



## Item #6

DATE ISSUED: July 8, 2016

ATTENTION: Design Review Committee  
Meeting of July 13, 2016

SUBJECT: The Beacon (south side of C Street between 14<sup>th</sup> and 15<sup>th</sup> avenues) –  
Preliminary Design Review – East Village Neighborhood of the  
Downtown Community Plan Area

STAFF CONTACT: Christian Svensk, Senior Planner

STAFF RECOMMENDATION: That the Design Review Committee (“Committee”) receives a presentation on the preliminary design proposal and associated permits for The Beacon (“Project”) and provides direction to staff and the Project applicant on potential design issues.

This is a Process 4 Site Development Permit (SDP) application (for the proposed demolition of two historic structures on the site) that requires a public hearing and decision by Planning Commission. The Planning Commission decision is appealable to the City Council, which would be the final decision maker on any appeal.

SUMMARY: Wakeland Housing & Development Corporation (“Applicant”) is requesting approval for Design Review and Centre City Development Permit/Site Development Permit (CCDP/SDP) No. 2016-19 for the construction of a 5-story (approximately 60 foot tall) very low-income residential development. The proposed project is located on an approximately 8,278 square-foot (SF) site on the south side of C Street between 14<sup>th</sup> and 15<sup>th</sup> avenues in the East Village neighborhood of the Downtown Community Plan (DCP) area (“Downtown”). The project contains 44 DU and eight automobile parking spaces.

FISCAL CONSIDERATIONS: Under the Downtown Public Facilities Financing Plan, the Project will pay Development Impact Fees (DIF) to fund its fair share of new park, fire station, and traffic circulation improvements in the DCP area. The DIF for this Project is estimated to be \$341,748.

ECONOMIC IMPACTS: It is estimated that the Project will generate approximately 46 construction jobs and 0 permanent jobs. As of December 31, 2015, approximately 79,930 construction jobs and 28,000 permanent jobs have been generated Downtown as a result of redevelopment activities.

DOWNTOWN COMMUNITY PLANNING COUNCIL: The Pre-Design Subcommittee of the Downtown Community Planning Council (DCPC) will review the Project at its meeting on July 12, 2016. Staff will provide an oral summary of the review at the Committee meeting.

OTHER RECOMMENDATIONS: None at this time.

DEVELOPMENT TEAM

<b>ROLE</b>	<b>FIRM / CONTACT</b>	<b>OWNERSHIP</b>
Applicant	Wakeland Housing & Development / Jonathan Taylor	See Attachment A (Non-Profit Corporation)
Property Owner	Episcopal Community Services / Lesslie Keller	See Attachment A (Non-Profit Corporation)
Architect	MW Steele / Diego Velasco	Mark W. Steele

DISCUSSION

Neighborhood Context

The East Village is envisioned to build out into an eclectic residential and mixed-use community with a diverse spectrum of users. Presently it consists of commercial, warehouse, light industrial, educational, and predominantly lower density residential uses. The projected population for the district is 46,000. The proposed project site is located in the northeast corner of the neighborhood directly across C Street from the San Diego City College campus. The area around City College is well suited for a mix of residential and employment uses that can leverage the considerable educational resources available in the area.

Applicable DCP Goals

The character of East Village will be transformed under the DCP. Just under half of the parcels are potential development opportunities and there is strong demand to grow. In the DCP, the East Village is slated to have the highest residential intensities with accompanying retail, commercial and open space amenities. DCP goals and policies applicable to this project site include the following:

- 3.1-G-2 Provide for an overall balance of uses – employment, residential, cultural, government, and destination – as well as a full compendium of amenities and services.
- 3.5-G-2 Foster a rich mix of uses in all neighborhoods, while allowing differences in emphasis on uses to distinguish between them.
- 3.3-G-1 Provide a range of housing opportunities suitable for urban environments and accommodating a diverse population.

- 3.4-G-1 Continue to promote the production of affordable housing in all of downtown's neighborhoods and districts.
- 3.4-G-3 Increase the supply of rental housing affordable to low income persons.

### SITE DESCRIPTION

The Project is located on an approximately 8,278 SF site on the south side of C Street between 14<sup>th</sup> and 15<sup>th</sup> avenues. The site slopes down approximately one foot east to west across its 59'6" frontage on C Street and by four feet heading south into the middle of the block. The site currently contains two locally designated historic structures (circa 1908 and 1912) that are being used for the Downtown Safe Haven program run by Episcopal Community Services. The two houses contain a total of five offices and 17 Single Room Occupancy (SRO) units that provide a total of 28 beds. The proposed demolition of these structures requires a SDP approval by the Planning Commission after a recommendation by the Historical Resources Board (HRB). A detailed analysis of the required findings will be brought forward when the Projects returns for formal recommendations. In regards to compliance with the SRO ordinance (SDMC Sections 143.0510-143.0590), a project that proposes the "demolition of all or part of an SRO hotel...to allow for the new construction of a very low income housing project on the same site," is exempt. Surrounding land uses include:

- North – City College (Saville Theatre)
- East – mid-rise residential
- South – mid-rise residential
- West – low-rise commercial and low-rise residential

The project site is in the Employment/Residential Mixed-Use (ER) land use district. This designation aims to create synergies between educational institutions and residential neighborhoods, and provide a transition between the Core district and residential neighborhoods. A variety of uses are permitted in this district, including office, residential, hotel, research and development, educational, and medical facilities. The Mobility Plan calls for a Cycleway to run along the north side of C Street, connecting the Sixth Avenue Cycleway to 19<sup>th</sup> Street and the future Pershing Street Bikeway.

