



THE CITY OF SAN DIEGO

Report to the Planning Commission

DATE ISSUED: February 21, 2019 REPORT NO. PC-19-011

HEARING DATE: February 28, 2019

SUBJECT: Otay Mesa-Nestor Community Plan Amendment Initiation for 408 Hollister Street

PROJECT NUMBER: 621460

OWNER/APPLICANT: Bella Mar Land Investors, LLC – Jeff Phair

SUMMARY

Issue: Should the Planning Commission INITIATE an amendment to the Otay Mesa-Nestor Community Plan to re-designate the land use of a 14.6-acre site, located on 408 Hollister Street, from Open Space to Medium Density Residential (15-29 du/acre), and rezone from AR-1-1 to RM-2-5.

Staff Recommendation: Approve the initiation of the community plan amendment process.

Community Planning Group Recommendation: On February 13, 2019 the Otay Mesa-Nestor Planning Group voted 12-0-0 in support of initiating the proposed community plan amendment (Attachment 4).

Environmental Review: The proposed community plan amendment is not a "project" under the definition set forth in CEQA Guidelines Section 15378. Should initiation of the community plan amendment be approved, environmental review would take place at the appropriate time in accordance with CEQA Section 15004.

Fiscal Impact Statement: None with this action. All costs associated with this action are paid from a deposit account maintained by the applicant.

Code Enforcement Impact: None with this action.

Housing Impact Statement: If initiated, subsequent to approval of the proposed community plan amendment could potentially allow up to 424 multi-family dwelling units, where only 14 dwelling units would be currently allowed.

The initiation of a plan amendment in no way confers adoption of a plan amendment; neither staff nor the Planning Commission is committed to recommend in favor or denial of the proposed amendment, and the City Council is not committed to adopt or deny the proposed amendment.

BACKGROUND

Site Location

The 14.6-acre site subject site is located at 408 Hollister Street, within the Otay Mesa-Nestor community planning area. The site is bounded by Hollister Street on the east and Interstate 5 on the west, the Otay Valley Regional Park on the north and a vacant lot to the south which was formerly used as a golf driving range. (Attachment 1 and 2). The subject site is currently vacant and partially covered with non-native grasses. This property had been operated as a dairy farm from the late 1940s until approximately 1964. Thereafter, a go-cart track was operated on the property, ceasing its operations in 2003.

Existing Adjacent Uses

Residential development near the site includes: single-family residences, located along Hollister Street, between the former driving range site and Palm Avenue, and also found at the south-east corner of Palm Avenue and Hollister Street, while two multi-family residential developments are located along Hollister Street, south of Palm Avenue. Retail commercial uses near the site can be found mostly along Palm Avenue, with a few businesses also fronting Hollister Street, across from the Transit Center. The Otay Valley Regional Park is located to the north of the site, which is a regional park, which consists of open space that extends through the Otay River Valley.

Community Plan Land Use Designation and Zoning

The Otay Mesa-Nestor Community Plan (OMNCP) designates the site as Open Space (Attachment 3), and the site's underlying zoning is AR-1-2, which would allow the development of 14 dwelling units. AR-1-2 allows for the development of 1 single dwelling unit per lot on individual 1-acre lots each, however, clustered development of the allowed units can be requested through a Planned Development Permit (PDP) - Process 4.

Transit

The site is within a Transit Priority Area (TPA) and is located within approximately a quarter of a mile from the Palm Avenue Transit Station, which is located at the corner of Palm Avenue and Hollister Street. The Palm Avenue Transit Station provides trolley service (blue line) and can be accessed by pedestrians and bicyclists from Hollister Street through stairs and a ramp. The site is currently served by Metropolitan Transit Service (MTS) local bus routes 932 and 934. Both bus stops are available within walking distance from the project site, at Palm Avenue and Hollister Street. Currently, there is a limited pedestrian and bicyclist connectivity from the proposed amendment site to the Palm Avenue Transit Center and to other facilities, due to the lack of sidewalks, bicycle facilities, and curb and gutter along Hollister Street (north of Palm Avenue).

Public Facilities

The site is located within 1.5 miles from the Otay Mesa-Nestor Branch Library, on Beyer Boulevard. The site is located within proximity to two public recreation facilities, the Montgomery-Waller Community Park and Recreation Center, on Beyer Boulevard, within 1.3 miles from the site, and the South Bay Recreation Center, on Coronado Avenue, within 1.4 miles from the site. Two schools are found near the site, Sunnyslope Elementary School is less than half a mile from the site, and Montgomery High School is approximately 2 miles from the site. The site is located within 1.4 miles from the San Diego Fire-Rescue Department Station 30.

Sensitive Resources

MHPA

Portions of the site are identified as Multiple Habitat Planning Area (MHPA) designated lands, and land use adjacency guidelines and restoration policies for sensitive vegetation communities consistent with the Multiple Species Conservation Program (MSCP) Subarea Plan are applicable to this site.

Special Flooding Hazard Area

The site is located within the Special Flooding Hazard Area (SFHA) as identified per the Federal Emergency Management Agency (FEMA). The applicant will need to address applicable flood plain management regulations¹.

Coastal Zone

The project site is located within the Coastal Zone, within an area of deferred certification. Future permit authority may be transferred to the City when appropriate zoning and the Special Study are adopted by the City and also approved by the California Coastal

¹ "Special Flood Hazard Area", Federal Emergency Management Agency, <https://www.fema.gov/special-flood-hazard-area>

Commission. (OMCP p. 32) The proposed amendment requires review and certification by the California Coastal Commission prior being effective within the Coastal Zone. The site is outside of the Coastal Height Overlay Zone.

Otay Valley Regional Park

The proposed amendment site is located adjacent to the Otay Valley Regional Park (OVRP). The OMNCP includes guidelines that are applicable to all future development adjacent to the OVRP, indicating that future development should be sensitive to, oriented towards, and enhance adjacent natural open space (OMCP p. 29).

