

**DRAFT CANDIDATE FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS
FOR THE
4th CORNER APARTMENTS PROJECT
PROJECT No. 661800
SCH No. 2017081051**

I. INTRODUCTION

A. Findings of Fact and Statement of Overriding Considerations

The following Candidate Findings are made for the 4th Corner Apartments Project (hereinafter referred to as "Project"). The environmental impacts of the Project are addressed in the Final Environmental Impact Report (FEIR) dated November 18, 2020 (State Clearinghouse No. 2017081051), which is incorporated by reference herein.

The California Environmental Quality Act (CEQA) (Pub. Res. Code §§21000, *et seq.*) and the State CEQA Guidelines (Guidelines) (14 Cal. Code Regs §§15000, *et seq.*) require that no public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental impacts of the project unless the public agency makes one or more written findings for each of those significant impacts, accompanied by a brief explanation of the rationale for each finding. The possible findings are:

1. Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental impact as identified in the Final EIR.
2. Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
3. Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

CEQA also requires that the findings made pursuant to §15091 be supported by substantial evidence in the record (§15091(b) of the State CEQA Guidelines). Under CEQA, substantial evidence means that enough relevant information has been provided (and reasonable inferences from this information may be made) that a fair argument can be made to support a conclusion, even though other conclusions might also be reached. Substantial evidence may include facts, reasonable assumptions predicted upon facts, and expert opinion supported by facts (§15384 of the State CEQA Guidelines).

CEQA further requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental effects when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable"

(§15093(a) of the State CEQA Guidelines). When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the Final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its actions based on the Final EIR and/or other information in the record.

B. Record of Proceedings

For purposes of CEQA and these Findings and Statement of Overriding Considerations, the Record of Proceedings for the Project consists of the following documents and other evidence, at a minimum:

- The Notice of Preparation (NOP), dated August 25, 2017, and all other public notices issued by the City in conjunction with the Project;
- The Draft EIR (DEIR), dated October 2, 2020;
- The FEIR, dated November 18, 2020;
- All written comments submitted by agencies or members of the public during the public review comment period on the DEIR;
- All responses to written comments submitted by agencies or members of the public during the public review comment period on the DEIR and included in the FEIR;
- The Mitigation Monitoring and Reporting Program (MMRP);
- The reports and technical memoranda included or referenced in the FEIR;
- All documents, studies, EIRs, or other materials incorporated by reference in the DEIR and the FEIR;
- Matters of common knowledge to the City, including but not limited to federal, state and local laws and regulations;
- Any documents expressly cited in these Findings and Statement of Overriding Considerations; and
- Any other relevant materials required to be included in the Record of Proceedings pursuant to Public Resources Code §21167.6(e).

C. Custodian and Location of Records

The documents and other materials which constitute the administrative record for the City of San Diego's (City's) actions related to the Project are located at the City of San Diego, Development Services Department (DSD), 1222 1st Avenue, 5th Floor, San Diego, CA 92101. The City DSD is the custodian of the administrative record for the Project. Copies of these documents, which constitute the Record of Proceedings, are and at all relevant times have been and will be available upon request at the offices of the City DSD. The DEIR was also placed on the City's website at www.sandiego.gov/ceqa/draft, and the FEIR was placed on the City's website at www.sandiego.gov/final. This information is provided in compliance with Public Resources Code §21081.6(a)(2) and CEQA Guidelines §15091(e).

II. PROJECT SUMMARY

A. Project Location

The 0.87-acre Project site is centrally located in metropolitan San Diego in the Teralta neighborhood of the City Heights community within the Mid-City Community Planning area. The fully developed project site is located approximately 9 miles east of the Pacific Ocean, 4 miles north of downtown San Diego, 2 miles south of Interstate (I-) 8, and approximately 0.4 mile east of I-15.

B. Project Objectives and Description

Project Objectives

The objectives of the 4th Corner Apartments Project are as follows:

1. Assist the City of San Diego in expanding its regional housing stock of rental housing in accordance with the goals established in the General Plan Housing Element;
2. Maximize the supply of affordable family housing rental units in City Heights community for low-income households;
3. Create a coherent and cohesive building site and site design that is compatible in scale and character and enhances the existing community character and streetscape in the City Heights community, in accordance with the Mid-City Communities Plan and other applicable regulations;
4. Take advantage of charitably donated land in City Heights to minimize the need for additional financial resources earmarked for affordable-housing developments;
5. Redevelop the project site to cluster high-density housing opportunities along transportation corridors in the City Heights community where transit and other amenities are readily available;
6. Use architecture and design elements to ensure high-quality aesthetics, transparency, space efficiencies, and community/resident security;
7. Create ground-floor community meeting space that is available for convenient use by the general public; and
8. Complete the redevelopment of properties at the intersection of University and Fairmount Avenues.

