

DATE ISSUED: November 9, 2006 **REPORT NO. PC-06-287**

ATTENTION: **Planning Commission, Agenda of November 16, 2006**

SUBJECT: 734 SAPPHIRE STREET – PROJECT NO. 80627
PROCESS NUMBER 4

**OWNER/
APPLICANT:** Matthew Browar and Nancy Browar, Trustees of the M.S. Browar Family
Trust (Attachment 11)/D. Scott Peters, Sterling Land Services, Inc.

SUMMARY

Issue(s): Should the Planning Commission approve a Tentative Map and Coastal Development Permit for the conversion of eight existing residential units to condominiums and waive the requirement to underground existing overhead utilities at 734 Sapphire Street in the RM-1-1 zone within the Pacific Beach Community Plan area?

Staff Recommendation:

1. **Approve** Tentative Map No. 251996, Coastal Development Permit No. 255712 and waive the requirement to underground existing overhead utilities.

Community Planning Group Recommendation: On January 25, 2006, the Pacific Beach Community Planning Committee voted 2- 1 to recommend approval of the project with no conditions.

Environmental Review: The project is exempt from environmental review pursuant to Article 19, Section 15301(k) of the California Environmental Quality Act (CEQA). This project is not pending an appeal of the environmental determination. The environmental exemption determination for this project was made on August 26, 2005, and the opportunity to appeal that determination ended September 12, 2005.

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

Code Enforcement Impact: None with this project.

Housing Impact Statement: This project is subject to the requirements of the Coastal Overlay Zone Affordable Housing Replacement Regulations of the San Diego Municipal Code Chapter 14, Article 3, Division 8, and the Inclusionary Housing requirements of San Diego Municipal Code Chapter 14, Article 2, Division 13. With the proposed conversion of eight existing apartments to condominiums there would be a loss of eight rental units and a gain of eight for-sale units.

BACKGROUND

The 0.14 acre site is located at 734 Sapphire Street, between Mission Boulevard and La Jolla Boulevard, in the Pacific Beach Community Plan area. The Pacific Beach Community Plan designates this site as low to medium residential density at 9 to 14 dwelling units per acre (Attachment 1). The property is zoned RM-1-1. The site is presently developed with a two-story, eight unit multi-family structure (Attachment 2). The building was constructed in 1970. The building contains five one-bedroom units and three two-bedroom units. The original development provided eight parking spaces. Multi-family residential development is to the east, west and south of the project and a commercial development is located north of the project (Attachment 3).

When the project was constructed in 1970 the site was zoned R-4. The existing development has previously conforming rights to be maintained as outlined in Chapter 12, Article 7, Division 1 on the Land Development Code. The development complies with the zoning and development regulations in effect at the time of construction and there are no active Building or Zoning Code violations for the subject property.

DISCUSSION

Project Description:

The project proposes a Tentative Map for the subdivision of a 0.14 acre site to convert eight existing residential units into condominiums and waive the requirement to underground existing overhead utilities (Attachment 4). Section 125.0410 of the San Diego Municipal Code (SDMC) requires a Tentative Map to 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 for the purposes of the conversion of residential property to a condominium property if the decisionmaker finds the proposed conversion complies with the requirements of the Subdivision Map Act and the San Diego Municipal Code. Section 126.001 of the SDMC requires a Coastal Development Permit be processed for any development in the Coastal Zone. The subdivision of land is deemed to be development and a Coastal Development Permit is required. In the Coastal Zone, a Tentative Map and Coastal Development Permit shall be processed for the subdivision of land (Attachment

5). Staff has reviewed the proposed condominium conversion and determined it complies with both the Subdivision Map Act and San Diego Municipal Code.

Undergrounding Waiver Request

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 less than a full block in length and it has been determined that such conversion would not represent a logical extension to an underground facility. The applicant would be required to underground any new service run to any new or proposed structures within the subdivision and all onsite utilities serving the subdivision shall be undergrounded with appropriate permits per finding number ten and condition number fifteen of the draft Tentative Map resolution (Attachment 7).

The site is served by existing overhead utility lines and a power pole is located on the west side of the alley. The existing pole and utility lines serve multiple properties. Neighboring sites from the subject property receive utility services from the overhead lines. Undergrounding those services would disrupt properties not included in the proposed project. The City's Undergrounding Master Plan for Fiscal Year 2006 designates the site within Block 2V. Scheduling and funding has yet to be determined by City Council for Block 2V (Attachment 8).

Condominium Conversion Regulations

The requested conversion of these residential units to condominiums represents primarily a change in ownership. This Tentative Map project is subject to the condominium conversion regulations in effect prior to June 13, 2006, based on the City Council's specific adoption language for the new condominium conversion regulations. This project is located in the Coastal Overlay Zone and is not subjected to the new condominium conversion regulations adopted July 27, 2006 because these regulations have not been certified by the California Coastal Commission. These new condominium conversion regulations do not apply to the proposed project.

The applicant has also certified the required 60-day Notice of Intent to Convert to Condominiums was provided to the tenants on June 3, 2005 (Attachment 9).

Affordable Housing Regulations

This project is subject to the requirements of the Coastal Overlay Zone Affordable Housing Replacement Regulations of the San Diego Municipal Code Chapter 14, Article 3, Division 8. The San Diego Housing Commission completed a tenant income survey of the existing residents which found one, one-bedroom unit occupied by a moderate-income household. The applicant

shall set aside one, one-bedroom replacement unit affordable to moderate-income households for a period of five years or pay the Coastal In-Lieu fee of \$12,800 pursuant to the Coastal Affordable Housing Replacement regulations of the Municipal Code at Sections 143.0810 through 143.0860.

This project is subject to the Inclusionary Housing requirements of San Diego Municipal Code Chapter 14, Article 2, Division 13. The Inclusionary Housing regulations require 10 percent of the units (0.8 units) be affordable at 100percent AMI or the applicant may pay an in -lieu fee of \$6,375 (based on 5,100 square feet of living space at a rate of \$1.25 per square foot).

For projects with both Inclusionary Housing and Coastal Affordable Housing requirements, the project is only subject to the more stringent of the two requirements, not both. The applicant has elected to pay the in-lieu fee. In this case, the Coastal Affordable Housing In-Lieu fee of \$12,800 is more stringent.

CONCLUSION

Staff has reviewed the request for a Tentative Map and Coastal Development Permit for the conversion of eight residential units into condominiums and the request to waive the requirements to underground existing overhead utilities. Staff has determined the project complies with the State Map Act, the applicable sections of the San Diego Municipal Code regulating Tentative Maps and Council Policy 600-25. Staff has determined the required findings can be supported and recommends the Planning Commission approve the project as proposed.

ALTERNATIVES

1. **Approve** Tentative Map No. 251996, Coastal Development Permit No. 255712 and waive the requirement to underground existing overhead utilities, with modifications.
2. **Deny** Tentative Map No. 251996, Coastal Development Permit No. 255712 and the waiver to underground existing overhead utilities, if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

Mike Westlake
Program Manager
Development Services Department

Cherlyn Cac
Project Manager
Development Services Department

ESCOBAR-ECK/CTC

Attachments:

1. Community Plan Land Use Map
2. Aerial Photograph
3. Project Location Map
4. Tentative Map
5. Draft Coastal Development Permit
6. Draft Coastal Development Resolution
7. Draft Map Conditions and Subdivision Resolution
8. Underground Project Schedule
9. 60-day Notice of Intent to Convert to Condominiums
10. Community Planning Group Recommendation
11. Ownership Disclosure Statement
12. Project Data Sheet
13. Project Chronology