The Otay Valley Regional Park Concept Plan, also includes guidelines for development adjacent to the regional park, including the provision of linkages with OVRP trails and, as appropriate, to provide open space, recreational facilities, staging and viewing areas in conjunction with the Park. As well as the provision of recreational uses as buffers between the Open Space/Core Preserve Area and new private development.

Special Study Area

The site is within the Special Study Area (SSA) overlay per the Otay Mesa-Nestor Community Plan. The OMNCP requires the preparation and adoption of a Special Study for properties within the SSA prior to or in conjunction with proposals for plan amendments, re-zones or other discretionary actions such as Planned Development Permits or Conditional Use Permits.

The intent of the Special Study Area includes that the design of future development in this area shall be sensitive to, oriented towards, and enhance the adjacent open space of south San Diego Bay and the Otay River Valley. The Special Study is intended to consist of an ecological analysis of the SSA, assessing the biological, sensitive natural resources, natural habitat, and regional habitat and open space connectivity values with the SSA. The Special Study is also intended to assess the hydrological conditions and provide floodplain management recommendations to meet the needs for future development (refer to Criteria for Preparation of the Special Study pp. 90-92 OMNCP).

The OMNCP (p. 91) indicates that the Special Study should comprehensively address all the property located within the designated SSA. The OMNCP (p. 34) also includes the possibility to amend this SSA to achieve consistency, upon adoption of the Otay Valley Regional Park Concept Plan. The Otay Valley Regional Park Concept Plan, which includes a large portion of the SSA, was adopted on April 17, 2001 and updated on October 13, 2017.

The Planning Department recommends amending the OMNCP to allow the applicant the ability to prepare all required analysis that meets the intent of the Special Study Area independently, as part of the community plan amendment, without the need to prepare a Special Study that encompasses all properties within the SSA.

Proposed Amendment

The initiation request proposes to comprehensively amend the Otay Mesa Nestor Community Plan. The proposed amendment would re-designate the site from Open Space Medium Density Residential (15-29 du/acre) and would require a re-zone from AR-1-2 to RM-2-5. The proposed amendment would analyze the potential of increasing the amount of residential development from 14 dwelling units, currently allowed by the OMNCP, to 424 multi-family dwelling units. The OMNCP would be amended in all applicable sections to ensure that it is consistent with the proposed amendment, this could include, but not limited to the sections regarding land use, mobility, public facilities, services, and safety, recreation facilities, urban design, noise, and conservation.

DISCUSSION

The City is unique among jurisdictions in that the process to amend the General Plan and/or a community plan requires either a Planning Commission or City Council initiation before a plan amendment process and accompanying project may proceed. Community plans are components of the City's General Plan. The staff recommendation of approval or denial of the initiation is based upon compliance with all three of the initiation criteria contained in the General Plan. The Planning Department has provided an overview of how the following initiation criteria are addressed by the proposed amendment:

(a) The amendment request appears to be consistent with the goals and policies of the General Plan and community plan and any community plan specific amendment criteria.

The General Plan's Housing Element identifies measurable goals and policies to address the City's critical housing needs by 2020. A key goal is to ensure the provision of sufficient housing for all income groups to accommodate San Diego's anticipated share of regional growth over the next Housing Element cycle 2013-2020. The proposed amendment which would have the potential to accommodate additional housing opportunities, which would support the implementation of the recommendations in the Housing Element.

The proposed community plan amendment would be consistent with the goals and objectives of the General Plan. This proposed amendment support the City of Villages Strategy outlined in the Strategic Framework, which recommends for new growth to be focused in mixed-use centers served by a regional transit system. General Plan figure LU-1 identifies the area around the trolley station at the intersection of Palm and Hollister as having a high village propensity.

The proposed community plan amendment would be consistent with the Otay Mesa-Nestor community plan guidance that recommends Transit-Oriented (TOD) Development in the Palm City neighborhood, where the site is located. The proposed amendment would be consistent with the OMNCP's recommendation to Improve this area as one of the community's key mixed-use neighborhood centers through physical rehabilitation and economic revitalization. Additionally, the proposed amendment would ensure that future redevelopment of this area would be pedestrian/transit-oriented and based on Transit-Oriented Development (TOD) guidelines, consistent with the OMNCP.

(b) The proposed amendment provides additional public benefit to the community as compared to the existing land use designation, density/intensity range, plan policy or site design.

The proposed amendment would allow for additional housing capacity near transit. If the proposed amendment is approved, this would allow for the development of additional housing units near the Palm Avenue Transit Center. The applicant has expressed the intention of developing the site as a residential development, including approximately 20 percent on-site affordable housing (Attachment 6). Which would result in a range of housing types providing for a variety of household incomes, consistent with the General Plan.

The proposed amendment will also allow for the environmental restoration of the 100-foot MHPA buffer zone along the north property line, as the applicant has expressed the intention to incorporate such buffer as part of the proposed amendment. Additionally, the applicant has expressed that the proposed amendment will provide connections to the Otay Valley Regional Park, and to pedestrian and bicycle trails linking to the Otay River Trail network and the Bayshore Bikeway (Attachment 6).

The applicant has expressed the intention to propose an enhanced bus stop along Hollister Street and necessary frontage improvements to improve pedestrian circulation in the neighborhood, to take advantage of the site's proximity to the Trolley station and create a walkable community (Attachment 6).

(c) Public facilities appear to be available to serve the proposed increase in density/intensity, or their provision will be addressed as a component of the amendment process.

The Otay Mesa Nestor community planning area is an urbanized community and all necessary public services appear to be available. If the amendment to the Community Plan is initiated, an analysis of public services and facilities would be conducted with the review of the amendment.