Project Description

The 4th Corner Apartment Project proposes to redevelop the Project site with an infill development consisting of mixed uses that would provide 75 multiple dwelling units (DU) along with 1,818 SF of community space for use by the general public. All of the residential units, with the exception of the manager's unit, would be affordable within the low income category of 60% of the average median income (AMI). The project is proposed consistent with the State density bonus law, specifically Assembly Bill (AB) 1763 and its amendments to Government Code Section 65915 and City of San Diego Affordable Housing Regulations (SDMC §143.0700).

The 131,998 SF building is designed in a contemporary style of architecture with storefront glazing at the ground-level community space, accent materials on the exterior façade (such as brick, concrete, and siding), and color to reduce the massing and bulk of the building. The building would be four stories of residential wood construction, over an at-grade parking structure. To enhance the pedestrian experience along the Fairmount Avenue frontage, approximately 2.3 feet (equal to 696 SF) of property would be dedicated to the City as additional right-of-way to facilitate installation of a 10-foot-wide urban parkway with a non-contiguous sidewalk, landscaping, and lighting. The entrances to the community space, lobby, and residential leasing office would be located on the Fairmount Avenue frontage. Vehicular access to the project and the parking structure would be via a full access driveway to the existing alley on the east side of the residential building.

New sidewalk, curbs, and gutters would be installed adjacent to the project site along Fairmount Avenue and all six existing non-utilized driveways would be closed and replaced with full-height curb and gutter. The Project would reconstruct the full width of the existing unnamed alley adjacent to the site, from Polk Avenue to University Avenue. The existing overhead electrical facilities and other public utility systems and service facilities in the unnamed alley would be undergrounded along the eastern boundary of the project site, from Polk Avenue to University Avenue. Short-term and long-term bicycle storage would be provided on the Project site.

Implementation of the Project would require the demolition of San Diego Historical Landmark No. 525, American Legion Hall, which requires approval of a Site Development Permit (SDP). A Tentative Map is proposed to consolidate six contiguous lots into a single lot.

III. ENVIRONMENTAL REVIEW PROCESS AND PUBLIC PARTICIPATION

The lead agency approving the Project and conducting environmental review under CEQA (California Public Resources Code §§21000, et seq., and the Guidelines promulgated thereunder in California Code of Regulations, Title 14, §§15000 et seq. (CEQA Guidelines), shall be the City. The City as lead agency shall be primarily responsible for carrying out the Project.

In compliance with §15082 of the State CEQA Guidelines, the City published a Notice of Preparation (NOP) on August 25, 2017, which began a 30-day period for comments on the appropriate scope of the EIR. The City received comments on the NOP which were taken into consideration during the preparation of the DEIR (refer to Appendix A of the FEIR).

The City published a DEIR addressing the Project on October 2, 2020 in compliance with CEQA. Pursuant to State CEQA Guidelines §15085 and upon publication of the DEIR, the City made the DEIR available for review and comment by the public for a period of 30 days. The City also posted a Notice of Availability of the DEIR at this time pursuant to State CEQA Guidelines §15087. During the public review period, the City received one comment letter on the environmental document. After the close of public review period, the City provided responses in writing to all comments received on the DEIR.

The FEIR for the Project was published on November 18, 2020. The FEIR has been prepared in accordance with CEQA and the State CEQA Guidelines (§15132).

IV. SUMMARY OF IMPACTS

Impacts associated with specific issue areas resulting from approval of the Project are discussed below.

The FEIR concludes the Project would have **no impacts** with respect to the following issue areas:

- Agriculture and Forestry Resources
- Biological Resources
- Mineral Resources
- Visual Effects/Neighborhood Character

The FEIR concludes the Project would have **less than significant impacts** and require no mitigation measures with respect to the following issue areas:

- Transportation and Circulation
- Air Quality
- Energy
- Geologic Conditions
- Greenhouse Gas Emissions
- Health and Safety
- Hydrology
- Paleontological Resources
- Population and Housing
- Public Services and Facilities
- Tribal Cultural Resources
- Utilities and Service Systems
- Water Quality

The FEIR concludes the Project would potentially have a **significant impact but mitigated to below a level of significance** with respect to the following issue area:

- Noise (Direct construction-period noise levels)

The FEIR concludes the Project would potentially have a **significant unavoidable impact** and no feasible mitigation measures are available to reduce impacts to below a level of significance for the following issue areas:

- Land Use (Direct and cumulative impacts related to inconsistency with policies regarding the protection and preservation of historic resources)
- Historical Resources (Direct and cumulative impacts related to the demolition of a designated or listed historic building)

V. FINDINGS REGARDING SIGNIFICANT IMPACTS

The Findings incorporate the facts and discussions in the FEIR for the Project as fully set forth therein.

