No. 235622, **if the findings required to approve the project cannot be affirmed**.

Respectfully submitted,

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Jeffrey D. Strohminger  
Acting Deputy Director, Customer Support  
and Information Division  
Development Services Department

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Jeffrey A. Peterson  
Project Manager, Customer Support and  
Information Division  
Development Services Department

STROHMINGER/JAP

Attachments:

1. Aerial Photograph
2. Project Location Map
3. Community Plan Land Use Map
4. Zoning Map
5. Crossroads Redevelopment Area
6. Project Data Sheet
7. Project Site Plan(s)
8. Project Plans/Vesting Tentative Map
9. Photo Simulation - Massing Presentation
10. Draft Map Conditions and Subdivision Resolution
11. Draft Permit with Conditions

12. Draft Resolution with Findings
13. Community Planning Group Recommendation
14. Ownership Disclosure Statement
15. Project Chronology