As outlined above, it is staff's recommendation that the proposed initiation meets all of the criteria as described. The following land use issues have been identified by City staff. If initiated, these issues, as well as other that may be identified, would be analyzed and evaluated through the community plan amendment review process:

- Consistency with the Goals and Policies of the Otay Valley Regional Park Plan.
- Compatibility of the proposed amendment with the General Plan Urban Design goals and policies development adjacent to natural features.
- Identification of appropriate areas for preservation, enhancement, and restoration. Description and location of the boundaries on-site of the open space preserved areas and public park (OVRP) areas.
- Identification and designation of appropriate areas for development. Description and location of the proposed land uses, densities and intensities.
- Consistency between the proposed land uses with adjacent land uses. The OMCP encourages land uses which facilitate the economic revitalization of the community, in relation to other existing or planned land uses such as Palm Avenue West, Nestor Town Center, and Palm City.
- Provision of a continuous connection between the Otay Valley, the Salt works, and San Diego Bay.
- Connectivity of pedestrian and bicycle facilities to surrounding development, to the Palm Avenue Transit Center and to other transit facilities, to the Otay Valley Regional Park, and to existing and planned facilities.

- Incorporation of a range of housing types, to provide for a variety of household sizes and household incomes.
- Implementation of applicable land use adjacency guidelines and restoration policies for sensitive vegetation communities within Multiple Habitat Planning Area (MHPA) designated lands identified within the site, consistent with the Multiple Species Conservation Program (MSCP) Subarea Plan.
- Incorporation of sustainability features including, but not limited to addressing water, energy, and storm water consistent with General Plan Conservation policies.
- Consideration of appropriate site design and flooding prevention methods. The site is identified within a Special Flooding Hazard Area per FEMA (Federal Emergency Management Agency).
- Consistency with the Transit-Oriented Development (TOD) guidelines per the OMNCP, for future redevelopment of this area to be pedestrian/transit-oriented.

Although staff believes that the proposed amendment meets the necessary criteria for initiation, staff has to review the applicant's proposal in consideration of the issues included hereby and those identified as part of the Planning Commission hearing. Therefore, by initiating this community plan amendment, neither staff nor the Planning Commission is committed to recommend in favor or denial of the proposed amendment.

Respectfully submitted,



Elizabeth Ocampo Vivero
Senior Planner
Planning Department

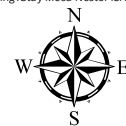
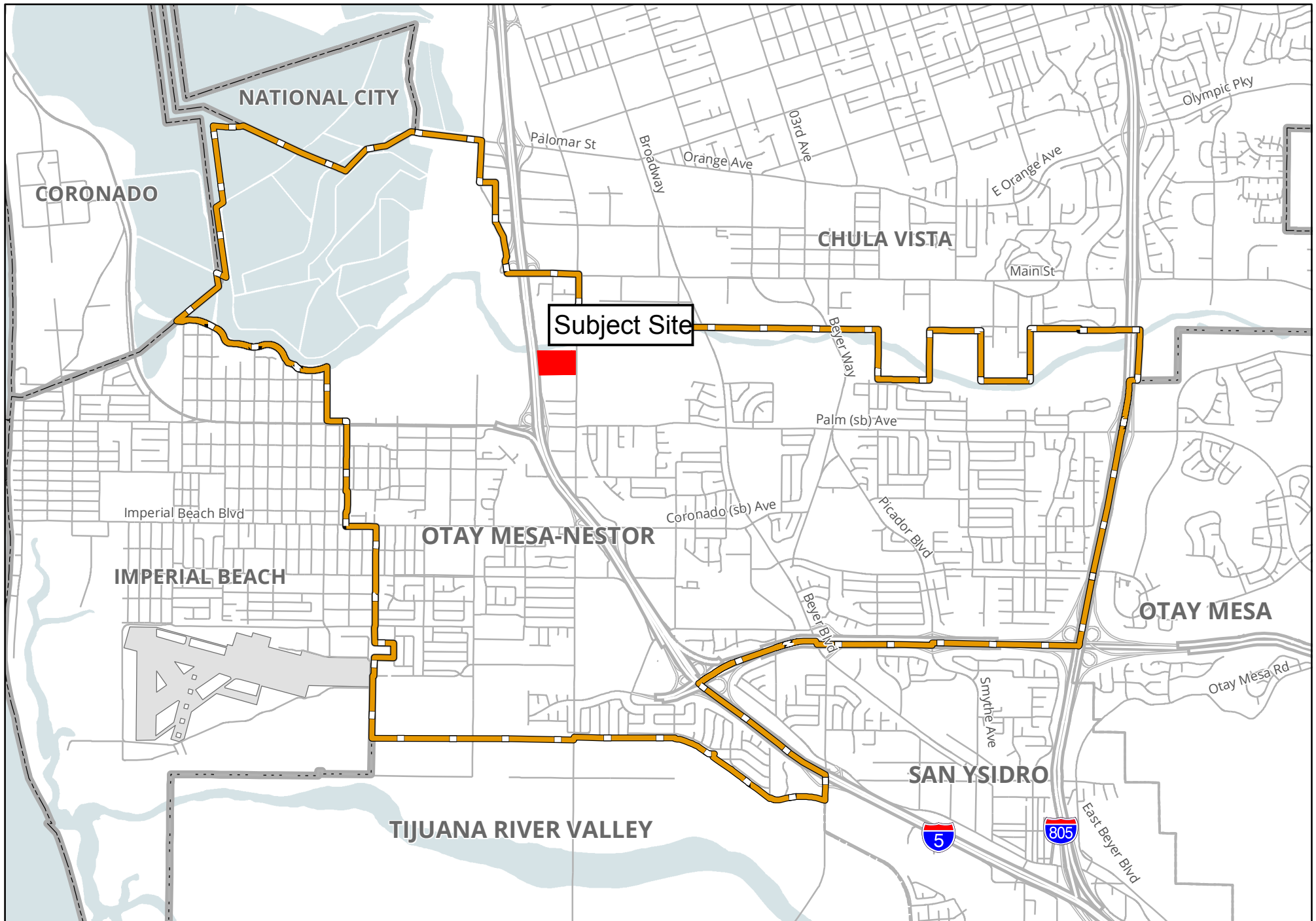


