CIVIC san diego

Item #8

DATE ISSUED: January 6, 2017

ATTENTION: Design Review Committee
Meeting of January 11, 2017

SUBJECT: 320 West Cedar (north side of Cedar Street between State and Union Streets) – Centre City Development Permit/Centre City Planned Development Permit/Site Development Permit No. 2016-39 – Design Review and Associated Permits – Little Italy 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 revised design proposal and associated permits for the 320 West Cedar project ("Project") and recommends that Civic San Diego ("CivicSD") 1) grants Design Review approval of the Project and 2) recommends to the Planning Commission approval of the associated permits.

This is a Process 4 application that requires a public hearing and decision by the Planning Commission. The Planning Commission decision is appealable to the City Council, which would be the final decision maker on any appeal. It should be noted that at the Board Meeting in November the Project was directed back to the Design Review Committee to address the Project's blank walls and other design issues.

SUMMARY: JMan at the K Lofts, LLC ("Applicant") is requesting approval for Design Review and Centre City Development Permit/Centre City Planned Development Permit/Site Development Permit (CCDP/CCPDP/SDP) No. 2016-39 for the construction of a project consisting of an 8-story, 93-foot tall residential building comprised of 43 dwelling units (DU) including a separate 5-story single-family home at the northwest corner of West Cedar and Union streets in the Little Italy neighborhood of the Downtown Community Plan (DCP) area ("Downtown"). The Project is requesting two incentives under the City's Affordable Housing Density Bonus provisions including a waiver of deviations for an encroachment into the Cedar Street View Corridor and into the Little Italy Sun Access Overlay. The Project contains five apartment units restricted for tenants with very-low income levels (50% of area median income, or AMI). The Project proposes the demolition of a locally designated historic resource and deviations to several development standards.

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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 $346,047.

ECONOMIC IMPACTS: It is estimated that the Project will generate approximately 39 construction jobs and 11 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.

COMMITTEE RECOMMENDATION: On October 12, 2016 the CivicSD Design Review Committee reviewed the Project and expressed concerns regarding the:

- blank, interior walls;
- need for the ground floor height deviation;
- symmetry/monotony of the balconies; and
- lack of parking.

The Project has been re-designed to address these concerns as follows:

- The west wall is now further articulated with a the recessed stack of balconies on the west side of the apartment building, adding a strong plane change;
- The north wall is broken up with a pair of deep set window wells and uses a different material than the apartment building;
- The ground floor height was increased from 12 to 15 feet, eliminating the deviation request; and,
- The balconies are no longer connected but separated, with open sides and solid front railings.

Additionally, the Applicant has re-designed the Project with the following:

- The addition of seven DU stacked to the north of the single-family home;
- An increase in the number of affordable units from four to five;
- The addition of an underground garage that will contain the required 11 parking spaces;
- The re-arrangement of the apartment building's recessed column to the west side of the building; and,
- Design changes to the single-family home to increase engagement with the corner by adding greater transparency, both on the ground level (now retail) and the floors above.

DOWNTOWN COMMUNITY PLANNING COUNCIL: On November 9, 2016, the Downtown Community Planning Council (DCPC) voted 17-1 in support of the original project. The revised project will be presented to the DCPC at its January 18, 2017 meeting.

CIVICSD PREVIOUS ACTION: On November 16, 2016, the CivicSD Board voted 8-1 to return the item back to the CivicSD Design Review Committee for further review and to return with a recommendation to the CivicSD Board.

DEVELOPMENT TEAM

ROLE	FIRM / CONTACT	OWNERSHIP
Applicant	JMan at the K Lofts, LLC/ Matthew Segal	Jonathan Segal
Property Owner	JMan at the K Lofts, LLC/ Matthew Segal	Jonathan Segal
Architect	Jonathan Segal	Jonathan Segal

DISCUSSION

Neighborhood Context

Little Italy's rich history is defined by its relationship to the waterfront and its commercial district centered on India Street. Redevelopment has yielded a mix of housing types from Single Room Occupancy developments to luxury units south of Hawthorn Street, while commercial services, artists and new restaurants have made use of older buildings in the northern portions of the neighborhood.

Several environmental, locational, and cultural influences converge in Little Italy. The Mediterranean atmosphere is reinforced by views of the Bay while airport overflight restrictions and solar access requirements provide lower-scale buildings and sunlight. The County Administration Center's waterfront park is an asset for the neighborhood, Downtown and the region. Hawthorn and Grape streets are primary freeway access couplets in this neighborhood that access the San Diego International Airport and Downtown.

Applicable DCP Goals and Policies

Maintaining Little Italy's sunny, open atmosphere as well as the traditional and eclectic urban texture is accomplished through building height restrictions, volumetric controls, and the encouragement of multiple buildings per block. The applicable DCP goals and policies for this Project's site are:

3.3-G-1 Provide a range of housing opportunities suitable for urban environments and accommodating a diverse population.
3.3-G-2 Ensure supplies of housing for downtown employees commensurate with their means to reduce automobile trips and achieve related air quality benefits.
3.3-P-3 Achieve a mix of housing types and forms, consistent with FAR and urban design policies.
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.
7.2-G-4 A network of Greenways that provides a natural respite for downtown residents, employees and visitors, and allows for calm travel along greened corridors.

9.1-G-1 Protect historic resources to communicate Downtown's heritage.
9.1-G-2 Encourage the rehabilitation and reuse of designated historic properties.
9.2-G-1 Integrate designated historic resources into the Downtown fabric while achieving policies for significant development and population intensification.
9.2-P-3 Promote the adaptive re-use of intact buildings (designated or not) and/or significant elements, as a cultural and sustainability goal.

Downtown San Diego Mobility Plan (DSDMP)

Both Cedar and Union streets are designated Greenway Streets under the recently adopted DSDMP. Greenway Streets "prioritize pedestrian travel, but allow transit and bicycle travel," and "are intended to showcase landscaping features and roadway designs that slow vehicular traffic and prioritize walking." Greenways connect public parks and are characterized by a widened, landscaped promenade that is achieved by the elimination of parking on one side of the street (north side of Cedar Street, east side of Union Street). It is envisioned that the Greenway improvements in the area may not be installed for many years; therefore Staff has supported interim angled and perpendicular parking changes on both streets to increase neighborhood parking. It should be noted that this project is located on a 5,000 square-foot (SF) lot that occupies only half the block frontage along Cedar Street. Therefore, the Project will be required to install standard improvements and the full-block Greenway improvements will be installed in the future.

SITE DESCRIPTION

- Project site:
  - is approximately 5,000 SF;
  - slopes down in elevation from east to west by approximately two feet; and,
  - is currently occupied by the vacant, historical resource, the Oscar H. Millard Rental.

- Surrounding land uses include:
  - North – low-rise residential, mid-rise commercial
  - South – mid-rise and high-rise residential
  - West – surface parking lot, low-rise commercial, low-rise residential
  - East – low-rise residential, high-rise hotel (Double Tree by Hilton)

- Zoning:
  - Residential Emphasis (RE) Land Use District: requires 80% residential gross floor area
  - Fine Grain Development Overlay: requires that development incorporate design standards that exhibit architectural form and variety at a less than full block scale to ensure pedestrian scale and diverse building designs.
  - Little Italy Sun Access Overlay (LISA): requires building setbacks above a height of 50 feet, maintains sunlight to sidewalks during winter solstice between 10:30 a.m. and 1:30 p.m.
  - View Corridor Stepback: requires a 15-foot stepback at 50-feet in building elevation along Cedar Street from India Street to First Avenue.

PROJECT DESCRIPTION

The Project is located on a 5,000 SF lot in southeast corner of the Little Italy neighborhood and consists of an 8-story, 93-foot tall residential building containing 43 dwelling units (DU) including a separate 4-story, 51-foot single-family home on the east end of the lot. The lot will be subdivided so that the apartment building will occupy a 62' x 50' lot (to the west) while the single family home will occupy a 38' by 36' lot (to the east). The 42 DU building will have 1,585 SF of ground-floor commercial space, while the single-family home will have 999 SF of ground floor commercial space.

The following is a summary of the Project (based on drawings dated December 5, 2016):

	Previous	**Current**
Site Area	5,000 SF	5,000 SF
Base Minimum FAR Base Maximum FAR Maximum FAR with Amenity Bonuses Maximum FAR with Affordable Housing Bonus	3.5 6.0 8.0 10.1	3.5 6.0 8.0 10.1
Proposed FAR	6.3	6.9
Above Grade Gross Floor Area	31,983 SF	34,772
FAR Bonuses Proposed	Affordable Housing. Four very-low income DU to be provided equating to 11% of total DU for 35% FAR Bonus.	Affordable Housing. Five very-low income DU to be provided equating to 11% of total DU for 35% FAR Bonus.
Density	313 DU per acre	375 DU per acre
Stories / Height	8 stories / 87 feet and 4 stories / 52 feet	8 stories / 93 feet and 4 stories / 51 feet
Amount of Commercial Space	1,438 SF	2,584 SF
Amount of Office Space	0 SF	N/A
Housing Unit and Bedroom Count /Average Size Total # of Housing Units Studio 3 Bedroom	# Range Average 36 35 323 - 408 SF 393 SF 1 6,017	# Range Average 43 42 358 - 417 SF 389 SF 1 4,680
Number of Units to be Demolished	0	0
Number of Buildings over 45 Years Old	1 (Historic Oscar H. Millard Rental building proposed to be demolished)	1 (Historic Oscar H. Millard Rental building proposed to be demolished)
Inclusionary Affordable Housing Compliance	Inclusionary Affordable Housing will be provided on-site with four affordable units.	Inclusionary Affordable Housing will be provided on-site with four affordable units.

Automobile Parking Residential (Required / Proposed) Motorcycle Parking (Required / Proposed) Bicycle Parking (Required / Proposed)	9 / 2[1] 2 / 0[1] 7 / 37	11 / 11 3 / 3 9 / 23
Common Indoor Space (Residential) Required Proposed	 0 SF 0 SF	 0 SF 0 SF
Common Outdoor Open Space (Residential) Required Proposed	 0 SF 0 SF	 0 SF 0 SF
Private Open Space (Balconies and Decks) Required Proposed	 0% of DU (with 40 SF min) 100% of DU	 0% of DU (with 40 SF min) 100% of DU
Pet Open Space Required Proposed	 0 SF 0 SF	 0 SF 0 SF
Residential Storage	N/A	N/A
Assessor's Parcel Nos.	533-353-10-0	533-353-10-0
Sustainability	N/A	N/A

[1] Project was utilizing incentive under Affordable Housing Bonus Law to waive parking requirements for the 35 apartment units.

PERMITS REQUIRED:

- CCDP with Design Review approval by the CivicSD Board of Directors.
- CCPDP for the following deviations from the CCPDO:
  1. Street wall height minimum; and
  2. Parking Standards.
- SDP for the proposed demolition of the existing historical resource on site, the Oscar H. Millard Rental (HRB #282). HRB staff is currently reviewing the findings for the SDP.

Per San Diego Municipal Code (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 in accordance with a Process Four review. The decision of the Planning Commission may be appealed to the City Council.

Affordable Housing Density Bonus Law

Pursuant to implementing the State of California Density Bonus Law provisions, the SDMC provides for the following when a project includes affordable housing:

1. Floor Area Ratio (FAR) Bonus
2. Reduced Parking Requirements
3. Development Incentives

The Applicant is proposing to restrict five (11%) of the residential units to persons qualifying as very-low income residents, or those earning less than or equal to 50% of the AMI (this equates as income limit up to $29,750 and rent up to $743/month). Based on the provision of affordable housing, the Project is entitled to the following:

1. A 35% FAR Bonus.
2. A reduction in parking requirements from the 1.0 parking space/unit plus guest parking to a rate of 0.5 parking spaces/bedroom (maximum of 1.0 space/unit).
3. Two incentives from development standards.

The purpose of the Affordable Housing Density Bonus regulations is to incentivize developers to provide affordable housing and reduce the burden of providing costly parking in areas served by transit. Per SDMC Section 143.0740, the applicant is requesting that two incentives be used for two deviations requested by the Project. The section states that an incentive can mean a deviation to a development regulation. The Section further states that:

"Upon an applicant's request, development that meets the applicable requirements of Sections 143.0720 and 143.0725 shall be entitled to incentives pursuant to Section 143.0740 unless the City makes a written finding of denial based on substantial evidence, of any of the following:

(A) The incentive is not required in order to provide for affordable housing costs, as defined in California Health and Safety Code Sections 50052.5 and 50053;
(B) The incentive would have a specific adverse impact upon public health and safety as defined in Government Code section 65589.5, the physical environment, including environmentally sensitive lands, or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low income and moderate income households;
(C) The incentive would be contrary to state or federal law. Requested incentives shall be analyzed in compliance with the California Environmental Quality Act as set forth in Chapter 12, Article 8, and no incentive shall be granted without such compliance."

Thus, if the findings for applicable sections A-C above cannot be made, the incentives must be granted. Staff did not find any substantial evidence that the incentives would (1) not be required to provide for affordable costs; (2) adversely affect public health or safety; and (3) would be contrary to State of Federal law. The two incentives are requested for the following deviations:

1. CCPDO 156.0310(d)(1)(F) View Corridor Setbacks and Stepbacks. The Applicant is requesting that the building be allowed to encroach into the view corridor along Cedar Street to accommodate increased density and thereby provide five very-low income dwelling units.
2. CCPDO 156.0310(c)(1)(A) The Applicant is requesting that the building be allowed to encroach outside of the LISA building envelope limits along Cedar Street to accommodate increased density and thereby provide five very-low income dwelling units.

Incentive #1: View Corridor Setbacks CCPDO Section 156.0310(d)(1)(F)

Under the CCPDO, a View Corridor is designated along Cedar Street from Pacific Highway to First Avenue in order to enhance views of San Diego Bay and the County Administration Center (CAC). Along the Project frontage, this would require a 15-foot setback for the upper three levels of the building which contain a total of 15 units. These units are approximately 12-feet wide by 31-feet deep (392 SF). In order to comply with the View Corridor and maintain the unit sizes, the five units per floor would have to be re-designed down to two or three units per floor, resulting in a loss of six to nine units. This loss of units would reduce rental income and make the provision of the affordable units likely infeasible. As designed, the building fully encroaches into the View Corridor to a height of 93 feet.

In the past, deviations under a planned development permit for encroachment into View Corridors have only been supported if the View Corridor is already obstructed by one or more existing buildings. Staff visited the site and nearby vantage points to the east of the Project site and found that the Project would block a very narrow, partial view of San Diego Bay and Point Loma but none of the CAC. It should be noted that the Cedar Street off-ramp currently obstructs the view down Cedar Street east of First Avenue but that the DCP recommends the removal of the Cedar Street off-ramp to accentuate views and connectivity from Balboa Park and Cortez Hill to the waterfront. If the off-ramp were to be removed, the Project's obstruction of the View Corridor would still be minimized by the elevation gain along Cedar Street as it heads east.

Incentive #2: Little Italy Sun Access Overlay - CCPDO Section 156.0310(c)(1)(A)

The LISA Overlay establishes a building envelope that applies to the whole block in order to maintain sunlight to sidewalks and results in smaller scale buildings found north of Beech Street in the Little Italy neighborhood. Along Cedar Street the LISA imposes a 15-foot setback above a height of 50 feet. The LISA allows for 40% of a Project's street wall to increase its height up to 85 feet. For this Project, those limitations would result in an 85-foot tall building with a maximum width of 40 feet. The Project's proposed apartment building is approximately 93 feet in height by 62 feet wide, resulting in a 22 foot exceedance of the LISA width limit as well as an 8-foot exceedance over the 85-foot height limit. It should be noted that the recessed bay (12 feet of the 22 foot total) encroaches only three feet into the 15-foot stepback.

The requested incentive for the LISA deviation, similar to that of the incentive for the View Corridor setback, allows the Project to achieve a greater density. The proposed LISA encroachment is on the north side of Cedar Street and would therefore not cast a shadow onto the sidewalk. Further, the extent of the encroachment results in a more functional, and dense design for the apartment building. Therefore, Staff does not have concerns regarding the use of this incentive for the LISA deviation.

Overall, the two incentives allow the Project to achieve greater density thereby making it more cost-efficient. Per the intent of the Affordable Housing Density Bonus provisions, the resulting cost-efficiencies incentivize the development of the five affordable housing units.

While staff supports the incentives based on the inability to make the findings cited above, the design of the Project, resulting from the use of these incentives, is still subject to Design Review approval.

DESIGN REVIEW

The main eight-story apartment building presents a symmetrical, rectangular mass consisting of uniform balconies on the upper floors within a concrete frame. The simple geometry and exposed concrete is reflective of the architect Jonathan Segal's other work, such as The Q project at India and Fir streets in Little Italy as well as the recent Mr. Robinson building on Park Boulevard and Robinson Avenue.

The majority of the Project consists of a natural grey cast-in-place concrete with accents of wood, metal and off-white stucco. Covered balconies cantilever four feet into the right of way (ROW) on the south elevation creating a recessed ground floor housing the commercial lease space. The fifth bay of balconies (west column) is pulled back just over 8 feet from the property line to the edge of the balconies. This recess serves to allow vertical access to the transformer that is now located on the western corner of the site. Additionally, the recess of the fifth column lessens the intrusion into the LISA and adds interest to the western, interior wall.

The driveway accessing the single level of underground parking is on the north interior property line, adjacent to the entrance to the single-family home. The single-family home is now characterized by a transparent ground floor retail space at the corner with open facades above. The Cedar Street façade features an asymmetrical arrangement of openings while the Union Street side feature a wide, vertical, mid-building opening. Landscaping is located on the roof of the single-family house. There is also a tree on the second floor overlooking Cedar Street that will add further interest and variety to the corner.

Design Analysis

The west side of Union Street, north of Cedar Street is characterized by a series of smaller historic residential dwellings. However, taller structures are located to the east and south of the Project. This includes the Hilton Doubletree Hotel (approximately 20 floors) to the east, and a series of mid-to-high-rise residential buildings across Cedar Street. Overall, the area includes a mix of old and new structures of varying heights and masses that speak to what the DCP points out as the "eclectic mix of buildings, businesses, and people that is part of Little Italy's essence."

From the corner of Cedar and Union streets the Project displays varied masses, materials, and articulation with the single-family residence in the forefront (see Sheet A2.52). From the opposite corner of Cedar and State streets, the west elevation's concrete wall exhibits additional articulation. The re-arrangement of the recessed column to the west side of the Project adds an additional plane change to the west façade, while the previously added slit continues to allow light into the balconies on the main portion of the building consisting of the other four columns of units (see Sheet A2.53). Additionally, the wall utilizes a different material (metal vs. concrete) that is now also used on the north elevation which has greater contrast from the base material than the previous design.

It should be noted that the main portion of the west-facing wall is only 29-feet wide, with the 9 foot remainder at the back separated by a substantial window well (6 feet wide). The northern elevation contains mostly solid, blank surfaces but provides multiple breaks in the plane via window wells, as well as through changes in material and color (sees Sheet A2.6).

The Applicants have provided photos of existing blank walls on their other projects in San Diego as well as an additional sheet of existing blank walls on buildings nearby the Project's site (Attachment B). Per the latest renderings, it is Staff's opinion that the interior walls, given their relatively narrow dimensions and articulation, do not pose a design issue.

The south-facing façade of the apartment building has been revised, so that the balconies are no longer continuous, connected stacked rows but are now separated, individual balconies. The formerly glass balcony railings facing the street are now concrete with glass sides, providing more articulation and shadow to the façade.

The Project is now requesting the following two deviations that are explained below.

#1 Minimum Street Wall Height - CCPDO Section 156.0310(d) (1)(D)
The CCPDO requires a minimum 40-foot high streetwall within five feet of all street frontages in this area. The street wall is recessed nine feet in at the western edge of the Project's Cedar Street frontage to accommodate an at-grade transformer and utility area. A gated, solid, black metal fence will block any view of the transformer at street level. Adjacent to this 16 foot break in the streetwall is a 6-foot wide, entry area into the lobby that is recessed 15 feet off the property line. The requested streetwall deviation provides further relief to the western elevation's blank wall and modulation to the Project as a whole and therefore can be supported.

#2 Parking Standards: Driveway Slopes, Security Gate Setback, Driveway Width – CCPDO 156.0313

Driveway Slopes: The CCPDO limits the slope of driveways at the back of the sidewalk to enhance the visibility of drivers exiting a building garage. The CCPDO limits the first ten feet of a driveway to a maximum 5% slope. The Project proposes a 10% transition to the steeper 20% driveway slope needed to reach the underground parking level on the small lot. Given the site constraints and the revised Project accommodating its required parking, staff supports this deviation (note: the driveway does meet City-wide regulations).

Gate Setback: Typically the CCPDO requires a ten-foot setback for gates into parking garages to minimize potential conflicts between vehicles and pedestrians. The Project proposes to locate the garage door at the property line. A roll-up door will be required to prevent any incursion into the sidewalk. Given the small number of parking spaces and the fact that this is not a heavily traveled street, Staff believes this design is appropriate for such a small project and will not pose the problems associated with a more heavily traveled garage.

Driveway Width: The CCPDO allows a minimum 12-foot wide driveway for garages that serve up to ten parking spaces. The Project proposes a 12-foot wide driveway to serve eleven parking spaces. Driveways that serve over ten parking spaces are required under the CCPDO to be at least 20 feet wide. Due to the small size of this corner lot, achieving the necessary driveway width was not achievable. Staff believes, in this instance, that a 12-foot wide driveway is acceptable given the small amount of parking and low usage of the driveway.

Staff has reviewed the Applicant's request for the deviations and has considered their potential impacts. The proposed deviations can be supported as they generally result in a more desirable Project without creating any adverse effects on public health, safety, and welfare. The driveway slope deviation will allow the Project to achieve a greater density than otherwise achievable and allow for underground parking (vs. an underground transformer vault), thereby allowing for the inclusion of five very-low income DU. The driveway width deviation has no adverse effects on public safety and allows for the accommodation of the full number of required parking spaces within a confined site.

DESIGN ISSUES SUMMARY

The Applicant has made the following significant changes to the overall design of the Project:

- Addition of an underground garage that will contain all of the required 11 parking spaces;
- Addition of seven DU behind the single-family home;
- Re-arrangement of the apartment building's recessed column to the west side of the apartment building; and
- Design changes to single-family home to be more engaging with corner by increasing transparency both on the ground level (now retail) and floors above.

CivicSD Staff believes that the overall design of the Project is now more successful in its response to its Little Italy context and corner situation as well as being a distinctive and engaging addition to the City's streetscape.

SITE DEVELOPMENT PERMIT FOR DEMOLITION OF HISTORIC RESOURCES

The historic resource in question, the Oscar H. Millard Rental (Millard Rental), is currently vacant and consists of a two-story wood-framed building that recently contained a spa business. The Millard Rental was built in 1894 as a multi-family residential building facing Union Street (1610 Union Street). In 1952, a two-story garage/office building was constructed on the west side of the parcel facing West Cedar Street. In 1990, the original portion of the Millard Rental was designated as a local historical resource (HRB #282) with the garage/office building not included under the designation.

The Project proposes a substantial alteration (demolition) of a locally designated historic resource (Millard Rental). Under the SDMC, a substantial alteration to a designated historical resource requires the approval of an SDP, a Process 4 decision by the Planning Commission after a recommendation by the HRB. Specific findings are required for a SDP (Attachment C - Applicant's SDP Findings) including findings that require analysis of less environmentally damaging alternatives that could further minimize the potential adverse effects on the designated historical resource.

Chapter 9 of the DCP establishes the strategy for preservation of historical resources as part of Downtown's continued development. Historic Buildings are identified under a three-tiered system based on their classification.

1. The National Register of Historic Places (NRHP) – representing the highest level of designation, and marking resources contributing to the nation's history – bestows the greatest protection.
2. Listing on the California Register of Historic Resources (CRHR) also establishes substantial protections in recognition of contributions to state heritage.
3. The third tier, the San Diego Register of Historical Resources (SDRHR), includes properties deemed to have contributed significantly to regional history and culture.

The Millard Rental is a locally listed property as outlined in the third tier above. The Millard Rental has not been found to be eligible for either the NRHP or CRHR. The DCP's strategy for conserving downtown historic resources relies on the established process through the National, California and Local Register designations of individual properties and districts. Each designation is associated with preservation goals and development restrictions. Specifically, Table 9-1: *Historical Designations and Preservation Goals*, of the DCP calls for the following preservation goal for buildings listed in the San Diego Register of Historical Resources:

SDRHR Listed – *Whenever possible, retain resource on-site. Partial retention, relocation or demolition of a resource shall only be permitted through applicable City procedures. Resources contributing to a San Diego Register District have the same protection status as individually-listed resources.*

The Downtown FEIR has identified the demolition of SDRHR buildings as significant direct impact per Impact HIST-A.1 that states "Future development in Downtown could impact significant architectural structures." This impact is addressed in the Statement of Overriding Considerations that acknowledges such impacts may be unavoidable and necessary in order to realize or implement the substantial benefits called for in the DCP. Impact HIST-A.1 is mitigated through the Mitigation Measure HIST-A.1-3 that stipulates that "if a designated... historical resource...would be demolished," the project application for permits shall be evaluated pursuant to Chapter 14, Article 3, Division 2 of the SDMC (Historical Resources Regulations).

The Applicant submitted SDP findings that evaluated less damaging project alternatives (Attachment C) that were also evaluated for their respective ROR in relation to that of the Base Project, described herein:

- Base Project – demolish existing structures and build the proposed Project discussed herein.
- Project Alternative 1 - rehabilitate both structures on the site.
- Project Alternative 2 - rehabilitate only the designated structure on the site and demolish the non-historic commercial addition to build two additional DU.
- Project Alternative 3 - relocate and rehabilitate the existing structures and then build the Base Project as described herein.

The SDP contains further findings that stipulate that 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.

To address this finding, the Applicant retained the London Group ("London Report" – Attachment D) to evaluate the three alternatives against the Base Project. It should be noted that per Staff's request, the Applicant obtained a revised report from the London Group that re-analyzed the same Alternatives against the Project's new program. Again, the London Report found "that only the Base Project is economically feasible." This Project's economic feasibility was defined by its Margin on Revenue, a form of return on investment used to achieve project financing. The Analysis concluded that Alternatives #1 and #2 would result in a financial loss to the Applicant and that Alternative #3 would result in a very low Margin on Revenue that renders this Alternative economically infeasible.

CivicSD Staff retained KMA to complete a peer review of the Applicant's economic analysis of the Project alternatives (Attachment E). The KMA review found "the Base Project, the Base Project with underground parking and all three development alternatives to be economically infeasible...the resulting developer profit levels for all the alternatives studied were found to be

insufficient to warrant development of the Project." The basis for KMA's finding is from their use of more conservative assumptions regarding development costs and the current value of the project.

As the three alternatives and base project with underground parking exhibit higher costs and lower returns, denial of the proposed development would result in economic hardship to the owner. Accordingly, findings supporting the SDP request have been included in the below permit findings section of the staff report.

CCDP

The purpose and intent of a CCDP is to administer and ensure compliance with the CCPDO, DCP, Centre City Streetscape Manual, and any policies or guidelines adopted by the City of San Diego to implement the DCP.

Findings

In order to grant approval of a CCDP, the following finding must be made:

1. *The proposed development is consistent with the DCP, CCPDO, Land Development Code (LDC), and all other adopted plans and policies of the City of San Diego pertaining to the CCPD.*

   The proposed development is consistent with the DCP, CCPDO, LDC, and all other adopted plans and policies of the City of San Diego pertaining to the CCDP as the development advances the goals and objectives of the DCP and CCPDO by:

   - Increasing the Downtown residential population;
   - Providing a range of housing opportunities suitable for urban environments and accommodating a diverse population;
   - Achieving a mix of housing types and forms consistent with FAR and urban design policies;
   - Facilitating Little Italy's continued evolution as a cohesive, mixed use waterfront neighborhood; and,
   - Providing affordable housing.

   The Project proposes a well-designed residential development that is consistent with the orderly growth and scale of the neighborhood. The residential development will help to infill, as well as activate, the Little Italy neighborhood. In order to make this finding, an analysis of the findings for the SDP must also be made and the ultimate recommendation on this finding is pending that analysis.

CCPDP

The purpose and intent of a CCPDP is to allow applicants to request greater flexibility from the strict application of the development regulations of the CCPDO, provided such deviations result in the implementation of a unique and superior design. The findings for approval of a CCPDP listed below are evaluated to determine if the proposed deviations facilitate development that is beneficial to the community and results in a more desirable project than could otherwise be achieved if the project were required to rigorously adhere to the development regulations.

Findings

In order to grant approval of a CCPDP, the following findings must be made:

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

   The Project provides a well-designed residential development that is consistent with the orderly growth and scale of the neighborhood. The requested deviations, focusing on building envelope, streetwall, and massing regulations result from the small size of this corner, infill lot and allow for greater density and the accommodation of five very-low income units as well as a more sophisticated design. The requested deviations will provide relief from the strict application of the development standards and will have a negligible impact on the surrounding neighborhood. The resulting Project will serve as an attractive gateway into the Little Italy neighborhood with an accentuated corner design and an activated ground floor. It achieves the goals and policies of the DCP by providing desired density as well as affordable housing on site and will thereby not adversely affect the DCP.

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

   The granting of the deviations and approval of the Project will not negatively impact the public health, safety, and general welfare. Overall, the proposed development is consistent with the plans for this neighborhood and will contribute to its vitality by providing an attractive streetscape and development.

3. *The proposed development will comply to the maximum extent feasible with the regulations of the CCPDO; except for any proposed deviation which are appropriate for this location and will result in a more desirable project that would be achieved if design in conformation with the strict regulations of the CCPDO; and,*

   The proposed development will meet all of the requirements of the LDC and CCPDO with the approval of the deviations, which is allowable with a CCPDP. The majority of the deviations are needed for the efficient development of the site given its small size and corner location. With approval of the CCPDP, the Project will comply to the maximum extent feasible with all applicable regulations. The requested deviations will result in a more desirable project than would be achieved if designed in conformance with the strict

regulations of the CCPDO by providing design flexibility to allow for an increased number of units that allows for the inclusion of five very-low income units.

