




**THE CITY OF SAN DIEGO**

**M E M O R A N D U M**

DATE: December 4, 2020

TO: City of San Diego Historical Resource Board

FROM: Jeffrey A. Peterson, Development Project Manager, Development Services Department 

SUBJECT: Historical Resources Board (HRB) Report No. HRB 20-062; ITEM #5 - 4<sup>th</sup> Corner Apartment Project Site Development Permit, December 4, 2020

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The Site Development Permit Findings were updated after the HRB Report No. HRB 20-062 was published and distributed. Therefore, attached is the Site Development Permit Resolution, which includes the Supplemental Findings – Historical Resources Deviation for Substantial Alteration of a Designated Historical Resource or Within a Historical District [SDMC Section 126.0505(i)].

Attachment: Site Development Permit Resolution-Draft

cc: Project File No. 661800

PLANNING COMMISSION RESOLUTION NO. \_\_\_\_\_-PC

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SAN DIEGO  
SITE DEVELOPMENT PERMIT NO. 2412541 FOR THE 4TH CORNER APARTMENTS-  
PROJECT NO. 661800 [MMRP]

WHEREAS, CITY HEIGHTS REALTY LLC, a California Limited Liability Company, Owner, and WAKELAND HOUSING AND DEVELOPMENT CORPORATION, Permittee, filed an application with the City of San Diego for a permit for the for the demolition of a historical resource building (American Legion Hall, Historical Resources Board No. 525) and the construction of a mixed-use complex that contains 75 dwelling units, which includes 74 affordable housing dwelling units and one manager unit (as described in and by reference to the approved Exhibits "A" and corresponding conditions of approval for the associated Permit No. 2412541), on portions of a 0.87-acre site;

WHEREAS, the project site is located at 4021, 4035, 4037, and 4061 Fairmount Avenue in the CU-2-3 zone of the Central Urbanized Planned District in the City Heights community of the Mid-City Communities Plan area, Residential Parking Standards Transit Priority Area, Transit Area Overlay, and a 2035 Transit Priority Area;

WHEREAS, the project site is legally described as: Parcel A: The South 12.5 feet of Lot 8, all of Lots 9 and 10 in Block 1 of City Heights Annex No.1 in the City of San Diego, County of San Diego, State of California, according to Map thereof No.1001, filed in the Office of the County Recorder of San Diego County, July 18,1906; Parcel B: Lots 11 and 12 in Block 1 of City Heights Annex No.1 in the City of San Diego, County of San Diego, State of California, according to Map thereof No.1001, filed in the Office of the County Recorder of San Diego County, July 18,1906; Parcel C: Lots 13 and 14 in Block 1 of City Heights Annex No.1 in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 1001, filed in the Office of the County Recorder of San Diego County, July 18,1906; and Lots 15 through 20, excepting from said lot 20, the South 10 feet thereof in Block 1 of City Heights Annex No.1 in the City

of San Diego, County of San Diego, State of California, according to Map thereof No.1001, filed in the Office of the County Recorder of San Diego County, July18,1906;

WHEREAS, on December 17, 2020, the Planning Commission of the City of San Diego considered Site Development Permit No. 2412541 pursuant to the Land Development Code of the City of San Diego;  
NOW, THEREFORE,

BE IT RESOLVED by the Planning Commission of the City of San Diego, that it adopts the following findings with respect to Site Development Permit No. 2412541:

**A. SITE DEVELOPMENT PERMIT [SDMC Section 126.0505]**

**1. Findings for all Site Development Permits [SDMC Section 126.0505(a)]:**

**a. The proposed development will not adversely affect the applicable land use plan.**

The 4th Corner Apartment (Project) site consists of six contiguous lots located at 4021, 4035, 4037, and 4061 Fairmount Avenue, on the east side of Fairmount Avenue between University Avenue and Polk Avenue. The 0.87-acre Project site is located within the CU-2-3 Zone of the Central Urbanized Planned District (CUPD) in the City Heights community within the Mid-City Communities Plan (Community Plan) area. In addition, the site is located within a Residential Parking Standards Transit Priority Area, Transit Area Overlay, and a 2035 Transit Priority Area.

The CU-2-3 Zone is intended to accommodate a mix of heavy-commercial and limited-industrial uses with residential uses, including development with pedestrian orientation and medium-high-density residential use. The CU-2-3 Zone permits a maximum density of one dwelling unit (DU) for each 1,000 square feet (SF) of lot area. The site is not located within a 100-year floodplain, is not located within or adjacent to the City's Multi-Habitat Planning Area and does not contain any environmentally sensitive lands as defined in San Diego Municipal Code (SDMC) Section 113.0103.