Tait Galloway
Program Manager
Planning Department

GALLOWAY/eov




Attachments:

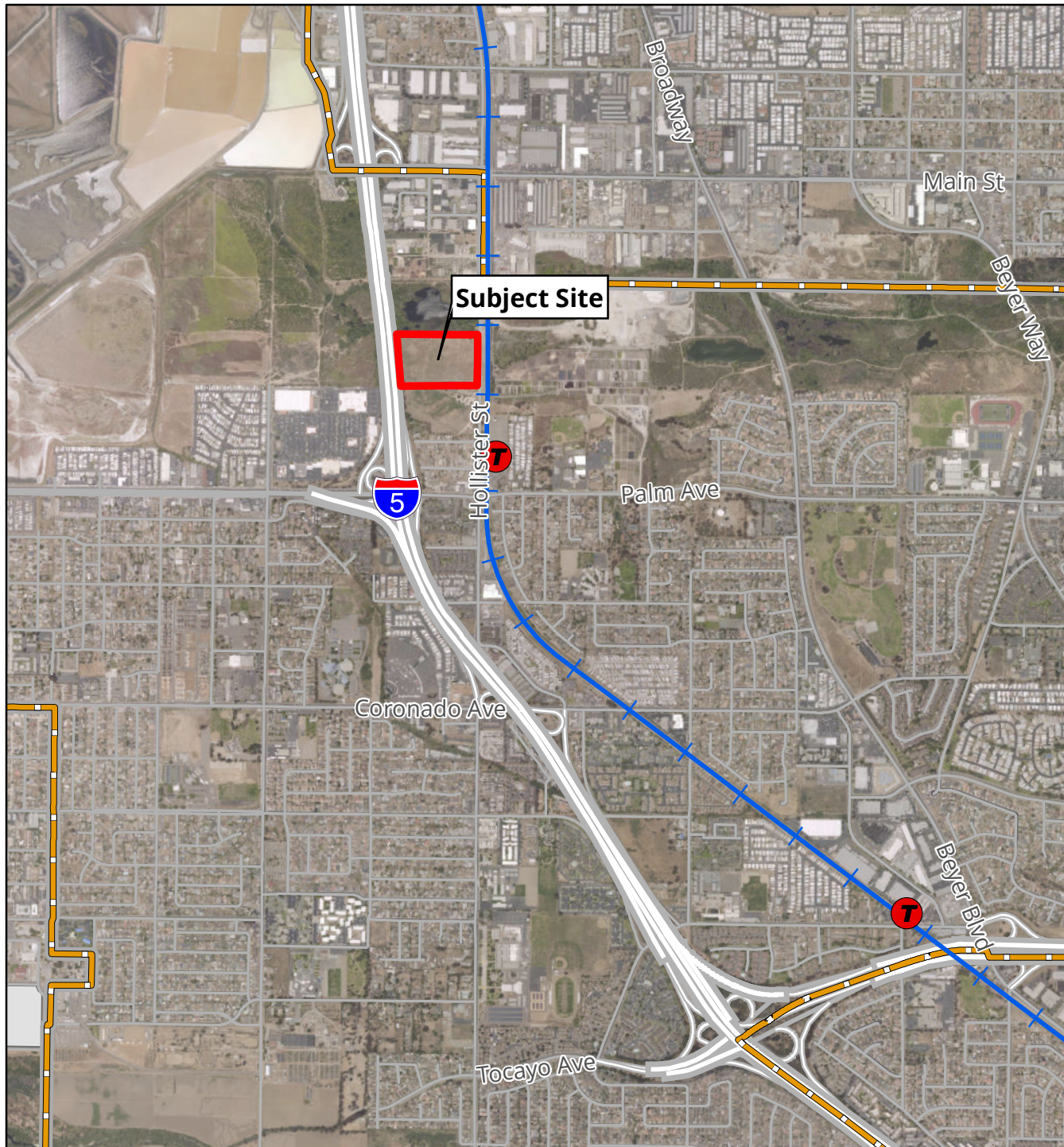
1. Project Vicinity Map
2. Project Location Map (aerial photo)
3. Otay Mesa-Nestor Nestor Community Plan Land Use Map
4. Otay Mesa-Nestor Community Planning Group Recommendation
5. Ownership Disclosure Statement
6. Initiation Request Letter



The City of
SAN DIEGO
 Aerial Map

PLANNING DEPARTMENT

-  Trolley Stop
-  Blue Line
-  Community Plan Boundary



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SanGIS
 SanGIS is a web-based GIS application that provides a user-friendly interface for viewing and analyzing spatial data. It is designed to be used by non-technical users and is accessible via a web browser. The application is hosted on a secure server and is updated regularly with the latest data and maps. For more information, please contact the SanGIS support team at san@cityofsan.org.

