

DATE ISSUED: October 13, 2011

ATTENTION: City of San Diego Historical Resources Board  
Meeting of October 27, 2011

SUBJECT: Bahia View Condominiums (south side of Market Street between 14th and 15th streets) – Extension of Site Development Permit No. 2007-27 – East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project

STAFF CONTACT: Lucy Contreras, Associate Planner

- REQUESTED ACTION: That the Historical Resources Board (“HRB”) recommends that the City of San Diego Planning Commission (“Commission”) grants approval of the Extension of Time (EOT) request for Site Development Permit No. 2007-27 (“Permit”) for the Bahia View Project (“Project”) located on the south side of Market Street between 14<sup>th</sup> and 15<sup>th</sup> streets in the East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (“Project Area”).

STAFF RECOMMENDATION: That the HRB recommends that the Commission grants approval of a three-year EOT for the Permit for the Project, including the removal, restoration, and incorporation into the Project of the 1888 portion of HRB Site No. 819, the Tourist Hotel building.

SUMMARY: The Permit for the Project was approved by the Commission on July 24, 2008. The Permit remained valid for a period of three years and was to expire on July 24, 2011. As permitted by the Centre City Planned District Ordinance (CCPDO) and the City of San Diego Land Development Code (LDC), Bahia View, LLC (“Applicant”) submitted a three-year EOT request prior to the expiration date. The scope and design of the Project remains the same as the approved Permit, and includes 95 residential condominiums (six affordable for-sale units) and approximately 5,000 square feet of commercial space in an eight-to-22-story (85 to 283 feet tall) building with 163 parking spaces in five subterranean levels. The Project also includes the removal, restoration and incorporation of the 1888 portion of HRB Site No. 819, the Tourist Hotel building. If granted, the Permit would be extended for an additional three years to expire on July 24, 2014.

FISCAL CONSIDERATIONS: The Applicant is seeking additional Floor Area Ratio (FAR) through the FAR Payment Bonus Program and proposes to purchase 1.0 FAR (15,000 square feet), resulting in a payment of \$241,950 to the Redevelopment Agency of the City of San Diego (“Agency”). Payment for the FAR will be collected upon issuance of building permits and will be utilized for the future acquisition and development of downtown park sites. The Agency will soon be considering a Corporation recommendation to defer 50 percent of the payment until construction is nearing completion.

ECONOMIC IMPACT: None with this action.

**CORPORATION RECOMMENDATION:** On September 28, 2011, the Corporation Board of Directors voted 8-0 (Shaw, Kilkenny, Relyea, McNeely, Oncina, Black, Jones, and Morgan) to support the staff recommendation.

**CENTRE CITY ADVISORY COMMITTEE RECOMMENDATION:**  
On September 21, 2011, the Centre City Advisory Committee (CCAC) voted 19-0, with two recusals, to support the staff recommendation and the Project Area Committee (PAC) voted 17-0, with two recusals, to support the staff recommendation.

OTHER RECOMMENDATIONS: None.

### BACKGROUND

On July 24, 2008, the Commission approved the Permit for the Project. Due to economic circumstances, the Project was not constructed within the Applicant's anticipated time frame and the Permit was to expire on July 24, 2011. Prior to the expiration date, the Applicant submitted a request for an EOT for the Permit in hopes of constructing the Project when the economy recovered.

Under the LDC, a development permit is valid for a period of three years from the date of approval. If the development permit has not been utilized, it may be extended provided the extensions do not exceed a total of an additional three years. The Project remains consistent with the scope and design of the approved Permit. The LDC requires an EOT to be reviewed in accordance with the same process required for a new application for the same development permit.

The Project includes the substantial alteration of a historical resource and, therefore, requires approval of a Process 4 Site Development Permit (SDP), subject to review and approval by the Commission. If the requested extension is approved, the new expiration date of the Permit will be July 24, 2014.

### DEVELOPMENT TEAM

<b>ROLE</b>	<b>FIRM/CONTACT</b>	<b>OWNERSHIP</b>
Property Owner/Developer	Bahia View Condominiums, LLC	Steve Gordon Howard E. Harmatz John J. Nichols David Zuckerman (Privately Owned)
Architect	TannerHecht Architects/ James Tanner, Project Architect	Jim Tanner David Hecht (Privately Owned)

PROJECT DESCRIPTION

The Project consists of a 22-story (283 feet) mixed-use residential tower with an eight-story (85 feet) townhouse building. It also includes the removal, restoration, and incorporation of a two-story locally-designated historical resource, the Tourist Hotel. The Project is comprised of 95 condominiums (89 market-rate and six affordable) and approximately 5,000 square feet of ground-level commercial space. Five levels of subterranean parking containing 163 parking spaces (1.7/unit) is provided.