The entire Project site has been previously developed and the site elevations range from 362 feet to 366 feet above mean sea level (AMSL). The Project site includes an existing commercial structure at 4061 Fairmount Avenue (approximately 7,936 SF in size), which is currently vacant but historically occupied since its construction in 1931. This structure is a designated historical resource, DeWitt C. Mitchell Memorial American Legion Hall Post 201 (American Legion Hall), Historical Resources Board (HRB) No. 525, the front portion of which is a two-story office building with a one-story meeting hall in the rear.

The Project proposes to redevelop the Project site with infill development with mixed-uses that would provide 75 multiple dwelling units (DU) along with resident amenities, including approximately 5,300 square feet (SF) of outdoor recreation open space on a podium deck, a 1,530 SF residents' lounge, and a resident laundry room. The non-

residential component of the Project consists of approximately 1,818 SF of community meeting space for use by the general public that would be located on the ground floor. The Project would consist of 55 two-bedroom units of approximately 887 SF in size and 20 three-bedroom units of approximately 1,068 SF in size. All of the residential units, with the exception of the manager's unit, would be affordable within the low-income category of 60-percent of the average median income (AMI). Implementation of the Project would require the demolition of a locally designated historical resource, American Legion Hall. The Project as proposed is 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 Section 143.0700).

The Community Plan encourages mixed-use, higher-density development along transportation corridors (with the highest densities at nodes), as well as affordable housing for various income levels. The Community Plan makes several references to walkability and aesthetics, including encouraging the planting and maintenance of street trees, improvements to sidewalks, and adequate pedestrian lighting, all of which is included in this Project. Mixed-use development is encouraged at 43rd Street and Fairmount Avenue, with retail or light manufacturing on the ground floor, services, office development or housing on upper floors.

The Economic Development Element of the community plan envisions a 'vital "City within a City" providing a wide range of housing, employment and shopping opportunities accessible to all residents of the Mid-City.' This Project includes pedestrian enhancements, including street trees and lighting and will bring a combination of uses and vitality to a major node within the community. In addition, the Project also provides parking access in the alley running parallel east of Fairmount Avenue, which is consistent with the Transportation Element of the Community Plan.

The General Plan Land Use Element encourages infill projects along transit corridors that enhance or maintain a "Main Street" character through attention to site and building design, land use mix, housing opportunities, and streetscape improvements. This project, which includes streetscape improvements, will add affordable housing opportunities along a transit corridor, and is consistent with the Land Use Element, the Mobility Element, Urban Design Element, and the Conservation Element of the General Plan. Therefore, for these reasons, the development would not adversely affect the applicable land use plan.

**b. The proposed development will not be detrimental to the public health, safety, and welfare.**

The Project proposes to redevelop the Project site with infill development with mixed-uses that would provide 75 multiple DU along with resident amenities, including approximately 5,300 SF of outdoor recreation open space on a podium deck, a 1,530 SF residents' lounge, and a resident laundry room. The non-residential component of the Project consists of approximately 1,818 SF of community meeting space for use by the general public that would be located on the ground floor. The Project would consist of 55 two-bedroom units of approximately 887 SF in size and 20 three-bedroom units of approximately 1,068 SF in size. All of the residential units, with the exception of the

manager's unit, would be affordable within the low-income category of 60-percent of the AMI. Implementation of the Project would require the demolition of a locally designated historical resource, American Legion Hall.

The 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 residential entrance, containing the manager's office, residents lounge, and lobby elevator, would be accessible from Fairmount Avenue, as would the community meeting space. The building would be four stories of residential wood construction, over an at-grade parking structure, resulting in a structure that would be approximately 62 feet in height.

The proposed landscape plan includes the use of native/naturalized and/or drought-tolerant plant material, whenever possible. The landscape plan for the outdoor/recreation courtyard emphasizes a garden setting, where plant material would be used to help define spaces, encourage circulation paths, and highlight entry points. Landscaping within the outdoor/recreation courtyard on the podium level would feature large evergreen canopy trees, medium evergreen screening trees, small flowering trees, and raised planters. Street trees are proposed to define and activate the pedestrian parkway along Fairmount Avenue and to provide shade and scale to the street scene. The street trees would also help soften the building façade, reduce the heat island effect, and provide carbon sequestration.