4. *The development is consistent with the Downtown Design Guidelines (DDG) and exhibits superior architectural design.*

   The proposed development is consistent with the DDG and approval of the requested deviations will result in a residential development consistent with the surrounding area. The Project exhibits unique and appropriate massing that is compatible in scale with the long-term development plans for the neighborhood and includes affordable housing as well as an activated ground floor on its corner location at the entrance to Little Italy. Overall, the well-designed infill project will result in a unique development compatible with the surrounding neighborhood.

SDP for Demolition of Historic Resources

The purpose of the SDP procedures is to establish a review process for proposed development that, because of its site, location, size, or some other characteristic, may have significant impacts on resources or on the surrounding area, even if developed in conformance with all regulations. The intent of these procedures is to apply site-specific conditions as necessary to assure that the development does not adversely affect the applicable land use plan and to help ensure that all regulations are met.

The following three General Findings (SDMC Section 126.0504 (a)) are required for all SDPs:

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

   Historic Preservation is addressed in Chapter 9 of the DCP and states that locally designated resources are to be retained on-site whenever possible and that "Partial retention, relocation or demolition of a resource shall only be permitted through applicable City procedures," that are outlined in SDMC Section 143.02 "Historical Resources Regulations." Substantial alteration of a designated resource by demolition or other means is a deviation from the historical resources regulations and therefore an SDP is required. The Planning Commission must make all of the Findings in SDMC Sections 126.0504(a) and 126.0504(i) before demolition can occur. Therefore, the processing of this SDP is in compliance with and will not adversely affect the applicable land use plan.

   The goals and policies of the DCP generally stipulate that SDRHR Listed buildings should be retained on-site, but if demolition is necessary, it shall only be permitted through applicable City procedures. While the DCP's policies cited above call for the retention of SDRHR Listed buildings, it also calls for the development and improvement of downtown neighborhoods. The proposed development will serve as an attractive gateway into the Little Italy neighborhood, providing desired density as well as much needed affordable housing on site. It will thereby achieve the goals and policies of the DCP and not adversely affect the DCP.

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

   The proposed development will not be detrimental to the public health, safety, and welfare through compliance with the applicable Development Regulations of the CCPDO and SDMC as well as the California Building Code.

3. *The proposed development will comply with the applicable provisions of the LDC*

   As discussed above, the proposed project will comply with the applicable CCPDO Development Regulations pertaining to lot size, minimum building setbacks, building heights, building bulk, building base, ground floor heights, and residential development regulations. It will also comply with the CCPDO's Urban Design Regulations pertaining to building orientation, façade articulation, street level design, pedestrian entrances, transparency, blank walls, glass and glazing, rooftops, encroachments into public rights-of-way, building identification, and regulations pertaining to historical resources requiring an SDP.

In addition to the above findings, the SDMC requires the following Supplemental Findings (SDMC Section 126.0504(i)) for substantial alterations of a designated historical resource:

Findings for demolition of a designated historical resource are required for approval of the permit, consistent with SDMC Section 126.0504(i) as follows:

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

   The following three alternatives were evaluated for their respective Margin on Revenue (i.e. investment return) versus that of the Base Project:

   - Alternative 1: rehabilitate both structures.
   - Alternative 2: rehabilitate only the designated structure.
   - Alternative 3: relocate and rehabilitate resource to an appropriate site and build the Base Project.

   The Analysis concluded that the alternatives are not economically feasible. The retention or relocation of the historical resource would not provide a financial return which would allow any of the alternatives to be economically viable and obtain financing.

2. *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; and,* the three Alternatives have been determined to be

The three Alternatives have been determined to be economically infeasible; therefore, this deviation from the Historical Resource Regulations is the minimum necessary to afford relief and accommodate the development of the site.

As discussed, the London Report's finding that only the base project is economically feasible was vetted by KMA, an independent real estate analysis firm, which concurred with their findings. The retention and rehabilitation or relocation of the historic resource was found to be economically infeasible. Mitigation Measure HIST A.1-3 for the demolition of locally designated historic resources will be implemented as a condition of this Site Development Permit. Therefore, Supplemental Finding #2 can be made.

3. *The denial of the proposed development would result in economic hardship to the owner. For purposes of the 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.*

Per the revised London Group Report, the proposed Base Project will now generate a profit of $2,370,117 (Table 1). The three Alternatives plus the underground garage scenario would result in the following profits broken out by each study:

TABLE 1	PROJECTED PROFIT		
ALTERNATIVE	London Group	KMA Review of original	Revised London Group
Base Project	$ 1,623,097	$ 589,000	$ 2,370,117
1 - rehab both structures	$ (1,667,772)	$ (1,000,000)	N/A
2 - rehab historic and build 2 DU	$ (1,417,825)	$ (1,500,000)	N/A
3 - relocate and rehab and build base project	$ 216,905	$ (356,000)	$ 980,869
Base project with underground parking	N/A	$ (410,000)	N/A

Previously, all three Alternatives, as well as the underground parking scenario, would have resulted in economic hardship to the owner as they would result in a financial loss or in a project that that would not be financeable. Now, for a base Project with seven additional units, the underground parking is financially feasible and the current program's profit is increased to $2.3 million from $1.6 million. Additionally, the current program results in a better return for Alternative 3 ($980K v. $216K); however, one that is still not sufficient to generate financeable returns. Therefore, the strict application of the provisions of the historical resources regulations would deprive the developer and property owner reasonable use of the land.

ENVIRONMENTAL REVIEW

Development within the Downtown Community Planning area is covered under the following documents, all referred to as the "Downtown FEIR": Final Environmental Impact Report (FEIR) for the San Diego Downtown Community Plan, Centre City Planned District Ordinance, and 10th Amendment to the Centre City Redevelopment Plan, certified by the former Redevelopment Agency ("Former Agency") and the City Council on March 14, 2006 (Resolutions R-04001 and R-301265, respectively); subsequent addenda to the FEIR certified by the Former Agency on August 3, 2007 (Former Agency Resolution R-04193), April 21, 2010 (Former Agency Resolution R-04510), and August 3, 2010 (Former Agency Resolution R-04544), and certified by the City Council on February 12, 2014 (City Council Resolution R-308724) and July 14, 2014 (City Council Resolution R-309115); and, the Final Supplemental Environmental Impact Report for the Downtown San Diego Mobility Plan certified by the City Council on June 21, 2016 (Resolution R-310561). The Downtown FEIR was adopted prior to the requirement for documents prepared under the California Environmental Quality Act (CEQA) to consider a project's impacts related to greenhouse gas emissions. The effect of greenhouse gas emissions on climate change, and the subsequent adoption of guidelines for analyzing and evaluating the significance of data, is not considered "new information" under State CEQA Guidelines Section 15162 triggering further environmental review because such information was available and known before approval of the Downtown FEIR. Nonetheless, development within the Downtown Community Planning area is also covered under the following documents, all referred to as the "CAP FEIR": FEIR for the City of San Diego Climate Action Plan (CAP), certified by the City Council on December 15, 2015 (City Council Resolution R-310176), and the Addendum to the CAP, certified by the City Council on July 12, 2016 (City Council Resolution R-310596). The Downtown FEIR and CAP FEIR are both "Program EIRs" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. Consistent with best practices suggested by Section 15168, a Downtown 15168 Consistency Evaluation ("Evaluation") has been completed for the project. The Evaluation concluded that the environmental impacts of the project were adequately addressed in the Downtown FEIR and CAP FEIR; that the project is within the scope of the development program described in the Downtown FEIR and CAP FEIR and is adequately described within both documents for the purposes of CEQA; and, that none of the conditions listed in Section 15162 exist. Therefore, no further environmental documentation is required under CEQA.

CONCLUSION

Staff recommends that the Committee recommends that CivicSD 1) grants Design Review approval of the Project and 2) recommends to the Planning Commission approval of the associated permits.

Respectfully submitted,

Christian Svensk
Senior Planner

Concurred by:

Reese A. Jarrett
President

Brad Richter
Assistant Vice President, Planning

Attachments: A – Ownership Disclosure Statement
B – Photos of Blank Walls
C – SDP Findings (provided by Applicant)
D – Revised London Report dated December 7, 2016
E – KMA Review
F – Public Correspondence
Basic Concept/Schematic Drawings dated December 5, 2016

civic san diego

Ownership Disclosure Statement

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

☐ Limited Use Approval	☐ Neighborhood Development Permit	☑ Centre City Development Permit
☐ Temporary Use Permit	☐ Planned Development Permit	☐ Gaslamp Quarter Development Permit
☐ Neighborhood Use Permit	☑ Site Development Permit	☐ Marina Development Permit
☐ Conditional Use Permit	☐ Coastal Development Permit	☐ Other: _____

Project Title: 320 West Cedar Street

Project Address: 320 West Cedar Street And 1610 Union Street San Diego, CA 92101

Assessor Parcel Number(s): 533-353-10-00

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

Name of Individual (type or print):	**Name of Individual (type or print):**
Assessor Parcel Number(s):	Assessor Parcel Number(s):
Street Address:	Street Address:
City/State/Zip Code:	City/State/Zip Code:
Phone Number:	Phone Number:
E-mail:	E-mail:
Signature: Date:	Signature: Date:

Project Title: _____

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 or 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):
JMAN AT THE K LOFTS LLC

☐ Corporation ☑ LLC ☐ Partnership

Assessor Parcel Number(s):
533-353-10-00

Street Address:
3000 Upas Street Suite 101

City/State/Zip Code:
San Diego, CA 92104

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

Title:
Manager

Phone Number:
619-997-6628

E-mail:
jonathansegal@gmail.com

Signature: Date:
6/13/16

Corporation/Partnership Name (type or print):

☐ Corporation ☐ LLC ☐ Partnership

Assessor Parcel Number(s):

Street Address:

City/State/Zip Code:

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

Title:

Phone Number:

E-mail:

Signature: Date:

Project Title: 320 West Cedar Street

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):
Jonathan Segal FAIA

☐ Applicant ☑ Architect ☐ Other _____

Street Address:
3000 Upas Street Suite 101

City/State/Zip Code:
San Diego, CA 92104

Phone Number:
619-997-6628

E-mail:
jonathansegalfaia@gmail.com

Signature: Date:
6/13/16

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):

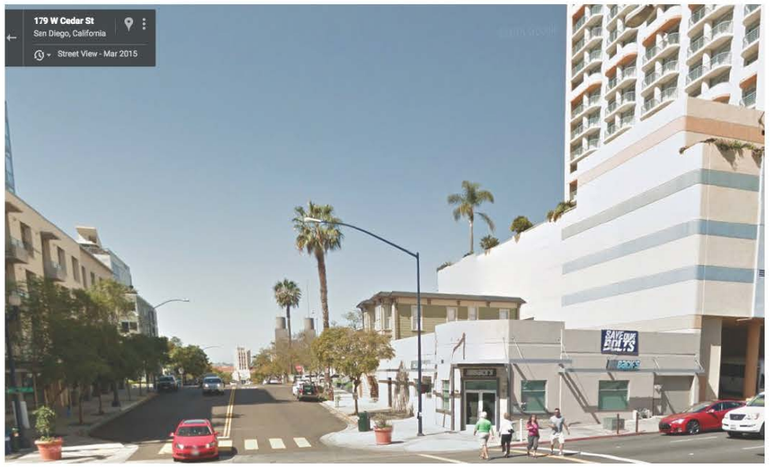
Title:

Phone Number:

E-mail:

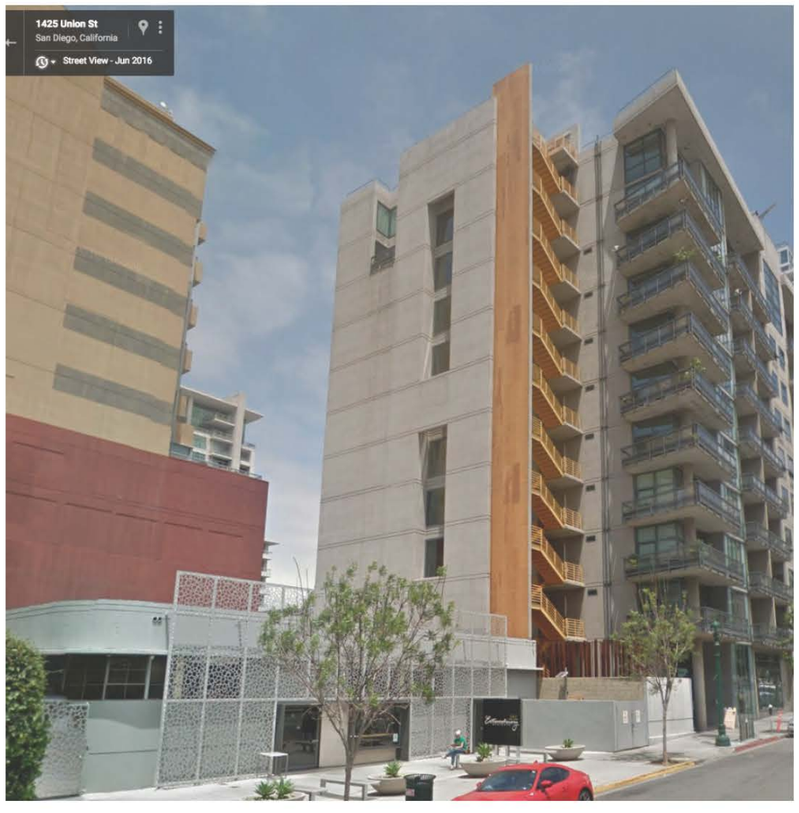
Signature: Date:

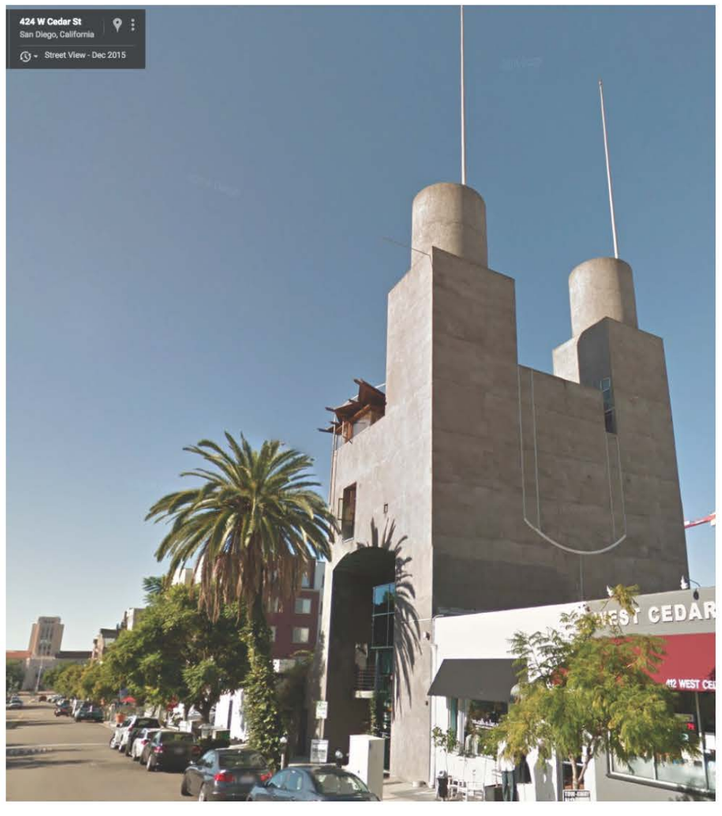

1930 Columbia St
San Diego, California
Street View - Jun 2016
STOP
NARROW LANE
STOP


179 W Cedar St
San Diego, California
Street View - Mar 2015


1650 Union St
San Diego, California
Street View - Jun 2016


1530 Union St
San Diego, California
Street View - Jun 2016


1425 Union St
San Diego, California
Street View - Jun 2016


424 W Cedar St
San Diego, California
Street View - Dec 2015


2057 India St
San Diego, California
Street View - Jun 2016

DRAFT
SITE DEVELOPMENT PERMIT FINDINGS
for 1610 Union Street and 320 West Cedar Street

Prepared by:
Marie Burke Lia, Attorney at Law, on behalf of the Project Applicants

September 2016

ATTACHMENT C

FINDINGS

Site Development Permit – Section 126.0504

(a) Findings for all Site Development Permits

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

The proposed project is the demolition of a historic resource, the Oscar H. Millard Rental located at 1619 Union Street, in the Little Italy Subarea of the Centre City Planned District in order to permit new construction on the site consisting of a 4,350 square foot home, 1,400 square feet of retail and 35 efficiency units with an average unit size of 375 square feet. The project was initiated by the current property owner, JMAN at the K Lofts LLC, a residential and commercial developer.

The subject property occupies Assessor's Parcel Number 533-353-10, Lot 7 of Block 33 in Horton's Addition, which includes 5,012 square feet of land area on the block bounded by Union Street on the East, West Cedar Street on the South, State Street on the West and Date Street on the North. This parcel currently contains two structures. The Millard Rental, which was constructed in 1894, is multi-family residential building located on the east side of the parcel, facing Union Street and is addressed as 1610 Union Street. In 1952, a two-story garage/office building was constructed on the west side of the parcel facing West Cedar Street that is addressed as 230 West Cedar Street. The Millard Rental was designated as a local historical resource in 1990 as HRB #282, but the garage/office building was not included in the designation. According to the Assessor's Building Record, the original Millard Rental building consisted of 1874 square feet, with 1017 square feet on the ground floor and 857 square feet on the second floor and wood covered porch of 139 square feet. The non-historic 1952 garage/now apartment building is 24' x 34' and contains 816 square feet on each floor. The proposed project will remove all of the existing improvements on the site. Current photographs of the designated resource are included in Exhibit A to these Findings.

The subject property is 50' x 100.25' and will be developed with two separate but coordinated concepts, starting with its subdivision into two lots, one measuring 66' by 50' and the other measuring 34' x 50.' The larger *Lot A* on the west end of the parcel will be developed as an 8 story cast-in-place concrete building of 13,734 square feet of net living space in Micro Units, over 1,438 square feet of commercial space. The net living space will be divided between 30 units of 408 square feet and 5 units of 330 square feet, all with 6' x 12' foot private decks facing south. The gross square footage of this building will be 31,722 square feet. SDMC Section 156.0309 provides an affordable incentive that the applicant will be using to eliminate all of the parking required for multi-family mixed use buildings. The applicant will also be using the affordable density bonus to provide a FAR bonus of 5%.

The smaller *Lot B* will be developed on the east end of the parcel with a four story single family residence with a roof top deck and the capability for a first floor office. This design will address the reduction of scale on the secondary Union Street frontage. The Single Family Residence will have a similar design language and material palette as the Micro Units on Lot A.

Copies of the relevant Plans for the proposed Base Project are included as Exhibit B to these Findings.

Land use and housing issues are addressed in Chapter 3 of the Downtown Community Plan. According to Figure 3-2, the Plan's Downtown Structure, this property is located in the Little Italy section of Centre City. According to the Plan's Figure 3-4, the Land Use is classified as Residential Emphasis, which is described on Page 3-12 as follows: "The Residential Emphasis areas will accommodate primarily residential development. Small-scale businesses, offices and services, and ground floor commercial uses (such as cafes and dry cleaners), are also allowed, provided that they do not exceed 20 percent of the overall building area."

The desired development intensity for the area is described on page 3-17 where the Plan establishes intensity standards for various parts of downtown. Intensity is measured as Floor Area Ratio (FAR), obtained by dividing gross floor area by lot area. Figure 3-9 of the Plan shows the allowable minimum and maximum FARs for various sites. "Proposed base development intensities in the Community Plan range from 2.0 to 10.0, modulated to provide diversity of scale, as well as high intensities in selected locations." The minimum FAR for the subject property is 3.5 and the maximum is 6.0. Because of the above-referenced affordable housing density bonus program provided by SDMC Section 156.0309, the project's 6.3 FAR is less than the allowed density bonus maximum of FAR 7.26.

Affordable Housing is also addressed in Chapter 3 of the Downtown Community Plan. One of the main goals of downtown's redevelopment is to expand and preserve the supply of affordable housing. The goals for such housing are based on the California Community Redevelopment Law. Continued compliance with State and local affordability requirements will help to ensure that affordable housing will continue to represent a portion of overall housing production. One of the Plan's Affordable Housing Strategies addresses Workforce Housing. "One of the essential underpinnings of downtown's renaissance is an intense and wide range of housing choices, meeting the various needs of a mixed population. . . . By establishing downtown as the center for higher residential densities in the region, housing options will be available for the multitude of downtown employees consistent with the Strategic Framework Element of the City's General Plan." Housing takes many forms in downtown from luxury penthouses to single room occupancy (SRO) hotels, compact living units (CLUs), studios, lofts, living units, and rental and ownership multi-room units. While mostly concentrated in neighborhoods with residential emphasis, housing is also considered an integral part of mixed-use centers and districts. (Plan, p. 3-29)

Under California Redevelopment Law, 15% of new housing developed in a redevelopment project area must be affordable to low and moderate income households and of those affordable units, 40% must be affordable to very low-income persons. (Plan, p. 3-30) Income Diversity – The majority of downtown's affordable housing units are for very low-income households. Given that a large number of downtown workers earn more than minimum wage and would fall into a broader range of income categories, downtown could benefit from having more units affordable to low and moderate income households. (Plan, p. 3-31)

The Plan's Affordable Housing Goals include the following:

- 3.4-G-3 Increase the supply of rental housing affordable to low-income persons
- 3.4-G-4 Preserve and expand the supply of single room occupancy ("SRO") and living units (small studio apartments) affordable to very-low income persons.
- 3.4-P-1 Development intensity bonuses for builders creating affordable units.
- 3.4-P-4 Allow construction of new SROs, living units and other similar forms of housing in all

appropriate mixed use districts. Allow reduced parking for projects with rent-restricted units.

The proposed project is consistent with these goals.

Historic Preservation is addressed in Chapter 9 of the Downtown Community Plan. The existing eastern-most structure on the project site is a locally designated historical resource, the Oscar H. Millard Rental located at 1619 Union Street, HRB #282. As indicated in Table 9-1 of the Plan, locally designated resources are to be retained on-site whenever possible. "Partial retention, relocation or demolition of a resource shall only be permitted through applicable City procedures." The applicable City procedures are established in San Diego Municipal Code Chapter 14, Article 3, Division 2, entitled "Historical Resources Regulations." §143.0210 (2) (C) requires a Site Development Permit in accordance with Process Four for any development that proposes to deviate from the development regulations for historical resources described in this division. Substantial alteration of a designated resource by demolition or other means is a deviation from the historical resources regulations and therefore a Site Development Permit, as authorized by Chapter 12, Article 6, Division 5, entitled "Site Development Permit Procedures" is required. The decision maker, in this instance the Planning Commission, must make all of the Findings in §126.0504(a) and §126.0504(i) before the demolition of a locally designated historical resource can occur. Therefore, the processing of this Site Development Permit application is in compliance with and will not adversely affect this aspect of the applicable land use plan. The proposed project will comply with Chapter 9 of the Downtown Community Plan.

The Mitigation Monitoring and Reporting Program (MMRP) for the Downtown Community Plan requires the implementation of Mitigation Measure *HIST- A.1-3* if a (locally) designated historical resource would be demolished. That Mitigation Measure requires the submission of a Documentation Program that must include Photo Documentation and Measured Drawings of the resource, consistent with the requirements of the Historic American Building Survey (HABS) to the Historical Resources Board Staff for review and approval. Implementation of this Mitigation Measure will be required as a Condition of this Permit.

A copy of the HABS drawings of the designated historical resource is included as Exhibit C to these Findings.

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

The proposed project would remove the existing improvements on the site and subdivide the parcel into two Lots, Lot A on the west two-thirds and Lot B on the east one-third. Lot A will be developed as an 8 story cast-in-place concrete building with 13,734 square feet of net living spaces in Micro Units above 1,434 square feet of commercial space. The net living space will be divided between 30 units of 408 square feet and 5 units with 330 square feet. The gross square footage of the building will be 31,722 square feet. The smaller Lot B on the east will be developed with a four story single family residence with a roof top deck and the capability for a first floor office. The two developments will share a common design language and material palette. The sole property owner and developer is JMAN at the K lofts LLC. The project architect is Jonathan Segal FAIA.

The Micro Units building on Lot A will not exceed 87'-05" feet in height and will be constructed of cast-in-place concrete containing 13,734 square feet of living space. The single family residence on

Lot B will be constructed in the same manner and not exceed 55 feet in height. The construction type will be 1B for both buildings and they will be NFPA 13 sprinklered. The occupancy classifications will include Garage – S2, Residential – R2, Mercantile – M, Commercial – A2/A3 and Business – B. No parking will be provided for the west building on Lot A with the multi-unit apartments, but 35 residential bicycle spaces and 5 guest bicycle spaces will be provided. Two parking spaces and two bicycle spaces for the east single family residence will be provided.

The relevant plans for both buildings are included as Exhibit B. The project site is 5,012 square feet, which includes Lot 7 of Block 33 in Horton's Addition on the block bounded by Union Street on the East, West Cedar Street on the South, State Street on the West and Date Street on the North. The Assessor's Parcel Number is 533-353-10. The construction type will be 1B, fire rated and sprinklered, meeting occupancy classifications R2, R3, and A2/A3 as required by the California Building Code.

The proposed development complies with the Development Regulations of the Centre City Planned District Ordinance (§ 156.0310), including the Residential Development Regulations (§ 156.0310 (g)). The proposed development complies with the Urban Design Regulations of the Planned District Ordinance (§ 156.0311), the Performance Standards of the Planned District Ordinance (§ 156.0312), etc. The proposed development complies with all of the San Diego Municipal Code and Uniform Building Code provisions intended ensure that the public health, safety and welfare are protected and enhanced by this construction.

3. The proposed development will comply with the applicable regulations of the Land Development Code.

The proposed project will construct an 8 story cast-in place concrete building with 13,734 square feet of net living spaces in Micro Units above 1,434 square feet of commercial space on Lot A on the west side of the parcel. The net living space will be divided between 30 units of 408 square feet and 5 units with 330 square feet. The gross square footage of the building will be 31,722 square feet. Lot B on the east will be developed with a four story single family residence with a roof top deck and the capability for a first floor office. The two developments will share a common design language and material palette.

The land use classification for this site is Residential Emphasis "The Residential Emphasis areas will accommodate primarily residential development. Small-scale businesses, offices and services, and ground floor commercial uses (such as cafes and dry cleaners), are also allowed, provided that they do not exceed 20 percent of the overall building area." (Plan, p. 3-12)

The desired development intensity for the area is described on page 3-17 where the Plan establishes intensity standards for various parts of downtown. Intensity is measured as Floor Area Ratio (FAR), obtained by dividing gross floor area by lot area. Figure 3-9 of the Plan shows the allowable minimum and maximum FARs for various sites. "Proposed base development intensities in the Community Plan range from 2.0 to 10.0, modulated to provide diversity of scale, as well as high intensities in selected locations." The minimum FAR for the subject property is 3.5 and the maximum is 6.0. Because of the above-referenced affordable incentive provided by SDMC Section 156.0339, the project's 6.3 FAR is allowed. In addition, an Affordable Density FAR Bonus is available for this property, which results in a maximum allowable FAR of 7.26, per local and state density bonus law (California Government

Code Sections 65915 through 65912).

The proposed project will comply with the PDO's Development Regulations pertaining to lot size, minimum building setbacks, building heights, building bulk, building base, ground floor heights, and residential development regulations. It will also comply with the PDO's Urban Design Regulations pertaining to building orientation, façade articulation, street level design, pedestrian entrances, transparency, blank walls, glass and glazing, rooftops, encroachments into public rights-of-way, building identification, regulations pertaining to historical resources requiring a Site Development Permit, additional standards for residential permanent supportive housing developments, and open space design guidelines.

The proposed project will comply with the applicable provisions of the Centre City Planned District Ordinance in the following manner. It is located within the Residential Emphasis the Land Use is classified as Residential Emphasis area which will accommodate primarily residential development. Small-scale businesses, offices and services, and ground floor commercial uses (such as cafes and dry cleaners), are also allowed, provided that they do not exceed 20 percent of the overall building area.

As discussed above, Chapter 3 of the Downtown Community Plan calls for affordable housing. One of the main goals of downtown's redevelopment it to expand and preserve the supply of affordable workforce housing. The proposed project will help address the need for such housing for downtown's population and, specifically, provide housing for the multitude of downtown employees consistent with the Strategic Framework Element of the City's General Plan. Given that a large number of downtown workers earn more than minimum wage and would fall into a broader range of income categories, downtown could benefit from having more units affordable to low and moderate income households.

The relevant Land Development Code's Planning and Development Regulations for topics not addressed in the Centre City Planned District Ordinance are contained in that Code's Chapter 14 and include: Grading Regulations, Draining Regulations, Landscape Regulations, Parking Regulations, Refuse and Recyclable Materials Storage, Mechanical and Utility Equipment Storage Regulations, Loading Regulations, Building Regulations, Electrical Regulations and Plumbing Regulations. The proposed development will comply with all of these regulations, since a building permit would not be issued without such compliance. Therefore, the proposed development will comply with all applicable regulations of the Land Development Code.

(i) Supplemental Findings – Historical Resources Deviation for Substantial Alteration of a Designated Historical Resource

Supplemental Finding (1) There are no feasible measures, including a less environmentally damaging alternative that can further minimize the potential adverse effects to the designated historical resource.

The subject property consists of two separate buildings on a single lot of 5,012 square feet. The designated building dates from 1894 and has always been a multi-family residential property, which was subject to modifications over the years. The non-designated building was constructed in 1952 as a garage with an office above and it remains a garage now with an apartment above. It was also subject to modifications over the years.

The initial question for Site Development Permits of this nature is whether the physical structure of the designated resource could be retained on the site and incorporated into the new development. In this instance, the two-story wood frame resource occupies a 1,017 square foot footprint in the center of the parcel, precluding the construction of the proposed Base Project that complies with the applicable land use plan and the Land Development Code regulations. As illustrated in the architectural drawings attached as Exhibit D, it would be physically impossible to incorporate the existing two story 1894 building into the first two floors of the proposed project.

In order to determine whether there are economically feasible measures that can further minimize the potential adverse effects to the designated historical resource, it is first necessary to determine the construction and other costs that would be required to build the Base Project and the economic return that could be generated by the Base Project over a five year period. The new construction and other costs have been developed by property owner and developer, JMAN at the K Lofts and Jonathan Segal FAIA. Those costs were reviewed by the Economic Feasibility Analyst, The London Group. The likely economic return to the developer from the Base Project, is thereafter determined by the Economic Feasibility Analysis. A similar process is undertaken for each of the Alternatives before a determination can be made that there are or are not economically feasible measures that can further minimize the potential adverse effects to the designated historic resource. A copy of the August 16th Economic Feasibility Analysis by The London Group is attached as Exhibit E.