The following is a summary of the Project:

Site Area	15,000 square feet
Maximum Floor Area Ratio (FAR) Permitted	6.0 / 10.0 – 12.1 (with TDR/Bonuses)
Minimum FAR Required	3.5
Proposed FAR	10.1
FAR Bonuses Proposed	1.0 Eco-Roof 1.0 FAR Purchase 2.1 Affordable Housing
Stories / Height	22 stories / 283 feet
Amount of Retail Space	4,978 square feet
Type of Housing	Condominiums
Total Number of Units / Total Residential Square Feet	95/160,702 square feet
Types of Units	5 Studio (500 sf. avg) Market Rate 1 Studio (500 sf. min) Affordable 14 1-br (908 sf. avg) Market Rate 1 1-br (558 sf. min) Affordable 63 2-br (1,493 sf. avg) Market Rate 3 2-br (1,068 sf. min) Affordable 6 3-br (1,831 sf. avg) Market Rate 1 3-br (1,300 sf. min) Affordable
Number of Units Demolished	13 SRO Hotel Rooms + 1 Manager's Unit
Inclusionary Housing Ordinance Compliance/ Number of Affordable Units	Combination of paying the in-lieu fee (for floor area earned from Eco-Roof and FAR Payment programs) and providing six units at 100% AMI
Parking Required	98 spaces (1.0/unit + 3 guest)
Proposed	163 spaces (1.7/unit; 1.0/br)
Assessor's Parcel No.	535-153-14 and -11

DISCUSSION

The Project site is located on a 15,000 square-foot parcel located on the south side of Market Street between 14th and 15th streets in the East Village neighborhood. The site is located at the mid-block of an East Village "super-block" and is currently occupied by two structures, one of

which is a locally-designated historical resource known as the Tourist Hotel. The Project site is surrounded by buildings on all three sides. Other uses on the block include a low-rise warehouse containing office uses and the eight-story "Element" condominium building to the east; a four-story senior residential project to the west (Pottiker Senior Residences); and, a two-story metal barn to the south (part of the formerly proposed Laundry Lofts residential project). Across Market Street, the west side of the super block includes the Albertson's grocery store, and a vacant future development site on the east half of the block.

The Project site is located within a Downtown Community Plan (DCP) designated Neighborhood Center (NC) of the CCPDO. The NC land use district is intended to be mixed-use in character and a focal point of the neighborhood. It is also within the Fine Grain Overlay which provides special development standards reinforcing the pedestrian scale of the public realm. Market Street is a designated Commercial Street and requires that a minimum of 60 percent of the ground floor street frontage be developed with active commercial uses such as retail, restaurants, and similar uses.

FAR Bonuses – The site has an allowable Base FAR of 6.0, with the ability to earn an additional 4.0 FAR through the FAR Bonus programs (not including the Affordable Housing FAR bonus, which may exceed the maximum FAR established for a site). The Project proposes an FAR of 10.1, earning 51,500 square feet (4.1 FAR) through the utilization of the Eco-Roof (1.0), FAR Payment (1.0), and Affordable Housing Bonus (2.1). This includes a 35 percent density bonus for the provision of six residential units made for affordable- to moderate-income residents.

FAR Payment Bonus Program – The Applicant is seeking to obtain 1.0 FAR (15,000 square feet) as part of the FAR Bonuses through the FAR Payment Bonus Program. The FAR Payment Bonus Program initially established the FAR Bonus payment at \$15/FAR square foot, with an annual adjustment for inflation based on the Consumer Price Index (CPI). Under the Bonus Program regulations, payment is to be collected at time of issuance of the first construction permit. Since an EOT is considered to be a new application under the regulations of the LDC, the required Bonus payment for the Project is projected to be \$241,950 (\$16.13/FAR square foot) versus \$230,100 (\$15.34/FAR square foot) as originally anticipated in 2008.