### PROJECT DESCRIPTION

The Project is a 5-story (60 feet tall) residential development consisting of 43 living units (all 350 SF) and one 1-bedroom unit (770 SF) designated for the building manager. The 43 living units are to be affordable for individuals below 40 percent of the area median income (AMI) while the one bedroom unit is provided rent-free as part of the building manager's compensation package. Parking is not required for living units at this income threshold; however, eight spaces are provided in the ground floor garage, with one spot designated for the managers unit. The other spaces will be used by supportive program managers and visitors. Father Joe's Villages will provide services to 21 of the 43 tenants and the County of San Diego Behavioral Health Services Division will provide mental health focused services to the remaining 22 tenants. A more detailed description of the program and its financing can be found in Attachment C.

Living unit projects are required to have 5 SF of common indoor space per unit which equates to 215 SF total for project. This requirement is met by the 555 SF common room provided on the fourth floor. The project also contains a total of 1,384 SF of outdoor open space by including a 250 SF outdoor deck on the second floor and a 1,134 SF courtyard on the ground floor that is accessible via a stairwell from the rear of the building and a gate at the front near the garage door. Pet open space is not required and not provided.

The following is a summary of the Project:

Site Area	8,278 SF		
Base Minimum FAR	3.5		
Base Maximum FAR	6.0		
Maximum FAR with Amenity Bonuses	10.0		
Maximum FAR with Affordable Housing Bonus	12.1		
Proposed FAR	3.76		
FAR Bonuses Proposed	0		
Above Grade Gross Floor Area	31,155 SF		
Density	232 DU per acre		
Stories / Height	5 stories / 60 feet		
Amount of Commercial Space	0		
Amount of Office Space	0		
Housing Unit and Bedroom Count /Average Size	<u>#</u>	<u>Range</u>	<u>Average</u>
Total Number of Housing Units	44		
Lofts	0		
Studios	43	350-350 SF	350 SF
1 Bedroom	1	770 SF	N/A
2 Bedroom	0		
3 Bedroom	0		
Number of Units to be Demolished	17		
Number of Buildings over 45 Years Old	2		
Inclusionary Affordable Housing Compliance	N/A		
Automobile Parking			
Residential (Required / Proposed)	1 (1 per 1 DU) / 8		
Commercial (Required / Proposed)	0/0		
Motorcycle Parking (Required / Proposed)	0 (not required) / 0		
Bicycle Parking (Required / Proposed)	0 (not required) / 14		
Common Indoor Space			
Required	215 SF		
Proposed	555 SF		
Common Outdoor Open Space			
Required	0 SF		
Proposed	1384 SF		

Private Open Space (Balconies and Decks)	
Required	0% of DU
Proposed	0% of DU
Pet Open Space	
Required	0 SF
Proposed	0 SF
Residential Storage	N/A
Assessor's Parcel Nos.	534-210-12
Sustainability	None.

#### PERMITS REQUIRED

- CCDP approval required for new construction over 1,000 SF, and,
- SDP required for substantial alteration of historic resources (demolition of two structures) with approval by the City Planning Commission.

Per SDMC Section 112.0103, when an Applicant applies for more than one permit for a single development, the applications shall be consolidated for processing and shall be reviewed by a single decision maker. The decision maker shall act on the consolidated application at the highest level of authority for that development, and the findings required for approval of each permit shall be considered individually. The decision-maker for this Project will be the Planning Commission under a Process Four review. The decision of the Planning Commission is appealable to the City Council.

#### PRELIMINARY DESIGN REVIEW

The proposal calls for a 5-story building consisting of four stories of residential, wood construction (Type V) over a one-story concrete (Type I) parking garage. The ground floor structure also contains an entry/lobby area with desk at the street frontage and, at the rear, a 230 SF bicycle storage locker, as well as trash and mechanical utility rooms. The building uses a variety of materials including light and dark Hardie board, cement plaster, yellow metal louvers and red metal panel accents.

#### Building FAR

The project site has a Minimum FAR of 3.5 and a Base Maximum FAR of 6.0. An FAR of 10.0 is allowable through the use of FAR Amenity Bonuses. An FAR of 12.1 is achievable when including affordable housing. The proposed project's FAR of 3.76 is above the minimum required for the zone.

The Applicant has provided a justification for the low FAR found in Attachment D. The primary reason for the smaller project is that a range of 40 to 50 DU is considered optimal for providing adequate service to homeless individuals with mental illnesses or disabilities. Additionally, the

cost of construction to build a higher, Type I structure as well as the small development site are cited as reasons. The approximately 60 foot wide by 140 foot deep site is situated in a mid-block location between existing buildings.