Vehicular access to the Project and the parking garage would be via a full access driveway to the existing alley on the east side of the proposed residential building. Parking for vehicles and motorcycles would be provided in the parking structure and within parking spaces along the alley adjacent to the parking garage. Bicycle storage for the residents would be provided within the garage, and short-term bicycle parking would also be provided in racks next to the front door along Fairmount Avenue. The proposed number of parking spaces for vehicles and bicycles would exceed the City's minimum parking requirements, while motorcycle parking would meet the City's minimum parking requirements. 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

An Environmental Impact Report (EIR) No. 661800/SCH No. 2017081051 has been prepared for the Project in accordance with State of California Environmental Quality Act (CEQA) Guidelines. A Mitigation, Monitoring and Reporting Program (MMRP) would be implemented with this Project, which would reduce some of the potential impacts to below a level of significance. The applicant has provided Draft Candidate Findings and Statement of Overriding Considerations to allow the decision-maker to approve the Project with significant and significant unavoidable impacts related to Land Use and Historical Resources.

The permit for the Project includes various conditions and referenced exhibits of approval relevant to achieving compliance with the applicable regulations of the SDMC in effect for this Project. Such conditions within the permit have been determined as necessary to avoid adverse impacts upon the health, safety and general welfare of persons residing or working in the surrounding area. The Project will comply with the development conditions in effect for the subject property as described in Site Development Permit No. 2412541, and other regulations and guidelines pertaining to the subject property per the SDMC for the site. Prior to issuance of any building permits for the proposed development, the plans will be reviewed for compliance with all Building, Electrical, Mechanical, Plumbing and Fire Code requirements, and the Owner/Permittee will be required to obtain a grading and public improvement permit. Therefore, the proposed development would not be detrimental to the public health, safety and welfare.

**c. The proposed development will comply with the applicable regulations of the Land Development Code including any allowable deviations pursuant to the Land Development Code.**

As outlined in Site Development Permit (SDP) Finding A.1.a. and b. listed above, the Project proposes the demolition of a historical resource building, the American Legion Hall, HRB No. 525, and the construction of a 131,998-square-foot, five story mixed-use infill development containing 75 dwelling units (74 affordable housing dwelling units and one manager unit). The CU-2-3 Zone permits a maximum residential density of 1 DU for each 1,000 SF of lot area or 38 DU per acre, and a maximum building height of 50 feet. Similarly, the Mid-City Communities Plan recommends a density of 43 DU per acre. The proposed residential density would be roughly equivalent to 86 DU per acre.

Assembly Bill (AB) 1763, approved on October 9, 2019, amended Government Code Section 65915. AB 1763 requires a density bonus to be provided to a developer who agrees to construct a housing development in which 100-percent of the total units, exclusive of managers' units, are for low-income households. Government Code Section 65915 also requires that a housing development that meets these criteria receive up to four incentives or concessions. Additionally, if the development is located within 0.5 mile of a major transit stop, a height increase of up to three additional stories, or 33 feet would be granted. Government Code Section 65915 generally requires that the housing developments receive a density bonus of 80-percent but exempts the housing development from any maximum controls on density if it is located within 0.5 miles of a major transit stop. Because the Project qualifies for development relief under this statute, maximum density limits are removed and a deviation to increase the maximum structural height would not be required.

As outlined above, Government Code Section 65915 allows four incentives or concessions to the development regulations. In addition, pursuant to SDMC Section 143.0740, an incentive can mean a deviation to a development regulation, and development that meets the applicable requirements of Section 143.0720 shall be entitled to incentives pursuant to SDMC Section 143.0740(c)(1) unless the City makes a written finding of denial based on substantial evidence. The Project proposes four incentives to deviate from the SDMC for floor area ratio (FAR), side and rear setbacks, building transparency, and private storage requirements as follows:

1. A development incentive to SDMC Section 155.0242 and Table 155-02D for building FAR to allow for a 3.5 FAR where the regulations limit the FAR to 1.5 for mixed use in the CUPD-CU-2-3 zone;
2. A development incentive to SDMC Section 155.0242 and Table 155-02D for building side and rear setbacks that vary in distance as follow: Side Setback 0 to 10-feet, where the regulations require a 10 feet minimum or 0-foot option, and Rear Setback 0- to 12-feet, where the regulations require a 10 feet minimum or 0-foot option;
3. A development incentive to SDMC Section 131.0552 for building transparency. Approximately 50-percent of street wall area between three and 10 feet above the sidewalk is required to be clear glass visible into a commercial or residential use. The proposed Project does not meet this transparency requirement where residential uses are proposed; and
4. A development incentive to SDMC Section 131.0454 for private storage to allow zero cu ft/du for the 75 units, where the regulations require 240 cu ft/du per unit.