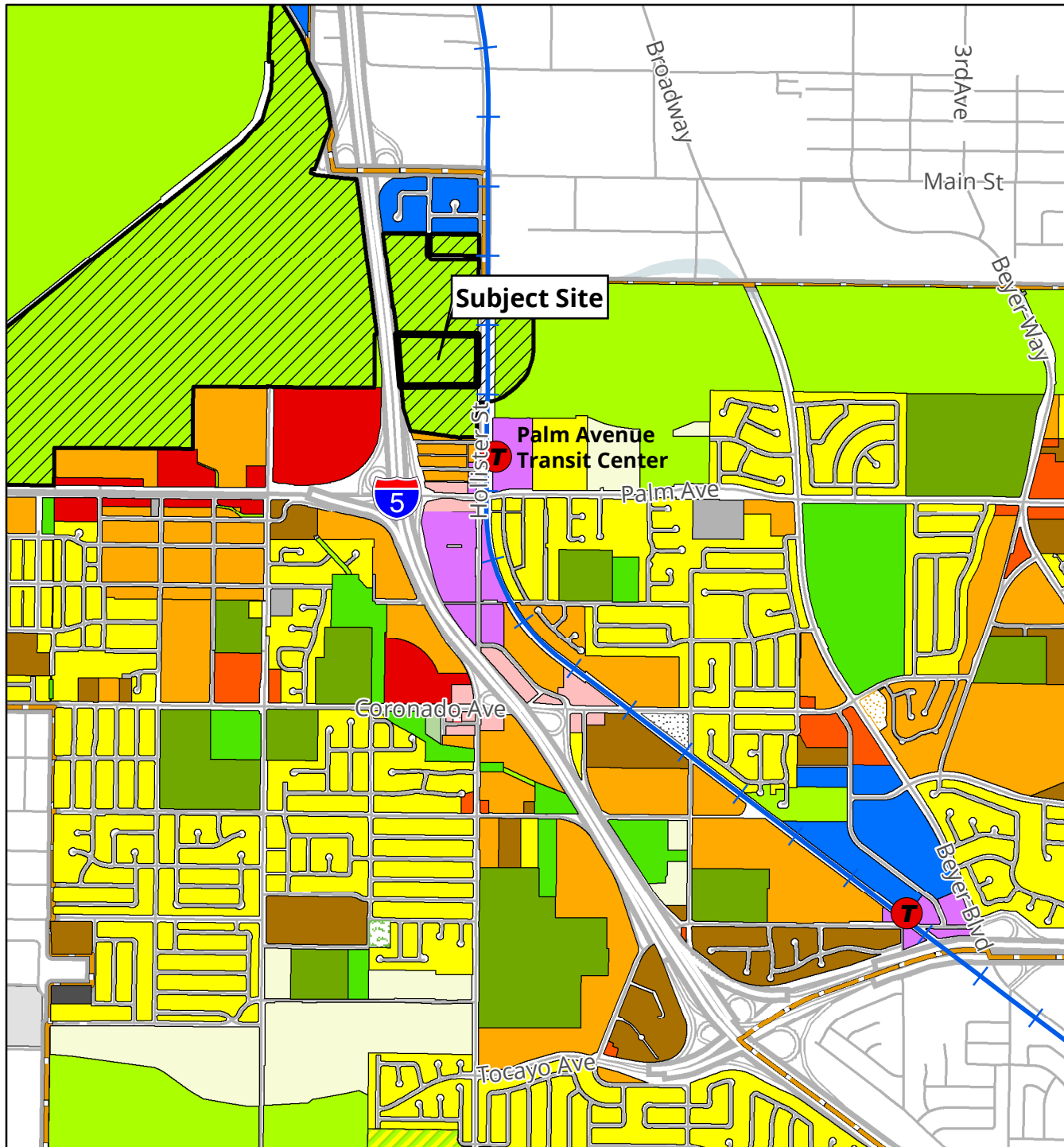
DRAFT



Otay Mesa-Nestor Community Plan Land Use

PLANNING DEPARTMENT

- Trolley Stop
- + Blue Line
- Special Study Area
- Very Low Density Residential (0-<5 du/nra)
- Low Density Residential (5-<10 du/nra)
- Low-Medium Density Residential (10-<15 du/nra)
- Medium Density Residential (15-<30 du/nra)
- Community Commercial
- Neighborhood Commercial
- Visitor Commercial
- Mixed Use
- Industrial
- Cemetery
- Utility
- Salt Works
- School
- Park
- Open Space
- Low Density Res or OS
- Government Facility
- Historical/Institutional
- Fire Station
- Police Station
- Library
- Post Office
- Community Plan Boundary



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SanGIS
SanGIS is a web-based geographic information system (GIS) that provides a platform for the City of San Diego to share and analyze spatial data. It is a powerful tool for planning and decision-making. For more information, visit www.sandagis.org.

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Otay Mesa Nestor Community Planning Group Recommendation

On February 13, 2019 the Otay Mesa-Nestor Planning Group voted 12-0-0 in support of initiating the proposed community plan amendment. The draft minutes of the OMNCPG's February meeting are not available yet to be included as part of this staff report.

	City of San Diego Development Services 1222 First Ave., MS 302 San Diego, CA 92101 (619) 446-5000	Ownership Disclosure Statement	FORM
			DS-318
			October 2017

Approval Type: Check appropriate box for type of approval(s) requested: ☐ Neighborhood Use Permit ☐ Coastal Development Permit
☐ Neighborhood Development Permit ☐ Site Development Permit ☐ Planned Development Permit ☐ Conditional Use Permit ☐ Variance
☐ Tentative Map ☐ Vesting Tentative Map ☐ Map Waiver ☒ Land Use Plan Amendment • ☒ Other Community Plan Amendments • Request to Initiate

Project Title: Bella Mar Apartments **Project No. For City Use Only:** _____
Project Address: 408 Hollister Street, San Diego, CA 92154

Specify Form of Ownership/Legal Status (please check):

☐ Corporation ☒ Limited Liability -or- ☐ General - What State? California Corporate Identification No. _____
☐ Partnership ☐ Individual

By signing the Ownership Disclosure Statement, the owner(s) acknowledge that an application for a permit, map or other matter will be filed with the City of San Diego on the subject property with the intent to record an encumbrance against the property. Please list below the owner(s), applicant(s), and other financially interested persons of the above referenced property. A financially interested party includes any individual, firm, co-partnership, joint venture, association, social club, fraternal organization, corporation, estate, trust, receiver or syndicate with a financial interest in the application. If the applicant includes a corporation or partnership, include the names, titles, addresses of all individuals owning more than 10% of the shares. If a publicly-owned corporation, include the names, titles, and addresses of the corporate officers. (A separate page may be attached if necessary.) If any person is a nonprofit organization or a trust, list the names and addresses of **ANY** person serving as an officer or director of the nonprofit organization or as trustee or beneficiary of the nonprofit organization. A signature is required of at least one of the property owners. Attach additional pages if needed. Note: The applicant is responsible for notifying the Project Manager 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 Manager at least thirty days prior to any public hearing on the subject property. Failure to provide accurate and current ownership information could result in a delay in the hearing process.

