

DATE ISSUED: May 18, 2006

REPORT NO. PC-06-159

ATTENTION: **Planning Commission, Agenda of May 25, 2006**

SUBJECT: 4181 41ST STREET VESTING TENTATIVE MAP -
PROJECT NO. 84384- PROCESS FOUR

**OWNER/
APPLICANT:** Niche Properties, LLC (Attachment 14)

SUMMARY

Issue: Should the Planning Commission approve a Vesting Tentative Map for the conversion of eight (8) existing residential apartment units into condominiums and waive the requirement to underground existing overhead utilities for an Affordable/In-Fill Housing Expedite project located at 4181 41st Street in the Central Urbanized Planned District within the City Heights Community of the Mid-City Communities Plan?

Staff Recommendation:

1. **Approve** Vesting Tentative Map No. 269063; and
2. **Approve** the waiver to the requirement for the undergrounding of the existing overhead utilities.

Community Planning Group Recommendation: On November 7, 2005, the City Heights Area Planning Committee voted 10-4-1 to recommend approval of the proposed project with conditions (Attachment 10).

Environmental Review: This project is exempt from environmental review pursuant to Article 19, Section 15301(k), Existing Facilities, of the California Environmental Quality Act (CEQA). The environmental exemption determination for this project was made on October 17, 2005, and the opportunity to appeal that determination ended November 7, 2005. On October 19, 2005, Cory J. Briggs of the Briggs Law Corporation filed an appeal of the exemption of the environmental review. However, on February 8, 2006, Mr. Briggs withdrew his appeal and this project is not pending an appeal of the environmental determination.

Fiscal Impact: None with this action. All costs associated with the processing of this project are paid by the applicant.

Code Enforcement Impact: None with this action.

Housing Impact Statement: With the proposed conversion of eight (8) existing apartments to condominiums, there would be a loss of eight rental units and a gain of eight for-sale units. As a component of the application, the proposed project will conform to the Inclusionary Housing Ordinance Requirements and Council Policy 600-27(D) criteria for the Affordable/In-Fill Housing Expedite Program by setting aside all units on site (8 units) for households with an income at or below 150 percent Area Median Income (AMI), currently \$63,400 for a family of four. Furthermore, the proposed project is subject to the Tenant Relocation Assistance Regulations.

BACKGROUND

The 0.16-acre site is located at 4181 41ST Street, south of Orange Avenue in the City Heights Community of the Mid-City Communities Plan, and falls within the RM-1-3 Zone of the Central Urbanized Planned District (Attachment 1). The site is designated within the Mid-City Communities Plan for Residential use, 11-15 dwelling units per acre and is located within a Transit Area Overlay Zone (Attachment 3). The site is presently developed with a two story, eight-unit apartment building. The building consists of eight two bedroom apartment units, as well as eight off-street parking spaces.

The eight-unit apartment building was permitted in May 1967, when the zone was R-4, a multi-family residential zone, which permitted one unit per 400 square feet and would have allowed eight units on the property. The site was incorporated into the RM-1-3 Zone of the Central Urbanized Planned District in October of 2000, which permits one unit per 3,000 square feet and currently would allow two units on the property. At the time of the building permit, the parking regulations required one parking space per residential unit. The project provides eight off-street parking spaces where current regulations require 14 parking spaces for the project site. The project deviates from current landscape, parking, and may deviate from other development criteria. However, the project has previously conforming rights to be maintained as outlined in Chapter 12, Article 7, Division 1 of the San Diego Municipal Code (SDMC).

The existing development is bounded on the north and west by a mixture of single family and multi-family residential development; and a two story, multi-family residential development to the south. The property to the east, across the alley from the subject property, consists of multi-family residential development. The immediate area is surrounded by sites with similar zoning and land use designation. The Mid-City Communities Plan encourages the provision of market rate housing in a variety of types, sizes and costs to meet the needs of residents in all socioeconomic brackets and also recommends the rehabilitation of existing housing and the fostering of residential ownership in Mid-City.

DISCUSSION

Project Description:

The project proposes a Vesting Tentative Map for the subdivision of a 0.16-acre site to convert eight existing residential apartment units into condominiums and to consolidate two existing parcels into one lot (Attachment 5). The applicant is also requesting that the requirement for the undergrounding of the existing overhead utilities be waived.

Section 125.0410 of the SDMC requires that a Tentative Map or Vesting Tentative Map be processed for the subdivision of land. According to SDMC Sections 125.0440 and 125.0444, *Findings for Tentative Maps and for Condominium Conversions*, the decisionmaker may approve a Tentative Map or Vesting Tentative Map for the purposes of the conversion of residential property into a condominium project if the decisionmaker finds that the proposed conversion complies with the requirements of the Subdivision Map Act and the SDMC. Staff has reviewed the proposed condominium conversion and determined that it complies with both the Subdivision Map Act and the SDMC.