The Project is a density bonus project as outlined in SDMC Section 143.0720, and the proposed incentives are required in order to provide for affordable housing costs, would not have a specific adverse impact upon public health and safety, is not listed in the California Register of Historical Resources (only the local designation), and the incentives would not be contrary to state or federal law. Therefore, the findings to deny the incentives outlined within SDMC Section 143.0740(c)(1) cannot be made.

Each of the requested incentives have been reviewed as they relate to the proposed design and use of the proposed Project, the site layout, and the impact on the surrounding neighborhood. The requested incentives are appropriate and will result in a better Project that efficiently utilizes the subject property while meeting the purpose and intent of the Mid-City Communities Plan. Other than the requested incentives, the proposed Project meets all applicable regulations and policy documents and is consistent with the recommended land use and development standards in effect for the subject property per the SDMC. Therefore, the proposed development would comply with the applicable regulations, including any allowable deviations.

**2. Supplemental Findings – Historical Resources Deviation for Substantial Alteration of a Designated Historical Resource or Within a Historical District [SDMC Section 126.0505(i)]:**

- a. **There are no feasible measures, including a less environmentally damaging alternative, that can further minimize the potential adverse effects on the designated historical resource.**

The American Legion Hall was designated as a San Diego Historical Landmark No. 525 on June 27, 2002. The American Legion Hall was built in 1931 and served as a place for veterans to practice rituals of camaraderie and remembrance. The building is significant for its connection to Charles H. Harris, who helped organize the post in 1922, and for its

connection to the Progressive Party. The Progressive Party was a third party in the United States formed in 1912 by former president Theodore Roosevelt after he lost the presidential nomination of the Republican Party to his former protégé and conservative rival, incumbent president William Howard Taft.

The site is one of the few remaining civic structures constructed by Master Builder Lester Olmstead. According to the local Designation Nomination by Ronald V. May, the American Legion Hall “exemplifies the national theme of post-World War I American Legion community service from 1931 through 1945, which dovetailed with local Progressive Party civic and political activities to improve the quality of life in San Diego.” The development of the first American Legion post building in the City is associated with important local, state, and national historical figures during the 1931-to-1945 period who used the hall as a meeting place for numerous important civic planning activities. According to Resolution Number R-02062704, adopted by the City HRB, the building merited local designation under Criterion A (Community Development), Criterion B (Historical Personage), and Criterion D (Master Builder). The hall was not locally designated under Criterion C (Design and Construction).

The two-story wood framed building was in use as an American Legion Hall from 1931 to 1985 and has subsequently housed a variety of uses. It consists of a shallow two-story section facing Fairmount Avenue and a deeper one-story hall section extending to the alley at the rear. The two-story portion, which is approximately 900 square-feet per floor, has been used as an office and the larger one-story portion has been used as a meeting hall. The building has received minimal maintenance and is in substandard condition.

As outlined in SDP Findings A.1.a. and b. listed above, the Project proposes the demolition of the historical resource building, the American Legion Hall, HRB No. 525, and the construction of a 131,998-square-foot, five story mixed-use infill development containing 75 dwelling units (74 affordable housing dwelling units and one manager unit). Development of the Project will require a Site Development Permit (SDP) for the Substantial Alteration of a Designated Historical Resource under SDMC Section 126.0504(i) because it will remove the existing American Legion Hall building from this site, which adversely impacts the historical association of the site.

EIR No. 661800/SCH No. 2017081051 has been prepared for the Project in accordance with CEQA Guidelines. MMRP would be implemented with this Project, which would reduce some of the potential impacts to below a level of significance. The applicant has provided Draft Candidate Findings and Statement of Overriding Considerations to allow the decision-maker to approve the Project with significant and significant unavoidable impacts related to Land Use and Historical Resources.