Property Owner

Name of Individual: Bella Mar Land Investors LLC ☒ Owner ☐ Tenant/Lessee ☐ Successor Agency
 Street Address: 3330 Bonita Road,
 City: Chula Vista State: CA Zip: 91910
 Phone No.: 619-985-4030 Fax No.: _____ Email: TPC@theplairoco.sdcocmail.com
 Signature: [Signature] Date: 10.18.18
 Additional pages Attached: ☐ Yes ☒ No

Applicant

Name of Individual: Red Tail Acquisitions LLC - Tim Kihm ☒ Owner ☐ Tenant/Lessee ☐ Successor Agency
 Street Address: 2082 Michelson Dr. 4th Floor
 City: Irvine State: CA Zip: 92612
 Phone No.: 714-624-7539 Fax No.: _____ Email: tkihm@rtacq.com
 Signature: [Signature] Date: 10/19/18
 Additional pages Attached: ☐ Yes ☒ No

Other Financially Interested Persons

Name of Individual: _____ ☐ Owner ☐ Tenant/Lessee ☐ Successor Agency
 Street Address: _____
 City: _____ State: _____ Zip: _____
 Phone No.: _____ Fax No.: _____ Email: _____
 Signature: _____ Date: _____
 Additional pages Attached: ☐ Yes ☐ No

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October 25, 2018

Chairman Haase and Members of the Planning Commission
City of San Diego
202 C Street, 5th Floor
San Diego, CA 92101

RE: Initiation of Community Plan Amendment
Otay Mesa – Nestor Community Plan
For Bella Mar Apartments
408 Hollister Avenue, San Diego, CA
APN 627-100-09-00
Project No 598995

Dear Chairman Haase and Members of the Planning Commission,

Bella Mar Land Investors LLC (“Bella Mar”) is seeking to initiate a Community Plan Amendment (CPA) for the redevelopment of the former go-cart property located at 408 Hollister Street, San Diego, California, Assessor Parcel Number: 627-100-09-00 (“Project Site”). The project site is approximately 14.6 acres in size and is within the Otay Mesa – Nestor Community Plan (“Community Plan”) area. This CPA Initiation Request (“Initiation Request”) has been prepared in accordance with the City General Plan and CPA Manual (“Manual”).

This Initiation Request is appropriate for the Property because upon approval of the CPA, the Property would be consistent with the surrounding land uses, which include single-family residential, multi-family rental, commercial and open space. Approval of this initiation will allow further study into the proposed development of the site, which will require a re-zone to allow up to 438 dwelling units, including on-site affordable housing. (“Proposed Project”).

Background

The Project Site is located at 408 Hollister Street, east of Interstate 5, west of Beyer Blvd, north of Palm Avenue and south of Main Street in the Otay Mesa-Nestor area. It is bounded by Hollister Street on the east and Interstate 5 on the west, the Otay Valley Regional Park on the North and private property to the South. The Sanborn maps research indicates that the property operated as a dairy farm from the late forties until approximately 1964. Thereafter, a go-cart track was operated on the property. The go-cart track ceased operations in 2003 and the owner removed all improvements. The Property has sat fallow for the past 14 years.

The most recent entitlement on the property is a Conditional Use Permit for an RV Park (Conditional Use/MHPA Boundary Line Adjustment No. 96-7318 (MMRP) Trolley Stop Recreational Vehicle Park O.R. # 2002-0627126), recorded in 2002. As one of the conditions of CUP 96-7318, a 100-foot buffer was established and recorded as an easement along the northern portion of the site to mitigate for environmental impacts for the entire site (Exhibit 1).

The Project Site is currently vacant of structures and partially covered with non-native grasses. Due to its Agricultural designation and as part of its ongoing maintenance, the property owner grubs the site twice a year. Pedestrian circulation occurs along the eastern edge of the site along Hollister Street. There is no

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sidewalk on the west side of Hollister, but aerial views show a pathway developed by pedestrians beside the road. See the attached photographic survey of existing conditions on the site (Exhibit 2).

Land Use

The single lot is a 14.617 gross acres site (14.142 net acres outside of easements) guided by the 1997 Otay Mesa-Nestor Community Plan, which designates the land use as Open Space (See Exhibit 3) and within the boundaries of a Special Study Area (SSA). The site is zoned OF-1-1 and AR-1-2, which allows residential uses of 1 unit per acre in accordance with the City's Land Development Code.

The Project Site is in the Palm City neighborhood, historically the transportation hub for the Otay Mesa-Nestor community. Palm City is characterized by a variety of land uses located along the trolley corridor. Significantly, the site is in a Transit Priority Area and within a quarter mile of the Palm Avenue Trolley station. Also, there is an existing bus stop along the Hollister Street frontage of the property. Existing development surrounding the site includes Interstate 5 on the west with no direct access, low-density residential uses to the south, and the Otay Valley Regional Park to the north and east.

The site is also in a deferred certification area of the Coastal Overlay Zone and the Proposed Project will require a Coastal Development Permit. The California Coastal Commission will determine whether or not to claim Coastal Jurisdiction and whether the City or the Commission will issue the coastal permit.