A. Findings Regarding Impacts That Will be Mitigated to Below a Level of Significance (CEQA §21081(a)(1) and CEQA Guidelines §15091(a)(1))

The City, having independently reviewed and considered the information contained in the FEIR and the public record for the Project, finds, pursuant to Public Resource Code §21081(a)(1) and State CEQA Guidelines §15091(a)(1), that changes or alterations have been required in, or incorporated into, the Project which would mitigate, significantly lessen or avoid the significant effects on the environment related to the following issue:

NOISE

Ambient Noise Increase (Issue 1)

Impact

Implementation of the Project has the potential to significantly impact off-site noise-sensitive receptors (i.e., residences) through temporary increase in ambient noise levels caused by construction noise that has the potential to exceed the 12-hour 75 dBA Leq standard at the property line contained in Section 59.0404 of the San Diego Municipal Code (SDMC).

Facts in Support of Finding

Construction associated with the Project includes noise associated with demolition of the existing commercial building and other site improvements, site grading, and building construction activities. The anticipated equipment used on site would include a jackhammer, bobcat/dozer, backhoe/tractor, grader, and dump truck. Noise levels from the demolition activities could reach short-term peak levels exceeding 90 dBA; however, this noise level would be periodic rather than constant. Empirical data was referenced from another noise study and used to assess the project's construction-related noise impacts. Based on those data, the worst-case hourly construction noise level was found to be 82 dBA Leq at an average distance of 25 feet, which would exceed the 75 dBA average at the sensitive receptors located east of the site.

Mitigation Measures

The potentially significant impact to ambient noise levels in the Project area would be mitigated to below a level of significance with implementation of the Mitigation Measure NOI-1, as identified in Section 5.4.3.4 of the FEIR. Implementation of Mitigation Measure NOI-1 requires the development and implementation of a noise control plan that includes construction equipment noise level controls, neighbor notification of construction activities, and a noise control monitoring program by an acoustician.

Finding

Implementation of actions pursuant to Mitigation Measure NOI-1 would reduce impacts to ambient noise levels to less than significant.

Reference

See FEIR Section 5.4 for a complete discussion of the construction noise impacts associated with the Project.

B. Findings Regarding Impacts That Are Found to be Significant and Unavoidable (CEQA §21081(a)(3) and CEQA Guidelines §15091(a)(3))

The City, having reviewed and considered the information contained in the FEIR and the Record of Proceedings and pursuant to Public Resources Code §21081 (a)(3) and State CEQA Guidelines §15091 (a)(3), makes the following findings regarding Land Use and Historical Resources.

Specific economic, legal, social, technological, or other considerations, including considerations of the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the FEIR as described below.

“Feasible” is defined in Section 15364 of the CEQA Guidelines to mean “capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors.” The CEQA statute (Section 21081) and Guidelines (Section 15019(a)(3)) also provide that “other” considerations may form the basis for a finding of infeasibility.

These findings are based on the discussion of impacts in Sections 5.1 and 5.3 of the FEIR.

LAND USE

Plan and Policy Consistency (Issue 1)

Impact

Project implementation would require the demolition of a historical building that would result in significant and unavoidable land use impacts related to historic preservation goals contained in the Historic Preservation Element of the General Plan and the historic preservation policy of the Mid-City Communities Plan.

Facts in Support of Finding

The subject property is listed on the San Diego Register of Historic Places. Per San Diego Municipal Code Section 126.0502 (d)(1)(E) “Development that deviates from the Historical Resources Regulations, as described in Section 143.0210” would require a Site Development Permit (SDP). The proposed demolition of the American Legion Hall would be inconsistent with *The Secretary of the Interior’s Standards for the Treatment of Historic Properties* because the historical character of the historical resource would not be retained or preserved in accordance with Historical Resources Regulations of the Land Development Code. As such, the project would be required obtain a SDP for deviations from the Historical Resources Regulations and to mitigate its impacts to the historical resource, to the extent feasible.

Mitigation Measures

Implementation of actions pursuant to Mitigation Measures HR-1 through HR-4, as described in Section 5.3 of the FEIR, would reduce impacts to historic buildings, structures, objects, and sites by

documenting the resource, providing a community meeting space for the general public, integrating an interpretive display on site, and offering architectural materials for salvage. However, because demolition would result in the physical loss of a listed historic resource and is not consistent with *The Secretary of the Interior's Standards for the Treatment of Historic Properties*, the policy inconsistency would not be reduced to a less than significant level.

Finding

Although the Project would implement Mitigation Measures HR-1 through HR-4, these measures would not fully mitigate impacts to significant historical resources of the built environment. Thus, impacts to historic buildings, structures, objects, or sites are determined to be significant and unavoidable.