Base Project

The proposed Base Project will construct, on Lot A, an 8 story cast-in-place concrete building with 13,734 square feet of net living spaces in Micro Units above 1,438 square feet of commercial space. The net living space will be divided between 30 units of 408 square feet and 5 units with 330 square feet, all with 12 x 6 foot private decks. The gross square footage of the building will be 31,722 square feet. Lot B will be developed with a four story single family residence with a roof top deck and the capability for a first floor office. The two developments will share a common design language and material palette. The project is more extensively described in Finding 2 above and in the relevant Plans for this project are included as Exhibit B.

The new square footage that would be generated by the Base Project on Lot A consists of 13,125 square footage of net residential rental area and 1,400 square feet of net retail rental area. The 33 market rate rentals would generate a monthly rental rate of $1,465 each and the 2 very low income level rentals would generate a monthly rental rate of $709 each. The gross annual rent revenue from Lot A is estimated at $591,118. The Base Project assumes the sale of the rental property on Lot A in the fifth year after its construction, at an estimated value of $11,449,537.

The new single family residence that would be constructed on Lot B would be sold when completed at a forecasted price of $2,600,000. This is based on the assumption that hard costs would reach $1,740,000 and soft costs would reach 18% of that amount or $313,200.

Alternative 1

An investigation was undertaken by the project architect and developer, Jonathan Segal FAIA, to rehabilitate both structures on the site. The 2,013 square foot single family residence on the east portion of the parcel, the 816 square foot garage and the 816 square foot commercial space on the west portion of the parcel would be rehabilitated, in accordance with the Secretary of the Interior's Standards, to their highest and best use to be sold immediately after their construction.

The single family home consists of 2013 square feet and its estimated rehabilitation costs are $603,900 (at $300 per square foot). Its forecasted sale price is $1,225,000 (at $609 per square foot). The two story garage & commercial building consists of 1,632 square feet and its estimated rehabilitation costs are $163,200 at $200 per square foot). Its forecasted sale price is $300,347 (at $368 per square foot).

Economic Feasibility when compared with the Base Project: The Base Project would construct 18,875 square feet of useable buildings. Alternative 1 would construct 3,645 square feet of usable buildings, 85% less than the Base Project and result in a $3,608,714 reduction in profit.

Alternative 2

An investigation was undertaken by the project architect and developer, Jonathan Segal FAIA, to rehabilitate only the designated structure on the site. The 2,013 square foot single family residence on the east portion of the parcel would be rehabilitated, in accordance with the Secretary of the Interior's Standards, to its highest and best use. The 1,632 square foot, non-designated commercial building on the west portion of the parcel would be removed and a two story building of two 600 square foot apartments would be constructed thereon.

The single family home consists of 2013 square feet and its estimated rehabilitation costs are estimated as $603,900 (at $300 per square foot). Its forecasted sale price is $1,225,000 (at $609 per square foot).

The new two-story apartment building would consist of 1,200 square feet and its construction costs are estimated as $350,000 (at $175 per square foot). It would be sold in its fifth year at a forecasted sale price of $726,657 (at $605 per square foot). The total costs for this Alternative are $3,207,108, but the sales value is only $1,951,657, which represents a loss of $1,255, 451.

Economic Feasibility when compared with the Base Project: The Base Project would construct 18,875 square feet of useable buildings. Alternative 2 would construct 3,213 square feet of usable buildings, 83% less than the Base Project and a $1,417,825 reduction in profit.

Alternative 3

The proposed project will require a Site Development Permit for the Substantial Alteration of a Designated Historical Resource under SDMC Section 126.0504(i). In many instances, a Site Development Permit for Relocation of a Designated Historical Resource under SDMC Section 126.0504(h) can provide an option that can further minimize the potential adverse effects on the

historical resource.

For this Alternative, an investigation was undertaken to investigate the option of relocating the designated historical resource at 1610 Union Street to an appropriate site for rehabilitation and reuse. In order to identify such an appropriate site, the real estate advisory firm of Overland, Pacific & Cutler was retained to search for a vacant, for sale lot in an appropriate older neighborhood of the City. This firm has had extensive experience in conducting such lot searches in the nine San Diego Community Plan areas with older residential areas. In this instance, five vacant lots were identified including one in the Logan Heights area of San Diego, the same neighborhood that a previous designated historical resource had been relocated to in 2011. The potential relocation site was identified as 2810 L Street, San Diego 92102. The property is an 11,731 square foot vacant parking lot on the northeast corner of 28th and L Streets, in a neighborhood of older homes. The property is zoned for four residential units and the price is $895,000.

Four other sites were identified by the lot search. (1) A steeply sloped lot at Florida and Upas of 7,246 square feet containing a duplex is available. If the duplex remains in place, 8 additional units could be added to the site. If the duplex is removed, additional units could be added. The price is $950,000. (2) A vacant, never improved lot of 1.21 acres is available at 0000 Hixon Street. The sale price is $149,000. That low price for such a large lot indicates a serious deficiency at the site. (3) Two vacant lots at 849-867 Ninth Avenue in the East Village are listed, however the adjoining parcels under the same ownership have been assembled contain a 20,000 square foot building site in a Centre City area with a 6.0 FAR. Although the sale price is described as "negotiable," it would be in the several millions. (4) A 15,750 square foot lot is available in Golden Hill, but its sale price is $2,400,000. This Lot Search information and photographs are included in Exhibit F. It is clear that the best relocation site is the one at 28th and L Streets in Logan Heights.

The Economic Feasibility Analysis has estimated that when the relocated and rehabilitated home is sold, the forecasted sale price for that property is estimated to be $600,000 or $298 per square foot. The newly constructed single-family home at the new project site is assumed to be sold after construction is completed and the forecasted sale price is estimated to be $1,225,000 or $609 per square foot. The total project costs, including the relocation and rehabilitation of the designated resource at the new site, are forecasted at $14,920,415.

When compared to the Base Project, Alternative 3 would result in and a $1,502,281 reduction in total profit generated by the development.

Conclusions

Supplemental Finding (1) There are no feasible measures, including a less environmentally damaging alternative that can further minimize the potential adverse effects to the designated historical resources.

> The Three Alternatives to the Base Project have been evaluated and determined to be economically infeasible in varying degrees. Therefore, Supplemental Finding (1) can be made.

EXHIBIT A

1610 Union Street and 320 West Cedar Street May 2016
Photograph #1: View West of the East Façade

1610 Union Street and 320 West Cedar Street May 2016
Photograph #2: View Northwest of the South and East façade

1610 Union Street and 320 West Cedar Street May 2016
Photograph #3: View North of the South façade

1610 Union Street and 320 West Cedar Street May 2016
Photograph #4: View North of the West end of the South façade

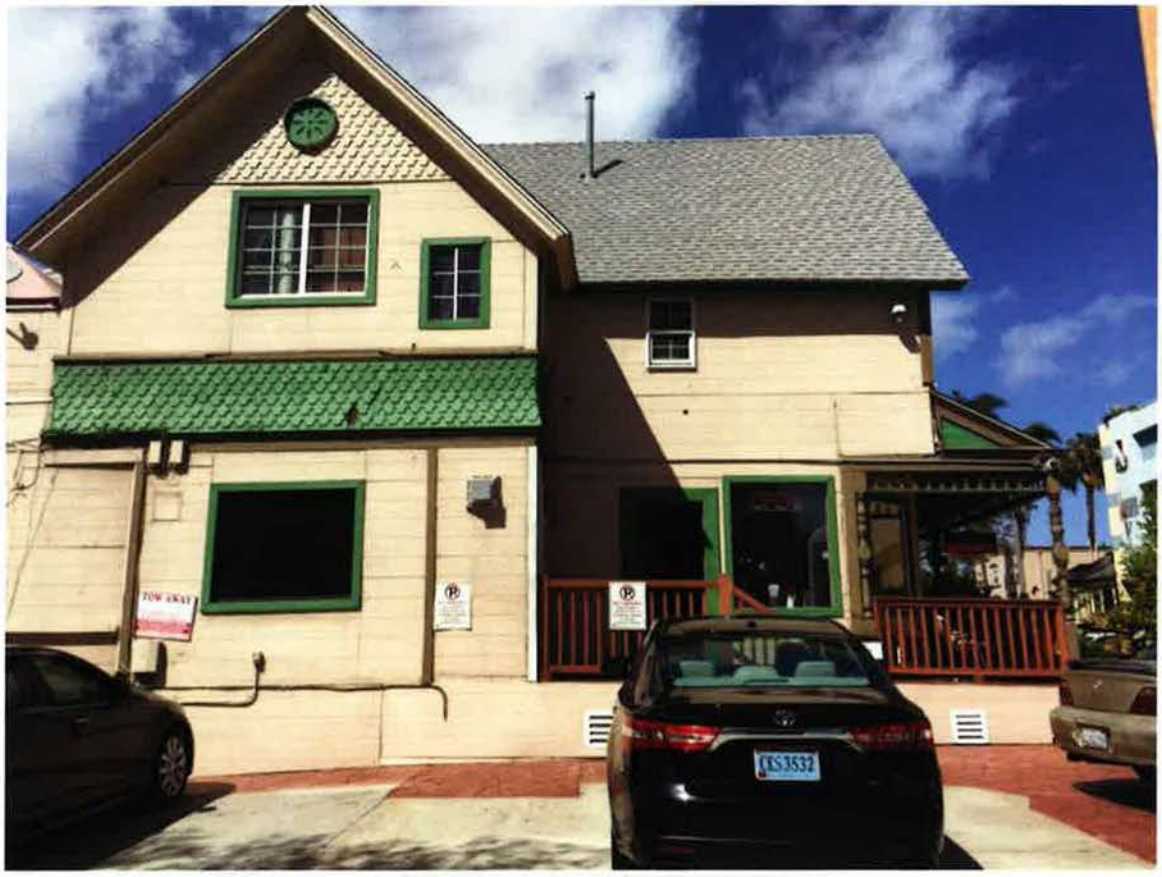
1610 Union Street and 320 West Cedar Street May 2016
Photograph #5: View West of the East façade

1610 Union Street and 320 West Cedar Street May 2016
Photograph #6: View Northeast of the South façade

1610 Union Street and 320 West Cedar Street May 2016
Photograph #7: View Southwest of the North façade

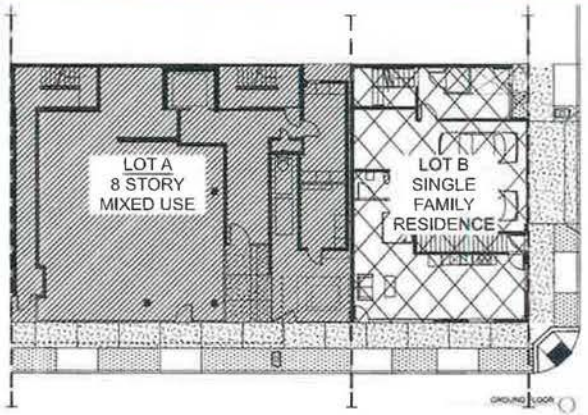
1610 Union Street and 320 West Cedar Street May 2016
Photograph #8: View West of the East and North façade

1610 Union Street and 320 West Cedar Street May 2016
Photograph #9: View North of the East end of the South façade



1610 Union Street and 320 West Cedar Street May 2016
Photograph #10: View North of the East end of the South

EXHIBIT B



EXISTING RESIDENTIAL PROPERTY

	AREA	INT SQ FT
NO CONFORMING PARKING		
Ground Level	Historic	1013
	Converted Garage	408
Second Level	Historic	1000
	Converted Garage	408
Total Square Feet		2829

LOT A MULTI FAMILY

	UNIT #	Type	INT SQ FT
Ground Level	106	Commercial	1438
Level 2	201	Apartment	408
	202	Apartment	420
	203	Apartment	408
	204	AFFORDABLE	408
	205	AFFORDABLE	330
Level 3	301	Apartment	408
	302	Apartment	420
	303	Apartment	408
	304	Apartment	408
	305	Apartment	330
Level 4	401	Apartment	408
	402	Apartment	420
	403	Apartment	408
	404	Apartment	408
	405	Apartment	330
Level 5	501	Apartment	408
	502	Apartment	420
	503	Apartment	408
	504	Apartment	408
	505	Apartment	330
Level 6	601	Apartment	408
	602	Apartment	420
	603	Apartment	408
	604	Apartment	408
	605	Apartment	330
Level 7	703	Apartment	408
	702	Apartment	420
	701	Apartment	408
	704	Apartment	408
	705	Apartment	323
Level 8	801	Apartment	408
	802	Apartment	420
	803	Apartment	408
	804	Apartment	408
	805	Apartment	323
Total Square Feet			15158

LOT B SINGLE FAMILY

Parking Locations		2
Level 1		1557
Level 2		1907
Level 3		1083
Level 4		1073
Level 5		164
Total Square Feet		5283

PROJECT DESCRIPTION

-PROJECT INCLUDES THE DEMOLITION OF AN EXISTING HISTORICAL RESOURCE ON SITE

-320 WEST CEDAR WAS ORIGINALLY CONSTRUCTED IN 1953 AND IS A CONCRETE BLOCK GARAGE WITH AN APARTMENT ABOVE

-1610 UNION STREET WAS ORIGINALLY CONSTRUCTED IN 1891 AND IS A TWO STORY RESIDENCE CURRENTLY USED AS A MASSAGE PARLOR

-PROJECT INCLUDES TWO INDEPENDENT STRUCTURES

-WESTERN 8 STORY STRUCTURE OF 36 MICRO UNIT APARTMENTS, 9% OR 2 OF WHICH ARE VERY LOW INCOME UNITS WITH A GROUND FLOOR COMMERCIAL SPACE, UTILITIES AND COMMON LAUNDRY AREA (LOT A)

-EASTERN 4 STORY STRUCTURE INCLUDES A SINGLE FAMILY RESIDENCE WITH A GROUND FLOOR RETAIL OR RESIDENTIAL SPACE AND A 2 CAR ABOVE GRADE ENCLOSED GARAGE(LOT B)

DEVATIONS

AFFORDABLE INCENTIVE:
-LOT A) ELIMINATION OF ALL PARKING REQUIRED FOR MULTIFAMILY MIXED USE BUILDING
-FAR BONUS OF 5% PER SECTION 156.0309

DEVIATIONS:
- DEVIATION OF BUILDING HEIGHT AND SETBACK INTO THE LISA OF APPROXIMATELY 12% ON CEDAR STREET ELEVATION
- DEVIATION OF STREET WALL SETBACK REQUIREMENTS AT TRANSFORMER LOCATION FROM 5 FEET TO 0' AT BALCONY EDGE AND 19'-6" AT UNIT SLIDING DOOR FACE

PROJECT DATA

PROJECT NAME: 320 West Cedar

PROJECT ADDRESS: 320 West Cedar Street & 1610 Union Street
SAN DIEGO, CALIFORNIA 92101

SUBMITTAL DATE: JUNE 14th 2016

[X] YES [ ] NO U.R.M.: [ ] YES [X] NO

A.P.N.: 533-353-10-00

ZONE: -CCPD-ER
-THE CENTRE CITY PLANNING DISTRICT
-RESIDENTIAL EMPHASIS

APPLICANT: JONATHAN SEGAL FAIA
3000 UPAS STREET SUITE 101
SAN DIEGO CA, 92103
(619) 993 6269

PROPERTY OWNER: JMAN AT THE KLOFTS LLC
3000 UPAS STREET SUITE 101
SAN DIEGO CA, 92103
(619) 993 6269

SITE AREA: 5,012 SF
.11 ACRES

FAR
MINIMUM FAR 3.5
MAXIMUM FAR 6.0
PROJECT FAR 6.3

AFFORDABLE
ALLOWED FAR 7.26

LEGAL DESCRIPTION:
THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO
LOT 7 IN BLOCK 33 OF MIDDLETOWN, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO PARTITION MAP THEREOF MADE BY J.E. JACKSON ON FILE IN THE OFFICE OF THE COUNTY CLERK OF SAID SAN DIEGO COUNTY

OVERLAY ZONE DESIGNATION

CHECK EACH APPLICABLE OVERLAY ZONE

- [X] AIRPORT APPROACH — FAA PART 77
- [ ] AIRPORT ENVIRONS — LINDBERG FIELD
- [X] COASTAL
- [ ] COASTAL HEIGHT LIMIT
- [X] LITTLE ITALY SUN ACCESS MAXIMUM BUILDING ENVELOPE
- [X] RESIDENTIAL TANDEM PARKING
- [X] TRANSIT AREA

SYMBOL LEGEND

SECTION MARKER — 12 / A3.2 (DETAIL NUMBER / SHEET NUMBER)
DETAIL MARKER — 5 TYP.
WALL/CEILING TYPE IDENT — F5
DETAIL/ENLARGED PLAN MARKER — 12 / A3.2
GRID — A
WINDOW/DOOR TAG — 5 5

PROJECT TEAM

ARCHITECT	STRUCTURAL ENGINEER
JONATHAN SEGAL, FAIA	DCI ENGINEERS
3000 UPAS STREET, STE. 101	101 W BROADWAY SUITE 1260
SAN DIEGO, CA 92104	SAN DIEGO, CA 92101
PHONE: (619) 993-6269	PHONE: (619) 234-0501
FAX: (619) 995-5396	FAX: (619) 400-1704
CONTACT: MATTHEW SEGAL	CONTACT: JONATHAN DECK

BUILDING CODE DATA

TYPE OF CONSTRUCTION: 1B — NFPA 13 SPRINKLERED: [X] YES [ ] NO

160' HT. LIMIT

OCCUPANCY CLASSIFICATION(S): GARAGE = S2, RESIDENTIAL = R2, MERCANTILE = M — COMMERCIAL = A2/A3, BUSINESS = B

NUMBER OF STORIES: 8

BUILDING HEIGHT: 67'-5"

GOVERNING CODES: 2013 CALIFORNIA BUILDING CODE
UNIFORM PLUMBING CODE (2013)
UNIFORM MECHANICAL CODE (2013)
CALIFORNIA ELECTRICAL CODE (CEC 2013)

ALLOWABLE FLOOR AREAS

	BUILDING USE DIAGRAM WEST	BUILDING USE DIAGRAM EAST
LEVEL 8	R2	
LEVEL 7	R2	
LEVEL 6	R2	
LEVEL 5	R2	
LEVEL 4	R2	R3
LEVEL 3	R2	R3
LEVEL 2	R2	R3
LEVEL 1	R2 A2/A3 INCLUDES INCL. 8 S2 A M	R3 A2/A3 INCLUDES INCL. 8 S2 A M

	Com	Res West	Res East	TOTAL
FLOORS				
1st	1,438.00	1,370.00	1,686.00	4,494.00
second		3,271.00	1,753.00	5,024.00
third		3,271.00	1,193.00	4,464.00
fourth		3,271.00	1,185.00	4,456.00
fifth		3,271.00	200.00	3,471.00
sixth		3,271.00		3,271.00
seventh		3,271.00		3,271.00
eighth		3,271.00		3,271.00
TOTAL	1,438.00	24,267.00	6,017.00	31,722.00

Site Area	5,012.00
Floor Area Ratio	6.3
AFFORDABLE BONUS FAR CALCULATION	
FAR= Base GSF - NR GSF x Affordable Density Bonus % + Base GSF/ Site AREA	
PERMITTED FAR INCL BONUS = 30072 - 1438 x .22 + 30072/5012	7.26

PARKING:

PARKING -BUILDING WEST MULTI UNIT APARTMENT
-NO PARKING
-BICYCLE PARKING PROVIDED 35
-GUEST BICYCLE PARKING PROVIDED 5

PARKING -BUILDING EAST SINGLE FAMILY HOME
-PARKING PROVIDED 2
-BICYCLE PARKING PROVIDED 2

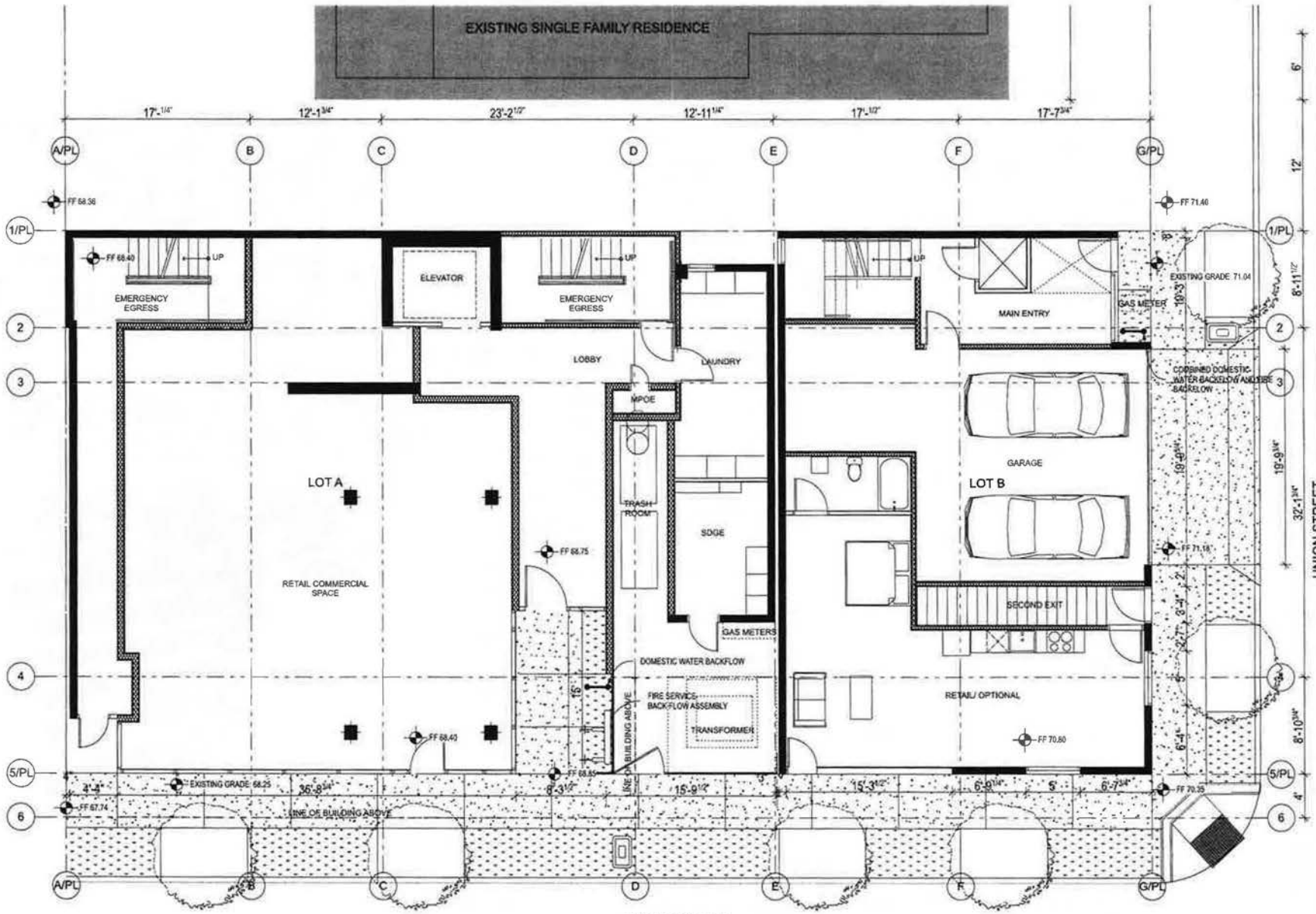
EXPEDITE VERY LOW INCOME HOUSING PROJECT

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE: TITLE SHEET
SCALE:
DATE: 6/15/16
REVISION 1:
REVISION 2:
REVISION 3:
REVISION 4:
REVISION 5:
REVISION 6:
SHEET: __ OF __
SHEET NAME:

T1.0



AFFORDABLE VERY LOW INCOME UNITS
#204 #205

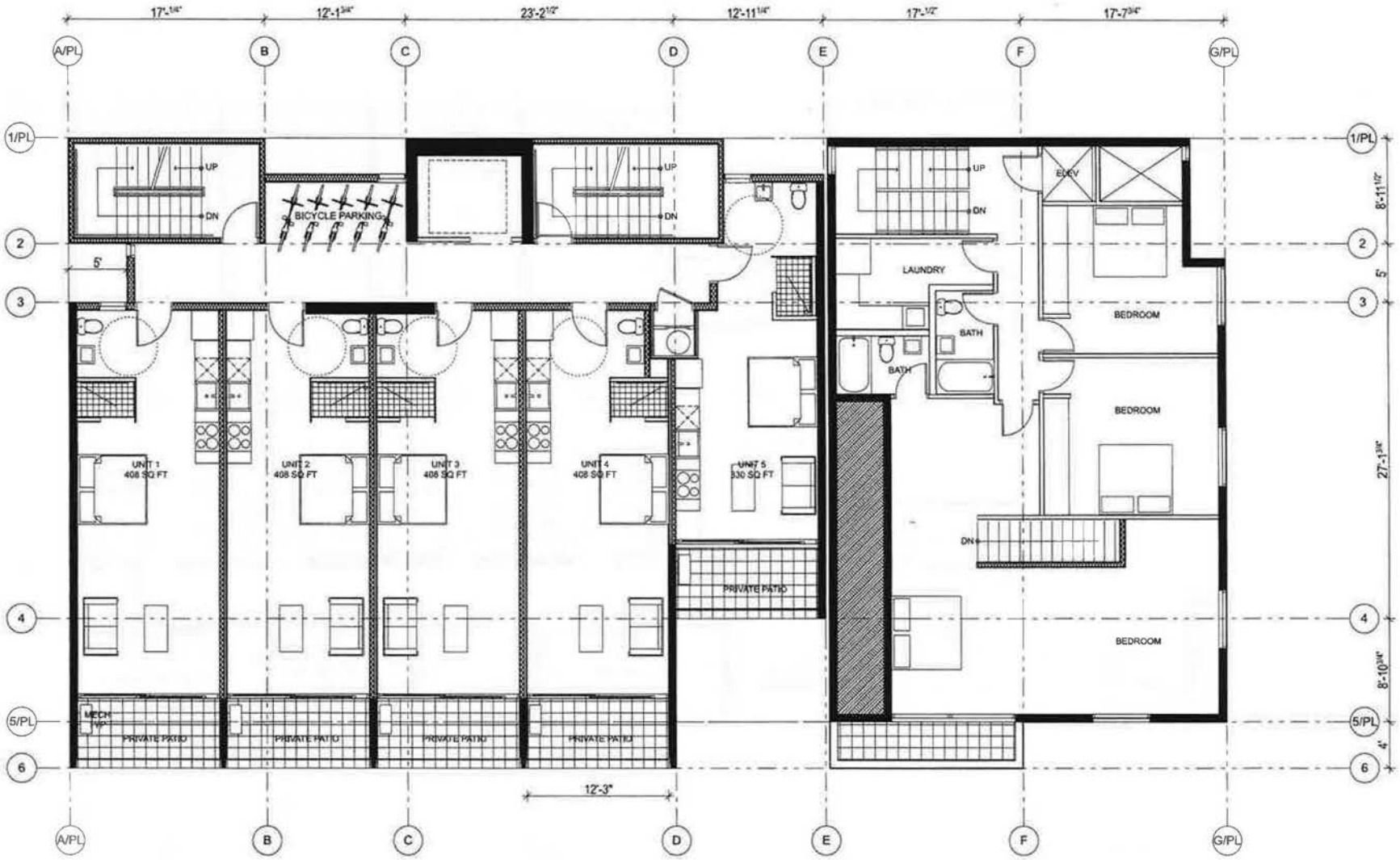
GROUND FLOOR

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE: SITE PLAN
SCALE:
DATE: 6/15/16
REVISION 1:
REVISION 2:
REVISION 3:
REVISION 4:
REVISION 5:
REVISION 6:
SHEET: __ OF __
SHEET NAME:

A0.0



SECOND FLOOR

N

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE
SECOND FLOOR
SCALE
DATE: 6/15/16
REVISION 1:
REVISION 2:
REVISION 3:
REVISION 4:
REVISION 5:
REVISION 6:
SHEET: __ OF __
SHEET NAME
A1.1

THIRD FLOOR

N

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE
THIRD FLOOR
SCALE
DATE: 6/15/16
REVISION 1:
REVISION 2:
REVISION 3:
REVISION 4:
REVISION 5:
REVISION 6:
SHEET ___ OF ___
SHEET NAME
A1.2

FOURTH FLOOR

N

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE
FOURTH FLOOR
SCALE
DATE
6/15/16
REVISION 1
REVISION 2
REVISION 3
REVISION 4
REVISION 5
REVISION 6
SHEET
__ OF __
SHEET NAME
A1.3