Special Study Area

When adopted, the 1997 Community Plan included the Property within the portion of the Community Plan Area designated as Special Study Area ("SSA") (Exhibit 3). The Community Plan requires the preparation and adoption of a comprehensive Special Study for properties located within the SSA overlay designation prior to any land use changes. The overlay was established to address a lack of detailed information regarding the resource and environmental value of the lands located within the SSA. Specifically, the Community Plan states that the "SSA should become wholly or partially included in the future Otay Valley Regional Park ("OVRP"), the Multiple Species Conservation Program ("MSCP") Preserve and/or the U.S. Fish and Wildlife Service proposed San Diego National Wildlife Refuge ("NWR"). Those areas included should be restored and managed as natural resource areas, regional recreation areas or part of the salt production industry. Those areas not included should be used in ways which promote development and economic revitalization in the community, help to revitalize the Palm Avenue corridor, and improve public access and circulation in the community."

It is the intent of the SSA overlay to retain the existing zoning and current Open Space designation until the planning process throughout the SSA has been completed. In addition, the "Special Study is intended to be an ecological analysis of the SSA. The analysis should address biological resources, habitat value, and hydrology within the entire SSA and shall be used as a basis for determining land uses." Therefore, the SSA was created to provide an extra layer of required biological analysis to address biological resources, habitat value and hydrology in order to help inform a basis for determining appropriate land uses within the SSA.

In the 20 plus years since the adoption of the Community Plan, the SSA has fulfilled its intent. The SSA has become wholly or partially included in the OVRP, the MSCP Preserve and/or the U.S Fish and Wildlife Service San Diego NWR. As envisioned by the Community Plan, those areas not included as preserved lands should be used in ways which promote development and economic revitalization in the community, help to revitalize the Palm Avenue corridor, and improve public access and circulation in the community. The Proposed Project supports these goals. Therefore, the Project proposes to amend the Community Plan to remove the Project Site from the Special Study Area.

Project Description

Bella Mar proposes to re-zone the Project Site from AR-1-2 to the appropriate RM zone and to amend the Otay Mesa-Nestor Community Plan to allow up to 280 market rate units and 100-110 affordable units in multiple buildings up to four stories. The small portion of the site that is zoned OF-1-1 is in the open

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space easement on the north edge of the property and will not require a re-zone. In addition to the re-zone and Community Plan Amendment, Bella Mar will seek a Site Development Permit, a Coastal Development Permit and a Tentative Map.

The Project is uniquely positioned in the community to provide much needed housing near a major transit stop, shopping and recreation. Proximity to the future regional park immediately to the East will link residents to explore and enjoy the local trail network along the Otay River. These characteristics also make the site ideal for affordable housing. Bella Mar proposes over 20% affordable units on site. The applicant seeks to develop a high quality, family-oriented project with larger units, including a substantial proportion of 3-bedroom units that are much needed by families in this area.

The Project Site will be subdivided into three main areas: a 280-unit market rate residential development of approximately 12 acres fronting on Hollister Street, an approximate 100-110 unit affordable housing component on approximately 2 acres, and a 50-foot wide (0.56 acre) drainage easement and noise buffer adjacent to Interstate 5. Pedestrian and vehicular connections, uniform landscaping and complementary building materials will link these three elements into a comprehensive design. The project will include outdoor amenity spaces as well as connections to off-site recreation in Otay Valley Regional Park and to pedestrian and bike trails linking to the Otay River Trail network and the Bayshore Bikeway. The applicant also proposes an enhanced bus stop along Hollister Street and necessary frontage improvements to improve pedestrian circulation in the neighborhood, to take advantage of the site's proximity to the Trolley station and create a truly walkable community.

Open space is key to the success of this project, and success will be measured in the creativity, quality and practicality of uses throughout. A majority of the units will be arranged around landscaped courtyards or connected by linear green space. Sustainability and ease of maintenance are key design principles for the project. Connectivity between the buildings, parking, landscape, transit and trails will solidify Bella Mar as a future asset to the Otay Mesa-Nestor Community.

Finally, a portion of the site is in the Otay River flood plain, and Bella Mar proposes to raise part of the site in order to comply with FEMA requirements. The Project will apply for a Letter of Map Revision for Fill (LOMR-F) through FEMA to revise the Flood Insurance Rate Map (FIRM). The property owner has monitored the Otay River (stream) for 15 years, during rain storms. Storm water in the old riverbed has never exceeded a depth of 18 inches and the stream has never exceeded a width of 4-5 feet. The subject property has never been inundated (including during the two storms classified as 100-year events) because the upstream drainage basin flows have been captured by drainage improvements from 14 master-planned communities developed over the past 35 years. The storm water upon which the old FEMA maps were based is now captured by these upstream storm drain systems.

Community Plan Amendments

The requested changes to the Community Plan include:

1. Revise the land use designation from "Open Space" to "Medium Density" on Figure 2, Community Land Use Map.
2. Amend Figure 2, Community Land Use Map, to exclude the project site from the Special Study Area.

Initiation Criteria

Before a community plan amendment can be initiated, LU-D.10 of the General Plan requires that all three of the following criteria must be met.



a) The amendment request appears to be consistent with the goals and policies of the General Plan and community plan and any community plan specific amendment criteria;

The proposed community plan amendment would be consistent with several of the goals and objectives of the General Plan. In particular, this project will support the City of Villages Strategy outlined in the Strategic Framework, which calls for new growth to be focused in mixed-use centers served by a regional transit system. General Plan figure LU-1 identifies the area around the trolley station at the intersection of Palm and Hollister as having a high Village propensity. Commercial and recreational uses already exist at this node, but higher residential density is needed to fulfill the goal for mixed uses near transit. Bella Mar will also address the need for affordable workforce housing and low-income housing by providing 118 affordable units and a high proportion of 3-bedroom units in the market-rate component.