Reference

See FEIR Section 5.1 for a complete discussion of the land use impact related to historical resource preservation policy inconsistencies associated with the Project.

HISTORICAL RESOURCES

Historical Resources (Issue 1)

Impact

Demolition of the American Legion Hall at 4061 Fairmount Avenue, which is designated on the local register as historically significant, would result in significant and unavoidable impacts related to the alteration of a historic building, structure, object, or site.

Facts in Support of Finding

The project would demolish the American Legion Hall at 4061 Fairmount Avenue, which is designated on the local register as a historically significant resource as noted under Section 3.3.1, *Existing Conditions* of the FEIR. An analysis of the demolition proposal was conducted in the Historical Resources Technical Report contained in Appendix G to the EIR. The proposed demolition is not consistent with the *Secretary of Interior's Standards for the Treatment of Historic Properties* (36 CFR Part 68) and their applicable guidelines because the historical character of the historical resource would not be retained or preserved. Thus, demolition of the American Legion Hall and its character-defining features would be considered a significant impact.

Mitigation Measures

Implementation of actions pursuant to Mitigation Measures HR-1 through HR-4, as described in Section 5.3 of the FEIR, would reduce impacts to the American Legion Hall by documenting the resource, providing a community meeting space for the general public, integrating an interpretive display on site, and offering architectural materials for salvage. However, because demolition would result in the physical loss of a listed historic resource and is not consistent with *The Secretary of the Interior's Standards for the Treatment of Historic Properties*, the demolition of the resource and its character-defining features would not be reduced to a less than significant level.

Finding

Although the Project would implement Mitigation Measures HR-1 through HR-4, these measures would not fully mitigate impacts to significant historical resources of the built environment. Thus, impacts to historic buildings, structures, objects, or sites are determined to be significant and unavoidable.

Reference

See FEIR Section 5.3 for a complete discussion of the historical resources impacts associated with the Project.

C. Findings Regarding Alternatives (CEQA §21081(a)(3) and CEQA Guidelines §15091(a)(3))

In accordance with §15126.6(a) of the Guidelines, an EIR must contain a discussion of "a range of reasonable alternatives to a project, or the location of a project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives." The §15126.6(f) further states that "the range of alternatives in an EIR is governed by the 'rule of reason' that requires the EIR to set forth only those alternatives necessary to permit a reasoned choice." Thus, the following discussion focuses on alternatives to the Project that are capable of eliminating significant environmental impacts or substantially reducing them as compared to the Project, even if the alternative would impede the attainment of some project objectives, or would be more costly. In accordance with §15126.6(f)(1) of the Guidelines, among the factors that may be taken into account when addressing the feasibility of alternatives are: (1) site suitability; (2) economic viability; (3) availability of infrastructure; (4) general plan consistency; (5) other plans or regulatory limitations; (6) jurisdictional boundaries; and (7) whether the proponent can reasonably acquire, control, or otherwise have access to the alternative site.

As required in §15126.6(a), in developing the alternatives to be addressed in this section, consideration was given to an alternative's ability to meet most of the basic objectives of the project. Because the Project will cause potentially significant environmental effects unless mitigated, the City must consider the feasibility of any environmentally superior alternatives to the project, evaluating whether these alternatives could avoid or substantially lessen the potentially significant environmental effects while achieving most of the objectives of the Project.

Because the Project will cause one or more unavoidable significant environmental impacts, the City must make findings with respect to the alternatives to the Project considered in the FEIR, evaluating whether these alternatives could feasibly avoid or substantially lessen the Project's unavoidable significant environmental impacts while achieving most of its objectives (listed in Section V.B above and Sections 5.1 and 5.3 of the FEIR).

The City, having reviewed and considered the information contained in the FEIR and the Record of Proceedings, and pursuant to Public Resource Code §21081(a)(3) and State CEQA Guidelines §15091(a)(3), makes the following findings with respect to the alternatives identified in the FEIR.

Specific economic, legal, social, technological, or other considerations, including considerations of the provision of employment opportunities for highly trained workers, make infeasible the

mitigation measures or alternatives identified in the FEIR (Project No. 661800 / SCH No. 2017081051) as described below.

"Feasible" is defined in §15364 of the CEQA Guidelines to mean "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors." The CEQA statute (§21081) and Guidelines (§15019(a)(3)) also provide that "other considerations" may form the basis for a finding of infeasibility.

Alternatives under Consideration

The FEIR evaluated the following alternatives in detail:

- No Project/No Development
- Full Rehabilitation Alternative, and
- Partial Rehabilitation Alternative

These Project alternatives are summarized below, along with the findings relevant to each alternative.