### Streetwall

On the west side of the garage, there is a 10 foot wide break in the streetwall that provides for a side courtyard. This open space provides room for light, air, trees, and planters as well as a second means of egress from the rear of the building. At the front of the courtyard there is an above grade transformer that will be screened from the street by a gated fence that also encloses the courtyard. Per courtyard and streetwall requirements, the fence will provide visibility into the courtyard but be opaque on its bottom half to block the transformer from street view.

Along the street frontage, the ground floor streetwall is set back at varying depths from the property line within the five foot maximum setback. The focal point is the recessed, storefront lobby entrance that is flanked by raised planters. The glass storefront lobby exceeds the required 25% transparency. When combined with the courtyard opening, the ground floor streetwall demonstrates more than adequate transparency and provides variation as required in the Downtown Design Guidelines (DDG). The floors above the ground level extend out to the property line with two separate bays of oriel windows encroaching another three feet into the public right-of-way, further accentuating the variety of depths. The bay of windows at the corner is clad with yellow louvers above the garage entry that tie back into the louvers used over the solid wall that completely encloses the western side of the garage. This louvered stack of windows wraps the corner of the building onto the west façade creating a visible feature over C Street.

The garage door is proposed to be a finished and painted metal to match the railings used elsewhere in the project. Staff is requesting further detail on this in regards to the level of opacity it will provide in order to block views into the garage. Overall, the north elevation presents a distinct, well-articulated and transparent façade within its narrow frontage (59 feet) that also responds to the neighboring architectural context by continuing the rhythm of bay windows established by the adjacent building to the east.

### West Elevation

Aside from the lobby, garage and courtyard entries, the remainder of the ground-floor consists of an eight space parking garage that is completely enclosed as well as the bicycle storage area and utility rooms at the back of the garage. Above this, the west elevation presents three distinct components with the center component differentiated through the use of a light gray cement plaster. On either side are brown Hardie board segments with red metal accent panels and ochre metal louvers. Notably, the roof line on this elevation avoids a flat linear appearance with each component having a slight break in depth and height from one another. This is further accentuated by an overhanging roof element at the front of the building that slopes upwards from east to west.

The internal south and east elevations are purposefully simplified as they abut the neighboring residential developments and will not be visible. Notably, the east elevation has two window wells that will provide increased light and air into the units and structure hallways which open up into these wells and have guard rails at the end.

### DESIGN ISSUES AND CONSIDERATIONS

Staff is seeking direction from the Committee on the following design-related items:

#### *Street wall Elevations*

- Does the overall design of the building respond to its East Village context?
- Is it a distinctive and engaging addition to the City's streetscape?
- Does the courtyard provide sufficient interest and enhance the pedestrian experience even as it successfully breaks up the street wall?
- Does the landscape planter adjacent to the front entrance provide sufficient screening for the backflow preventer located behind it?

### ENVIRONMENTAL REVIEW

Development within the DCP is covered under the FEIR for the San Diego DCP, CCPDO, and 10th Amendment to the Centre City Redevelopment Plan, certified by the Former Redevelopment Agency ("Former Agency") and City Council ("Council") on March 14, 2006 (Resolutions R-04001 and R-301265, respectively) and subsequent addenda to the FEIR certified by the Former Agency on August 3, 2007 (Former Agency Resolution R-04193), April 21, 2010 (Former Agency Resolutions R-04508 and R-04510), August 3, 2010 (Former Agency Resolution R-04544) and certified by Council on February 12, 2014 (Resolution R-308724) and July 14, 2014 (Resolution R-309115). The FEIR is a "Program EIR" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. An FEIR Consistency Evaluation ("Evaluation") will be prepared in accordance with suggested best practices outlined in CEQA Guidelines Section 15168. If the Evaluation concludes that the environmental impacts of the project were adequately addressed in the FEIR and that the project is within the scope of the development program described in the FEIR, no further environmental documentation will be required under CEQA.

CONCLUSION

Staff recommends that the Committee reviews and provides comments on the preliminary design for the Project, and provides direction to staff and the Project Applicant on the potential design issues discussed in this report.

Respectfully submitted,



Christian Svensk  
Senior Planner

Concurred by:



Reese A. Jarrett  
President



Brad Richter  
Assistant Vice President, Planning

Attachments: A – Ownership Disclosure Statements  
B – Architectural Narrative (provided by Applicant)  
C – Project/Program Description (provided by Applicant)  
D – FAR justification (provided by Applicant)  
Basic Concept/Schematic Drawings dated June 20, 2016





## Ownership Disclosure Statement

**Approval Type:** Check appropriate boxes for type of approval(s) requested:

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Limited Use Approval    | <input type="checkbox"/> Neighborhood Development Permit    | <input type="checkbox"/> Centre City Development Permit     |
| <input type="checkbox"/> Temporary Use Permit    | <input type="checkbox"/> Planned Development Permit         | <input type="checkbox"/> Gaslamp Quarter Development Permit |
| <input type="checkbox"/> Neighborhood Use Permit | <input checked="" type="checkbox"/> Site Development Permit | <input type="checkbox"/> Marina Development Permit          |
| <input type="checkbox"/> Conditional Use Permit  | <input type="checkbox"/> Coastal Development Permit         | <input type="checkbox"/> Other: _____                       |