Undergrounding Waiver Request:

The project site is located on the east side of 41ST Street, south of Orange Avenue and north of Polk Avenue within Council District Three. San Diego Municipal Code Section 144.0240 allows the subdivider to apply for a waiver from 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, *Underground Conversion of Utility Lines at the Developer's Expense*, in that the conversion involves a short span of overhead facility and it has been determined that such conversion is not a part of a continuing effort to accomplish a total undergrounding within a specific street or area.

The applicant will be required to underground all existing service to the site per Condition No. 13 of the draft Vesting Tentative Map resolution (Attachment 7). The applicant would also be required to underground any new service run to any new or proposed structures within the subdivision per Condition No. 4 of the draft Vesting Tentative Map resolution (Attachment 7).

The neighborhood currently contains power poles and overhead utilities lines in the alley right-of-way to the rear. The utility lines to these poles extend to other properties located north and south within the alley. The pole closest to this property, which carries the line serving this site, is located within the rear alley right-of-way at the south property line of this site (Attachment 8). As indicated above, all utilities serving this property will be required to be undergrounded. The waiver is being requested for the requirement to underground adjacent utilities serving the surrounding properties. The City's Undergrounding Master Plan for Fiscal Year 2006 designates the site within Block 3N, and the date for undergrounding has been established for the year 2023 (Attachment 9).

Community Planning Group Recommendation:

The City Heights Area Planning Committee considered the project on November 7, 2005, and voted 10-4-1 to recommend approval with the group's standard conditions as follows: disapproval of the waiver of the underground utility requirement; that the project have motion sensitive alley lighting; the street number be displayed on the rear of the building (Attachment 10). As stated above, staff has determined the undergrounding waiver request qualifies under the guidelines of Council Policy 600-25, in that the conversion is a requirement of a condominium conversion of an existing development and the conversion involves a short span of overhead facilities less than a full block in length and the conversion would not represent a logical extension to an undergrounding facility. The applicant has agreed to the group's request for motion sensitive alley lighting and street number will be displayed on the rear of the building.

Project Related Issues:

The requested conversion of these residential units to condominiums represents primarily a change in ownership. The applicant has certified that the required 60-day Notice of Intent to Convert to Condominiums was provided to the tenants on July 28, 2005, and the names/addresses of persons receiving the notice (Attachment 1). Copies of the notices are on file in the Development Services Department. A sample of the "Information for Tenants" letter, the 60-day Notice, Statement Pursuant to SDMC Section 125.0431(b), and the 180 Day Notice of Intention to Convert that was provided by the applicant is also attached (Attachment 12).

The project complies with the Inclusionary Housing Ordinance Requirements and Council Policy 600 27(D) criteria for the Affordable/In-Fill Housing Expedite Program by setting aside all units on-site (8 units) for households with an income at or below 150 percent AMI. The project was deemed complete on October 3, 2005; therefore, the project is subject to the Tenant Relocation Assistance Regulations.

Conclusion:

Staff has reviewed the request for a Vesting Tentative Map for the conversion of eight residential apartment units into condominiums and the request to waive the requirement to undergrounding the existing overhead utilities, and has found the project to be in conformance with the applicable sections of the SDMC regulating Tentative Maps and Council Policy 600-25 regulating the undergrounding of existing overhead utilities. Staff has determined that the development is consistent with the land use designation of the Mid-City Communities Plan and believes the required findings can be supported (Attachment 7). Therefore, staff recommends that the Planning Commission acknowledge the Environmental Exemption and approve the project as proposed.

ALTERNATIVES:

1. **Approve** Vesting Tentative Map No. 269063 and the waiver to the requirement for the undergrounding of the existing overhead utilities, with modifications.

2. **Deny** Vesting Tentative Map No. 269063 and the waiver to the requirement for the undergrounding of the existing overhead utilities, if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

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STROHMINGER/JAP

Attachments:

1. Aerial Photo
2. Project Location Map
3. Community Plan Land Use Map
4. Project Data Sheet
5. Vesting Tentative Map Exhibit
6. Front and Rear Elevation Photo
7. Draft Map Conditions and Subdivision Resolution
8. Existing Overhead Utilities Photo
9. City's Undergrounding Master Plan – Block 3N
10. Community Planning Group Recommendation
11. Certification of Tenant Notice and Tenant List
12. Sample of "Information for Tenants" letter and Tenant Notices
13. Environmental Exemption
14. Ownership Disclosure
15. Project Chronology