The applicant evaluated three different alternatives, in an Economic Alternative Analysis (Economic Analysis) prepared by London Moeder Advisors, which found only the proposed Project economically viable. The alternatives considered are noted below:

- Alternative 1, Full Rehabilitation, would preserve the entire American Legion Hall building in place and rehabilitate it to conform to current codes and Title 24 requirements per the Secretary of the Interior’s Standards. The 1931 building would be brought up to



current structural integrity including new sheer walls, thermal and moisture protection, current plumbing, heating, ventilation, HVAC and electrical systems. Nonresidential community meeting space (6,295 SF) would be located within the (rear) single story portion of 4061 and the front two-story portion would be used for office and storage. This alternative would include the construction of 59 residential dwelling units on the remainder portion of the site;

- Alternative 2, Partial Rehabilitation, would demolish the one-story portion of the Legion Hall and retain and rehabilitate the two-story portion for use as the leasing office for the new Project. A new building would be constructed at the rear of the two-story portion, which would house approximately 4,260 square feet of non-residential community meeting space. This would reduce the number of residential dwelling units from 75 to 71; and
- Alternative 3, Relocation would relocate the full American Legion Hall to a new location, in an appropriate area within the City. The full American Legion Hall would be rehabilitated and sold to a third party for reuse, transferring the historical designation status to the new site.

As demonstrated by the Economic Feasibility Analysis prepared by London Moeder Advisors, the proposed Project would produce 75 multi-family rental units (74 of which would be set-aside as affordable housing), and the proposed Project was determined to be economically feasible. In contrast, Alternatives 1, 2 and 3 were not found to be economically feasible. The Project alternatives have issues that relate to increased costs of debt, cash flow shortfalls, and the need for additional financing. The denial of the proposed development would result in economic hardship to the owner, who has already invested in the acquisition and preliminary development of this property in order to develop much needed affordable housing to City Heights community. There are no reasonable beneficial uses of the American Legion Hall and without its demolition, it is not feasible to derive a reasonable economic return from the property.

The City of San Diego's Economic Development Department (EDD) has reviewed the Economic Analysis prepared for the alternative development scenarios (Attachment 7) and determined the 75-unit proposed Project the most feasible option among those presented. Construction is achievable for all development scenarios, but long-term financial risks vary, with the proposed Project being the most financially feasible, followed by Alternative 3, Alternative 2, and Alternative 1. Based on Economic Analysis calculations, Alternatives 1 through 3 will require gap financing in the form of a temporary, subordinate or mezzanine loans to cover costs. The partial or full restoration/preservation of the American Legion Hall structure (Alternatives 1 and 2) reduces the number of rental units created. Having fewer units raises the per-unit cost, reduces the number of available tax credits through the California Tax Credit Allocation Committee (CTCAC) and lowers the tax credit equity, exposes the developer potentially to significant reductions of Project value (new build versus construction rehab), and ultimately jeopardizes debt service and debt repayment. Alternative 3, which, like the proposed Project, will have 75 units, is deemed infeasible under the current financing structure since it would require \$3,266,636 in gap financing, the smallest gap among the three alternatives. Therefore, for these reasons, there are no feasible measures, including a less environmentally damaging alternative, that can further minimize the potential adverse effects on the designated historical resource.

**b. The deviation is the minimum necessary to afford relief and accommodate the development and all feasible measures to mitigate for the loss of any portion of the historical resource have been provided by the applicant.**

As outlined in SDP Finding A.1.a. and b. listed above, the Project proposes the demolition of the historical resource building, the American Legion Hall, HRB No. 525, and the construction of a 131,998-square-foot, five story mixed-use infill development containing 75 dwelling units (74 affordable housing dwelling units and one manager unit). The deviation from the standard protective historical resource regulations is the minimum necessary to afford relief and accommodate the development of the site in accordance with the objectives of the proposed project to provide high quality, two- and three-bedroom affordable housing dwelling units for City Heights residents.

As outlined in SDP Finding A.2.a. listed above, an economic analysis of three different alternatives was prepared in an Economic Alternative Analysis. As demonstrated by the Economic Feasibility Analysis prepared by London Moeder Advisors, the proposed Project would produce 75 multi-family rental units (74 of which would be set-aside as affordable housing), and the proposed Project was determined to be economically feasible. In contrast, Alternatives 1, 2 and 3 were not found to be economically feasible. The Project alternatives have issues that relate to increased costs of debt, cash flow shortfalls, and the need for additional financing. The denial of the proposed development would result in economic hardship to the owner, who has already invested in the acquisition and preliminary development of this property in order to develop much needed affordable housing to City Heights community. There are no reasonable beneficial uses of the American Legion Hall and without its demolition, it is not feasible to derive a reasonable economic return from the property. The City's EDD conducted a peer review of an economic analysis prepared for the alternative development scenarios. EDD considers the 75-unit base Project the most feasible option among those presented.