**Project Title:** The Beacon Apartments

**Project Address:** 1425 C Street

**Assessor Parcel Number(s):** 534-210-12

**Part 1 – To be completed by property owner when property is held by individual(s)**

By signing this Ownership Disclosure Statement, the property owner(s) acknowledges that an application for a permit, map, or other matter, as identified above, will be filed with Civic San Diego on the premises that is the subject of the application, with the intent to record an encumbrance against the property or properties. List below the owner(s) and tenant(s) (if applicable) of the above referenced property or properties; all subject properties must be included. The list must include the names and addresses of all persons who have an interest in the property or properties, recorded or otherwise, and state the type of property interest (e.g., tenants who will benefit from the permit, all individuals who own the property or properties). Original signatures are required from at least one property owner for each subject property. Attach additional pages if needed. Note: The Applicant is responsible for notifying the Project Planner of any changes in ownership during the time the application is being processed or considered. Changes in ownership are to be given to the Project Planner at least thirty days prior to any public hearing on the subject property or properties. Failure to provide accurate and current ownership information could result in a delay in the hearing process.

Additional pages attached: ☐ Yes ☐ No N/A

**Name of Individual (type or print):**

Assessor Parcel Number(s):

Street Address:

City/State/Zip Code:

Phone Number:

E-mail:

Signature:

Date:

**Name of Individual (type or print):**

Assessor Parcel Number(s):

Street Address:

City/State/Zip Code:

Phone Number:

E-mail:

Signature:

Date:

Project Title: The Beacon Apartments

**Part 2 – To be completed by property owner when property is held by a corporation or partnership**  
By signing this Ownership Disclosure Statement, the property owner(s) acknowledges that an application for a permit, map, or other matter, as identified above, will be filed with Civic San Diego on the premises that is the subject of the application, with the intent to record an encumbrance against the property or properties. List below the names, titles, and addresses of all persons who have an interest in the property or properties, recorded or otherwise, and state the type of property interest (e.g., tenants who will benefit from the permit, all corporate officers, and/or all partners in a partnership who own the property or properties). Original signatures are required from at least one corporate officer or partner who own the property for each subject property. Attach additional pages if needed. Provide the articles of incorporation, articles of organization, or partnership agreement identifying all members of the corporation or partnership. Note: The applicant is responsible for notifying the Project Planner of any changes in ownership during the time the application is being processed or considered. Changes in ownership are to be given to the Project Planner at least thirty days prior to any public hearing on the subject property or properties. Failure to provide accurate and current ownership information could result in a delay in the hearing process.

Additional pages attached: ☐ Yes ☒ No

Corporation/Partnership Name (type or print):

WAKELAND HOUSING & DEVELOPMENT

☒ Corporation ☐ LLC ☐ Partnership

Assessor Parcel Number(s):

534-210-12

Street Address:

1230 Columbia Street, Suite 950

City/State/Zip Code:

San Diego, CA 92101

Name of Corporate Officer/Partner (type or print):

Ken Sauder Robert Bohrer

Title:

President and CEO VP Development

Phone Number:

619-326-6212

E-mail:

jtaylor@wakelandhdc.com

Signature:

[Signature]

Date:

6-15-16

Corporation/Partnership Name (type or print):

EPISCOPAL COMMUNITY SERVICES

☒ Corporation ☐ LLC ☐ Partnership

Assessor Parcel Number(s):

534-210-12

Street Address:

401 Mile of Cars Way, Suite 350

City/State/Zip Code:

National City, CA 91950

Name of Corporate Officer/Partner (type or print):

Christopher J. Marica Leslie Keller

Title:

Chief operating officer CEO

Phone Number:

619-228-2800

E-mail:

cmarica@ecscalifornia.org

Signature:

[Signature]

Date:

6/15/2016

Project Title: The Beacon Apartments

**Part 3 – To be completed by all other financially interested parties**

List below the names, titles, and addresses of all financially interested parties and state the type of financial interest (e.g., applicant, architect, lead design/engineering professional). Original signatures are required from at least one individual, corporate officer, and/or partner with a financial interest in the application for a permit, map, or other matter, as identified above. Attach additional pages if needed. Note: The applicant is responsible for notifying the Project Planner of any changes in ownership during the time the application is being processed or considered. Changes in ownership are to be given to the Project Planner at least thirty days prior to any public hearing on the subject property or properties. Failure to provide accurate and current ownership information could result in a delay in the hearing process.