1. No Project/No Development Alternative

Pursuant to CEQA Guidelines §15126.6(e)(3)(B), the No Project Alternative is the "circumstance under which the project does not proceed." Under the No Project/No Development Alternative for this EIR, construction of the 4th Corner Apartment Project would not occur. The site would remain as it is today and the vacant commercial structure at 4061 Fairmount Avenue would remain. The at-grade parking lot, small storage shed, urban gardens, underground utilities, concrete hardscaping, and perimeter security fencing would remain on site. No changes to the existing site would occur under the No Project/No Development Alternative. The existing parkway and sidewalk along the project frontage would remain.

Potentially Significant Impacts

There would be no significant impacts associated with the No Project/No Development Alternative as described in Section 8.4.1 of the FEIR. Without demolition of the American Legion Hall, there would not be a physical impact to a historical resource, avoiding significant and unavoidable Project impacts to land use and historical resources. Temporary construction noise impacts to ambient noise levels near noise-sensitive land uses would also be avoided by this alternative. No transportation and circulation impacts would occur under this alternative.

Facts In Support of Finding

While the No Project/No Development Alternative would eliminate two significant and unavoidable impacts (land use and historical resources) and one significant and mitigated impact (noise) resulting from the Project, it would not meet any of the Project objectives. Under the No Project Alternative no affordable family housing would be constructed under this alternative and it would not achieve the project's basic objectives related to assisting the City in expanding its regional housing stock of rental housing, maximizing the supply of affordable family housing rental units in City Heights, creating a coherent and cohesive building site, redeveloping the project site to cluster high-density

housing opportunities along transportation corridors, and completing the redevelopment of properties at the intersection of University and Fairmount Avenues.

Specifically, the No Project/No Development Alternative would conflict with Housing Element policies of the General Plan related to allowing residential densities that exceed the ranges defined in the General Plan for projects using State density bonus provisions (HE-A.4); striving to promote housing in proximate to employment and multimodal transportation facilities (HE-C.3); encouraging inter-generational models to help meet the housing needs of lower-income individuals and promote their development within transit priority areas (HE-I.9); supporting housing developments that support inclusive, racially and ethnically diverse residential communities (HE-1.13); encouraging new housing that relies on and supports transit use (HE-O.2); and providing incentives for residential and mixed-use development at major transit nodes, along transit corridors, and other locations suitable for high-intensity housing (HE-O.3), among other policies.

Finding

The No Project/No Development Alternative is rejected because specific economic, social, or other considerations including matters of public policy make this alternative infeasible.

Rationale

Although the No Project/No Development Alternative would eliminate significant impacts to land use, historical resources and noise associated with the Project, it does not meet the project objectives outlined in Section 3.1.1 of the FEIR.

Reference

See FEIR Section 8.4.1 for a complete analysis of this alternative.

2. Full Rehabilitation Alternative

Under the Full Rehabilitation Alternative, the entire 7,936 SF historic structure would be retained on site, rehabilitated (e.g., repairs and updated windows, plumbing, flooring, finishes, and roofing), and repurposed to provide community space/office/kitchen/storage areas. Based on a preliminary layout presented in the FEIR, the affordable housing units would be constructed in an approximately 77,000 SF, five-story residential structure to the south of the rehabilitated structure and above the ground-floor parking garage. Retention of the existing historic structure would reduce the on-site developable area, resulting in 16 fewer affordable residential units (i.e., 59 DU as compared to 75 DU) with a higher mix of two-bedroom than three-bedroom units. This alternative would include a 2,240 SF non-residential meeting space for the City Heights community. This alternative would include dedication along the project frontage to construct an improved parkway with a non-contiguous sidewalk and landscaping for pedestrians.

Potentially Significant Impacts

Rehabilitation and repurpose of the American Legion Hall would not result in a physical loss of a listed historical resource, thus avoiding Project impacts to land use and historical resources. Less than significant transportation and circulation impacts would be associated with the Full

Rehabilitation Alternative. Significant construction noise impacts to ambient noise levels near noise-sensitive land uses would still occur and require mitigation.

Facts In Support of Finding

While the Full Rehabilitation Alternative would eliminate two significant and unavoidable impacts (land use and historical resources), it would not meet most of the Project objectives. The Full Rehabilitation Alternative would achieve some but not all of the project objectives in that only 78% of the Project site would be available for affordable housing development, resulting in 15 fewer family units, which is inconsistent with City housing policies related to the need to construct rental housing to address low vacancies and supply for low-income families as identified in the latest Regional Housing Need Assessment Plan (RHNA) by SANDAG (2020) and incorporated into the Sixth Cycle of the City's Housing Element (2020). The City must construct over 17,331 low income housing units and 27,549 very-low income housing units to reach its regional housing allocation established by SANDAG. Any reduction in potential housing units would lessen the City's ability to achieve its RHNA allocation and would not maximize the number of affordable housing units for families in City Heights.