FIFTH FLOOR

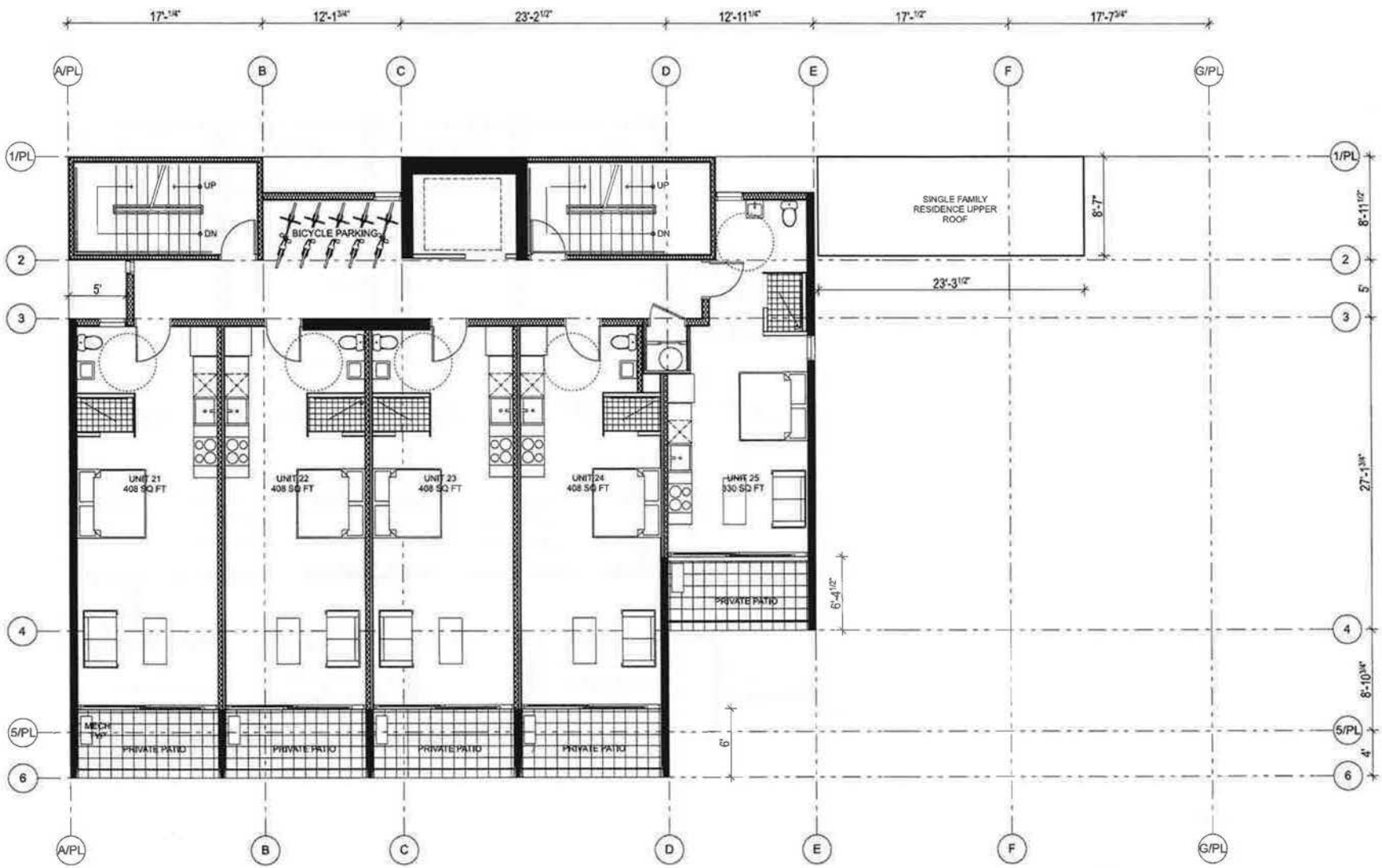
N

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE
FIFTH FLOOR
SCALE
DATE: 6/15/16
REVISION 1:
REVISION 2:
REVISION 3:
REVISION 4:
REVISION 5:
REVISION 6:
SHEET ___ OF ___
SHEET NAME

A1.4



SIXTH FLOOR

N

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE
SIXTH FLOOR
SCALE
DATE 6/15/16
REVISION 1:
REVISION 2:
REVISION 3:
REVISION 4:
REVISION 5:
REVISION 6:
SHEET __ OF __
SHEET NAME
A1.5

SEVENTH FLOOR

N

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE
SEVENTH FLOOR
SCALE
DATE
6/15/16
REVISION 1:
REVISION 2:
REVISION 3:
REVISION 4:
REVISION 5:
REVISION 6:
SHEET
__ OF __
SHEET NAME
A1.6

EIGHTH FLOOR

N

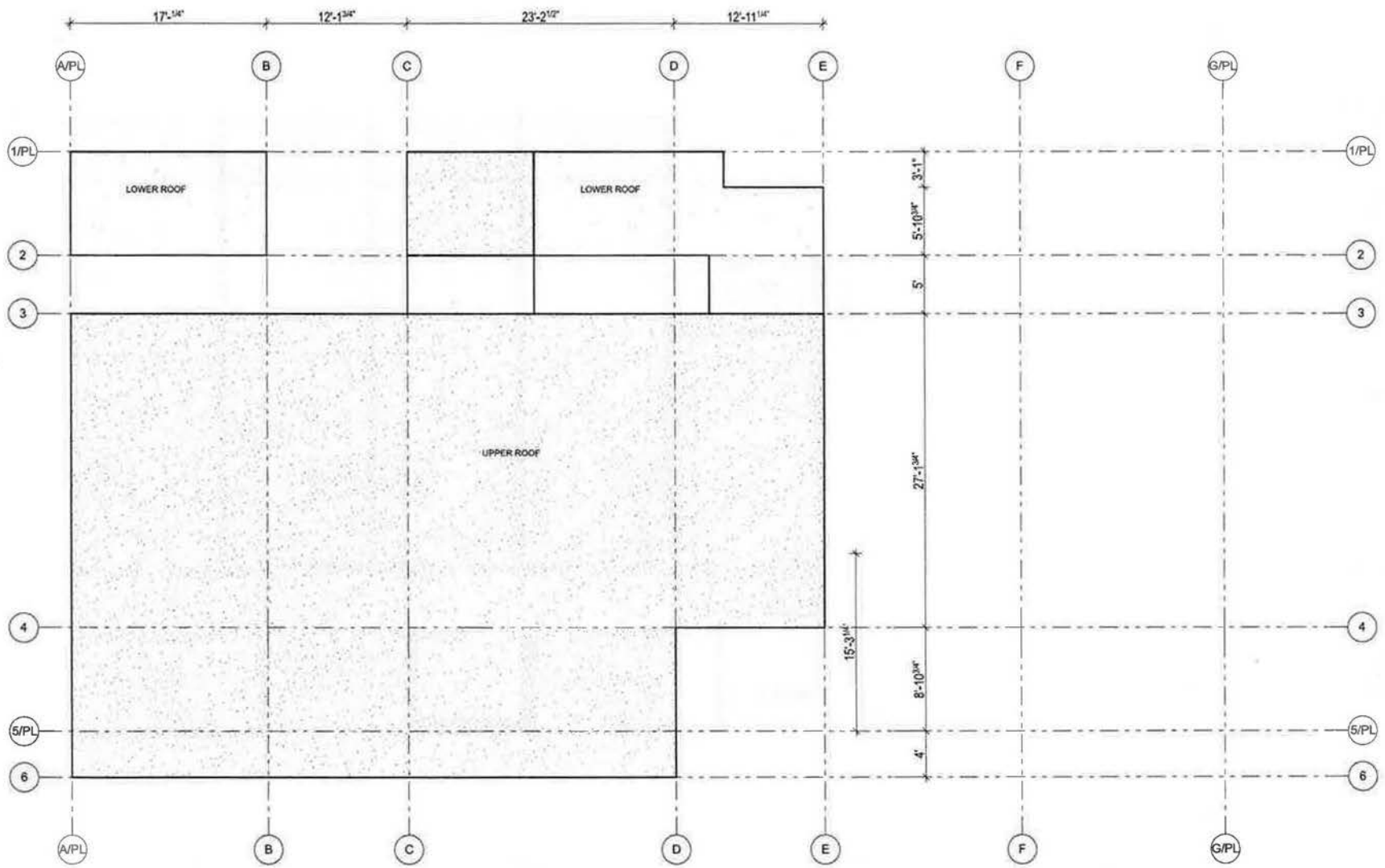
320 West Cedar

320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE: EIGHTH FLOOR
SCALE:
DATE: 6/15/16
REVISION 1:
REVISION 2:
REVISION 3:
REVISION 4:
REVISION 5:
REVISION 6:
SHEET __ OF __
SHEET NAME:

A1.7



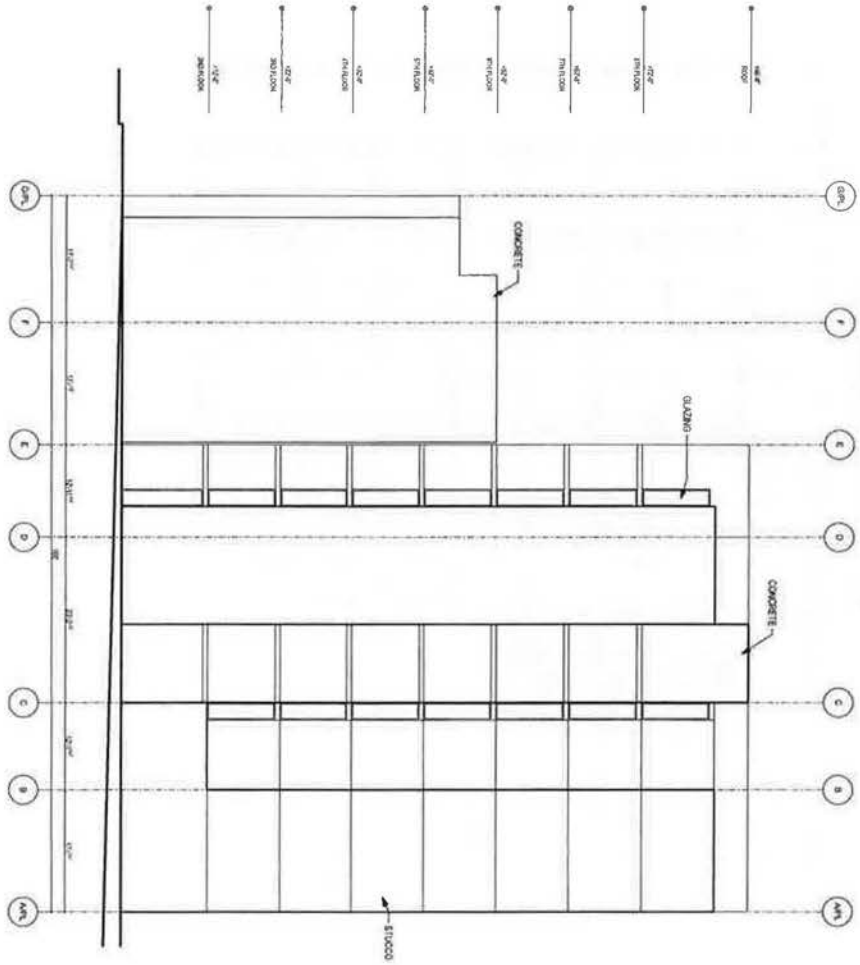
ROOF

N

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE:
ROOF PLAN
SCALE:
DATE: 6/15/16
REVISION 1:
REVISION 2:
REVISION 3:
REVISION 4:
REVISION 5:
REVISION 6:
SHEET: __ OF __
SHEET NAME:
A1.8



NORTH ELEVATION

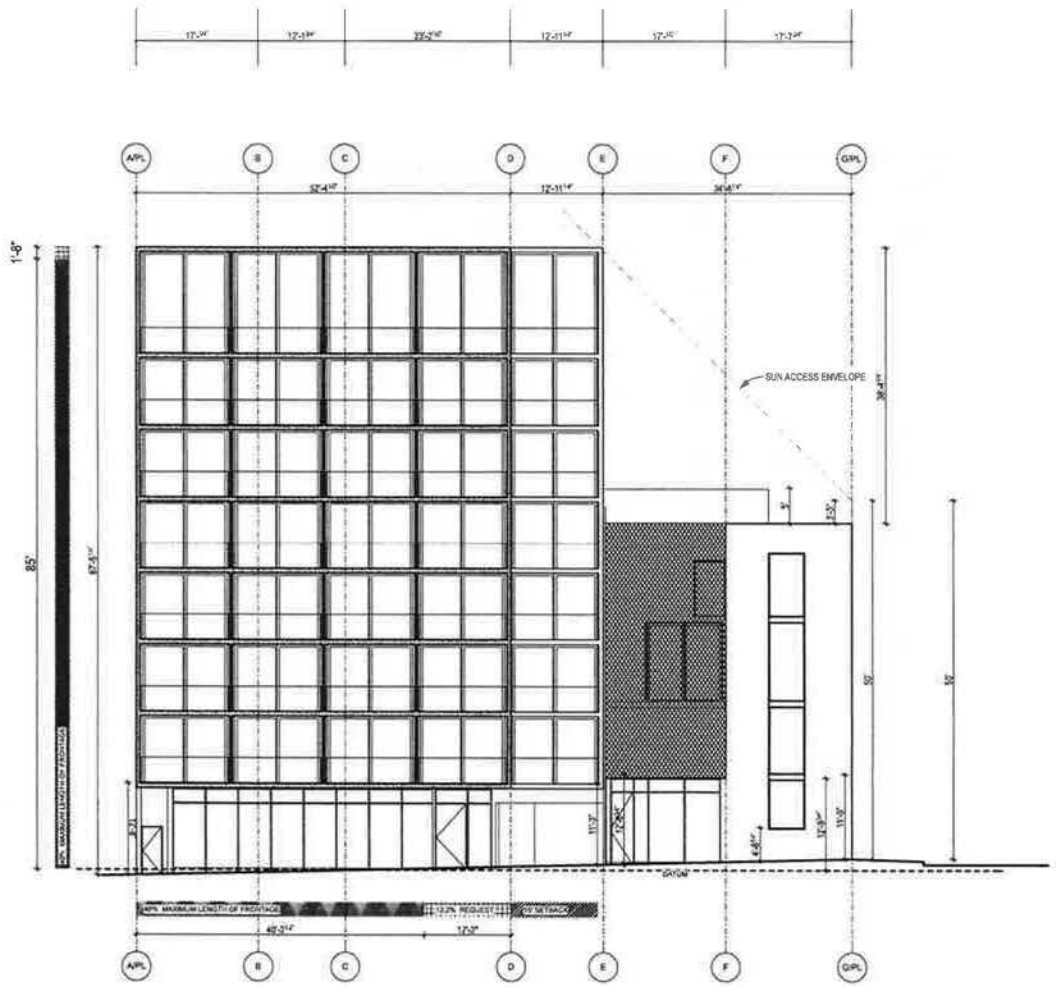
320 West Cedar

320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE: NORTH ELEVATION
SCALE: 1/8"=1'0"
DATE: 6/15/16
REVISION 1:
REVISION 2:
REVISION 3:
REVISION 4:
REVISION 5:
REVISION 6:
SHEET
SHEET NAME

A2.0



SOUTH ELEVATION

320 West Cedar

320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE:
SOUTH ELEVATION

SCALE:

DATE:
6/15/16

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REVISION 2:

REVISION 3:

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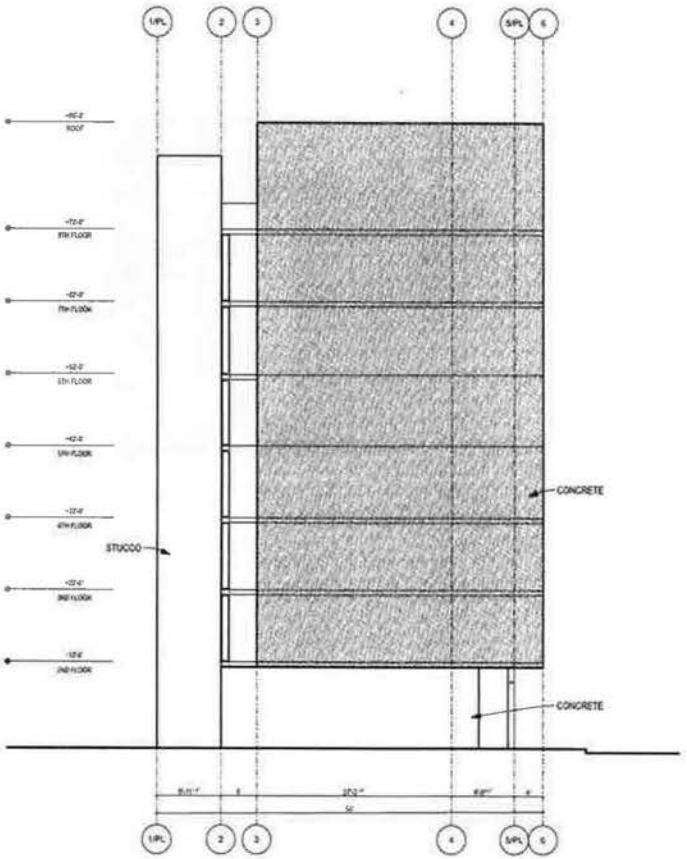

WEST ELEVATION

320 West Cedar

320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE:
WEST ELEVATION

SCALE:

DATE:
6/15/16

REVISION 1:

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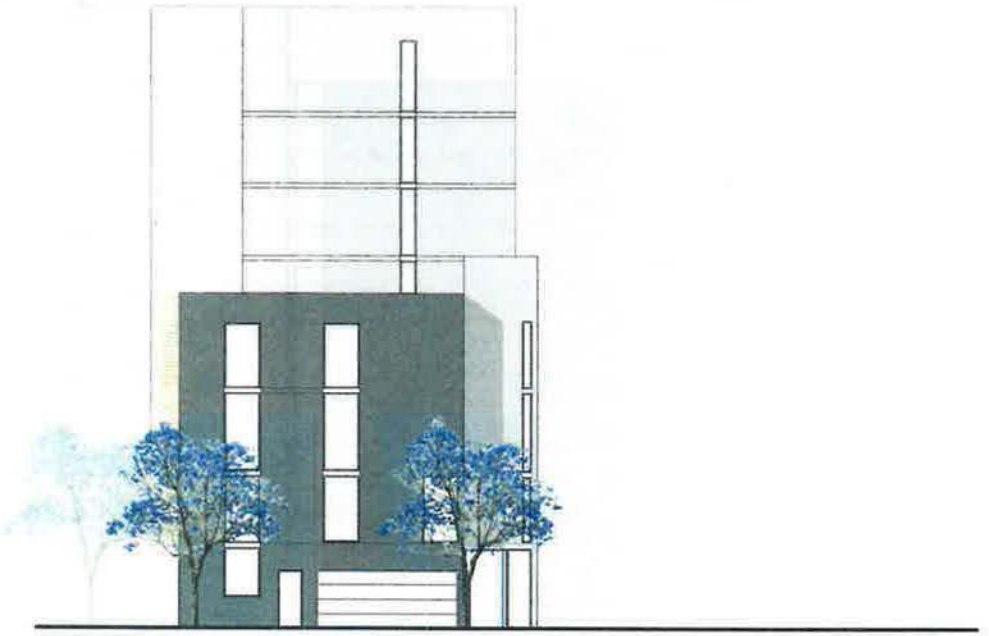

EAST ELEVATION

CONCRETE

CONCRETE

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE
COLORED EAST ELEV

SCALE

DATE
6/15/16

REVISION 1

REVISION 2

REVISION 3

REVISION 4

REVISION 5

REVISION 6

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SHEET NAME:

A2.7

SOUTH ELEVATION ON CEDAR STREET

WEST ELEVATION ON CEDAR STREET

SOUTH CEDAR STREET NIGHT

EAST ELEVATION UNION STREET

320 West Cedar

320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE
RENDERINGS

SCALE

DATE
6/15/16

REVISION 1

REVISION 2

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REVISION 6

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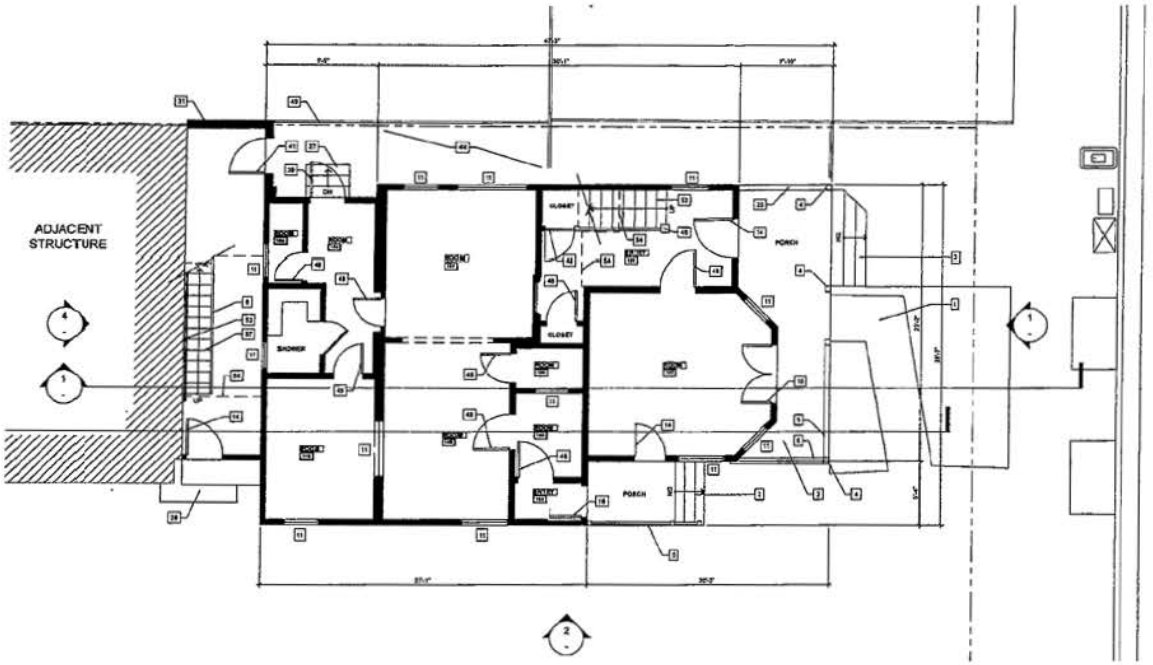

1 FIRST FLOOR PLAN

SCALE: 3/4" = 1'-0"

KEYNOTES

1 CONCRETE RAMP	9 DECORATIVE WOOD FRIEZE	17 DECORATIVE WOOD SHINGLES	25 DECORATIVE METAL WORK (RP)	33 WOOD TRIM AT SIDING	41 METAL GATE	49 WOOD FENCE	57 OPEN-TREAD CONCRETE STAIRS
2 WOOD PORCH	10 WOOD RAKE	18 DECORATIVE WOOD BRACKETS	26 WOOD SHIPLAP SIDING	34 EXPOSED CONDUIT	42 ATTACHED WOOD FRAMING	50 EAVE OVERHANG ABOVE	58 VINYL SLIDING CLOSET DOORS
3 COMPOSITE WOOD STAIRS (MF)	11 VINYL WINDOW (MF)	19 DECORATIVE WOOD SUNBURST FAN	27 OPEN-TREAD WOOD STEPS	35 EXISTING ELECTRICAL PANEL	43 OUTLINE OF HOUSE BEYOND	51 PLANTER	59 SLOPED CEILING ABOVE
4 DECORATIVE WOOD COLUMN	12 ASPHALT SHINGLE ROOFING (NV)	20 DECORATIVE WOOD MEDALLION	28 CONCRETE STEPS	36 EXPOSED PIPING	44 CONCRETE WALK/PAVING	52 WOOD STAIRS	
5 COMPOSITE WOOD RAILING (NV)	13 OPENING AT INTERIOR WALL BEYOND (NV)	21 WOOD FRAMED STORAGE SHED (NV)	29 METAL ENCLOSURE	37 OUTLINE OF SHED ROOF (NV)	45 STUD WALL	53 METAL HANDRAIL	
6 METAL RAILING	14 WOOD RAKE AND GLASS DOOR	22 WOOD GUARDRAIL	30 PLASTIC FENCE PANELS	38 OPEN TO INTERIOR STAIR BEYOND	46 CURVED WOOD HANDRAIL, BALUSTER AND NEWEL POSTS	54 LINE OF FLOOR ABOVE	
7 WOOD TRIM (NV)	15 VINYL FRENCH DOORS (NV)	23 WALL VENT	31 CMU WALL	39 METAL DOOR	47 WOOD DOOR	55 SKYLIGHT	
8 COMPOSITE FAUX WOOD SIDING (NV)	16 WOOD DOOR (NV)	24 PLYWOOD PANEL (NV)	32 LIGHT FIXTURE	40 METAL GUARDRAIL	48 HOLLOW CORE DOOR (NV)	56 CORRUGATED METAL PANELS	

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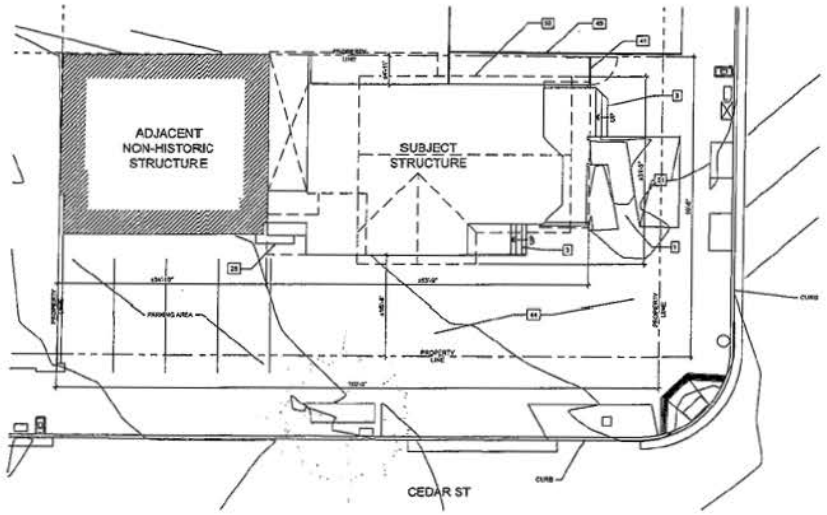
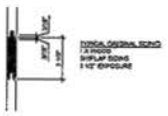
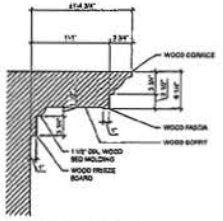


1 SITE PLAN
SCALE: 1/8" = 1'-0"

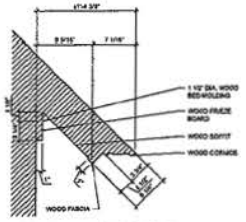
2 VICINITY MAP
SCALE: NTS



3 SIDING DETAIL
SCALE: 3" = 1'-0"



4 EAVE PROFILE
SCALE: 1 1/2" = 1'-0"



5 RAKE PROFILE
SCALE: 1 1/2" = 1'-0"

KEYNOTES

1 CONCRETE RAMP	9 DECORATIVE WOOD PANELS	17 DECORATIVE WOOD SHINGLES	25 DECORATIVE METAL WORK (HH)	33 WOOD TREAT SIDING	41 METAL GATE	49 WOOD FENCE	57 OPEN-TREAD CONCRETE STAIRS
2 WOOD PORCH	10 WOOD RAKE	18 DECORATIVE WOOD SPINDELS	29 WOOD SHIPLAP SIDING	34 EXPOSED CONDUIT	42 ATTACHED WOOD FRAMING	50 EAVE OVERHANG ABOVE	58 VINYL SIDING CLOSET DOORS
3 COMPOSITE WOOD STAIRS (NH)	11 VINYL WINDOW (NH)	19 DECORATIVE WOOD SUNBURST FAN	27 OPEN-TREAD WOOD STEPS	35 EXISTING ELECTRICAL PANEL	43 OUTLINE OF HOUSE BEYOND	51 PLANTER	59 SLOPED CEILING ABOVE
4 DECORATIVE WOOD COLUMN	12 ASPHALT SHINGLE ROOFING (NH)	26 DECORATIVE WOOD MEDALLION	28 CONCRETE STEPS	36 EXPOSED PIPING	44 CONCRETE WALK/PAVING	52 WOOD STAIRS	
5 COMPOSITE WOOD RAILING (NH)	13 OPENING AT INTERIOR WALL BEYOND (NH)	21 WOOD FRAMED STORAGE SHED (NH)	20 METAL ENCLOSURE	37 OUTLINE OF SHED ROOF (NH)	45 STUD WALL	53 METAL HANDRAIL	
6 METAL RAILING	14 WOOD PANEL AND GLASS DOOR	22 WOOD GUARDRAIL	30 PLASTIC FENCE PANELS	38 OPEN TO INTERIOR STAIR BEYOND	46 CARVED WOOD HANDRAIL, BALUSTER, AND NEWEL POSTS	54 LINE OF FLOOR ABOVE	
7 WOOD TRIM (NH)	15 VINYL FRENCH DOORS (HH)	23 WALL VENT	31 CMU WALL	39 METAL DOOR	47 WOOD DOOR	55 SKYLIGHT	
8 COMPOSITE FAUX WOOD SIDING (NH)	16 WOOD DOOR (NH)	24 PLYWOOD PANEL (BH)	32 LIGHT FIXTURE	40 METAL GUARDRAIL	48 HOLLOW CORE DOOR (NH)	56 CORRUGATED METAL PANELS	

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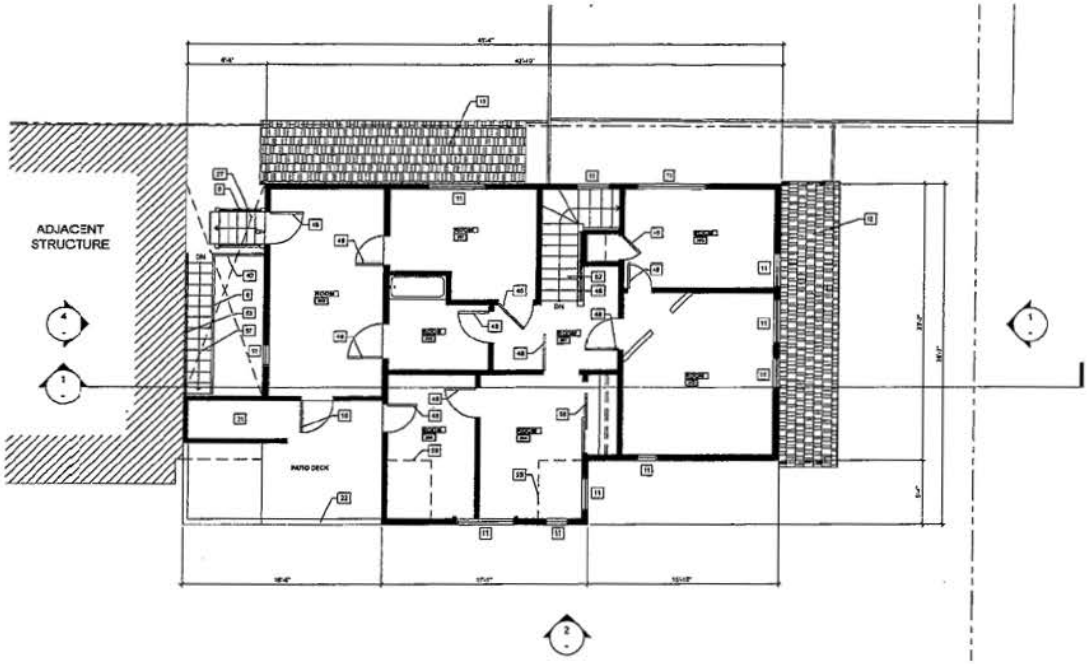