Additional pages attached: ☐ Yes ☒ No

Name of Individual (type or print):

MW STEELE

☐ Applicant ☒ Architect ☐ Other \_\_\_\_\_

Street Address:

1805 Newton Avenue

City/State/Zip Code:

San Diego, CA 92113

Phone Number:

619-230-0325

E-mail:

diego@mwsteele.com

Signature:  Date: \_\_\_\_\_

Corporation/Partnership Name (type or print):

☐ Corporation ☐ LLC ☐ Partnership

☐ Applicant ☐ Architect ☐ Other \_\_\_\_\_

Street Address:

City/State/Zip Code:

Name of Corporate Officer/Partner (type or print):

Title:

Phone Number:

E-mail:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Individual (type or print):

☐ Applicant ☐ Architect ☐ Other \_\_\_\_\_

Street Address:

City/State/Zip Code:

Phone Number:

E-mail:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Corporation/Partnership Name (type or print):

☐ Corporation ☐ LLC ☐ Partnership

☐ Applicant ☐ Architect ☐ Other \_\_\_\_\_

Street Address:

City/State/Zip Code:

Name of Corporate Officer/Partner (type or print):

Title:

Phone Number:

E-mail:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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## **The Beacon Apartments**

### Architectural Narrative

The Beacon is, above all, a place to call home. The project will serve our city's homeless population, many of whom will have mental disabilities and need a permanent, safe and welcoming place where they will get the support they need to re-establish their lives. This is the fundamental principle that brings focus to the design: livability and dignity.

Located on a compact, infill site with only one frontage on C Street, the site is roughly 59 feet wide by 140 feet long with a five-story residential condominium building on the east and south property lines and a series of one-story commercial buildings on the west property line. C Street has a gentle westerly down-slope, giving the condominium building on the east a towering presence on the site that is further emphasized by mostly blank façades that abut almost at a zero lot-line with the site. Instead of siting the building in the middle of the site, resulting in narrow and dark side yards that face blank walls, the building is set against the blank wall of the existing condominium building and windows are oriented toward generous light-wells that are sized appropriately to bring in natural light and ventilation. These light-wells are evenly spaced and align with the few, non-operable windows of the adjacent condominium building (in effect sharing the light-well with the building to ensure our proposed project does not entirely block out the sun to its neighbor). This maximizes the west side yard, resulting in a yard that supports trees, landscaped planters, an exit path and plenty of sunlight. While the adjacent commercial buildings are zoned for greater density and height, they house stable businesses and it is unlikely they will redevelop in the near future. Moreover, a new project on that corner site would need to set back from the interior property line to allow for some windows and openings and a potential fault-line that runs through the site. It is reasonable to believe that the western façade of The Beacon will remain a prominent façade of the building and offer spectacular views to downtown from the second floor and above. The building is also set back on the rear of the site to allow openings and access to sunlight. Existing buildings are set back on the rear yard abutting the property, ensuring that adequate southern light will bathe that part of the site.

The south and east elevations of the building are simple and un-adorned, as these are internal to the site and will not be highly visible. A majority of the emphasis has been placed on the west and north facades. The west façade is composed of three primary massing elements, with breaks in the façade for articulation. The building corridor opens to the air and view on the southwest corner of the site, with an exterior exit stair that connects a communal sun deck on the second floor with the side yard and exit path. Windows are grouped visually to emphasize a larger scale and form on the façade, compatible with the larger-scale forms of City College

buildings across C Street. Because this is the west façade and afternoon sun will hit the façade directly, sunshades and recessed windows have been designed to help filter the sun. The roof over the northernmost portion of the building projects out 5 to 8 feet to suggest directionality and movement but also for sun control. The manager's unit will have a private view balcony on the top floor.

The north façade is composed of three primary defining features. The first is a defined masonry base, which will form the lobby and parking entrances and continue the presence of hard materials visible in the area. The lobby entrance is envisioned to be highly transparent with clear views into the building. The storefront doors are set back a few feet, and the concrete podium slab will project out approx. 5 feet to further accentuate the entrance. A landscaped planter with seating will activate the entrance and create a sense of arrival. The entrance provides a space for a directory and building signage. The garage door will be a finished and painted metal to match railings of the project and limited to 14 feet in width to minimize its presence on the street. The second feature of the north façade are two projecting oriel windows with glazing on multiple sides and metal siding panel surrounds. The projecting windows continue a pattern of oriel windows present in the adjacent condominium building and help give the project a residential character. The third element of the façade is the sloping roof, anchored by the stair tower. It projects beyond the building edge and gives the building a westward direction and a residential feel.

Materials and finishes for The Beacon are carefully selected to both reference the project's context and provide a sense of home. Hardi Board siding will be used throughout and serves as a reference to the Prairie-style boarding houses currently on the site. Cement Plaster with a smooth finish is applied to the middle section and rear of the building. The earth tones of the building also reference the existing buildings and are a softer touch appropriate for the residential use. Color has been used selectively and red has been chosen as an accent color to reference the red tones that predominate the City College Campus buildings. Sunshade louvers and railings will be painted metal with a light color for the sunshades to contrast the earth tones and the reds. Masonry block will be used for the ground floor and garage. A Precision Stone will be used with a light Pumice Stone color variation to add visual interest. The side yard path and sundeck paving will be finished with pavers that will have a color tone variation to provide a pattern on the ground and complement the masonry walls and planters.