Design Analysis – The Applicant is not proposing to make changes to the previously-approved Project design. To summarize, the Project is comprised of three components—the tower, the eight-story townhouse building, and the two-story historic building knitted together by the vertical spine of a circulation core, which is predominantly featured on the Market Street frontage. The townhouse building is located opposite of the historical building and provides an intermediate scale between the tower and lower historical building. A recessed courtyard lobby entry sits between the historical building and the eight-story building. A comprehensive discussion of the various design elements of the Project can be found in the Commission report (Attachment B).

Tourist Hotel – The Project site is currently occupied by the Tourist Hotel, a locally-designated historical resource. The Tourist Hotel is comprised of two buildings that were constructed at two different times (circa 1888 and mid-1920s) and joined together with a later addition, and a smaller one-story building once known as the Gem Café. The Gem Café was identified as a potential historical resource in the 2008 African American Heritage Survey but was later reviewed by HRB and found not to be individually historically significant. The western two-thirds of the building is the original 1888 structure. The building is made of wood frame construction with horizontal

wood clapboard siding, large storefronts, decorative pilasters, a false balcony on Market Street, and wood frame and sash windows.

The Applicant presented the Project to the Design Assistance Subcommittee (DAS) of the HRB and the HRB on several occasions to solicit input on the Project as well as the relationship established between the new building and the historical resource. There was much discussion and debate about whether the structure should be retained or whether conserving only a portion of the building would be an acceptable compromise to allow development on the remainder of the block.

The Applicant presented an analysis of seven alternative scenarios to evaluate the feasibility of retaining substantial portions of the building. The most reasonable alternative for the Applicant that would allow a feasible amount of development while mitigating for the alteration of the historical resource is to remove the 1888 portion of the Tourist Hotel (the 1920's portion would be demolished but portions salvaged) from the site, temporarily store it off-site, rehabilitate it, and return it onto the underground parking garage as shown in the project drawings.

This alternative was presented to the HRB on January 24, 2008, who felt strongly that the entire Tourist Hotel structure be retained and rehabilitated on-site, with the ability to temporarily relocate the building to allow the construction of the underground parking garage.

After much debate at the Commission, it was agreed that the Applicant's proposal was the most financially feasible for the project and the most reasonable alternative for the preservation of The Tourist Hotel.

Site Development Permit – Under Chapters 11–14 of the LDC, a substantial alteration to a designated historical resource in which the project does not meet the Secretary of the Interior Standards (Standards) requires approval of a SDP by the Commission after recommendation by the HRB. As the Project is proposing substantial alteration of significant portions of The Tourist Hotel, a SDP is required.

Findings - In order to approve the SDP, the Commission must make specific findings to grant the SDP, as well as supplemental findings for the proposed substantial alteration to the historical resource. A thorough discussion of the findings can be found in Attachment B. As the project does not propose any changes from the initial approval, staff believes that the requisite findings can still be made and implementation of the appropriate Mitigation Measures will mitigate any impacts to the historical resource.

Environmental Review – This activity is covered under the Final Environmental Impact Report (FEIR) for the San Diego DCP, CCPDO, and 10<sup>th</sup> Amendment to the Redevelopment Plan for the Centre City Redevelopment Project (including all subsequent amendments) certified by the Redevelopment Agency pursuant to Resolution No. R-04001 adopted effective March 14, 2006, in compliance with the California Environmental Quality Act (CEQA). The FEIR is a “Program EIR” prepared in compliance with State CEQA Guidelines Section 15168. An Environmental Secondary Study will be prepared for the Project to evaluate the Project’s compliance with the above documents. If the ESS concludes that the environmental impacts of the Project were adequately addressed in the FEIR, and if the Project is within the scope of the development

program described in the FEIR, then no further environmental documentation will be required under CEQA.


CONCLUSION

The Project furthers the DCP goals and objectives in an attractive and sensitive design that integrates a designated historical resource while achieving development and population goals. The Project would also provide additional affordable units to downtown's housing stock. The Project's design and scope are identical to the previously approved Permit which was found consistent with the DCP, the LDC, and the PDO. Therefore, staff recommends that the HRB recommends that the Commission grant a three-year EOT of the Project until July 24, 2014.

Respectfully submitted,

Concurred by:

  
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Lucy Contreras  
Associate Planner

  
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Frank J. Alessi  
Executive Vice President & Chief Financial  
Officer

  
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Brad Richter  
Assistant Vice President, Planning

Attachments: A – Site Development Permit No. 2007-27  
Basic Concept Drawings