By implementing the Full Rehabilitation Alternative, the rehabilitated stucco facade and limited glazing of the American Legion Hall would not provide the architectural transparency envisioned in the Mid-City Communities Plan and Central Urbanized Planned District development regulations. The Full Rehabilitation Alternative would also result in space inefficiencies related to having the community meeting space situated behind the storefront office space, thus making it only accessible from the parking garage and introducing site security concerns related to non-resident access to the property. The alternative building configuration would also result in internal space inefficiencies with regard to resident amenities (i.e., second-story resident lounge inside the rehabilitated structure).

To retain and rehabilitate the American Legion Hall in place, the 4th Corner Project's proposed unit count would be reduced from 75 units to 59 units, which is a reduction in revenue producing units. The Full Rehabilitation Alternative would result in a net loss of 16 units (or 20% of the proposed units). The 4th Corner Project is designed to serve families and each unit would be sized accordingly with larger than average two- and three-bedroom units. Constructing 15 fewer family units (i.e., generally equal to 36 fewer bedrooms) would be a loss to the City Heights community, an area of San Diego currently lacking in affordable family housing units. In addition, additional financial resources would be required to complete the rehabilitation of the America Legion Hall. Per the Economic Alternative Analysis produced by London Moeder, this alternative's per-unit cost would be \$54,556 more than the Project and result in a \$3.9 million funding gap as compared to the Project which would be adequately funded (London Moeder 2020; City of San Diego Economic Development 2020). The gap in funding would require the applicant to obtain additional financing through a subordinate/mezzanine loan.

Therefore, the Full Rehabilitation Alternative is considered infeasible on the basis of social, economic and public policy considerations.

Finding

The Full Rehabilitation Alternative is rejected because specific economic, social, or other considerations including matters of public policy make this alternative infeasible.

Finding

The Full Rehabilitation Alternative is rejected because specific economic, social, or other considerations including matters of public policy make this alternative infeasible.

Rationale

Although the Full Rehabilitation Alternative would eliminate significant impacts to land use and historical resources associated with the Project, it does not meet the project objectives outlined in Section 3.1.1 of the FEIR.

Reference

See FEIR Section 8.4.2 for a complete analysis of this alternative.

3. Partial Rehabilitation Alternative

Under the Partial Rehabilitation Alternative, the front (two-story) portion of the American Legion Hall would be retained on site, rehabilitated, and repurposed to provide office and resident amenity space. The rear (single-story) portion of the American Legion Hall would be demolished to make way for the ground-floor community space and resident amenities behind the two-story rehabilitated structure. Residential units would be constructed above the new resident and community meeting space constructed in the area formerly occupied by the one-story portion of the American Legion Hall. Based on a preliminary layout presented in the FEIR, this alternative would involve the construction of an approximately 91,200 SF, five-story residential structure, including residential amenities and 1,890 SF of ground-floor non-residential community space inside the first floor of the new structure. Under this alternative, the reduced site area available for residential development would result in the construction of 71 DU (i.e., a 4-unit and eight-bedroom reduction from the project) with over twice as many two-bedroom units as three-bedroom units, similar to the project. Access to the community meeting space would be through the resident lobby space as compared to the project where there would be a dedicated entrance off the street. The retained historic structure would be connected to the new residential structure at the second-story level and provide resident lounge space on its second level. This alternative would include dedication along the project frontage to construct an improved parkway with a non-contiguous sidewalk and landscaping for pedestrians.

Potentially Significant Impacts

Partial rehabilitation and repurpose of the two-story section of the American Legion Hall would not eliminate the physical impact to the historical resource because the building merited listing on the local register under Criteria A (Community Development), B (Historical Personage) and D (Master Builder), but not for its architectural significance associated with Criteria C (Design and Construction). Retaining the two-story portion of the building would preserve some of the building's integrity of association with its Master Builder noted under Criterion D. However, demolition would significantly impact the building's integrity under both Criterion A and B. Therefore, the mitigation measures required for the Project would be required for this alternative. The Partial Rehabilitation Alternative would lessen but not eliminate the Project's significant and unavoidable impacts to land use and historic resources. Less than significant transportation/circulation impacts are associated

with the Partial Rehabilitation Alternative. The significant construction noise impacts to ambient noise levels near noise-sensitive land uses would still occur and require mitigation.