The Beacon will be a new home for those who most need it. It's location next to a large-scale residential building and its use requires a soft touch and attention to livability appropriate for residential buildings. Its presence next to single-story commercial means the West facade may be as important as its street façade, as this will be highly visible from the neighborhood and add to the urban form of the area. While it is a compact and highly dense site, The Beacon has been designed as a comfortable living environment with the right mix of common areas and spaces that support a livable and dignified place to call home.



## **Project Narrative**

Permanent Supportive Housing NOFA

## ***The Beacon Apartments***

Wakeland Housing & Development Corporation

### ***Project Description***

The Beacon Apartments is a new construction, permanent supportive housing development located in the East Village community of San Diego at 1425 C Street. Forty-three studio units, each approximately 350 SF and equipped with kitchens and baths (classifying as “living units” under SDMC 156.0315(f)), will be made available to homeless individuals. The project will also include a one-bedroom manager’s unit. Supportive services will be provided by Father Joe’s Villages and the County of San Diego Behavioral Health Services. Wakeland Housing and Development Corporation is the sole developer.

M.W. Steele Architecture and Planning is designing the building: four stories of Type-VA wood construction over one story of Type I concrete podium. Height will not exceed 60 feet; gross building floor area is approximately 31,155 SF, including 5,500 SF of garage and 25,655 SF of residential uses.

A glassy, street-level vestibule entrance leads to a stairwell and elevator, and an adjacent driveway provides access to a gated garage with eight parking spaces—primarily for use by service providers and property management. No residential parking is required for living units. The building is set back from a one-story commercial improvement to the west, providing adequate space for a tree-landscaped yard that runs almost the full length of the property. The yard leads to a 250 SF sun deck on the second level at the rear of the property.

Residential units, connected by an open hallway with generous lightwells that provide natural illumination and ventilation, are located on floors two through five. Common areas totaling approximately 1,000 SF, including a community room, counseling office, manager’s office, and a laundry room, are on the fourth and fifth floors. (A plan set is attached in Tab 1 for reference.)

Access to the building and grounds will be monitored 24/7 by electronic means and onsite personnel. Key fobs or similar devices will restrict resident and staff access to approved areas. Each floor has a glass-walled landing at the elevator and main stairwell, creating small, secured lobby spaces.

### ***Environmental Conditions***

A phase I environmental site assessment dated January 21, 2016 (attached in Tab 3) reveals that no evidence of known or suspected, controlled, historical, or de minimis Recognized Environmental Conditions (RECs) exists on the 8,278 SF site.

An initial seismic fault study indicates that no faults intersect the site. A more detailed study will be performed as part of the Site Development Permit process with Civic SD, which will formally clear the project of any fault-related design constraints.

### ***Entitlement Benchmarks***

Early consultation with Marie Burke Lia identified that the two buildings currently on the site were potentially historic. Any relocation or demolition of the buildings would require review by the City’s Historical Resources Board. She advised Wakeland to seek historical designation, which occurred on March 24, 2016 under criterion C: *Embodies distinctive characteristics of a style, type, period or method of construction or is a valuable example of the use of indigenous materials or craftsmanship*. The HRB finding (attached in Tab 3) specifies that no other historical criteria apply to the project.



## ***The Beacon Apartments***

Wakeland Housing & Development Corporation

The designation allows Wakeland to now apply for a *Site Development Permit for Substantial Alteration of a Designated Resource* from Civic SD. (SDP application was made concurrently with this application.) The permit will provide approval for 1) demolition of the designated structures and 2) entitlements for development of The Beacon Apartments. The approval process is expected to take six to eight months.

The SDP process includes Civic SD's review of an Economic Feasibility Study; The London Group is currently wrapping up work on the submittal. The study contemplates three development scenarios and demonstrates that the proposed project is the most economically feasible. The other two scenarios are 1) rehabilitating and repurposing both buildings for use as 13 permanent supportive housing units, and 2) rehabilitating one building, demolishing the other, and constructing a new building behind the remaining building to result in 32 PSH units.

Both scenarios fall short of delivering parking for staff and adequate service program facilities, which are needed for successful permanent supportive housing programs. And budgets obtained by Allgire General Contractors demonstrate that the cost to rehabilitate the structures exceeds the cost to build new on a per unit basis. (Wakeland will forward the completed study upon request.)

### ***Existing Uses***

Episcopal Community Services acquired the property in 1996 using a combination of San Diego Housing Commission loans and HUD Supportive Housing Program grants to operate a Safe Haven transitional housing program (commonly referred to as Downtown Safe Haven) that can accommodate up to 28 homeless individuals in 17 Single Room Occupancy units. The loans restrict the units to persons who are homeless/mentally ill and whose income does not exceed 35% AMI. Additionally, the 17 units are subject to the City of San Diego's Single Room Occupancy Ordinance. There is no Conditional Use Permit on the property.