1 SECOND FLOOR PLAN

SCALE: 1/4" = 1'-0"

KEYNOTES

1 CONCRETE RAMP	9 DECORATIVE WOOD FRIEZE	17 DECORATIVE WOOD SHINGLES	25 DECORATIVE METAL WORK (HP)	33 WOOD TRIM AT SIDING	41 METAL GATE	49 WOOD FENCE	57 OPEN-TREAD CONCRETE STAIRS
2 WOOD PORCH	10 WOOD EAVE	18 DECORATIVE WOOD SPANDRELS	26 WOOD SHIPLAP SIDING	34 EXPOSED CONDUIT	42 ATTACHED WOOD FRAMING	50 EAVE OVERHANG ABOVE	58 VINYL SLIDING CLOSET DOORS
3 COMPOSITE WOOD STAIRS (HP)	11 VINYL WINDOW (HP)	19 DECORATIVE WOOD SUNBURST FAN	27 OPEN-TREAD WOOD STEPS	35 EXISTING ELECTRICAL PANEL	43 OUTLINE OF HOUSE BEYOND	51 PLANTER	59 SLOPED CEILING ABOVE
4 DECORATIVE WOOD COLUMN	12 ASPHALT SHINGLE ROOFING (HP)	20 DECORATIVE WOOD MEDALLION	28 CONCRETE STEPS	36 EXPOSED PIPING	44 CONCRETE WALL/FOOTING	52 WOOD STAIRS	
5 COMPOSITE WOOD RAILING (HP)	13 OPENING AT INTERIOR WALL BEYOND (HP)	21 WOOD FRAMED STORAGE SHED (HP)	29 METAL ENCLOSURE	37 OUTLINE OF SHED ROOF (HP)	45 STUD WALL	53 METAL HANDRAIL	
6 METAL RAILING	14 WOOD PANEL AND GLASS DOOR	22 WOOD GUARDRAIL	30 PLASTIC FENCE PANELS	38 OPEN TO INTERIOR STAIR BELOW	46 CARVED WOOD HANDRAIL, BALUSTER, AND NEWEL POSTS	54 LINE OF FLOOR ABOVE	
7 WOOD TRIM (HP)	15 VINYL FRENCH DOORS (HP)	23 WALL VENT	31 GAU WALL	39 METAL DOOR	47 WOOD DOOR	55 SKYLIGHT	
8 COMPOSITE FAUX WOOD SIDING (HP)	16 WOOD DOOR (HP)	24 PLYWOOD PANEL (HP)	32 LIGHT FIXTURE	40 METAL GUARDRAIL	48 HOLLOW CORE DOOR (HP)	56 CORRUGATED METAL PANELS	

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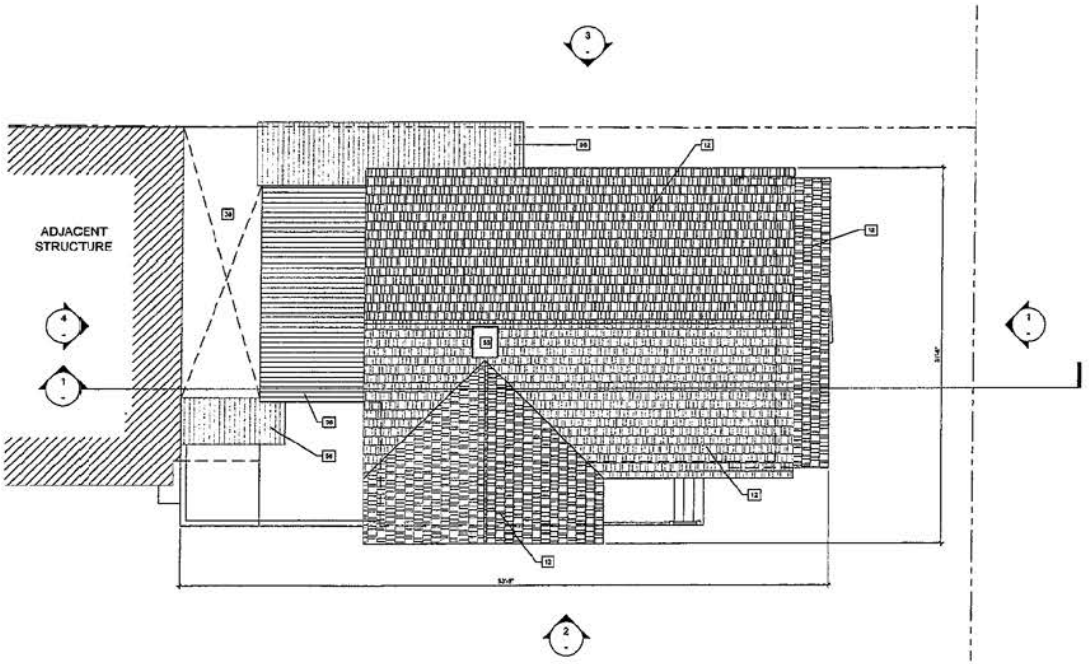
07.28.2016 **U&C**



1 ROOF PLAN

SCALE: 1/4" = 1'-0"

KEYNOTES

1 CONCRETE RAMP	9 DECORATIVE WOOD FRIEZE	17 DECORATIVE WOOD SHINGLES	25 DECORATIVE METAL WORK (NIP)	33 WOOD TRIM AT SIDING	41 METAL GATE	49 WOOD FENCE	57 OPEN-TREAD CONCRETE STAIRS
2 WOOD PORCH	10 WOOD RAKE	18 DECORATIVE WOOD SPANDRELS	26 WOOD SHIPLAP SIDING	34 EXPOSED CONDUIT	42 ATTACHED WOOD FRAMING	50 EAVE OVERHANG ABOVE	58 VINYL SLIDING CLOSET DOORS
3 COMPOSITE WOOD STAIRS (NIP)	11 VINYL WINDOW (NIP)	19 DECORATIVE WOOD SUNBURST FAN	27 OPEN-TREAD WOOD STEPS	35 EXISTING ELECTRICAL PANEL	43 OUTLINE OF HOUSE BEYOND	51 PLANTER	59 SLOPED CEILING ABOVE
4 DECORATIVE WOOD COLUMN	12 ASPHALT SHINGLE ROOFING (NIP)	20 DECORATIVE WOOD MEDALLION	28 CONCRETE STEPS	36 EXPOSED PIPING	44 CONCRETE WALK/PAVING	52 WOOD STAIRS	
5 COMPOSITE WOOD RAILING (NIP)	13 OPENING AT INTERIOR WALL BEYOND (NIP)	21 WOOD FRAMED STORAGE SHED (NIP)	29 METAL ENCLOSURE	37 OUTLINE OF SHED ROOF (NIP)	45 STUD WALL	53 METAL HANDRAIL	
6 METAL RAILING	14 WOOD PANEL AND GLASS DOOR	22 WOOD GUARDRAIL	30 PLASTIC FENCE PANELS	38 OPEN TO INTERIOR STAIR BEYOND	46 CARVED WOOD HANDRAIL, BALUSTER, AND NEWEL POSTS	54 LINE OF FLOOR ABOVE	
7 WOOD TRIM (NIP)	15 VINYL FRENCH DOORS (NIP)	23 WALL VENT	31 CMU WALL	39 METAL DOOR	47 WOOD DOOR	55 SKYLIGHT	
8 COMPOSITE FAUX WOOD SIDING (NIP)	16 WOOD DOOR (NIP)	24 PLYWOOD PANEL (NIP)	32 LIGHT FIXTURE	40 METAL GUARDRAIL	48 HOLLOW CORE DOOR (NIP)	56 CORRUGATED METAL PANELS	

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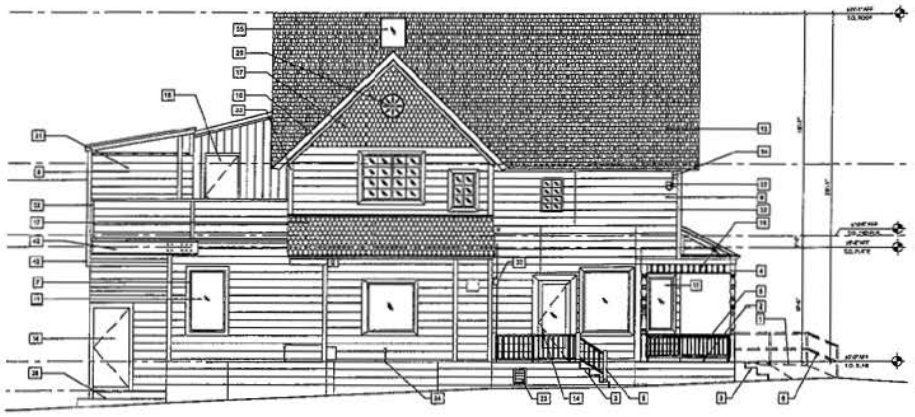
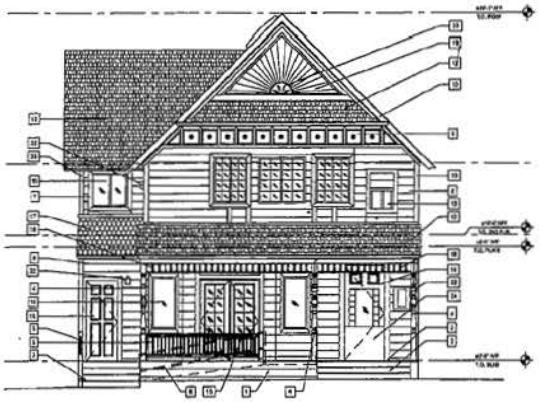
07.28.2016 **U&C**



2 SOUTH ELEVATION
SCALE: 1/4" = 1'-0"



1 EAST ELEVATION
SCALE: 1/4" = 1'-0"

ELEVATION KEYNOTES

1 CONCRETE SLAB	9 DECORATIVE WOOD PANELS	17 DECORATIVE WOOD SHINGLES	25 DECORATIVE METAL WORK (NIC)	33 WOOD TRIM AT SIDING	41 METAL GATE	49 WOOD FENCE	57 OPEN-TREAD CONCRETE STAIRS
2 WOOD PORCH	10 WOOD RAKE	18 DECORATIVE WOOD SPANDRELS	26 WOOD SHIPLAP SIDING	34 EXPOSED CONDUIT	42 ATTACHED WOOD FRAMING	50 EAVE OVERHANG ABOVE	58 VINYL SLIDING CLOSET DOORS
3 COMPOSITE WOOD STAIRS (NIC)	11 VINYL WINDOW (NIC)	19 DECORATIVE WOOD SUNBURST FAN	27 OPEN-TREAD WOOD STEPS	35 EXISTING ELECTRICAL PANEL	43 OUTLINE OF HOUSE BEYOND	51 PLANTER	59 SLOPED CEILING ABOVE
4 DECORATIVE WOOD COLUMN	12 ASPHALT SHINGLE ROOFING (NIC)	20 DECORATIVE WOOD MEDALLION	28 CONCRETE STEPS	36 EXPOSED PIPING	44 CONCRETE WALK/PAVING	52 WOOD STAIRS	
5 COMPOSITE WOOD RAILING (NIC)	13 OPENING AT INTERIOR WALL BEYOND (NIC)	21 WOOD FRAMED STORAGE SHED (NIC)	29 METAL ENCLOSURE	37 OUTLINE OF SHED ROOF (NIC)	45 STUD WALL	53 METAL HANDRAIL	
6 METAL RAILING	14 WOOD PANEL AND GLASS DOOR	22 WOOD GUARDRAIL	30 PLASTIC FENCE PANELS	38 OPEN TO INTERIOR STAIR BEYOND	46 CARVED WOOD HANDRAIL, BALUSTER, AND NEWEL POST'S	54 LINE OF FLOOR ABOVE	
7 WOOD TRIM (NIC)	15 VINYL FRENCH DOORS (NIC)	23 WALL VENT	31 CMU WALL	39 WOOD DOOR	47 WOOD DOOR	55 SKYLIGHT	
8 COMPOSITE FAUX WOOD SIDING (NIC)	16 WOOD DOOR (NIC)	24 PLYWOOD PANEL (NIC)	32 LIGHT FIXTURE	40 METAL GUARDRAIL	48 HOLLOW CORE DOOR (NIC)	56 CORRUGATED METAL PANELS	

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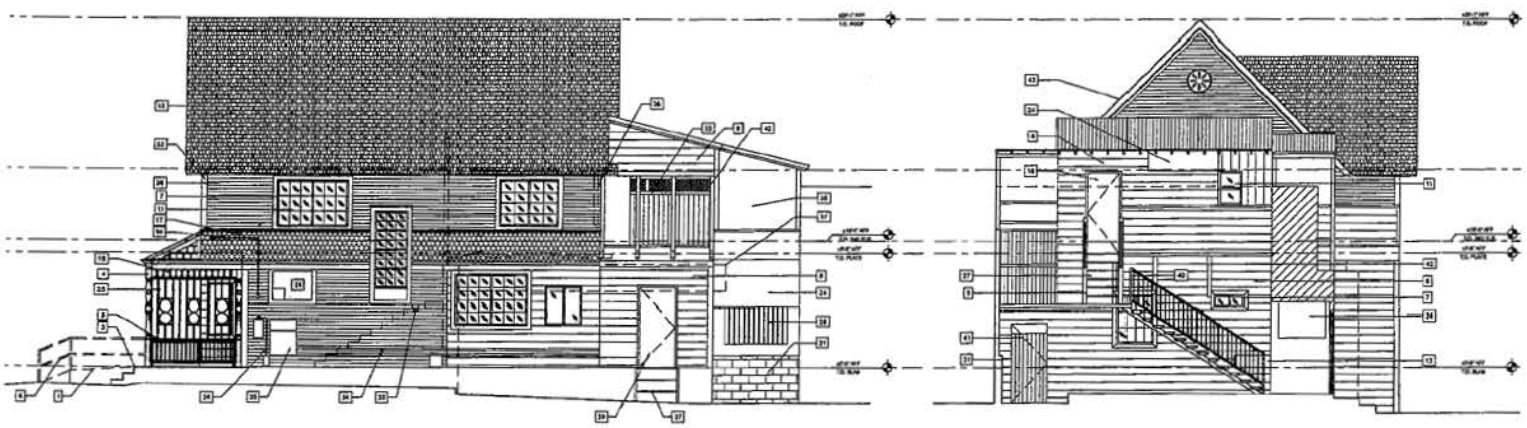
07.28.2016 **U&C**



2 NORTH ELEVATION
SCALE: 1/4" = 1'-0"

1 WEST ELEVATION
SCALE: 1/4" = 1'-0"

ELEVATION KEYNOTES

1 CONCRETE RAMP	9 DECORATIVE WOOD FRIEZE	17 DECORATIVE WOOD SHINGLES	25 DECORATIVE METAL WORK (TYP)	33 WOOD TRIM AT BEYOND	41 METAL GATE	49 WOOD FENCE	57 OPEN-TREAD CONCRETE STAIRS
2 WOOD PORCH	10 WOOD RAKE	18 DECORATIVE WOOD SPANDRELS	26 WOOD SHIPLAP SIDING	34 EXPOSED CONDUIT	42 ATTACHED WOOD FRAMING	50 EAVE OVERHANG ABOVE	58 VINYL SLIDING CLOSET DOORS
3 COMPOSITE WOOD STAIRS (NIC)	11 VINYL WINDOW (N/C)	19 DECORATIVE WOOD SUNBURST FAN	27 OPEN-TREAD WOOD STEPS	35 EXISTING ELECTRICAL PANEL	43 OUTLINE OF HOUSE BEYOND	51 PLANTER	59 SLOPED CEILING ABOVE
4 DECORATIVE WOOD COLUMN	12 ASPHALT SHINGLE ROOFING (TYP)	20 DECORATIVE WOOD MEDALLION	28 CONCRETE STEPS	36 EXPOSED PIPING	44 CONCRETE WALK/PAVING	52 WOOD STAKE	
5 COMPOSITE WOOD RAILING (N/C)	13 OPENING AT INTERIOR WALL BEYOND (TYP)	21 WOOD FRAMED STORAGE SHED (N/C)	29 METAL RE-ENCLOSURE	37 OUTLINE OF SHED ROOF (N/C)	45 STUD WALL	53 METAL HANDRAIL	
6 METAL RAILING	14 WOOD PANEL AND GLASS DOOR	22 WOOD QUARDRAIL	30 PLASTIC FENCE PANELS	38 OPEN TO INTERIOR STAIR BEYOND	46 CARVED WOOD NEWEL, BALUSTER, AND NEWEL POSTS	54 LINE OF FLOOR ABOVE	
7 WOOD TRIM (NIC)	15 VINYL FRENCH DOORS (N/C)	23 WALL VENT	31 CMU WALL	39 METAL DOOR	47 WOOD DOOR	55 SKYLIGHT	
8 COMPOSITE FAUX WOOD SIDING (N/C)	16 WOOD DOOR (TYP)	24 PLYWOOD PANEL (N/C)	32 LIGHT FIXTURE	40 METAL QUARDRAIL	48 HOLLOW CORE DOOR (TYP)	56 CORRUGATED METAL PANELS	

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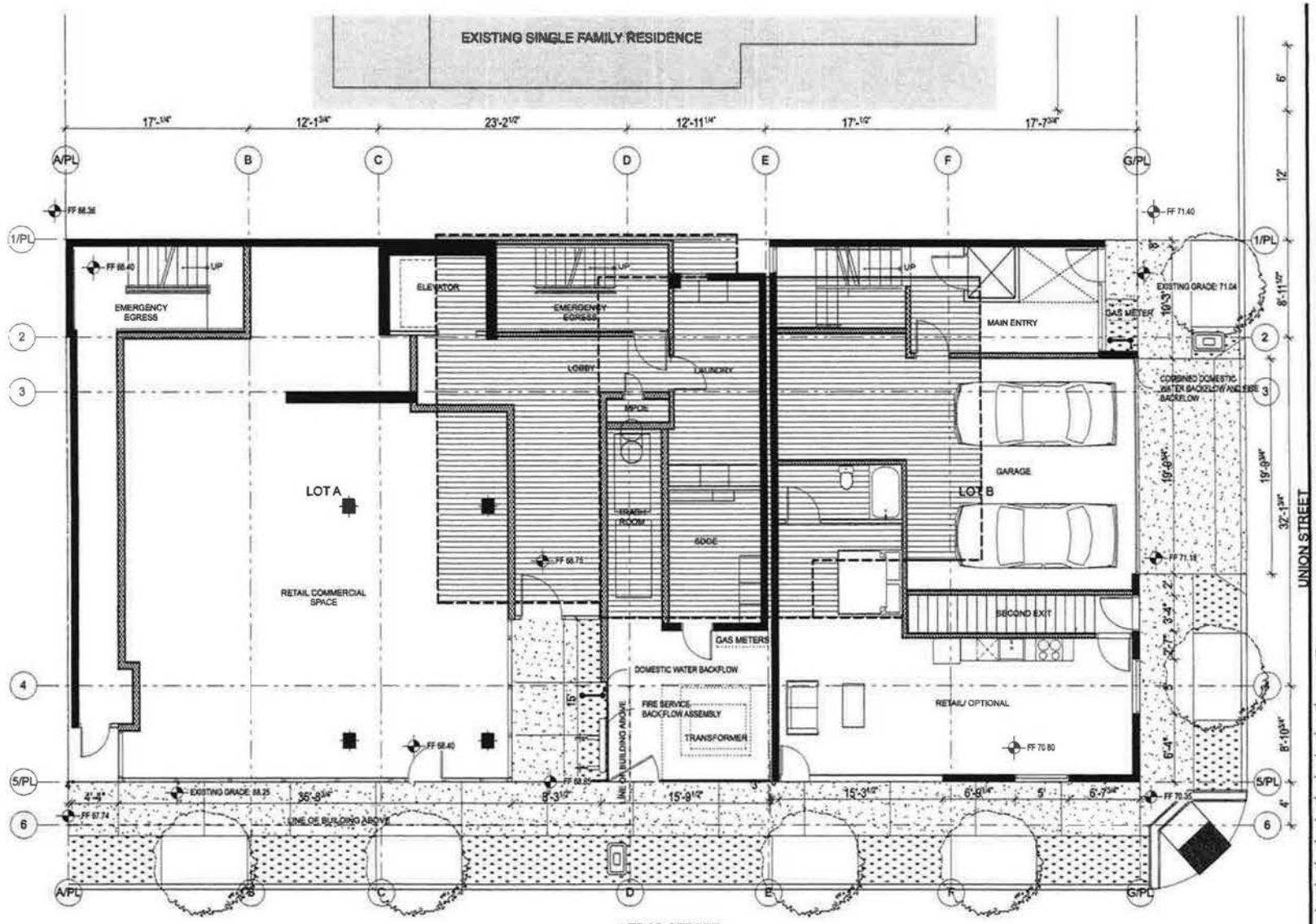
07.28.2016 **U&C**

EXHIBIT D



AFFORDABLE VERY LOW INCOME UNITS
#204 #205

GROUND FLOOR

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE: SITE PLAN
SCALE:
DATE: 6/15/16
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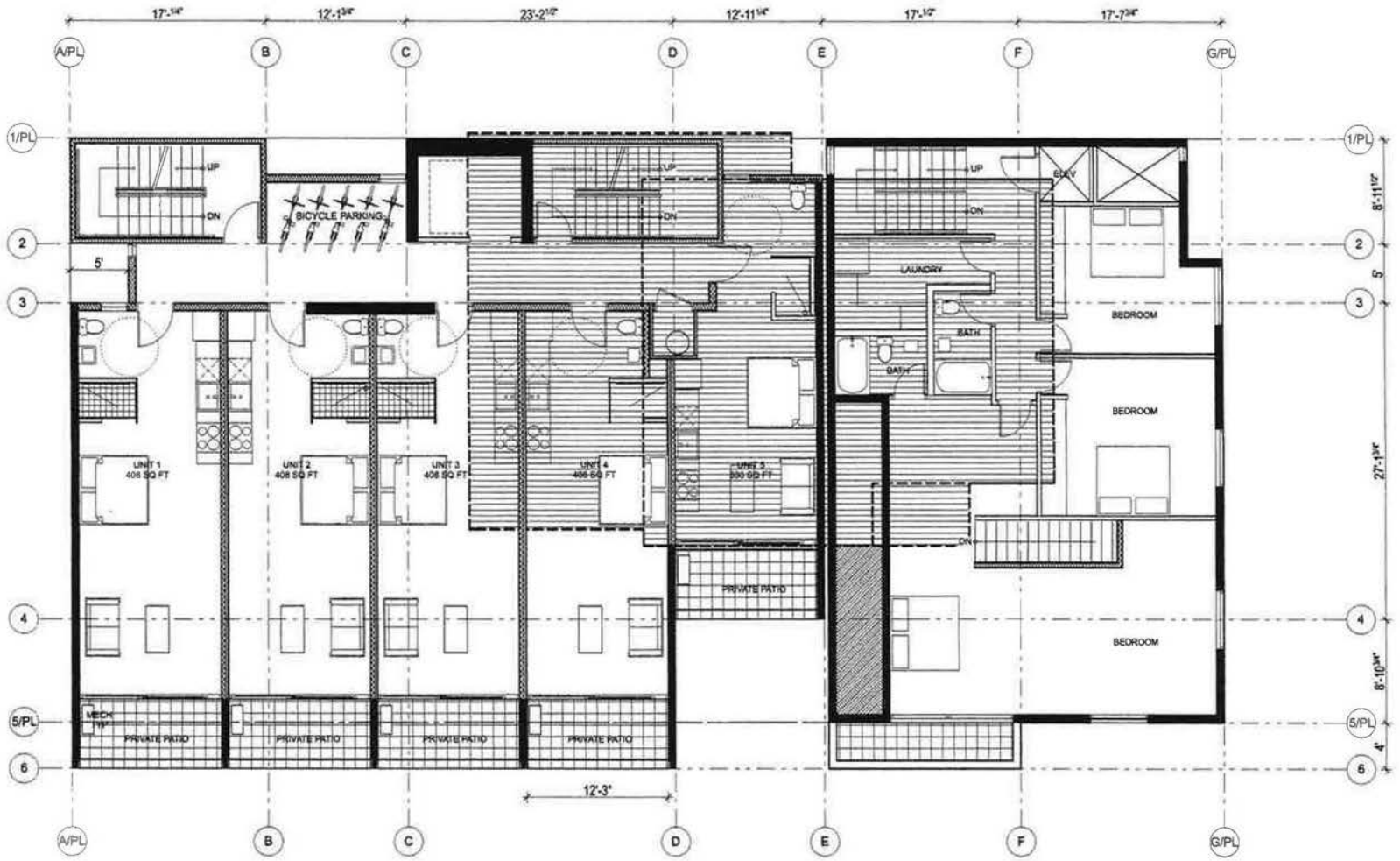

SECOND FLOOR

N

320 West Cedar
320 West Cedar Street San Diego CA 92101

JONATHAN SEGAL / FAIA
3000 Upas Street Suite 101 San Diego, CA 92104

SHEET TITLE:
SECOND FLOOR
SCALE:
DATE:
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REVISION 6:
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SHEET NAME:

A1.1

EXHIBIT E

THE LONDON GROUP
Realty Advisors

August 29, 2016

Mr. Jonathan Segal
Jonathan Segal FAIA & Development Company

Via email: jonathansegal@yahoo.com; mrmatthewsegal@gmail.com

RE: Economic Alternative Analysis for 1610 Union Street

Jonathan Segal FAIA & Development Company currently owns an approximately 5,000 square foot lot at 1610 Union Street in the Little Italy neighborhood of Downtown San Diego. The property is located on the northwest corner of Union Street and West Cedar Street. The site currently contains a 2,013 square foot single-family home, 816 square feet of commercial space and an 816 square foot garage.

The London Group Realty Advisors has completed an economic analysis of various development options for the property. The purpose of this analysis is to analyze the proposed Base Project and the financial impacts and economic feasibility of the development alternatives.

We have analyzed three development options for the property, which include:

- Base Project: demolish existing structures and construct a 4,350 square foot home, 1,400 square feet of retail and 35 efficiency units with an average unit size of 375 square feet.
- Alternative 1: rehabilitate the existing 2,013 square foot home, 816 square feet of commercial and an 816 square foot garage.
- Alternative 2: rehabilitate the existing 2,013 square-foot home and demolish commercial space to construct two additional residential units at 600 square feet each.
- Alternative 3: relocate and rehabilitate the existing structures to construct a 4,350 square foot home, 1,400 square feet of retail and 35 efficiency units with an average unit size of 375 square feet.

El Cortez Building
702 Ash Street, Suite 101
San Diego, CA 92101
(619) 269-4010 | www.londongroup.com

Conclusions of Economic Alternatives

We analyzed the project performance of the Base Project that is proposed for the property. The Base Project includes construction of a new 4,350 square foot single-family home, 1,400 square feet of retail and 35 efficiency rental units.

We have assumed a 12-month construction period with the single family home being sold when construction is completed. The rental units and commercial space is assumed to sold at the end of the five-year investment period. The following table summarizes the impacts to the Base Project under each of the two alternatives:

1610 Union Street - Little Italy, CA
Summary of Scenarios

Base Project
35 Efficiency Units + 1 SFR

# of Units	36
For Sale Residential	4,350
Rental Residential	13,125
Rental Retail	1,400
Total Net Useable	18,875

Profit	$1,940,942

Performance

Total Gross Sales Revenue	$14,049,537
Margin On Revenue	13.8%
Total Project Costs	$13,011,829
Margin On Cost	14.9%

Alternative 1
Rehab Existing House & Commercial

# of Units	2
For Sale Residential	2,013
For Sale Commercial	816
Total Net Useable	2,829
Garage S.F.	816
Total S.F.	3,645
Difference (Net S.F.)	(16,046)
Difference (%)	85%

Profit	($1,667,772)
Difference ($)	(3,608,714)
Difference (%)	-186%

Total Gross Sales Revenue	$1,525,347
Margin On Revenue	-109.3%
Total Project Costs	$3,116,852
Margin On Cost	-53.5%

Alternative 2
Rehab Existing House & Construct 2 Units

# of Units	3
For Sale Residential	2,013
For Sale Commercial	1,200
Total Net Useable	3,213
Difference (S.F.)	(15,662)
Difference (%)	83%

Profit	($1,417,825)
Difference ($)	(3,358,767)
Difference (%)	-173%

Total Gross Sales Revenue	$1,951,657
Margin On Revenue	-72.6%
Total Project Costs	$3,207,108
Margin On Cost	-44.2%

Alternative 3
Relocate & Rehab 2,013 SF Home

# of Units	36
For Sale Residential	4,350
Rental Residential	13,125
Rental Retail	1,400
Relocated Home	2,013
Total Net Useable	20,888
Difference (S.F.)	2,013
Difference (%)	11%

Profit	$438,661
Difference ($)	(1,502,281)
Difference (%)	-77%

Total Gross Sales Revenue	$14,620,970
Margin On Revenue	3.0%
Total Project Costs	$14,920,415
Margin On Cost	2.9%

Source: The London Group Realty Advisors

We have determined that only the Base Project is economically feasible. This project is forecasted to generate a total profit of $1.9 million, which when compared to the total revenue of the project represents a Margin on Revenue of 13.8%. This is on the lower end of the spectrum for investor returns, however, it is still financially feasible.

Based on performing feasibility analyses and consulting services on hundreds of real estate projects, it is our experience that a redevelopment project requires the Margin on Revenue to exceed 10% for a project to be economically feasible and to qualify for project financing. In fact, even a low Margin on Revenue of 10% to 15% is still a challenge to achieve financing.

The internal rate of return (IRR) of the Base Project is forecasted to be 16%. This also demonstrates that the project is economically feasible. The typical minimum IRR for rental housing projects range from 13% to 15%. Any IRR below this range would struggle to attract investors and achieve project financing.

Both Alternative 1 and Alternative 2 are not economically feasible. Due to the high rehabilitation costs, as well as compact size of the site, more expensive construction methods and materials are required. This results in the project costs exceeding the revenues. Both alternatives result in a financial loss for the developer ranging from $1.4 million to $1.7 million. The resulting profit margins and IRR are also negative for the alternatives, which demonstrates infeasibility because positive returns cannot be generated.

To further illustrate the infeasibility of the two alternatives, even if the cost of acquiring the land were reduced to a significantly lower, below-market value of $200 per square foot (compared to current value of $382 per square foot), both alternatives still result in a financial loss for the developer. This suggests that the challenge to developing this property is not the acquisition price, but the high costs of construction due to the small-scale site that requires more expensive construction methods.