Facts In Supporting Finding

The Partial Rehabilitation Alternative would not eliminate the Project's significant and unavoidable impacts (i.e., land use and historical resources) and it would not meet most of the Project objectives. The Partial Rehabilitation Alternative would achieve some but not all of the project objectives in that four fewer family units would be constructed compared to the project, which would be inconsistent with City housing policies related to the need to construct rental housing to address low vacancies and supply as identified in the latest RHNA Plan by SANDAG (2020) and incorporated into the Sixth Cycle of the City's Housing Element (2020). The City must construct over 17,331 low income housing units and 27,549 very-low income housing units to reach its regional housing allocation established by SANDAG. Any reduction in potential housing units would lessen the City's ability to achieve its RHNA allocation and would not maximize the number of affordable housing units for families in City Heights.

In addition, retention of the American Legion Hall structure along Fairmount Avenue as part of the Partial Rehabilitation Alternative would not produce the same amount of architectural transparency intended to activate the streetscape as the Project as envisioned in the Mid-City Communities Plan and CUPD development regulations. The Partial Rehabilitation Alternative would also result in space inefficiencies related to having the community meeting space situated behind and disconnected from the storefront office space, thus making it only accessible from the parking garage and introducing site security concerns related to non-resident access to the property. The alternative building configuration would also result in internal space inefficiencies with regard to resident amenities (i.e., second-story resident lounge inside the rehabilitated structure disconnected from the other resident amenity space on the ground floor).

To retain and rehabilitate the two-story section of the American Legion Hall in place, the 4th Corner Project's proposed unit count would be reduced from 75 units to 71 units, resulting in a reduction in revenue producing units. The Partial Rehabilitation Alternative would result in a net loss of 4 units (or 6% of the proposed units). The 4th Corner Project is designed to serve families and each unit will be sized accordingly with larger than average two- and three-bedroom units. Constructing 4 fewer family units (i.e., generally equal to 12 fewer bedrooms) will be a loss to the City Heights community, an area of San Diego currently lacking in affordable family housing units. In addition to the cost of implementing the required mitigation, additional financial resources would be required to complete the rehabilitation of the two-story portion of the America Legion Hall. Per the Economic Alternative Analysis produced by London Moeder, this alternative's per-unit cost would be \$30,019 more than the Project and results in a \$1.9 million funding gap as compared to the Project which will be adequately funded (London Moeder 2020; City of San Diego Economic Development 2020). The gap in funding would require the applicant to obtain additional financing through a subordinate/mezzanine loan.

Therefore, the Partial Rehabilitation Alternative is considered infeasible on the basis of social, economic and public policy considerations.

Finding

The Partial Rehabilitation Alternative is rejected because specific economic, social, or other considerations including matters of public policy make this alternative infeasible.

Rationale

Although the Partial Rehabilitation Alternative would partially eliminate significant impacts to land use and historical resources associated with the Project, it does not meet the project objectives outlined in Section 3.1.1 of the FEIR.

Reference

See FEIR Section 8.4.3 for a complete analysis of this alternative.

VI. FINDINGS REGARDING OTHER CEQA CONSIDERATIONS

A. Growth Inducement

The §15126.2(e) of the CEQA Guidelines mandates that the growth-inducing impact of a project be discussed. This discussion is presented in Section 7.2 of the FEIR. The City finds that the Project would not result in growth-inducing impacts.

The Project is an infill redevelopment project that would provide multifamily residential units within an urbanized area that has an existing circulation network and infrastructure in place to serve the development.

The Project site and surrounding area are currently developed with residential, commercial, institution, and recreational uses with adequate utility services. While the Project would add residential development, it would not result in substantial growth inducement because the site is previously developed and located in a developed community in the City of San Diego. The infill redevelopment nature of the Project would not foster population growth, either directly or indirectly, as it would accommodate the population currently existing rather than opening up a new area of land for population growth. The Project would not alter the planned location, distribution, density, or growth rate of City Heights, adjacent communities, or the City as a whole.

Although the Project includes improvements to existing on-site utilities such as water, sewer, and electricity, these improvements would be sized to only serve the needs of the Project and would not extend into previously unserved areas. No new infrastructure would be provided that would exceed the needs of the Project and/or that could accommodate future growth not already planned for the project area. Additionally, the Project site is currently developed with two structures and associated surface parking. Development of a new four-story mixed-use building with 75 DU, non-residential community space, and at-grade parking garage would not foster economic or population growth, either directly or indirectly, such that construction of additional housing in the surrounding area would be required. For these reasons, the Project would not encourage or facilitate growth-inducing activities that could significantly affect the surrounding environment, individually or cumulatively.

B. Significant Environmental Effects that Cannot Be Avoided if the Project is Implemented

CEQA Guidelines §15126.2(b) requires an EIR to identify significant environmental effects that cannot be avoided if the project is implemented (14 CCR §15000 et seq.). As discussed in Chapter 5, *Environmental Analysis*, of the FEIR, implementation of the Project would result in significant and unavoidable impacts to Land Use (policy inconsistency) and Historic Resources (built environment).