ECS currently uses several grants to operate the Safe Haven, including a HUD Continuum of Care grant, VA Per Diem grant, and County of San Diego grant. The HUD Continuum of Care grant has been the primary, and for many years, the only operating grant for Downtown Safe Haven; as costs have increased over time and federal funding has declined, ECS began subsidizing the program. The current estimated annual Downtown Safe Haven operating budget is approximately \$800,000 and the HUD Continuum of Care grant covers approximately \$505,000 of the operating costs. Prior to receiving the VA and County grants, ECS was subsidizing the operating costs of the program through fundraising and donations. In the last few years ECS has been able to secure VA and County grants to help cover the operating gaps, but these grants are subject to yearly procurement and are not guaranteed.

The site improvements have also presented service program challenges to ECS over the years. The layout of the rooms and lack of connections between floors and buildings are not conducive to delivering efficient service and comfortable environments. ECS has managed the problematic circumstances well, but the antiquated facilities fail to support modern best practices to fight homelessness—and in no way align with Housing First models.

In 2014, ECS and Wakeland began meeting with a wide range of stakeholders and potential project funders, including the San Diego Housing Commission, the VA San Diego Healthcare System, and the County of San Diego Behavioral Health Services. (An MOU is attached in Tab 3.) ECS and Wakeland originally envisioned a redeveloped project that included both Safe Haven and Permanent Supportive

Housing units. However, as this concept was further explored, it became apparent that maintaining a Safe Haven component was infeasible due to the lack of funding for the establishment and operation of new Safe Haven facilities.

### ***Disposition and Relocation***

Declining resources for Safe Haven programs and prioritization of permanent supportive housing and Housing First models at federal and local levels has prompted ECS to find a path to close out the Downtown Safe Haven. The board of directors resolved to convey the property to Wakeland for the benefit of a new project. (A Resolution is attached in Tab 3.) Wakeland and ECS are currently drafting a purchase and sale agreement/conveyance document that includes an assignment option to SDHC.

To protect ECS from default and prevent dereliction of the property, Wakeland proposes the following steps:

- SDHC suspends rent and affordability restrictions and any other covenants between ECS and SDHC (or otherwise holds ECS harmless for shutting down their operations) upon approval of this NOFA application until construction loan closing of The Beacon, at which time all existing restrictions and covenants would be permanently lifted in favor of new restrictions and covenants for The Beacon;
- ECS begins relocation of Downtown Safe Haven clients upon approval of this NOFA application (see below for more details);
- SDHC grants permission to ECS to convey the property to Wakeland upon Site Development Permit approval;
- Wakeland demolishes the existing improvements at the property;
- Upon construction loan closing, SDHC would take back the property and transfer it to The Beacon.

All expenses associated with permits, relocation, demolition, or other predevelopment activities would be carried by Wakeland on behalf of the new project and reimbursed at construction loan closing through new loan proceeds and tax credit equity.

Wakeland and ECS will work together to ensure that all Downtown Safe Haven clients are successfully relocated to alternative housing and programs. HUD has advised Overland, Pacific, and Cutler (the project relocation consultant) that relocation rules apply to the program provider, not individual clients. Options include, but are not limited to:

#### **1. Full Service Partnership (FSP) Services/Housing**

Wakeland and ECS would work with San Diego County Behavioral Health Services to explore the possibility of referring clients to the County's-contracted Full Service Partnerships to receive continued services (Assertive Community Treatment services and/or Strength-Based Case Management) and housing (MHSA-leased housing, MHSA-developed housing, Sponsor Based Vouchers, Shelter Plus Care, etc.).

#### **2. Sponsor-Based Vouchers**

Wakeland and ECS would explore the possibility of referring clients to County-contracted providers who administer Sponsor-Based Vouchers for use in the County's current Sponsor-Based program; and collaborate with service providers to apply for additional Sponsor-Based vouchers under the current San Diego Housing Commission Housing First NOFA.

**3. HUD-VASH**

The majority of the veterans that participate in the Downtown Safe Haven program move into housing utilizing HUD-VASH vouchers. ECS would continue to assist eligible veterans in accessing and securing housing utilizing tenant-based HUD-VASH vouchers.

**4. 1,000 Homeless Veteran Initiative**

Wakeland and ECS would coordinate referrals to selected sponsors who are able to provide housing and services to veterans not eligible for the HUD-VASH program.

**5. Permanent Supportive Housing Developments**

Wakeland and ECS would explore availability at PSH developments owned and operated by various developers, and monitor the opening of new developments that coincide with the Downtown Safe Haven dissolution.

***Financing***

Wakeland proposes to combine several sources of funds to finance The Beacon: 9% tax credit equity, MHSA capital and services, SDHC loan, and a permanent bank loan leveraged by section 8 rents.

Homeless, special needs projects, like The Beacon, are a funding priority for TCAC. Wakeland expects the project to receive an allocation from TCAC in 2017. Tax credit investment is in high demand for San Diego deals, and Wakeland's strong relationships with investors bring top credit pricing to the project.

County Behavioral Health Services has committed support for the project. A letter in Tab 5 outlines the County Agency Director's commitment of Mental Health Services Act (MHSA) Housing program capital funds in the amount of \$2,895,046, as well as supportive services estimated at \$15,000 per tenant per year for the 22 MHSA-eligible tenants.