Alternative 3, which relocates the structure to another neighborhood (e.g. Logan Heights area) is not economically feasible. Due to the moving costs, high rehabilitation costs and lower achievable sale price, this alternative results in significant revenue loss for the project. Alternative 3 results in an IRR of only 4.5%, which is much lower than the minimum 13% to 15% required for a project to be financeable and economically feasible. The Margin on Revenue of only 3.0% also falls well short of economically feasibility. Overall, Alternative 3 results in a 77% reduction (or $1,502,281) in total profit for the project.

Approach to Analysis

To determine the impact to the project, we prepared financial proformas for the two alternatives and compared the performances to the Base Project proforma. In each proforma, we assumed the following:

- Construction period of 12 months
- Single family home is sold immediately after construction is completed
- The project is stabilized and sold at the end of a five-year investment period.
- Construction costs are provided by the developer and The London Group based on similar projects and construction types.
- Rental rates, sales prices and revenue were established by our survey of market rents for competitive projects in the area.

The following summarizes the financial proformas we have prepared for analyzing the project, which are included in the Appendix.

Base Project

The Base Project includes demolition of the existing structures and construction of a single-family home and 35 efficiency units. The single-family home is assumed to be sold after construction is completed, while the 35 efficiency units (2 units affordable) will be rentals with a total of 13,125 square feet of net rentable area. The project also includes construction of 1,400 square feet of retail space.

The 33 market rate rental units will average 375 square feet in size with an average initial monthly rental rate of $1,475 (in current dollars). The two affordable units will also average 375 square feet but will rent for $709 per month (Very Low Income level).

When the single-family home is sold after construction is completed, the forecasted sale price is estimated to be $2,600,000. The 35-unit rental project and 1,400 square feet of commercial is assumed to be sold in Year 5 at an estimated value of $11,449,537. The total profit generated from this investment, including the sales revenue and annual cash flows, is forecasted to be $1,940,942.

This net profit of $1.94 million represents a Margin on Revenue of 13.8% when divided by the Gross Sales Revenue of the project ($14 million). This suggests that the Base Project is economically feasible. It is our experience that a redevelopment project requires the Margin on Revenue to exceed 10% for a project to be economically feasible and to qualify for project financing.

The internal rate of return (IRR) of the investment is forecasted to be 16%. This also demonstrates that the project is economically feasible. The typical minimum IRR for rental

housing projects range from 13% to 15%. Any IRR below this range would struggle to attract investors and achieve project financing.

Alternative 1

Alternative 1 assumes rehabilitation of the existing single-family home (2,013 square feet), the existing commercial space (816 square feet) and existing garage (816 square feet). Both the single family home and the commercial space are assumed to be sold immediately after construction is completed.

The forecasted sale price for the single-family home is estimated to be $1,225,000 ($609 per square foot). The sale price of the commercial space is forecasted to be $300,347 ($368 per square foot). Total project costs are forecasted at $3,116,852 while total gross sales revenue is forecasted at only $1,525,347. This results in a financial loss for the project, which is forecasted to be negative $1,667,772.

Compared to the Base Project, Alternative 1 represents a reduction of 16,046 net useable square feet, or 85% less space. This has a direct impact to the overall achievable value of the project.

With a total forecasted value at disposition of $1,525,347, Alternative 1 would generate approximately $12,524,190 less revenue than the Base Project (89% reduction). But more importantly the project is not economically feasible because it results in a financial loss of $1,667,772.

To further illustrate the infeasibility of this alternative, even if the cost of acquiring the land were reduced to a significantly lower, below-market value of $200 per square foot, the project would still result in a financial loss of $723,859.

Alternative 2

Alternative 2 assumes rehabilitation of the existing single-family home, the demolition of the existing commercial space and construction of two new residential rental units. The existing single-family home is 2,013 square feet and the newly constructed rental units would total 1,200 square feet (600 square feet each).

When the single-family home is sold after construction is completed, the forecasted sale price is estimated to be $1,225,000 ($609 per square foot). The sale price of the two rental units that are sold in Year 5 is forecasted to be $726,657 ($605 per square foot). Total project costs are forecasted at $3,207,108 but the total sales value of the project is only $1,951,657, which represents a loss in value of $1,255,451.

Including the annual cash flow from operations and accounting for sale commissions, Alternative 2 results in a financial loss of $1,417,825, which demonstrates that the project is not economically feasible.

Compared to the Base Project, Alternative 2 represents a reduction of 15,662 net useable square feet, or 83% less space. This has a direct impact to the overall achievable value of the project.

With a total forecasted value at disposition of $1,951,657, Alternative 2 would generate approximately $12,097,880 less revenue than the Base Project (86% reduction). But more importantly the project is not economically feasible because it results in a financial loss of $1,417,825.

To further illustrate the infeasibility of this alternative, even if the cost of acquiring the land were reduced to a significantly lower, below-market value of $200 per square foot, the project would still result in a loss of $172,004.

Alternative 3

Alternative 3 assumes relocation and rehabilitation of the existing single-family home to construct a 4,350 square foot home, 1,400 square feet of retail and 35 efficiency units with an average unit size of 375 square feet.

When the relocated and rehabilitated home is sold, the forecasted sale price is estimated to be $600,000 ($298 per square foot). The newly constructed single-family home at the new project is assumed to be sold after construction is completed, the forecasted sale price is estimated to be $1,225,000 ($609 per square foot). The sale price of the two rental units that are sold in Year 5 is forecasted to be $726,657 ($605 per square foot). Total project costs are forecasted at $14,920,415.

Including the annual cash flow from operations and accounting for sale commissions, Alternative 3 results generates a total profit of $438,661, which represents an IRR of 4.5% and a Margin on Revenue of 3.0%.

For a project to be financeable and economically feasible, the IRR needs to achieve a minimum of 13% to 15%. Similarly, the Margin on Revenue needs to be in the range of 10% to 15%, but even at this range projects have difficulty getting financed. Therefore, Alternative 3 is not an economically feasible alternative.

In addition, compared to the Base Project, Alternative 3 represents a 77% reduction in total profit generated by the development.

Should you have any questions regarding this analysis, please contact us.

Sincerely,

Gary H. London

Nathan Moeder

APPENDIX

1610 Union Street

Base Project

35 Efficiency Units + 1 SFR

Assumptions & Results

HOLDING & DISPOSITION

Holding Period:	5.00
Cap Rate On Sale (Residential):	5.00%
Cap Rate On Sale (Retail):	5.00%
Commissions & Closing Costs:	2.00%
Value at Time of Sale (Year 5)	$11,449,537
Asset Value PSF	$831

BUILDING ASSUMPTIONS

Project FAR	6.3
Units Per Acre	305
# Units	36
Land S.F.	5,000
Gross Building Area (60% Efficiency)	31,722
Efficiency	60%
Net Rentable Area	18,875

FINANCING

Construction Financing:		
Loan Amount		$9,108,281
Loan to Cost		70%
Interest Rate		3.3%
Term (Months)		24
Refinance:		NO
Refinance at End of Year:		0
Permanent Loan Amount		$0
Less: Construction Loan		$0
Less: Loan Fees	0.00%	$0
Net Proceeds From Refinance		$0
Permanent Loan Info:		
Loan Amount		$0
Amortization		30
Interest Rate		0.0%
Annual Debt Service		$0

RESIDUAL LAND VALUE

Land S.F.	5,000
Land Value	$1,910,000
$/S.F. of Land	$382

PROJECT SUMMARY

Base Project	# of Units	% of Mix	Unit Size	Total Net Rentable	Monthly Rent	$/S.F. Rent
Efficiency Units	33	94%	375	12,375	$1,475	$3.93
Total Market Rate	**33**	**94%**	**375**	**12,375**	**$1,475**	**$3.93**
Affordable Units (Very Low)						
Efficiency Units	2	6%	375	750	$709	$1.89
Subtotal	*2*	*6%*	*375*	*750*	*$709*	*$1.89*
Retail S.F.		**1,400**				
Retail NNN Rent/Mo.		**$4.00**				

Single Family Home	4,350	square feet
Sale Period	2	
Sale Price	$2,600,000	
Less: Commission (5.0%)	($130,000)	
Net Sales Revenue	$2,470,000	

CONSTRUCTION COSTS

	Total Cost	Cost Per Unit	Cost Per Gross S.F.
Land Costs	$1,910,000	$53,056	$60.21
Hard Costs	$9,012,150	$250,338	$284.10
Soft Costs	$1,622,187	$45,061	$51.14
Financing	$467,492	$12,986	$14.74
Total Project Costs	**$13,011,829**	**$361,440**	**$410.18**
Less: Loan Amount	$9,108,281	$253,008	$287.13
Initial Investment:	$3,903,549	$108,432	$123.05

INVESTMENT PERFORMANCE

Stabilized NOI	Year 2	$504,848
Total Project Costs		$13,011,829
Stabilized Yield On Cost		**3.9%**
	Cash On Cash	Cash Flow
Initial		($1,910,000)
Year 1	-51.1%	($1,993,549)
Year 2	76.2%	$2,974,848
Year 3	5.8%	$224,950
Year 4	6.2%	$241,584
Year 5	61.6%	$2,403,109
Total Profit		**$1,940,942**
Before Tax IRR		**16%**
Total Gross Sales Revenue		$14,049,537
Total Profit		$1,940,942
Margin On Revenue		**13.8%**
Total Project Costs		$13,011,829
Total Profit		$1,940,942
Margin On Cost		**14.9%**

Source: The London Group Realty Advisors

1610 Union Street

Base Project

Construction Costs

Units	36
Gross S.F.	31,722

		Costs	$/Unit	$/SF Gross
Land Costs				
Land Acquisition		$1,910,000	$53,056	$60.21
Site Costs		$0	$0	$0.00
Subtotal Land Costs		$1,910,000	$53,056	$60.21
Hard Costs				
Residential Construction (Single-Family Home)	$400 psf	$1,740,000	$48,333.33	$54.85
Residential Construction (Efficiency Units)	$250 psf	$6,493,000	$180,361	$204.68
Retail Construction	$250 psf	$350,000	$9,722	$11.03
Contingency	5.0%	$429,150	$11,921	$13.53
Subtotal Hard Costs		$9,012,150	$250,338	$284.10
Soft Costs				
Indirects	18.0%	$1,622,187	$45,061	$51.14
Subtotal Soft Costs		$1,622,187	$45,061	$51.14
Financing Costs				
Construction Loan Interest		$399,537	$11,098	$12.59
Loan Fee	0.75%	$67,955	$1,888	$2.14
Subtotal Financing Costs		$467,492	$12,986	$14.74
Total Construction Costs		**$13,011,829**	**$361,440**	**$410**

Source: The London Group Realty Advisors

1610 Union Street
Base Project
Cash Flow Forecast

	Initial	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019
	0	1	2	3	4	5
Total Market Rate Units			33	33	33	33
Units Leased (Market Rate)			33	33	33	33
Units Leased (Affordable)			2	2	2	2
Units Vacant		Construction	0	0	0	0
Occupancy Rate			100.0%	100.0%	100.0%	100.0%
Vacancy Rate			0.0%	0.0%	0.0%	0.0%
Monthly Rent (Market Rate)		$1,475	$1,519	$1,565	$1,612	$1,660
Monthly Rent Per S.F. (Market Rate)		$3.93	$4.05	$4.17	$4.30	$4.43
Annual Increase In Rent (Market Rate)			3.0%	3.0%	3.0%	3.0%
Gross Rental Income (Market Rate Units)		0	$565,161	$582,116	$599,579	$617,567
Gross Rental Income (Affordable Units)		0	$17,016	$17,016	$17,016	$17,016
Retail Income (NNN)		$0	$71,292	$73,431	$75,634	$77,903
Less: Vacancy & Credit Loss (Residential)		$0	$0	$0	$0	$0
Net Rental Income		**$0**	**$653,469**	**$672,563**	**$692,229**	**$712,486**
	Per Unit / **% Increase**					
Less: Operating Expenses[1]	($1,200) 2.0%	$0	($43,697)	($44,571)	($45,462)	($46,371)
Less: Property Taxes[2]	($3,056) 2.0%	$0	($104,925)	($107,024)	($109,164)	($111,347)
Operating Expenses Per Unit	**($4,256)**	**$0**	**($148,622)**	**($151,594)**	**($154,626)**	**($157,719)**
Operating Expense Ratio				**26%**	**26%**	**26%**
Net Operating Income		**$0**	**$504,848**	**$520,969**	**$537,603**	**$554,767**
Less: I/O (interim) financing		$0	$0	($296,019)	($296,019)	($296,019)
Less: Permanent Debt Service		$0	$0	$0	$0	$0
Subtotal		**$0**	**$0**	**($296,019)**	**($296,019)**	**($296,019)**
Net Proceeds from Refinance:		**$0**	**$0**	**$0**	**$0**	**$0**
Cash Flow From Operations		**$0**	**$504,848**	**$224,950**	**$241,584**	**$258,748**
Cash On Cash				5.8%	6.2%	6.6%

Disposition

Residential Home	
Sale Price	$2,600,000
Less Commissions	($130,000)
Net Proceeds	$2,470,000
Efficiency Units (35 Units)	
Cap Rate	5.00%
Next Year NOI	$492,237
Asset Value	$9,844,730
Asset Value Per Net SF	$796
Asset Value Per Unit	$281,278
Retail (1,400 SF)	
Cap Rate	5.00%
Next Year NOI	$80,240
Asset Value	$1,604,806
Asset Value Per Net SF	$1,146
Sale Price	$11,449,537
Less: Commissions & Closing Costs	($196,895)
Less: Principal Balance of Loan O/S	($9,108,281)
Net Proceeds from Disposition	**$2,144,361**

Total Cash Flow Before Taxes		**($1,910,000)**	**($1,993,549)**	**$2,974,848**	**$224,950**	**$241,584**	**$2,403,109**
IRR	**16%**						

Notes:

[1] $100 per unit per month

[2] 1.1% of 90% of construction costs

1610 Union Street

Alternative 1

Rehab Existing House & Commercial Space

Assumptions			
Land (S.F.)	5,000		
Existing House (S.F.)	2,013		
Existing Commercial (S.F.)	816		
Existing Garage (S.F.)	816		
Construction Financing:			
Loan Amount	$2,181,796		
Loan to Cost	70%		
Interest Rate	3.25%		
Term (Months)	24		
Costs		**Costs**	**$/SF of Bldg**
Land Costs			
Land Acquisition		$1,910,000	$524.01
Site Costs		$0	$0.00
Subtotal Land Costs		$1,910,000	$524.01
Hard Costs			
Residential Rehabilitation	$300 psf	$603,900	$165.68
Commercial Rehabilitation	$200 psf	$163,200	$44.77
Garage Rehabilitation	$150 psf	$122,400	$33.58
Contingency	5.0%	$38,355	$10.52
Subtotal Hard Costs		$927,855	$254.56
Soft Costs			
Indirects	18.0%	$167,014	$45.82
Subtotal Soft Costs		$167,014	$45.82
Financing Costs			
Construction Loan Interest		$95,705	$26.26
Loan Fee	0.75%	$16,278	$4.47
Subtotal Financing Costs		$111,983	$30.72
Total Construction Costs		**$3,116,852**	**$855.10**
Revenue			
Sale Price Residential	$609 psf	$1,225,000	$336.08
Less: Commission	5.0%	($61,250)	($16.80)
Net Sales Revenue Residential		$1,163,750	$319.27
Sale Price Commercial	$368 psf	$300,347	$82.40
Less: Commission	5.0%	($15,017)	($4.12)
Net Sales Revenue Commercial		$285,330	$78.28
Total Net Revenue		**$1,449,080**	**$397.55**
Net Profit		**($1,667,772)**	**($457.55)**
Profit Percent of Sales		**-136.1%**	
Performance			
Total Gross Sales Revenue		$1,525,347	$418.48
Total Profit		($1,667,772)	($457.55)
Margin On Revenue		**-109.3%**	
Total Project Costs		$3,116,852	$855.10
Total Profit		($1,667,772)	($457.55)
Margin On Cost		**-53.5%**	

1610 Union Street

Alternative 2

2 Rental Units + Rehabilitate House

Assumptions & Results

HOLDING & DISPOSITION

Holding Period:	5.00
Cap Rate On Sale (Residential):	5.00%
Cap Rate On Sale (Retail):	5.00%
Commissions & Closing Costs:	2.00%
Value at Time of Sale (Year 5)	$726,657
Asset Value PSF	$606

BUILDING ASSUMPTIONS

Project FAR	0.8
Units Per Acre	17
# Units	3
Land S.F.	5,000
Gross Building Area (60% Efficiency)	4,013
Efficiency	80%
Net Rentable Area	3,213

FINANCING

Construction Financing:		
Loan Amount		$2,244,976
Loan to Cost		70%
Interest Rate		3.3%
Term (Months)		24
Refinance:		NO
Refinance at End of Year:		0
Permanent Loan Amount		$0
Less: Construction Loan		$0
Less: Loan Fees	0.00%	$0
Net Proceeds From Refinance		$0
Permanent Loan Info:		
Loan Amount		$0
Amortization		30
Interest Rate		0.0%
Annual Debt Service		$0

RESIDUAL LAND VALUE

Land S.F.	5,000
Land Value	$1,910,000
$/S.F. of Land	$382

PROJECT SUMMARY

Alt 1 Project	# of Units	% of Mix	Unit Size	Total Net Rentable	Monthly Rent	$/S.F. Rent
1 BD	2	100%	600	1,200	$2,400	$4.00
Total Market Rate	**2**	**100%**	**600**	**1,200**	**$2,400**	**$4.00**
Affordable Units (Very Low)						
Subtotal						
Retail S.F.		**0**				
Retail NNN Rent/Mo.		**$0.00**				

Single Family Home	2,013	square feet
Sale Period	2	
Sale Price	$1,225,000	
Less: Commission (5.0%)	($61,250)	
Net Sales Revenue	$1,163,750	

CONSTRUCTION COSTS

	Total Cost	Cost Per Unit	Cost Per Gross S.F.
Land Costs	$1,910,000	$636,667	$475.95
Hard Costs	$1,001,595	$333,865	$249.59
Soft Costs	$180,287	$60,096	$44.93
Financing	$115,226	$38,409	$28.71
Total Project Costs	**$3,207,108**	**$1,069,036**	**$799.18**
Less: Loan Amount	$2,244,976	$748,325	$559.43
Initial Investment:	$962,132	$320,711	$239.75

INVESTMENT PERFORMANCE

Stabilized NOI	Year 2	$31,205
Total Project Costs		$3,207,108
Stabilized Yield On Cost		**1.0%**

	Cash On Cash	Cash Flow
Initial		($1,910,000)
Year 1	98.5%	$947,868
Year 2	124.2%	$1,194,955
Year 3	-4.2%	($40,539)
Year 4	-4.1%	($39,280)
Year 5	-163.3%	($1,570,828)
Total Profit		**($1,417,825)**
Before Tax IRR		**#NUM!**
Total Gross Sales Revenue		$1,951,657
Total Profit		($1,417,825)
Margin On Revenue		**-72.6%**
Total Project Costs		$3,207,108
Total Profit		($1,417,825)
Margin On Cost		**-44.2%**

Source: The London Group Realty Advisors

1610 Union Street

Alternative 2

Construction Costs

Units	3
Gross S.F.	4,013

		Costs	$/Unit	$/SF Gross
Land Costs				
Land Acquisition		$1,910,000	$636,667	$475.95
Site Costs		$0	$0	$0.00
Subtotal Land Costs		$1,910,000	$636,667	$475.95
Hard Costs				
Residential Construction (Single-Family Home)	$300 psf	$603,900	$201,300.00	$150.49
Residential Construction (2 Units)	$175 psf	$350,000	$116,667	$87.22
Retail Construction	$0 psf	$0	$0	$0.00
Contingency	5.0%	$47,695	$15,898	$11.89
Subtotal Hard Costs		$1,001,595	$333,865	$249.59
Soft Costs				
Indirects	18.0%	$180,287	$60,096	$44.93
Subtotal Soft Costs		$180,287	$60,096	$44.93
Financing Costs				
Construction Loan Interest		$98,476	$32,825	$24.54
Loan Fee	0.75%	$16,749	$5,583	$4.17
Subtotal Financing Costs		$115,226	$38,409	$28.71
Total Construction Costs		**$3,207,108**	**$1,069,036**	**$799**

Source: The London Group Realty Advisors

1610 Union Street
Alternative 2
Cash Flow Forecast

			Initial	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019
			0	1	2	3	4	5
Total Market Rate Units					2	2	2	2
Units Leased (Market Rate)					2	2	2	2
Units Leased (Affordable)					0	0	0	0
Units Vacant				Construction	0	0	0	0
Occupancy Rate					100.0%	100.0%	100.0%	100.0%
Vacancy Rate					0.0%	0.0%	0.0%	0.0%
Monthly Rent (Market Rate)				$2,400	$2,472	$2,546	$2,623	$2,701
Monthly Rent Per S.F. (Market Rate)				$4.00	$4.12	$4.24	$4.37	$4.50
Annual Increase In Rent (Market Rate)					3.0%	3.0%	3.0%	3.0%
Gross Rental Income (Market Rate Units)				0	$59,328	$61,108	$62,941	$64,829
Gross Rental Income (Affordable Units)				0	$0	$0	$0	$0
Retail Income (NNN)				$0	$0	$0	$0	$0
Less: Vacancy & Credit Loss (Residential)				$0	$0	$0	$0	$0
Net Rental Income				**$0**	**$59,328**	**$61,108**	**$62,941**	**$64,829**
	Per Unit	**% Increase**						
Less: Operating Expenses[1]	($1,200)	2.0%		$0	($2,497)	($2,547)	($2,598)	($2,650)
Less: Property Taxes[2]	($12,316)	2.0%		$0	($25,626)	($26,139)	($26,661)	($27,195)
Operating Expenses Per Unit	**($13,516)**			**$0**	**($28,123)**	**($28,686)**	**($29,259)**	**($29,844)**
Operating Expense Ratio						**47%**	**46%**	**46%**
Net Operating Income				**$0**	**$31,205**	**$32,422**	**$33,682**	**$34,985**
Less: I/O (interim) financing				$0	$0	($72,962)	($72,962)	($72,962)
Less: Permanent Debt Service				$0	$0	$0	$0	$0
Subtotal				**$0**	**$0**	**($72,962)**	**($72,962)**	**($72,962)**
Net Proceeds from Refinance:				**$0**	**$0**	**$0**	**$0**	**$0**
Cash Flow From Operations				**$0**	**$31,205**	**($40,539)**	**($39,280)**	**($37,977)**
Cash On Cash						-4.2%	-4.1%	-3.9%

Disposition

Residential Home	
Sale Price	$1,225,000
Less Commissions	($61,250)
Net Proceeds	$1,163,750
Residential Units (2 Units)	
Cap Rate	5.00%
Next Year NOI	$36,333
Asset Value	$726,657
Asset Value Per Net SF	$606
Asset Value Per Unit	$363,329
Sale Price	$726,657
Less: Commissions & Closing Costs	($14,533)
Less: Principal Balance of Loan O/S	($2,244,976)
Net Proceeds from Disposition	**($1,532,851)**

Total Cash Flow Before Taxes		**($1,910,000)**	**$947,868**	**$1,194,955**	**($40,539)**	**($39,280)**	**($1,570,828)**
IRR	**#NUM!**						

Notes:
[1] $100 per unit per month
[2] 1.1% of 90% of construction costs

1610 Union Street

Alternative 3

Relocate & Rehabilitate Existing Structures; Build 35 Efficiency Units + 1 SFR

Assumptions & Results

HOLDING & DISPOSITION

Holding Period:	5.00
Cap Rate On Sale (Residential):	5.00%
Cap Rate On Sale (Retail):	5.00%
Commissions & Closing Costs:	2.00%
Value at Time of Sale (Year 5)	$11,420,970
Asset Value PSF	$829

BUILDING ASSUMPTIONS

Project FAR	6.3
Units Per Acre	305
# Units	36
Land S.F.	5,000
Gross Building Area (60% Efficiency)	31,722
Efficiency	60%
Net Rentable Area	18,875

FINANCING

Construction Financing:		
Loan Amount		$10,444,290
Loan to Cost		70%
Interest Rate		3.3%
Term (Months)		24
Refinance:		NO
Refinance at End of Year:		0
Permanent Loan Amount		$0
Less: Construction Loan		$0
Less: Loan Fees	0.00%	$0
Net Proceeds From Refinance		$0
Permanent Loan Info:		
Loan Amount		$0
Amortization		30
Interest Rate		0.0%
Annual Debt Service		$0

RESIDUAL LAND VALUE

Land S.F.	5,000
Land Value	$1,910,000
$/S.F. of Land	$382

PROJECT SUMMARY

Base Project	# of Units	% of Mix	Unit Size	Total Net Rentable	Monthly Rent	$/S.F. Rent
Efficiency Units	33	94%	375	12,375	$1,475	$3.93
Total Market Rate	**33**	**94%**	**375**	**12,375**	**$1,475**	**$3.93**
Affordable Units (Very Low)						
Efficiency Units	2	6%	375	750	$709	$1.89
Subtotal	*2*	*6%*	*375*	*750*	*$709*	*$1.89*
Retail S.F.		**1,400**				
Retail NNN Rent/Mo.		**$4.00**				

Single Family Home	4,350	square feet
Sale Period	2	
Sale Price	$2,600,000	
Less: Commission (5.0%)	($130,000)	
Net Sales Revenue	$2,470,000	

CONSTRUCTION COSTS

	Total Cost	Cost Per Unit	Cost Per Gross S.F.
Land Costs	$1,910,000	$53,056	$60.21
Relocation & Rehabilitation	$1,712,805	$47,578	$53.99
Hard Costs	$9,012,150	$250,338	$284.10
Soft Costs	$1,758,065	$48,835	$55.42
Financing	$527,395	$14,650	$16.63
Total Project Costs	**$14,920,415**	**$414,456**	**$470.35**
Less: Loan Amount	$10,444,290	$290,119	$329.24
Initial Investment:	$4,476,124	$124,337	$141.10

INVESTMENT PERFORMANCE

Stabilized NOI	Year 2	$503,528
Total Project Costs		$14,920,415
Stabilized Yield On Cost		**3.4%**

	Cash On Cash	Cash Flow
Initial		($1,910,000)
Year 1	-57.3%	($2,566,124)
Year 2	79.2%	$3,543,528
Year 3	4.0%	$180,183
Year 4	4.4%	$196,791
Year 5	22.2%	$994,284
Total Profit		**$438,661**
Before Tax IRR		**4.5%**
Total Gross Sales Revenue		$14,620,970
Total Profit		$438,661
Margin On Revenue		**3.0%**
Total Project Costs		$14,920,415
Total Profit		$438,661
Margin On Cost		**2.9%**

Source: The London Group Realty Advisors

1610 Union Street
Alternative 3
Construction Costs

Units	36
Gross S.F.	31,722

		Costs	$/Unit	$/SF Gross
Land Costs				
Land Acquisition		$1,910,000	$53,056	$60.21
Site Costs		$0	$0	$0.00
Subtotal Land Costs		$1,910,000	$53,056	$60.21
Relocation & Rehabilitation				
Acquisition of New Site		$895,000	$24,861.11	$28.21
Cost to Move Structure		$62,930	$1,748	$1.98
Restoration/Rehabilitation Costs (2,013 SF Home)	$375 psf	$754,875	$20,969	$23.80
Subtotal Hard Costs		$1,712,805	$47,578	$53.99
Hard Costs				
Residential Construction (Single-Family Home)	$400 psf	$1,740,000	$48,333	$54.85
Residential Construction (Efficiency Units)	$250 psf	$6,493,000	$180,361	$204.68
Retail Construction	$250 psf	$350,000	$9,722	$11.03
Contingency	5.0%	$429,150	$11,921	$13.53
Subtotal Hard Costs		$9,012,150	$250,338	$284.10
Soft Costs				
Indirects	18.0%	$1,758,065	$48,835	$55.42
Subtotal Soft Costs		$1,758,065	$48,835	$55.42
Financing Costs				
Construction Loan Interest		$458,418	$12,734	$14.45
Loan Fee	0.75%	$68,978	$1,916	$2.17
Subtotal Financing Costs		$527,395	$14,650	$16.63
Total Construction Costs		**$14,920,415**	**$414,456**	**$470**

Source: The London Group Realty Advisors

1610 Union Street
Alternative 3
Cash Flow Forecast

	Initial	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019
	0	1	2	3	4	5
Total Market Rate Units			33	33	33	33
Units Leased (Market Rate)			33	33	33	33
Units Leased (Affordable)			2	2	2	2
Units Vacant		Construction	0	0	0	0
Occupancy Rate			100.0%	100.0%	100.0%	100.0%
Vacancy Rate			0.0%	0.0%	0.0%	0.0%

Monthly Rent (Market Rate)				$1,475	$1,519	$1,565	$1,612	$1,660
Monthly Rent Per S.F. (Market Rate)				$3.93	$4.05	$4.17	$4.30	$4.43
Annual Increase In Rent (Market Rate)					3.0%	3.0%	3.0%	3.0%
Gross Rental Income (Market Rate Units)				0	$565,161	$582,116	$599,579	$617,567
Gross Rental Income (Affordable Units)				0	$17,016	$17,016	$17,016	$17,016
Retail Income (NNN)				$0	$71,292	$73,431	$75,634	$77,903
Less: Vacancy & Credit Loss (Residential)				$0	$0	$0	$0	$0
Net Rental Income				**$0**	**$653,469**	**$672,563**	**$692,229**	**$712,486**
	Per Unit	**% Increase**						
Less: Operating Expenses[1]	($1,200)	2.0%		$0	($43,697)	($44,571)	($45,462)	($46,371)
Less: Property Taxes[2]	($3,095)	2.0%		$0	($106,245)	($108,370)	($110,537)	($112,748)
Operating Expenses Per Unit	**($4,295)**			**$0**	**($149,941)**	**($152,940)**	**($155,999)**	**($159,119)**
Operating Expense Ratio						**26%**	**26%**	**26%**
Net Operating Income				**$0**	**$503,528**	**$519,623**	**$536,230**	**$553,367**
Less: I/O (interim) financing				$0	$0	($339,439)	($339,439)	($339,439)
Less: Permanent Debt Service				$0	$0	$0	$0	$0
Subtotal				**$0**	**$0**	**($339,439)**	**($339,439)**	**($339,439)**
Net Proceeds from Refinance:				**$0**	**$0**	**$0**	**$0**	**$0**
Cash Flow From Operations				**$0**	**$503,528**	**$180,183**	**$196,791**	**$213,927**
Cash On Cash						4.0%	4.4%	4.8%

Disposition

New Residential Home	
Sale Price	$2,600,000
Less Commissions	($130,000)
Net Proceeds	$2,470,000
Relocated 2,013 SF Home	
Sale Price	$600,000
Less Commissions	($30,000)
Net Proceeds	$570,000
Efficiency Units (35 Units)	
Cap Rate	5.00%
Next Year NOI	$490,808
Asset Value	$9,816,164
Asset Value Per Net SF	$793
Asset Value Per Unit	$280,462
Retail (1,400 SF)	
Cap Rate	5.00%
Next Year NOI	$80,240
Asset Value	$1,604,806
Asset Value Per Net SF	$1,146
Sale Price	$11,420,970
Less: Commissions & Closing Costs	($196,323)
Less: Principal Balance of Loan O/S	($10,444,290)
Net Proceeds from Disposition	**$780,356**

Total Cash Flow Before Taxes		**($1,910,000)**	**($2,566,124)**	**$3,543,528**	**$180,183**	**$196,791**	**$994,284**
IRR	**4.5%**						

Notes:
[1] $100 per unit per month
[2] 1.1% of 90% of construction costs

CORPORATE PROFILE

THE LONDON GROUP
Realty Advisors

REPRESENTATIVE SERVICES

Market and Feasibility Studies	Development Services	Litigation Consulting
Financial Structuring	Fiscal Impact	Workout Projects
Asset Disposition	Strategic Planning	MAI Valuation
Government Processing	Capital Access	Economic Analysis

The London Group is a full service real estate investment and development consulting, capital access and publishing firm. We determine the answers to the questions: Should I purchase the property? If so, how much should I pay and what is my potential rate of return? What type of project should I invest in or develop? What type of deal should I structure?