The Project would demolish the American Legion Hall Post 201 at 4061 Fairmount Avenue, which is a significant historical resource. Demolition would not be consistent with the *Secretary of Interior's Standards for the Treatment of Historic Properties* (36 Code of Federal Regulations part 68) and their applicable guidelines, because the historical character defining features that represent the buildings historical significance would not be retained or preserved. Full demolition, as proposed, would be considered a significant and unavoidable impact. The applicant would be required to implement Mitigation Measures HR-1 through HR-4 outlined in Section 5.3, *Historical Resources*, of the FEIR. Implementation of those mitigating measures would reduce the Project's impacts to historical resources, but not to below a level of significance. Because the historic resources impacts would not be fully mitigated, the Project would also conflict with applicable policies in the General Plan and Mid-City Communities Plan related to historic preservation. The land use policy inconsistency would be a significant and unavoidable impact of the project. Furthermore, the project would have a considerable contribution to cumulatively significant and unmitigated impacts to historic resources and land use policy within the City. As such, the Project's impact would be considered significant and unavoidable, and a statement of overriding considerations would be required as part of the approval process, in accordance with CEQA Guidelines §15093.

VII. FINDINGS REGARDING RESPONSES TO COMMENTS AND REVISIONS IN THE FEIR

The FEIR includes comments received on the DEIR and responses to those comments. The focus of the responses to comments is on the disposition of significant environmental issues that are raised in the comments, as specified by CEQA Guidelines §15088(c).

Finding/Rationale: Responses to comments made on the DEIR and revisions in the FEIR merely clarify and amplify the analysis presented in the document, and do not trigger the need to recirculate per CEQA Guidelines §15088.5(b).

STATEMENT OF OVERRIDING CONSIDERATIONS (PUBLIC RESOURCES CODE §21081(b))

Pursuant to §21081 (b) of CEQA and CEQA Guidelines §15093 and §15043, CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project.

If the specific economic, legal, social, technological, or other benefits outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered acceptable pursuant to Public Resources Code §21081. CEQA further requires that when the lead agency approves a project which will result in the occurrence of significant effects which are identified in the FEIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the FEIR and/or other information in the record.

Pursuant to the Public Resources Code §21081(b) and Guidelines §15093, the City Council, having considered all of the foregoing, finds that the following specific overriding economic, legal, social, technological, or other benefits associated with the Project outweigh unavoidable adverse direct and cumulative impacts related to land use and historical resources.

The City Council declares that it has adopted all feasible mitigation measures to reduce or eliminate the Project's environmental impacts to an insignificant level, to the extent feasible; considered the entire administrative record, including the FEIR; and weighed the proposed benefits against its environmental impacts. This determination is based on the following specific benefits, each of which is determined to be, by itself and independent of the other project benefits, a basis for overriding and outweighing all unavoidable adverse environmental impacts identified in the FEIR. Substantial evidence supports the various benefits, and can be found in the preceding sections (which are incorporated by reference into this section), the FEIR, or in documents that comprise the Record of Proceedings for this matter.

1. The Project will allow for a mix of 74 affordable rental family housing units, a manager's unit, and non-residential community space in the City Heights community at a location that is within walking distance of high quality transit service and in a transit priority area.
2. Development of 100% affordable two- and three-bedroom units to serve low-income families will provide necessary housing stock to address San Diego's regional housing affordability crisis.
3. The Project is consistent with regional policies focused on supplying housing to meet the Regional Housing Needs Assessment (RHNA) and implements smart growth near commercial development and transit, as identified in the Land Use Element of the City's General Plan under the City of Villages planning strategy.
4. The Project is an infill development in an urbanized area of the City on a developed site that is currently service by local infrastructure and utilities and avoids impacts to sensitive environmental resources and existing housing stock.
5. The Project will be constructed to minimize its carbon footprint consistent with regional

greenhouse gas (GHG) reduction strategies contained in the City's Climate Action Plan.

6. The Project's streetscape improvements along Fairmount Avenue will remove existing driveways, widen the existing sidewalk, add landscaping, install lighting, and create a parkway that will improve walkability where high levels of pedestrian activity are present, as envisioned in the Mobility Element of the City's General Plan, Mid-Cities Community Plan, and City Heights Urban Greening Plan.
7. The Project architecture will contribute to a positive neighborhood character by constructing a contemporary building that contains openings, overhangs, trellises, articulation and landscape treatments which will increase visual interest, as envisioned in the Urban Design Element of the City's General Plan.
8. The Project's non-residential space will replace the substandard American Legion Hall meeting room with an upgraded space for the City Heights general community to gather and meet.