Cash flow for the project, bolstered by project-based section 8 rental subsidies, supports \$1,933,501 in permanent debt at a 1.30 DCR. To maintain positive cash flow over the 15-year tax credit compliance period (as required by TCAC), the permanent loan must be sized using a 1.30 DCR rather than the 1.20 DCR stated in the NOFA. Annual operating costs per unit are \$6,627.

The San Diego Housing Commission loan request of \$3,080,000 is sized to accommodate a services reserve of \$2,833,359 for the 21 non-MHSA units serviced by Father Joe's. Total project costs for The Beacon are \$19,387,536. Wakeland anticipates that the principal balances and accrued interest of any remaining debt on the property at the time of construction loan closing would be consolidated and added to the new SDHC loan. For simplicity, the development proforma omits representing the consolidated amount, which would be shown as both a project use and source.

With this application, Wakeland also requests \$85,000 in Funders Together to End Homelessness grant funds. Wakeland will use the resources to build capacity for extending their resident services programs to PSH populations. The effort will be spearheaded by Supportive Housing Director, Tricia Tasto Levien. Specific uses for the funds include training staff to implement pilot programs that address the special needs of homeless populations, as part of Wakeland's existing comprehensive service programs to affordable housing residents.

***Supportive Services***

Wakeland understands that long-term, supportive service commitments are vital to the success and

## ***The Beacon Apartments***

Wakeland Housing & Development Corporation

stability of any permanent supportive housing development. As such, Wakeland is partnering with two highly qualified supportive service providers – the County of San Diego Behavioral Health Services contracted Full Service Partnership and Father Joe’s Villages. Both of these agencies have extensive experience providing services in permanent supportive housing to vulnerable homeless populations and have a long-term vested interest in ending homelessness in the City of San Diego.

Utilizing a Housing First approach, comprehensive supportive services will be provided both on-site and off-site and will be focused on assisting tenants in maintaining their well-being; successfully attaining and maintaining their tenancy in supportive housing; increasing their income; and improving their overall quality of life.

The County’s contracted Full Service Partnership will provide services to 22 of the tenants who have a diagnosed serious mental illness and qualify under the County’s Mental Health Services Act (MHSA) program. Services will be provided to the MHSA tenants through a “whatever it takes” model of care called the Assertive Community Treatment (ACT) model, an evidence-based practice of providing services to homeless individuals with a serious mental illness. Services will be provided both on-site and in the community and will be provided at a 1:10 staff to client ratio in accordance with the ACT fidelity model.

Father Joe’s Villages will provide services to 21 non-MHSA tenants both on-site and off-site. Using evidence-based practices, Father Joe’s will provide case management, life skills, and access to substance use and mental health services. In addition, tenants will have access to an array of services and resources offered on Father Joe’s campus in downtown San Diego. Services will be provided at an approximate 1:11 staff to client ratio in accordance with best practices.

The Beacon Apartments will have an on-site Resident Services Coordinator who will coordinate services for all tenants. They will work closely with the supportive service providers and with property management to ensure that the tenants are receiving the services and resources needed to achieve successful tenancy.

The service providers will track data and outcomes through a number of databases and this information will be reported to the San Diego County Commission and other funders, such as the County of San Diego Behavioral Health Services and the California Housing Finance Agency (CalHFA) on a yearly basis.

**M.W. STEELE GROUP**  
**ARCHITECTURE | PLANNING**

The proposed project is near the F.A.R. minimum for several reasons:

- The Beacon is designed as a community of permanent supportive housing for homeless individuals with mental disabilities. As such, there are support services (such as counseling) that must be provided along with the housing to ensure the success of the residents and community. Because of this, there is a critical maximum number of residents that can be served by one housing development. A range of no more than 40 to 50 units is appropriate to serve this population.
- There are deed restrictions on the property that require it be developed for the proposed use and restrict alternative uses (such as office, condos or market rate apartments).
- The Beacon is designed on a site with tight physical constraints. The lot size is small (8,278 SF) and narrow (less than 60 feet of frontage). In addition, the property is wedged between two properties with only one street frontage. These physical constraints make constructing a high-rise nearly impossible if not impractical and expensive.
- The Beacon is designed as Type-V wood construction over a Type II concrete podium garage. The project maximizes the gross floor area possible for the site and per the allowable envelope of this construction type. An increase in floor area would require a different construction type, adding a significant cost to the project.
- The proposed design is compatible in scale and massing to its surrounding neighborhood, and specifically, to the adjacent condominium building (which is unlikely to redevelop in our lifetime).

Christian, it has been a pleasure working with you as we prepared this application. We are excited about this project, as we see it serves a growing need in our downtown community and we believe it will significantly improve the neighborhood. If any of the above is not clear or there are other items you wish to review with me, please do not hesitate to contact me.

Sincerely,



Diego Velasco, AICP, LEED AP  
Principal | M.W. Steele Group  
619.230.0325 x4237