EIR No. 661800/SCH No. 2017081051 has been prepared for the Project in accordance with CEQA Guidelines. MMRP would be implemented with this Project, which would reduce some of the potential impacts to below a level of significance. The applicant has provided Draft Candidate Findings and Statement of Overriding Considerations to allow the decision-maker to approve the Project with significant and significant unavoidable impacts related to Land Use and Historical Resources.

The MMRP requires the integration of a community room on the ground floor, create a display and interpretive material for public exhibition concerning the history of the American Legion Hall, and to make available the architectural materials from the site for donation to the public, as follows:

Community Meeting Space - An approximately 1,800 square foot community room shall be integrated into the ground floor of the Project to provide an opportunity for the community to gather to offset the loss of this historic function currently located within the DeWitt C. Mitchell Memorial American Legion Hall Post 201.

Interpretive Signage or Display Panels or Story Boards - Interpretive signage or display panels or story board will be installed in a publicly visible location. The Exhibit A, Sheet A.2.0, show the approximate location near the community space and Sheet A3.0 shows the location near the elevators and visible from the right-of way. The installation will describe the history and significance of the DeWitt C. Mitchell Memorial American Legion Hall Post 201. The installation will be reviewed and approved by the City's HRB staff.

Salvage Materials - Prior to demolition, architectural materials from the site shall be made available for donation to the public. Materials to become architectural salvage shall include historic- period elements including original wood-framed windows, doors, and clay roof tiles. The inventory of key exterior and interior elements shall be developed prior to issuance of the demolition or grading permit. The materials shall be removed prior to or during demolition. Materials that are contaminated, unsound, or decayed shall not be included in the salvage program and shall not be available for future use. Once the items for salvage are identified, the Project's qualified historic preservation professional (QHPP) shall submit this information to the City's Historical Resources Section for approval. Following that, the QHPP in concert with the City's Historical Resources Section, shall notify the City Heights Community Planning Group and Local preservation groups via email concerning the availability of the salvaged materials. Interested parties shall make arrangements to pick up the materials after they have been removed from the property. The Owner/Permittee shall be responsible for storing the salvaged materials in an appropriate climate-controlled storage space for an appropriate period of time, as determined through consultation with the City's Historical Resources Section. Prior to any plans to no longer use the storage space, the Owner/Permittee will provide the City's Historical Resources Section with an inventory of any materials that were not donated to any interested parties, and measures to be taken by the Owner/Permittee to dispose of these materials.

In addition, the MMRP requires the preparation of a Documentation Program consisting of a Historic American Building Survey (HABS) for the property prior to the start of demolition. This Documentation Program includes professional quality photo documentation of all four elevations with close-ups of selected elements and measured drawings of the exterior elevations. HABS documentation was prepared by Historical Architect John E. Eisenhart and is included as part of the Project records. Therefore, this deviation is the minimum necessary to afford relief and accommodate the Project and all feasible measures to mitigate for the loss of any portion of the historical resource have been provided by the Owner/Permittee.

- c. The denial of the proposed development would result in economic hardship to the owner. For purposes of this finding, economic hardship means there is no reasonable beneficial use of a property and it is not feasible to derive a reasonable economic return from the property.**

As outlined in SDP Finding A.2.a. listed above, an economic analysis of three different alternatives was prepared in an Economic Alternative Analysis. As demonstrated by the Economic Feasibility Analysis prepared by London Moeder Advisors, the proposed Project would produce 75 multi-family rental units (74 of which would be set-aside as affordable housing), and the proposed Project was determined to be economically feasible. In

contrast, Alternatives 1, 2 and 3 were not found to be economically feasible. The Project alternatives have issues that relate to increased costs of debt, cash flow shortfalls, and the need for additional financing. The denial of the proposed development would result in economic hardship to the owner, who has already invested in the acquisition and preliminary development of this property in order to develop much needed affordable housing to City Heights community. There are no reasonable beneficial uses of the American Legion Hall and without its demolition, it is not feasible to derive a reasonable economic return from the property.

The above findings are supported by the minutes, maps and exhibits, all of which are incorporated herein by this reference.

BE IT FURTHER RESOLVED that, based on the findings hereinbefore adopted by the Planning Commission, Site Development Permit No. 2412541 is hereby GRANTED by the Planning Commission to the referenced Owner/Permittee, in the form, exhibits, terms and conditions as set forth in Permit No. 2412541, a copy of which is attached hereto and made a part hereof.

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Jeffrey A. Peterson  
Development Project Manager  
Development Services Department

Adopted On: December 17, 2020

IO#: 24008588