The Otay-Nestor Community Plan calls for Transit-Oriented Development in the Palm City neighborhood where Bella Mar is located. The Proposed Project will follow TOD Guidelines. Other goals of the Community Plan include improved community identity, focused neighborhood centers and preservation of existing residential neighborhoods and single-family housing stock. The requested amendments will support a high-quality residential destination adjacent to a transit hub and community commercial center on an under-developed site at the community edge. Existing residential neighborhoods will not be affected.

b) The proposed amendment provides additional public benefit to the community as compared to the existing land use designation, density/intensity range, plan policy or site design;

The requested amendment would benefit the community by accommodating increased residential development at a time when the City of San Diego faces a housing shortage and increasing prices. Further, the Proposed Project includes greatly needed on-site affordable housing. The new housing will be close to a trolley station, which supports the goals of the regional transit system. The frontage improvements will also provide a sidewalk and improved bus stop on Hollister Street.

The existing Open Space land use designation and AR-1-2 zone would allow only 14 single-family residences on minimum one-acre lots. The previous go-kart track use is also still allowed. The site remains unimproved because these uses have not been marketable at this location.

The proposed amendment will also allow for the environmental restoration of the 100-foot MHPA buffer zone along the north property line.

c) Public facilities appear to be available to serve the proposed increase in density/intensity, or their provision will be addressed as a component of the amendment process.

All needed public services (water, sewer) are available. Adequate roads and rapid transit also serve the site.

Issues for Consideration

City of San Diego Planning Staff have directed that the following issues be addressed in the Community Plan Amendment Initiation process:

1. Consistency with the Goals and Policies of the Otay Valley Regional Park Plan.



2. Compatibility of the proposed amendment with the General Plan Urban Design goals and policies development adjacent to natural features.
3. Identification of appropriate areas for preservation, enhancement, and restoration. Description and location of the boundaries on-site of the open space preserved areas and public park (OVRP) areas.
4. Identification and designation of appropriate areas for development. Description and location of the proposed land uses, densities and intensities.
5. Consistency between the proposed land uses with adjacent land uses. The OMCP encourages land uses which facilitate the economic revitalization of the community, in relation to other existing or planned land uses such as Palm Avenue West, Nestor Town Center, and Palm City.
6. The provision of a continuous connection between the Otay Valley, the Salt works, and San Diego Bay.
7. Connectivity of pedestrian and bicycle facilities to surrounding development and to the Otay Valley Regional Park, and to existing and planned facilities.
8. Incorporation of a range of housing types, to provide for a variety of household sizes and household incomes.
9. Appropriate land use adjacency guidelines and restoration policies for sensitive vegetation communities within Multiple Habitat Planning Area (MHPA) designated lands identified within the site, consistent with the Multiple Species Conservation Program (MSCP) Subarea Plan
10. Incorporate sustainability features including, but not limited to addressing water, energy, and storm water consistent with General Plan Conservation policies.
11. Consistency with the Transit-Oriented Development Design Standards and Criteria (TOD), referenced in Appendix A of the Community Plan and compliance with the City of San Diego's Transit-Oriented Development Design Guidelines (Approved by the City Council on August 4, 1992).
12. Consistency with the policies of the Otay Valley Regional Park Concept Plan.
 - a. Encourage private development that occurs within or adjacent to OVRP to provide linkages with OVRP trails and, as appropriate, to provide open space, recreational facilities, staging and viewing areas in conjunction with the Park.
 - b. Encourage mutually beneficial agreements with private development within the Boundary of the Park to provide a direct economic benefit to both the Park and the development. That benefit to the Park could be dedication of land, provision of easements, or contribution of a portion of revenues or user fees or some other negotiated benefit. Benefit to the development could include active support of the project by the Park, joint marketing or publicity, shared development of joint use facilities, development incentives or some other negotiated benefits to be determined.
 - c. Encourage recreational uses as buffers between the Open Space/Core Preserve Area and new private development.

Summary

The proposed community plan amendments will provide much needed housing in this area with nearby transit and easily accessible amenities that will promote active uses by the residents. The future development of a Regional Park across the street will make this project a greater asset to the community because of the pedestrian & bike trail connectivity to the Otay River trails, and the improvements to this portion of Hollister Avenue which include a bus stop for the benefit of the immediate community.

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The property owner has met four times with the Otay Nestor Community Planning Group to discuss the development plan for the Bella Mar Apartments. The design team has incorporated input from the local community planning group into the proposed development plan.

We respectfully request that the Planning Commission initiate a Community Plan Amendment for the Proposed Project to amend the land use designation assigned to the Property from "Open Space" to "Medium Density Residential," and to remove the project site from the Special Study Area. The CPA would allow the redevelopment of the Property to residential use which would fulfill the economic revitalization vision of the Community Plan and assist in fostering the City's goal of alleviating the continuing and growing housing shortage throughout the City.

The Proposed Project will result in the following benefits to the City:

- The proposed Project will provide significant, much-needed multifamily housing.
- The Proposed Project will include 20 percent (20%) inclusionary affordable housing.
- The Property is within ¼ mile of the Palm Avenue Trolley Station, a location ripe for higher density residential uses.
- The Property is immediately available for redevelopment.
- The Proposed Project will provide short-term employment opportunities to the residents of the City in construction and leasing.
- The Proposed Project will result in new, high quality, housing which will enhance the aesthetic character of the Community Plan Area and property values of the Palm City neighborhood.
- The Proposed Project will restore a 100-foot riparian buffer adjacent to the OVRP.

The proposed redevelopment of the Property is consistent with the major goals and objectives of the City General Plan and Housing Element, and the visions of the Otay-Nestor Community Plan. Bella Mar exemplifies good stewardship of the opportunities the site presents for development of much needed housing in this area, incorporating sustainable design practices while taking full advantage of its proximity to the Trolley station for the benefit of its residents.

Respectfully submitted,

Sylvia E. Gonzales
Planning and Entitlements Manager

Attachments

1. CUP 06-7318, DOC# 2002-0627126
2. Photo Survey of Existing Conditions
3. Otay Mesa Nestor Community Plan – Figure 2 Land Use Map