To answer these questions we conduct market analysis, feasibility studies, provide financial structuring advice and general economic consulting. Often we 'package' the deal and provide access to capital sources. We also have capabilities in pre-development consulting including asset management and disposition and in providing team coordination, processing and disposition services (packaging and promotion).

The Real Estate & Economic Monitor is a newsletter published by The London Group providing market trend analysis and commentary for the serious real estate investor. The principals of the firm, Gary London and Nathan Moeder, bring acknowledged credentials and experience as advisors and analysts to many successful projects and assignments throughout North America. It is available and regularly updated on the World Wide Web at the following address: http://www.londongroup.com/.

The London Group also draws upon the experience of professional relationships in the development, legal services, financial placement fields as well as its own staff.

Clients who are actively investigating and investing in apartment projects, retail centers and commercial projects have regularly sought our advice and financial analysis capabilities.

We have analyzed, packaged and achieved capital for a wide variety of real estate projects including hotels, office buildings, retail shopping centers and residential housing communities. We are generalists with experiences ranging from large scale, master planned communities to urban redevelopment projects, spanning all land uses and most development issues. These engagements have been undertaken throughout North America for a number of different clients including developers, investors, financial institutions, insurance companies, major landholders and public agencies.

702 Ash Street, Suite 101, San Diego, CA 92101
619-269-4012 • www.londongroup.com

EXHIBIT F

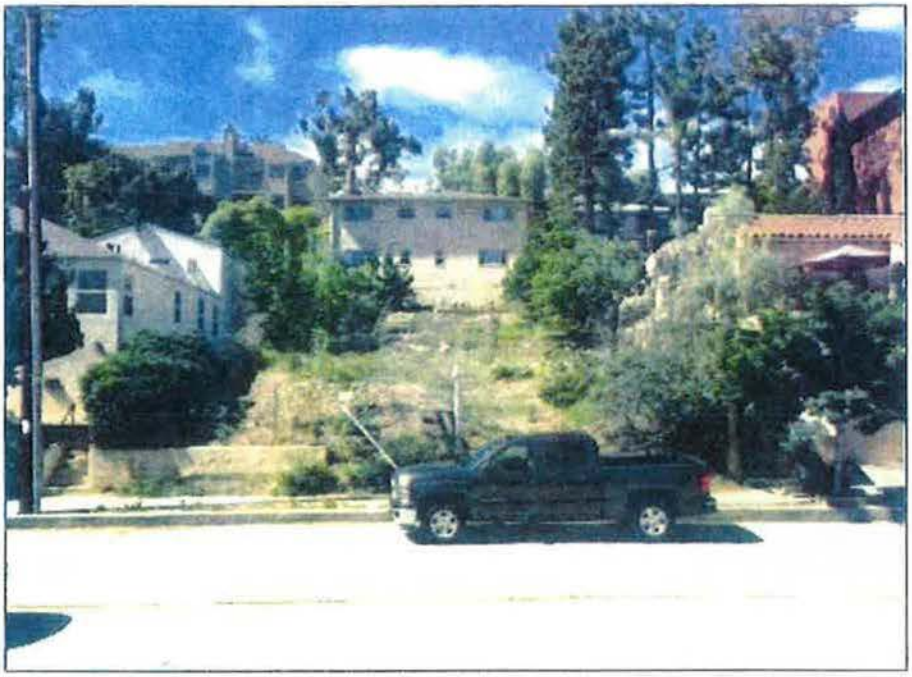
1610 Union Street Replacement Site Search

Search Parameters: Lot size: 5,000 SF+

Community Planning Areas of Uptown, Greater North Park, Normal Heights, Greater Golden Hill, Southeast San Diego, Kensington-Talmadge, and City Heights

Neighborhood	Address & Zip	Lot Size	List Price	Suitability
North Park	Florida & Upas St., 92104	7,248	$950,000	Zoning – MR-1000 (Mid-City Community Planned Dist.), vacant land and existing duplex on site
Fairmount Park	Hixson St., 92105	52,708	$149,000	Residential land, corner of Hixson and Trailing.
Logan Heights	2810 L St., 92102	11,731	$895,000	Zoned for 4 residential units
Golden Hill	2828-2834 Broadway, 92102	15,750	$2,400,000	Zoned GH-600 (S.D. Municipal Golden Hill Planned Dist.)
East Village	849-867 10th Ave., 92101	19,984	Negotiable	Residential land. 4 contiguous parcels located on block of 10th, E St and 11th St.

2 Florida and Upas Street, San Diego, CA 92104



Property Details

Price	$950,000
Lot Size	7,248 SF
Price/SF	$131.07 /SF
Property Type	Land
Property Sub-type	Multifamily (land)
Features	Electricity/Power Irrigation Water Telephone Cable Gas/Propane
Status	Active
LoopNet ID	19833688

Broker Information

Jacqueline Harris
3425 Wilshire Properties, LLC
(858) 945-2394

Property Notes

Listing's Link: http://www.loopnet.com/lid/19833688

Property Description

Florida and Upas is a development and/or value add opportunity. The property is situated on a 7,248 square foot midblock lot facing both Wilshire Terrace (existing duplex) and Florida Street (Vacant Portion of Lot) in San Diego's thriving North Park neighborhood. Close to Balboa Park. Existing Duplex on first floor has two bedrooms, one bath, Living Room, Dining Room, Kitchen and has one car garage with laundry facilities. One other parking space in front of duplex for first Floor unit. Downstairs has same configuration except no garage. Two parking spaces provided in front. Downstairs unit has laundry closet outside. Very well maintained property. More information re the Duplex can be found at agent's sister listing under "3425-3427 Wilshire Terrace".Florida St. Vacant Lot Design: Initial zoning & development studies indicate the site can afford to retain the existing duplex facing Wilshire Terrace while allowing for the additional development along Florida Street of either 8 apartment flats or 4 row homes. Alternatively, you could demolish the existing duplex and build 10 new units. Tenants living on property so please do not disturb.

Location Description

Land behind Duplex on Wilshire is ready to build on! Vacant land fronts Florida Street.

3 0000 Hixson st, San Diego, CA 92105

Property Details

Price	$149,000
Lot Size	1.21 AC
Price/AC	$123,140.49 /AC
Property Type	Land
Property Sub-type	Residential (land)
Features	Electricity/Power - SDGE Water - San Diego City Water
Status	Active
LoopNet ID	19829678

Broker Information

Joon Lim
Big Block Realty
(619) 804-9200

Property Notes

Listing's Link: http://www.loopnet.com/lid/19829678

Property Description

Seller motivated!!! Build your Dream Home or Investment Property in the center of San Diego. Minutes to Downtown -- Close to everything. Blocks from the 805 and 94 Freeway.

Location Description

Located on the corner of Hixson and Trailing near 805 and 94. Vacant Lot. Drive by and take a look.Call Joon with any questions.

5 2810 L Street, San Diego, CA 92102

Property Details

Price	$895,000
Lot Size	11,731 SF
Price/SF	$76.29 /SF
Property Type	Land
Property Sub-type	Multifamily (land)
Additional Sub-types	Residential (land)
Features	Electricity/Power Irrigation Telephone Cable
Status	Active
LoopNet ID	19657225

Broker Information

Mike Habib
Coldwell Banker Commercial Real Estate
(619) 463-6600

Property Notes

Listing's Link: http://www.loopnet.com/lid/19657225

Property Description

Corner Lot currently used as parking lot. Level and ready for building 4 homes.

Location Description

A dozen blocks east of Downtown San Diego. Two blocks north of Imperial Ave. Direct access to Hwy 94 via 28th Street. Close to I-15 and I-5 freeways.

Google Maps

Imagery ©2016 Google, Map data ©2016 Google 20 ft

Property Details

Price	Price Not Disclosed
Lot Size	19,984 SF
Property Type	Land
Property Sub-type	Multifamily (land)
Zoning Description	CCPD-R
Features	Electricity/Power Water Telephone Cable Gas/Propane
Status	Active
LoopNet ID	19543274

Broker Information

Mike Habib
Coldwell Banker Commercial Real Estate
(619) 463-6600

Property Notes

Listing's Link: http://www.loopnet.com/lid/19543274

Property Description

A new offering from Mike Habib, in East Village, located on the block of 10th, E St and 11th St., in Downtown San Diego. The parking lot is spacious, spans the block between 10th & 11th St. The two buildings at 1035 & 1045 E St are currently being utilized as office space and residential units. This area of East Village has a F.A.R. of 20; however, the architect has recommended a 17.5. Urban development continues at a slow pace in the East Village. This is one of the last legacy properties in the Downtown San Diego communities. Turn a parking lot into a paradise that anyone would want to call home. With a F.A.R. of 17.5, you can create a beautiful high rise of multifamily units and offer parking on the lower levels.Corner property with structures is owned by a separate owner and is not listed by Coldwell Banker Commercial. Contact Mike Habib for instructions to make separate offer to corner property owner.

Location Description

East Village corner parcels fronting E Street and 10th and 11th Avenues. Downtown San Diego, 92101.

THE LONDON GROUP
Realty Advisors

December 7, 2016

Mr. Jonathan Segal
Jonathan Segal FAIA & Development Company

Via email: jonathansegal@yahoo.com; mrmatthewsegal@gmail.com

RE: Economic Alternative Analysis for 1610 Union Street

Jonathan Segal FAIA & Development Company currently owns an approximately 5,000 square foot lot at 1610 Union Street in the Little Italy neighborhood of Downtown San Diego. The property is located on the northwest corner of Union Street and West Cedar Street. The site currently contains a 2,013 square foot single-family home, 816 square feet of commercial space and an 816 square foot garage.

The London Group Realty Advisors has completed an economic analysis of various development options for the property. The purpose of this analysis is to analyze the proposed Base Project and the financial impacts and economic feasibility of the development alternatives.

We have analyzed three development options for the property, which include:

- Base Project: demolish existing structures and construct a 3,681 square foot home, 2,585 square feet of retail and 42 efficiency units with an average unit size of 389 square feet.

- Alternative 1: rehabilitate the existing 2,013 square foot home, 816 square feet of commercial and an 816 square foot garage.

- Alternative 2: rehabilitate the existing 2,013 square-foot home and demolish commercial space to construct two additional residential units at 600 square feet each.

- Alternative 3: relocate and rehabilitate the existing structures to construct a 3,681 square foot home, 2,585 square feet of retail and 42 efficiency units with an average unit size of 389 square feet.

Conclusions of Economic Alternatives

We analyzed the project performance of the Base Project that is proposed for the property. The Base Project includes construction of a new 3,681 square foot single-family home, 2,585 square feet of retail and 42 efficiency rental units.

We have assumed a 12-month construction period with the single family home being sold when construction is completed. The rental units and commercial space is assumed to sold at the end of the five-year investment period. The following table summarizes the impacts to the Base Project under each of the two alternatives:

1610 Union Street - Little Italy, CA
Summary of Scenarios

Base Project
42 Efficiency Units + 1 SFR

# of Units	**43**
For Sale Residential	3,681
Rental Residential	16,331
Rental Retail	2,585
Total Net Useable	22,597

Profit	**$2,370,117**

Performance

Total Gross Sales Revenue	**$15,777,492**
Margin On Revenue	**15.0%**
Total Project Costs	**$14,540,730**
Margin On Cost	**16.3%**

Alternative 1
Rehab Existing House & Commercial

# of Units	**2**
For Sale Residential	2,013
For Sale Commercial	816
Total Net Useable	2,829
Garage S.F.	816
Total S.F.	3,645
Difference (Net S.F.)	(19,768)
Difference (%)	87%

Profit	($1,667,772)
Difference ($)	(4,037,889)
Difference (%)	-170%

Total Gross Sales Revenue	**$1,525,347**
Margin On Revenue	**-109.3%**
Total Project Costs	**$3,116,852**
Margin On Cost	**-53.5%**

Alternative 2
Rehab Existing House & Construct 2 Units

# of Units	**3**
For Sale Residential	2,013
For Sale Commercial	1,200
Total Net Useable	3,213
Difference (S.F.)	(19,384)
Difference (%)	86%

Profit	($1,417,825)
Difference ($)	(3,787,942)
Difference (%)	-160%

Total Gross Sales Revenue	**$1,951,657**
Margin On Revenue	**-72.6%**
Total Project Costs	**$3,207,108**
Margin On Cost	**-44.2%**

Alternative 3
Relocate & Rehab 2,013 SF Home

# of Units	**43**
For Sale Residential	3,681
Rental Residential	16,331
Rental Retail	2,585
Relocated Home	2,013
Total Net Useable	24,610
Difference (S.F.)	2,013
Difference (%)	9%

Profit	$980,869
Difference ($)	(1,389,248)
Difference (%)	-59%

Total Gross Sales Revenue	**$16,350,801**
Margin On Revenue	**6.0%**
Total Project Costs	**$16,411,916**
Margin On Cost	**6.0%**

Source: The London Group Realty Advisors

We have determined that only the Base Project is economically feasible. This project is forecasted to generate a total profit of $2.37 million, which when compared to the total revenue of the project represents a Margin on Revenue of 15.0%.

Based on performing feasibility analyses and consulting services on hundreds of real estate projects, it is our experience that a redevelopment project requires the Margin on Revenue to exceed 10% for a project to be economically feasible and to qualify for project financing. In fact, even a low Margin on Revenue of 10% to 15% is still a challenge to achieve financing.

The internal rate of return (IRR) of the Base Project is forecasted to be 19%. This also demonstrates that the project is economically feasible. The typical minimum IRR for rental housing projects range from 13% to 15%. Any IRR below this range would struggle to attract investors and achieve project financing.

Both Alternative 1 and Alternative 2 are not economically feasible. Due to the high rehabilitation costs, as well as compact size of the site, more expensive construction methods and materials are required. This results in the project costs exceeding the revenues. Both alternatives result in a financial loss for the developer ranging from $1.4 million to $1.7 million. The resulting profit margins and IRR are also negative for the alternatives, which demonstrates infeasibility because positive returns cannot be generated.

To further illustrate the infeasibility of the two alternatives, even if the cost of acquiring the land were reduced to a significantly lower, below-market value of $200 per square foot (compared to current value of $382 per square foot), both alternatives still result in a financial loss for the developer. This suggests that the challenge to developing this property is not the acquisition price, but the high costs of construction due to the small-scale site that requires more expensive construction methods.

Alternative 3, which relocates the structure to another neighborhood (e.g. Logan Heights area) is not economically feasible. Due to the moving costs, high rehabilitation costs and lower achievable sale price, this alternative results in significant revenue loss for the project. Alternative 3 results in an IRR of only 3.7%, which is much lower than the minimum 13% to 15% required for a project to be financeable and economically feasible. The Margin On Revenue of only 6.0% also falls short of economic feasibility. Overall, Alternative 3 results in an 59% reduction (or $1,389,248) in total profit for the project.

Approach to Analysis

To determine the impact to the project, we prepared financial proformas for the two alternatives and compared the performances to the Base Project proforma. In each proforma, we assumed the following:

- Construction period of 12 months
- Single family home is sold immediately after construction is completed
- The project is stabilized and sold at the end of a five-year investment period.
- Construction costs are provided by the developer and The London Group based on similar projects and construction types.
- Rental rates, sales prices and revenue were established by our survey of market rents for competitive projects in the area.

The following summarizes the financial proformas we have prepared for analyzing the project, which are included in the Appendix.

Base Project

The Base Project includes demolition of the existing structures and construction of a single-family home and 42 efficiency units. The single-family home is assumed to be sold after construction is completed, while the 42 efficiency units (5 units affordable) will be rentals with a total of 20,012 square feet of net rentable area. The project also includes construction of 2,585 square feet of retail space.

The 37 market rate rental units will average 391 square feet in size with an average initial monthly rental rate of $1,500 (in current dollars). The five affordable units will average 372 square feet but will rent for $709 per month (Very Low Income level).

When the single-family home is sold after construction is completed, the forecasted sale price is estimated to be $2,0,201,238. The 42-unit rental project and 2,585 square feet of commercial is assumed to be sold in Year 5 at an estimated value of $13,576,254. The total profit generated from this investment, including the sales revenue and annual cash flows, is forecasted to be $2,370,117.

This net profit of $2.37 million represents a Margin on Revenue of 15.0% when divided by the Gross Sales Revenue of the project ($15.8 million). This suggests that the Base Project is economically feasible. It is our experience that a redevelopment project requires the Margin on Revenue to exceed 10% for a project to be economically feasible and to qualify for project financing.

The internal rate of return (IRR) of the investment is forecasted to be 19%. This also demonstrates that the project is economically feasible. The typical minimum IRR for rental

housing projects range from 13% to 15%. Any IRR below this range would struggle to attract investors and achieve project financing.

Alternative 1

Alternative 1 assumes rehabilitation of the existing single-family home (2,013 square feet), the existing commercial space (816 square feet) and existing garage (816 square feet). Both the single family home and the commercial space are assumed to be sold immediately after construction is completed.

The forecasted sale price for the single-family home is estimated to be $1,225,000 ($609 per square foot). The sale price of the commercial space is forecasted to be $300,347 ($368 per square foot). Total project costs are forecasted at $3,116,852 while total gross sales revenue is forecasted at only $1,525,347. This results in a financial loss for the project, which is forecasted to be negative $1,667,772.

Compared to the Base Project, Alternative 1 represents a reduction of 19,768 net useable square feet, or 87% less space. This has a direct impact to the overall achievable value of the project.

With a total forecasted value at disposition of $1,525,347, Alternative 1 would generate approximately $14,252,145 less revenue than the Base Project (109% reduction). But more importantly the project is not economically feasible because it results in a financial loss of $1,667,772.

To further illustrate the infeasibility of this alternative, even if the cost of acquiring the land were reduced to a significantly lower, below-market value of $200 per square foot, the project would still result in a financial loss of $723,859.

Alternative 2

Alternative 2 assumes rehabilitation of the existing single-family home, the demolition of the existing commercial space and construction of two new residential rental units. The existing single-family home is 2,013 square feet and the newly constructed rental units would total 1,200 square feet (600 square feet each).

When the single-family home is sold after construction is completed, the forecasted sale price is estimated to be $1,225,000 ($609 per square foot). The sale price of the two rental units that are sold in Year 5 is forecasted to be $726,657 ($606 per square foot). Total project costs are forecasted at $3,207,108 but the total sales value of the project is only $1,951,657, which represents a loss in value of $1,255,451.

Including the annual cash flow from operations and accounting for sale commissions, Alternative 2 results in a financial loss of $1,417,825, which demonstrates that the project is not economically feasible.

Compared to the Base Project, Alternative 2 represents a reduction of 19,384 net useable square feet, or 86% less space. This has a direct impact to the overall achievable value of the project.

With a total forecasted value at disposition of $1,951,657, Alternative 2 would generate approximately $13,825,835 less revenue than the Base Project (73% reduction). But more importantly the project is not economically feasible because it results in a financial loss of $1,417,825.

To further illustrate the infeasibility of this alternative, even if the cost of acquiring the land were reduced to a significantly lower, below-market value of $200 per square foot, the project would still result in a loss of $172,004.

Alternative 3

Alternative 3 assumes relocation and rehabilitation of the existing single-family home to construct a 3,681 square foot home, 2,585 square feet of retail and 42 efficiency units (5 units affordable) with an average unit size of 389 square feet.

When the relocated and rehabilitated home is sold, the forecasted sale price is estimated to be $600,000 ($298 per square foot). The newly constructed single-family home at the new project is assumed to be sold after construction is completed, the forecasted sale price is estimated to be $2,201,238 ($598 per square foot). Total project costs are forecasted at $16,411,916.

Including the annual cash flow from operations and accounting for sale commissions, Alternative 3 generates a profit of $980,869, which represents an IRR of 7.4% and a Margin On Revenue of 6.0%.

For a project to be financeable and economically feasible, the IRR needs to achieve a minimum of 13% to 15%. Similarly, the Margin on Revenue needs to be in the range of 10% to 15%, but even at this range projects have difficulty getting financed. Therefore, Alternative 3 is not an economically feasible alternative.

In addition, compared to the Base Project, Alternative 3 represents a 59% reduction in total profit generated by the development.

Should you have any questions regarding this analysis, please contact us.

Sincerely,

Gary H. London

Nathan Moeder

APPENDIX

1610 Union Street

Base Project

42 Efficiency Units + 1 SFR

Assumptions & Results

HOLDING & DISPOSITION

Holding Period:	5.00
Cap Rate On Sale (Residential):	5.00%
Cap Rate On Sale (Retail):	5.00%
Commissions & Closing Costs:	2.00%
Value at Time of Sale (Year 5)	$13,576,254
Asset Value PSF	$796

BUILDING ASSUMPTIONS

Project FAR	7.0
Units Per Acre	366
# Units	43
Land S.F.	5,000
Gross Building Area (60% Efficiency)	34,922
Efficiency	65%
Net Rentable Area	22,597

FINANCING

Construction Financing:		
Loan Amount		$10,905,547
Loan to Cost		75%
Interest Rate		3.3%
Term (Months)		24
Refinance:		**NO**
Refinance at End of Year:		0
Permanent Loan Amount		$0
Less: Construction Loan		$0
Less: Loan Fees	0.00%	$0
Net Proceeds From Refinance		$0
Permanent Loan Info:		
Loan Amount		$0
Amortization		30
Interest Rate		0.0%
Annual Debt Service		$0

RESIDUAL LAND VALUE

Land S.F.	5,000
Land Value	$1,910,000
$/S.F. of Land	$382

PROJECT SUMMARY

Base Project	# of Units	% of Mix	Unit Size	Total Net Rentable	Monthly Rent	$/S.F. Rent
Efficiency Units	37	88%	391	14,469	$1,500	$3.84
Total Market Rate	**37**	**88%**	**391**	**14,469**	**$1,500**	**$3.84**
Affordable Units (Very Low)						
Efficiency Units	5	12%	372	1,862	$709	$1.90
Subtotal	*5*	*12%*	*372*	*1,862*	*$709*	*$1.90*
Retail S.F.		**2,585**				
Retail NNN Rent/Mo.		**$4.00**				

Single Family Home	3,681	square feet
Sale Period	2	
Sale Price	$2,201,238	
Less: Commission (5.0%)	($110,062)	
Net Sales Revenue	$2,091,176	

CONSTRUCTION COSTS

	Total Cost	Cost Per Unit	Cost Per Gross S.F.
Land Costs	$1,910,000	$44,419	$54.69
Hard Costs	$10,230,722	$237,924	$292.96
Soft Costs	$1,841,530	$42,826	$52.73
Financing	$558,478	$12,988	$15.99
Total Project Costs	**$14,540,730**	**$338,157**	**$416.38**
Less: Loan Amount	$10,905,547	$253,617	$312.28
Initial Investment:	$3,635,182	$84,539	$104.09

INVESTMENT PERFORMANCE

Stabilized NOI	Year 3		$619,937
Total Project Costs			$14,540,730
Stabilized Yield On Cost			**4.3%**
		Cash On Cash	Cash Flow
Initial			($1,910,000)
Year 1		-47.5%	($1,725,182)
Year 2		74.1%	$2,692,685
Year 3		7.3%	$265,507
Year 4		7.8%	$284,522
Year 5		76.0%	$2,762,586
Total Profit			**$2,370,117**
Before Tax IRR			**19%**
Total Gross Sales Revenue			$15,777,492
Total Profit			$2,370,117
Margin On Revenue			**15.0%**
Total Project Costs			$14,540,730
Total Profit			$2,370,117
Margin On Cost			**16.3%**

Source: The London Group Realty Advisors

1610 Union Street

Base Project

Construction Costs

Units	43
Gross S.F.	34,922

		Costs	$/Unit	$/SF Gross
Land Costs				
Land Acquisition		$1,910,000	$44,419	$54.69
Site Costs		$0	$0	$0.00
Subtotal Land Costs		$1,910,000	$44,419	$54.69
Hard Costs				
Residential Construction (Single-Family Home)	$400 psf	$1,472,400	$34,241.86	$42.16
Residential Construction (Efficiency Units)	$230 psf	$6,590,880	$153,276	$188.73
Retail Construction	$230 psf	$594,550	$13,827	$17.03
Parking Garage (5,700 SF)	$200 psf	$1,140,000	$26,511.63	$32.64
Contingency	5.0%	$432,892	$10,067	$12.40
Subtotal Hard Costs		$10,230,722	$237,924	$292.96
Soft Costs				
Indirects	18.0%	$1,841,530	$42,826	$52.73
Subtotal Soft Costs		$1,841,530	$42,826	$52.73
Financing Costs				
Construction Loan Interest		$477,144	$11,096	$13.66
Loan Fee	0.75%	$81,334	$1,891	$2.33
Subtotal Financing Costs		$558,478	$12,988	$15.99
Total Construction Costs		**$14,540,730**	**$338,157**	**$416**

Source: The London Group Realty Advisors

1610 Union Street
Base Project
Cash Flow Forecast

	Initial	Year 1	Year 2	Year 3	Year 4	Year 5
		2015	2016	2017	2018	2019
	0	1	2	3	4	5
Total Market Rate Units			37	37	37	37
Units Leased (Market Rate)			37	37	37	37
Units Leased (Affordable)			5	5	5	5
Units Vacant		Construction	0	0	0	0
Occupancy Rate			100.0%	100.0%	100.0%	100.0%
Vacancy Rate			0.0%	0.0%	0.0%	0.0%

Monthly Rent (Market Rate)				$1,500	$1,545	$1,591	$1,639	$1,688
Monthly Rent Per S.F. (Market Rate)				$3.84	$3.95	$4.07	$4.19	$4.32
Annual Increase In Rent (Market Rate)					3.0%	3.0%	3.0%	3.0%
Gross Rental Income (Market Rate Units)				0	$593,280	$611,078	$629,411	$648,293
Gross Rental Income (Affordable Units)				0	$42,540	$42,540	$42,540	$42,540
Retail Income (NNN)				$0	$131,636	$135,586	$139,653	$143,843
Less: Vacancy & Credit Loss (Residential)				$0	$0	$0	$0	$0
Net Rental Income				**$0**	**$767,456**	**$789,204**	**$811,604**	**$834,676**
	Per Unit	**% Increase**						
Less: Operating Expenses[1]	($1,200)	2.0%		$0	($52,436)	($53,485)	($54,555)	($55,646)
Less: Property Taxes[2]	($2,949)	2.0%		$0	($113,512)	($115,782)	($118,097)	($120,459)
Operating Expenses Per Unit	**($4,149)**			**$0**	**($165,948)**	**($169,267)**	**($172,652)**	**($176,105)**
Operating Expense Ratio						**28%**	**27%**	**27%**
Net Operating Income				**$0**	**$601,509**	**$619,937**	**$638,952**	**$658,571**
Less: I/O (interim) financing				$0	$0	($354,430)	($354,430)	($354,430)
Less: Permanent Debt Service				$0	$0	$0	$0	$0
Subtotal				**$0**	**$0**	**($354,430)**	**($354,430)**	**($354,430)**
Net Proceeds from Refinance:				**$0**	**$0**	**$0**	**$0**	**$0**
Cash Flow From Operations				**$0**	**$601,509**	**$265,507**	**$284,522**	**$304,140**
Cash On Cash						7.3%	7.8%	8.4%

Disposition

Residential Home	
Sale Price	$2,201,238
Less Commissions	($110,062)
Net Proceeds	$2,091,176
Efficiency Units (35 Units)	
Cap Rate	5.00%
Next Year NOI	$530,655
Asset Value	$10,613,094
Asset Value Per Net SF	$734
Asset Value Per Unit	$252,693
Retail (1,400 SF)	
Cap Rate	5.00%
Next Year NOI	$148,158
Asset Value	$2,963,160
Asset Value Per Net SF	$1,146
Sale Price	$13,576,254
Less: Commissions & Closing Costs	($212,262)
Less: Principal Balance of Loan O/S	($10,905,547)
Net Proceeds from Disposition	**$2,458,445**

Total Cash Flow Before Taxes		**($1,910,000)**	**($1,725,182)**	**$2,692,685**	**$265,507**	**$284,522**	**$2,762,586**
IRR	**19%**						

Notes:

[1] $100 per unit per month

[2] 1.1% of 90% of construction costs

1610 Union Street

Alternative 1

Rehab Existing House & Commercial Space

Assumptions			
Land (S.F.)	5,000		
Existing House (S.F.)	2,013		
Existing Commercial (S.F.)	816		
Existing Garage (S.F.)	816		
Construction Financing:			
Loan Amount	$2,181,796		
Loan to Cost	70%		
Interest Rate	3.25%		
Term (Months)	24		
Costs		**Costs**	**$/SF of Bldg**
Land Costs			
Land Acquisition		$1,910,000	$524.01
Site Costs		$0	$0.00
Subtotal Land Costs		$1,910,000	$524.01
Hard Costs			
Residential Rehabilitation	$300 psf	$603,900	$165.68
Commercial Rehabilitation	$200 psf	$163,200	$44.77
Garage Rehabilitation	$150 psf	$122,400	$33.58
Contingency	5.0%	$38,355	$10.52
Subtotal Hard Costs		$927,855	$254.56
Soft Costs			
Indirects	18.0%	$167,014	$45.82
Subtotal Soft Costs		$167,014	$45.82
Financing Costs			
Construction Loan Interest		$95,705	$26.26
Loan Fee	0.75%	$16,278	$4.47
Subtotal Financing Costs		$111,983	$30.72
Total Construction Costs		**$3,116,852**	**$855.10**
Revenue			
Sale Price Residential	$609 psf	$1,225,000	$336.08
Less: Commission	5.0%	($61,250)	($16.80)
Net Sales Revenue Residential		$1,163,750	$319.27
Sale Price Commercial	$368 psf	$300,347	$82.40
Less: Commission	5.0%	($15,017)	($4.12)
Net Sales Revenue Commercial		$285,330	$78.28
Total Net Revenue		**$1,449,080**	**$397.55**
Net Profit		**($1,667,772)**	**($457.55)**
Profit Percent of Sales		**-136.1%**	
Performance			
Total Gross Sales Revenue		$1,525,347	$418.48
Total Profit		($1,667,772)	($457.55)
Margin On Revenue		**-109.3%**	
Total Project Costs		$3,116,852	$855.10
Total Profit		($1,667,772)	($457.55)
Margin On Cost		**-53.5%**	

1610 Union Street

Alternative 2

2 Rental Units + Rehabilitate House

Assumptions & Results

HOLDING & DISPOSITION

Holding Period:	5.00
Cap Rate On Sale (Residential):	5.00%
Cap Rate On Sale (Retail):	5.00%
Commissions & Closing Costs:	2.00%
Value at Time of Sale (Year 5)	$726,657
Asset Value PSF	$606

BUILDING ASSUMPTIONS

Project FAR	0.8
Units Per Acre	17
# Units	3
Land S.F.	5,000
Gross Building Area (60% Efficiency)	4,013
Efficiency	80%
Net Rentable Area	3,213

FINANCING

Construction Financing:		
Loan Amount		$2,244,976
Loan to Cost		70%
Interest Rate		3.3%
Term (Months)		24
Refinance:		**NO**
Refinance at End of Year:		0
Permanent Loan Amount		$0
Less: Construction Loan		$0
Less: Loan Fees	0.00%	$0
Net Proceeds From Refinance		$0
Permanent Loan Info:		
Loan Amount		$0
Amortization		30
Interest Rate		0.0%
Annual Debt Service		$0

RESIDUAL LAND VALUE

Land S.F.	5,000
Land Value	$1,910,000
$/S.F. of Land	$382

PROJECT SUMMARY

Alt 1 Project	# of Units	% of Mix	Unit Size	Total Net Rentable	Monthly Rent	$/S.F. Rent
1 BD	2	100%	600	1,200	$2,400	$4.00
Total Market Rate	**2**	**100%**	**600**	**1,200**	**$2,400**	**$4.00**
Affordable Units (Very Low)						
Subtotal						
Retail S.F.		**0**				
Retail NNN Rent/Mo.		**$0.00**				

Single Family Home	2,013	square feet
Sale Period	2	
Sale Price	$1,225,000	
Less: Commission (5.0%)	($61,250)	
Net Sales Revenue	$1,163,750	

CONSTRUCTION COSTS

	Total Cost	Cost Per Unit	Cost Per Gross S.F.
Land Costs	$1,910,000	$636,667	$475.95
Hard Costs	$1,001,595	$333,865	$249.59
Soft Costs	$180,287	$60,096	$44.93
Financing	$115,226	$38,409	$28.71
Total Project Costs	**$3,207,108**	**$1,069,036**	**$799.18**
Less: Loan Amount	$2,244,976	$748,325	$559.43
Initial Investment:	$962,132	$320,711	$239.75

INVESTMENT PERFORMANCE

Stabilized NOI	Year 2	$31,205
Total Project Costs		$3,207,108
Stabilized Yield On Cost		**1.0%**

	Cash On Cash	Cash Flow
Initial		($1,910,000)
Year 1	98.5%	$947,868
Year 2	124.2%	$1,194,955
Year 3	-4.2%	($40,539)
Year 4	-4.1%	($39,280)
Year 5	-163.3%	($1,570,828)
Total Profit		**($1,417,825)**
Before Tax IRR		**#NUM!**

Total Gross Sales Revenue	$1,951,657
Total Profit	($1,417,825)
Margin On Revenue	**-72.6%**
Total Project Costs	$3,207,108
Total Profit	($1,417,825)
Margin On Cost	**-44.2%**

Source: The London Group Realty Advisors

1610 Union Street

Alternative 2

Construction Costs

Units	3
Gross S.F.	4,013

		Costs	$/Unit	$/SF Gross
Land Costs				
Land Acquisition		$1,910,000	$636,667	$475.95
Site Costs		$0	$0	$0.00
Subtotal Land Costs		$1,910,000	$636,667	$475.95
Hard Costs				
Residential Construction (Single-Family Home)	$300 psf	$603,900	$201,300.00	$150.49
Residential Construction (2 Units)	$175 psf	$350,000	$116,667	$87.22
Retail Construction	$0 psf	$0	$0	$0.00
Contingency	5.0%	$47,695	$15,898	$11.89
Subtotal Hard Costs		$1,001,595	$333,865	$249.59
Soft Costs				
Indirects	18.0%	$180,287	$60,096	$44.93
Subtotal Soft Costs		$180,287	$60,096	$44.93
Financing Costs				
Construction Loan Interest		$98,476	$32,825	$24.54
Loan Fee	0.75%	$16,749	$5,583	$4.17
Subtotal Financing Costs		$115,226	$38,409	$28.71
Total Construction Costs		**$3,207,108**	**$1,069,036**	**$799**

Source: The London Group Realty Advisors

1610 Union Street
Alternative 2
Cash Flow Forecast

			Initial	Year 1 2015	Year 2 2016	Year 3 2017	Year 4 2018	Year 5 2019
			0	1	2	3	4	5
Total Market Rate Units					2	2	2	2
Units Leased (Market Rate)					2	2	2	2
Units Leased (Affordable)					0	0	0	0
Units Vacant				Construction	0	0	0	0
Occupancy Rate					100.0%	100.0%	100.0%	100.0%
Vacancy Rate					0.0%	0.0%	0.0%	0.0%
Monthly Rent (Market Rate)				$2,400	$2,472	$2,546	$2,623	$2,701
Monthly Rent Per S.F. (Market Rate)				$4.00	$4.12	$4.24	$4.37	$4.50
Annual Increase In Rent (Market Rate)					3.0%	3.0%	3.0%	3.0%
Gross Rental Income (Market Rate Units)				0	$59,328	$61,108	$62,941	$64,829
Gross Rental Income (Affordable Units)				0	$0	$0	$0	$0
Retail Income (NNN)				$0	$0	$0	$0	$0
Less: Vacancy & Credit Loss (Residential)				$0	$0	$0	$0	$0
Net Rental Income				**$0**	**$59,328**	**$61,108**	**$62,941**	**$64,829**
	Per Unit	**% Increase**						
Less: Operating Expenses[1]	($1,200)	2.0%		$0	($2,497)	($2,547)	($2,598)	($2,650)
Less: Property Taxes[2]	($12,316)	2.0%		$0	($25,626)	($26,139)	($26,661)	($27,195)
Operating Expenses Per Unit	**($13,516)**			**$0**	**($28,123)**	**($28,686)**	**($29,259)**	**($29,844)**
Operating Expense Ratio						**47%**	**46%**	**46%**
Net Operating Income				**$0**	**$31,205**	**$32,422**	**$33,682**	**$34,985**
Less: I/O (interim) financing				$0	$0	($72,962)	($72,962)	($72,962)
Less: Permanent Debt Service				$0	$0	$0	$0	$0
Subtotal				**$0**	**$0**	**($72,962)**	**($72,962)**	**($72,962)**
Net Proceeds from Refinance:				**$0**	**$0**	**$0**	**$0**	**$0**
Cash Flow From Operations				**$0**	**$31,205**	**($40,539)**	**($39,280)**	**($37,977)**
Cash On Cash						-4.2%	-4.1%	-3.9%

Disposition

Residential Home	
Sale Price	$1,225,000
Less Commissions	($61,250)
Net Proceeds	$1,163,750
Residential Units (2 Units)	
Cap Rate	5.00%
Next Year NOI	$36,333
Asset Value	$726,657
Asset Value Per Net SF	$606
Asset Value Per Unit	$363,329
Sale Price	$726,657
Less: Commissions & Closing Costs	($14,533)
Less: Principal Balance of Loan O/S	($2,244,976)
Net Proceeds from Disposition	**($1,532,851)**

Total Cash Flow Before Taxes		**($1,910,000)**	**$947,868**	**$1,194,955**	**($40,539)**	**($39,280)**	**($1,570,828)**
IRR	**#NUM!**						

Notes:

[1] $100 per unit per month

[2] 1.1% of 90% of construction costs

1610 Union Street

Alternative 3

Relocate & Rehabilitate Existing Structures; Build 42 Efficiency Units + 1 SFR

Assumptions & Results

HOLDING & DISPOSITION

Holding Period:	5.00
Cap Rate On Sale (Residential):	5.00%
Cap Rate On Sale (Retail):	5.00%
Commissions & Closing Costs:	2.00%
Value at Time of Sale (Year 5)	$13,549,563
Asset Value PSF	$795

BUILDING ASSUMPTIONS

Project FAR	7.0
Units Per Acre	366
# Units	43
Land S.F.	5,000
Gross Building Area (60% Efficiency)	34,922
Efficiency	65%
Net Rentable Area	22,597

FINANCING

Construction Financing:		
Loan Amount		$11,488,341
Loan to Cost		70%
Interest Rate		3.3%
Term (Months)		24
Refinance:		**NO**
Refinance at End of Year:		0
Permanent Loan Amount		$0
Less: Construction Loan		$0
Less: Loan Fees	0.00%	$0
Net Proceeds From Refinance		$0
Permanent Loan Info:		
Loan Amount		$0
Amortization		30
Interest Rate		0.0%
Annual Debt Service		$0

RESIDUAL LAND VALUE

Land S.F.	5,000
Land Value	$1,910,000
$/S.F. of Land	$382

PROJECT SUMMARY

Base Project	# of Units	% of Mix	Unit Size	Total Net Rentable	Monthly Rent	$/S.F. Rent
Efficiency Units	37	88%	391	14,469	$1,500	$3.84
Total Market Rate	**37**	**88%**	**391**	**14,469**	**$1,500**	**$3.84**
Affordable Units (Very Low)						
Efficiency Units	5	12%	372	1,862	$709	$1.90
Subtotal	*5*	*12%*	*372*	*1,862*	*$709*	*$1.90*
Retail S.F.		**2,585**				
Retail NNN Rent/Mo.		**$4.00**				

Single Family Home	3,681	square feet
Sale Period	2	
Sale Price	$2,201,238	
Less: Commission (5.0%)	($110,062)	
Net Sales Revenue	$2,091,176	

CONSTRUCTION COSTS

	Total Cost	Cost Per Unit	Cost Per Gross S.F.
Land Costs	$1,910,000	$44,419	$54.69
Relocation & Rehabilitation	$1,712,805	$39,833	$49.05
Hard Costs	$10,230,722	$237,924	$292.96
Soft Costs	$1,977,407	$45,986	$56.62
Financing	$580,983	$13,511	$16.64
Total Project Costs	**$16,411,916**	**$381,672**	**$469.96**
Less: Loan Amount	$11,488,341	$267,171	$328.97
Initial Investment:	$4,923,575	$114,502	$140.99

INVESTMENT PERFORMANCE

Stabilized NOI	Year 2	$600,276
Total Project Costs		$16,411,916
Stabilized Yield On Cost		**3.7%**
	Cash On Cash	Cash Flow
Initial		($1,910,000)
Year 1	-61.2%	($3,013,575)
Year 2	66.2%	$3,261,452
Year 3	5.0%	$245,309
Year 4	5.4%	$264,298
Year 5	43.3%	$2,133,385
Total Profit		**$980,869**
Before Tax IRR		**7.4%**
Total Gross Sales Revenue		$16,350,801
Total Profit		$980,869
Margin On Revenue		**6.0%**
Total Project Costs		$16,411,916
Total Profit		$980,869
Margin On Cost		**6.0%**

Source: The London Group Realty Advisors

1610 Union Street

Alternative 3

Relocate & Rehabilitate Existing Structures; Build 42 Efficiency Units + 1 SFR

Units	43
Gross S.F.	34,922

		Costs	$/Unit	$/SF Gross
Land Costs				
Land Acquisition		$1,910,000	$44,419	$54.69
Site Costs		$0	$0	$0.00
Subtotal Land Costs		$1,910,000	$44,419	$54.69
Relocation & Rehabilitation				
Acquisition of New Site		$895,000	$20,813.95	$25.63
Cost to Move Structure		$62,930	$1,463	$1.80
Restoration/Rehabilitation Costs (2,013 SF Home)	$375 psf	$754,875	$17,555	$21.62
Subtotal Hard Costs		$1,712,805	$39,833	$49.05
Hard Costs				
Residential Construction (Single-Family Home)	$400 psf	$1,472,400	$34,242	$42.16
Residential Construction (Efficiency Units)	$230 psf	$6,590,880	$153,276	$188.73
Retail Construction	$230 psf	$594,550	$13,827	$17.03
Parking Garage (5,700 SF)	$200 psf	$1,140,000	$26,511.63	$32.64
Contingency	5.0%	$432,892	$10,067	$12.40
Subtotal Hard Costs		$10,230,722	$237,924	$292.96
Soft Costs				
Indirects	18.0%	$1,977,407	$45,986	$56.62
Subtotal Soft Costs		$1,977,407	$45,986	$56.62
Financing Costs				
Construction Loan Interest		$504,215	$11,726	$14.44
Loan Fee	0.75%	$76,767	$1,785	$2.20
Subtotal Financing Costs		$580,983	$13,511	$16.64
Total Construction Costs		**$16,411,916**	**$381,672**	**$470**

Source: The London Group Realty Advisors

1610 Union Street
Alternative 3
Cash Flow Forecast

Relocate & Rehabilitate Existing Structures; Build 42 Efficiency Units + 1 SFR

			Initial	Year 1	Year 2	Year 3	Year 4	Year 5
				2015	2016	2017	2018	2019
			0	1	2	3	4	5
Total Market Rate Units					37	37	37	37
Units Leased (Market Rate)					37	37	37	37
Units Leased (Affordable)					5	5	5	5
Units Vacant				Construction	0	0	0	0
Occupancy Rate					100.0%	100.0%	100.0%	100.0%
Vacancy Rate					0.0%	0.0%	0.0%	0.0%
Monthly Rent (Market Rate)				$1,500	$1,545	$1,591	$1,639	$1,688
Monthly Rent Per S.F. (Market Rate)				$3.84	$3.95	$4.07	$4.19	$4.32
Annual Increase In Rent (Market Rate)					3.0%	3.0%	3.0%	3.0%
Gross Rental Income (Market Rate Units)				0	$593,280	$611,078	$629,411	$648,293
Gross Rental Income (Affordable Units)				0	$42,540	$42,540	$42,540	$42,540
Retail Income (NNN)				$0	$131,636	$135,586	$139,653	$143,843
Less: Vacancy & Credit Loss (Residential)				$0	$0	$0	$0	$0
Net Rental Income				**$0**	**$767,456**	**$789,204**	**$811,604**	**$834,676**
	Per Unit	**% Increase**						
Less: Operating Expenses[1]	($1,200)	2.0%		$0	($52,436)	($53,485)	($54,555)	($55,646)
Less: Property Taxes[2]	($2,981)	2.0%		$0	($114,744)	($117,039)	($119,380)	($121,768)
Operating Expenses Per Unit	**($4,181)**			**$0**	**($167,181)**	**($170,524)**	**($173,935)**	**($177,413)**
Operating Expense Ratio						**28%**	**28%**	**27%**
Net Operating Income				**$0**	**$600,276**	**$618,680**	**$637,669**	**$657,262**
Less: I/O (interim) financing				$0	$0	($373,371)	($373,371)	($373,371)
Less: Permanent Debt Service				$0	$0	$0	$0	$0
Subtotal				**$0**	**$0**	**($373,371)**	**($373,371)**	**($373,371)**
Net Proceeds from Refinance:				**$0**	**$0**	**$0**	**$0**	**$0**
Cash Flow From Operations				**$0**	**$600,276**	**$245,309**	**$264,298**	**$283,891**
Cash On Cash						5.0%	5.4%	5.8%

Disposition

New Residential Home	
Sale Price	$2,201,238
Less Commissions	($110,062)
Net Proceeds	$2,091,176
Relocated 2,013 SF Home	
Sale Price	$600,000
Less Commissions	($30,000)
Net Proceeds	$570,000
Efficiency Units (35 Units)	
Cap Rate	5.00%
Next Year NOI	$529,320
Asset Value	$10,586,403
Asset Value Per Net SF	$732
Asset Value Per Unit	$252,057
Retail (1,400 SF)	
Cap Rate	5.00%
Next Year NOI	$148,158
Asset Value	$2,963,160
Asset Value Per Net SF	$1,146
Sale Price	$13,549,563
Less: Commissions & Closing Costs	($211,728)
Less: Principal Balance of Loan O/S	($11,488,341)
Net Proceeds from Disposition	**$1,849,494**

Total Cash Flow Before Taxes		**($1,910,000)**	**($3,013,575)**	**$3,261,452**	**$245,309**	**$264,298**	**$2,133,385**
IRR	**7.4%**						

Notes:

[1] $100 per unit per month

[2] 1.1% of 90% of construction costs

CORPORATE PROFILE

THE LONDON GROUP
Realty Advisors

REPRESENTATIVE SERVICES

Market and Feasibility Studies	Development Services	Litigation Consulting
Financial Structuring	Fiscal Impact	Workout Projects
Asset Disposition	Strategic Planning	MAI Valuation
Government Processing	Capital Access	Economic Analysis

The London Group is a full service real estate investment and development consulting, capital access and publishing firm. We determine the answers to the questions: Should I purchase the property? If so, how much should I pay and what is my potential rate of return? What type of project should I invest in or develop? What type of deal should I structure?

To answer these questions we conduct market analysis, feasibility studies, provide financial structuring advice and general economic consulting. Often we 'package' the deal and provide access to capital sources. We also have capabilities in pre-development consulting including asset management and disposition and in providing team coordination, processing and disposition services (packaging and promotion).

The Real Estate & Economic Monitor is a newsletter published by The London Group providing market trend analysis and commentary for the serious real estate investor. The principals of the firm, Gary London and Nathan Moeder, bring acknowledged credentials and experience as advisors and analysts to many successful projects and assignments throughout North America. It is available and regularly updated on the World Wide Web at the following address: http://www.londongroup.com/.

The London Group also draws upon the experience of professional relationships in the development, legal services, financial placement fields as well as its own staff.

Clients who are actively investigating and investing in apartment projects, retail centers and commercial projects have regularly sought our advice and financial analysis capabilities.

We have analyzed, packaged and achieved capital for a wide variety of real estate projects including hotels, office buildings, retail shopping centers and residential housing communities. We are generalists with experiences ranging from large scale, master planned communities to urban redevelopment projects, spanning all land uses and most development issues. These engagements have been undertaken throughout North America for a number of different clients including developers, investors, financial institutions, insurance companies, major landholders and public agencies.

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KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
REAL ESTATE
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

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SAN DIEGO
PAUL C. MARRA

To: Brad Richter, Assistant Vice President - Planning
Civic San Diego

From: KEYSER MARSTON ASSOCIATES, INC.

Date: November 3, 2016

Subject: 320 W. Cedar Street / 1610 Union Street
Peer Review of Economic Alternative Analysis

I. INTRODUCTION

In accordance with your request, Keyser Marston Associates, Inc. (KMA) has undertaken a peer review of various development scenarios for the 0.12-acre site at 320 W. Cedar Street and 1610 Union Street (Site).

As background, it is the KMA understanding that Civic San Diego (CivicSD) has received a development proposal from the Site's current owner, Jonathan Segal FAIA & Development Company (Developer) to develop the Site. The Developer proposes to demolish the existing structures on the site to develop a 4,350 square foot (SF) home, 1,400 SF of retail, and 35 efficiency units (Base Project). The existing structures on the Site are a locally designated historical resource. San Diego Municipal Code Section 126.0504(i) requires that developers seeking a Site Development Permit for the demolition of historic resources must provide findings that the denial of the Permit would result in an economic hardship for the Developer.

To that end, an economic analysis has been prepared by The London Group (London) on behalf of the Developer to demonstrate the comparative economic feasibility of the Base Project and three alternative development scenarios.

II. KEY FINDINGS

CivicSD requested that KMA conduct a peer review of the London analysis responding to the following questions for this assignment:

(1) Are the assumptions and conclusions used in the (London) analyses acceptable?

KMA finds the development cost used by London to be slightly overstated. KMA finds the London projections of market-rate sales prices, rents, and affordable rents to be understated.

(2) Are any of the alternatives economically feasible, that is, able to be financed and generate a reasonable rate of return?

KMA finds the Base Project, the Base Project with underground parking, and all three development alternatives to be economically infeasible. Although the resulting developer profit levels for all the alternatives studied were found to be insufficient to warrant development of the Project, KMA's findings are generally consistent with the London Study in that the Base Project was found to have the highest profit of the alternatives analyzed.

Improving profit levels can be expected as Downtown home prices and apartment rents continue to rise. In other words, while none of these alternatives appears feasible today, one or more may become financially feasible within the next couple of years. However, it is important to keep in mind that rising home values may be offset by increases in construction costs, thereby negating the benefit of increased values on the Project's financial feasibility.

Development Alternatives Analyzed

The KMA analysis analyzed two Base Project scenarios and three development alternatives for the Site as presented by the Developer and London.

- *Base Project* – Clear the Site of all existing improvements and develop a 4,350 SF single-family home, 1,400 SF of retail, and 35 efficiency units of which four (4) units are affordable.

- *Base Project with Parking Garage* – Base Project with a two-story below grade parking garage.

- *Alternative #1* – Retain and rehabilitate the existing 2,013 SF home, 816 SF of commercial and an 816 SF garage.

- *Alternative #2* – Retain and rehabilitate the existing 2,013 SF home and demolish the commercial space to construct two additional residential units at 600 SF each.

- Alternative #3 – Relocate and rehabilitate the existing structures to another location in the neighboring community of Logan Heights; develop the Base Project on the Site.

London Estimate of Developer Profit

For the Base Project and three alternatives, KMA reviewed the London assumptions regarding product mix, construction cost estimates, achievable sales and rental values, net operating income, and estimated profits. The London estimate of developer profit assumes a 12-month construction period with the single family home sold when completed. The rental units and commercial space was assumed by London to be sold at the end of a five-year investment period. The London Study indicates a developer profit exceeding 10% of value is needed to achieve economic feasibility and qualify for project financing. Table II-1 below presents the London estimate of developer profit for each alternative. As shown, only the Base Project achieves a profit in excess of 10%.

Table II-1 – Estimate of Developer Profit – London

	Base Project	Base Project w/Parking Garage	Alternative #1	Alternative #2	Alternative #3
London					
Total Profit	$1.6 M	---	($1.7) M	($1.4) M	$217,000
% of Cost	13.2%	---	-53.5%	-72.6%	1.5%
% of Value	12.3%	---	-109.3%	-44.2%	1.6%

KMA Pro Forma Modifications

For analysis purposes, KMA isolated both development costs and project revenues used in the London analysis on a static basis (i.e., current point in time), without an allowance for future escalation of development cost or sales value or rental rates. KMA adjusted selected inputs and assumptions used in the London Study. As shown in Table II-2, these KMA adjustments resulted in different conclusions from London with respect to the relative economic feasibility of each development alternative.

Table II-2 – Estimate of Developer Profit – KMA Adjustments					
	Base Project	**Base Project w/Parking Garage**	**Alternative #1**	**Alternative #2**	**Alternative #3**
KMA Adjustments					
Total Profit	$589,000	($410,000)	($1.0) M	($1.5) M	($356,000)
% of Cost	4.9%	-2.9%	-46.4%	-46.4%	-2.6%
% of Value	5.2%	-3.3%	-71.8%	-82.9%	-3.0%

In KMA's experience, target profit levels for development of this type should exceed 10% of project value in unadjusted dollars. As indicated above, the KMA adjustments resulted in profit levels for the two Base Projects and the three development alternatives substantially below a minimum target profit of 10%. Although the two Base Projects and three development alternatives were found to be economically infeasible, KMA's findings are generally consistent with the London Study in that the Base Project was found to have the highest profit of the alternatives analyzed.

III. METHOD OF ANALYSIS

The KMA peer review of the London analysis involved using the KMA financial pro forma template to evaluate the development costs, gross sales proceeds, net operating income, and estimated developer profit for the five development alternatives under study. The London Study assumes a 12-month construction period with the single family home sold when completed. The rental units and commercial space was assumed by London to be sold at the end of a five-year investment period.

For analysis purposes, KMA analyzed both development costs and project revenues used in the London analysis on a static basis, without an allowance for future escalation of development cost or sales value or rental rates. KMA further compared this information with recent KMA experience with comparable projects and industry standards.

The Appendix presents the modified pro formas incorporating the KMA adjustments. A detailed comparison of the London vs. KMA pro forma analyses is discussed below.

- *Table 1 – Project Description* provides the physical description of the Project. KMA relied on data provided by the site plans and London Study to determine the Project's gross building area, Floor Area Ratio, affordability mix, and density.

- *Table 2 – Estimated Development Costs* presents an estimate of the Project's total development costs. KMA reviewed the costs estimated in the London Study against development cost estimates identified in a cross section of projects analyzed by KMA. To that end, KMA made the following adjustments to the Developer's development cost budget:

  - Base Project: Reduced construction costs on the new single family home from $400/SF to $300/SF

  - Alternatives #1 and #2: Reduced rehabilitation costs on the existing single-family home from $300/SF to $175/SF

  - Alternative #3: Reduced rehabilitation costs on the existing single-family home relocated to Logan Heights from $375/SF to $225/SF

  - All scenarios: Adjusted indirect and financing costs to 17.5% and 7.5% of directs, respectively

  As shown in Table III-1, based on the foregoing, the KMA estimates of development costs for were found to be slightly lower than the London Study.

Table III-1 – Estimate of Development Costs – London vs. KMA Adjustments

	Base Project	Base Project w/Parking Garage	Alternative #1	Alternative #2	Alternative #3
London					
Total Development Costs	$12.3 M	$14.1 M	$3.1 M	$3.2 M	$14.2 M
KMA Adjustments					
Total Development Costs	$11.9 M	$14.1 M	$2.8 M	$2.7 M	$13.5 M

- *Table 3 – Gross Sales Proceeds and Developer Profit* presents an estimate of the Project's gross sales proceeds from the sale of a single-family home and net operating income from multi-family rental apartments and the Project's commercial component. KMA reviewed for the market values estimated in the London Study against current market sales prices and rents, as well a valuation trends. To that end, KMA made the following adjustments to the London Study's estimate of gross sales proceeds and net operating income:

  - Base Project and Alternative #3: Increased the sales price for the new single family house from $598/SF to $650/SF

- Alternatives #1, #2: Increased the sales price for the rehabbed single family home from $609/SF to $700/SF

- Alternative #3: Increased the sales price for the existing single family home relocated to Logan Heights from $298/SF to $325/SF

- Base Project and Alternative #3: Increased multi-family market-rate rent from $3.59/SF to $3.75/SF; increased affordable rents from $709/unit to $744/unit

- Alternative #2: Increased multi-family market-rate rent from $2.06/SF to $3.50/SF

- All Scenarios: Increased operating expenses for the multi-family units to $4.75/SF

Based on the above, the KMA estimates of gross sales proceeds and net operating income were found to be for the most part higher than the London Study, as shown in Table III-2.

Table III-2 – Estimate of Gross Sales Proceeds and Net Operating Income – London vs. KMA Adjustments

	Base Project	Base Project w/Parking Garage	Alternative #1	Alternative #2	Alternative #3
London					
Gross Sales Proceeds:					
Single Family	$2.6 M	$2.6 M	$1.2 M	$1.2 M	$3.2 M
Commercial	---	---	$300,000	---	---
Net Operating Income:					
Multi-Family	$399,000	$399,000	---	$31,000	$397,000
Commercial	$71,000	$71,000	---	---	$71,000
KMA Adjustments					
Gross Sales Proceeds:					
Single Family	$2.8 M	$2.8 M	$1.4 M	$1.4 M	$3.5 M
Commercial	---	---	$424,000	---	---
Net Operating Income:					
Multi-Family	$404,000	$404,000	---	$18,000	$403,000
Commercial	$71,000	$71,000	---	---	$71,000

Table 4 – Developer Profit presents the estimate Developer's profit for each alternative. The London estimate of developer profit assumes a 12-month construction period with the single family home sold when completed. The rental units and commercial space was assumed by London to be

sold at the end of a five-year investment period. The KMA estimate of developer profit is calculated as the difference between sales proceeds and capitalized value of net operating income less development costs at Year 2016. Tables III-3 and III-4, below, provide an estimate of developer profit by alternative for London and KMA respectively. As shown, KMA's findings are generally consistent with the London Study in that the Base Project was found to have the highest profit (i.e., is most likely development scenario to be feasible).

Table III-3 – Estimate of Developer Profit – London

	Base Project	Base Project w/Parking Garage	Alternative #1	Alternative #2	Alternative #3
London					
Total Profit	$1.6 M	---	($1.7) M	($1.4) M	$217,000
% of Cost	13.2%	---	-53.5%	-77.6%	1.5%
% of Value	12.3%	---	-109.3%	-44.2%	1.6%

Table III-4 – Estimate of Developer Profit – KMA Adjustments

	Base Project	Base Project w/Parking Garage	Alternative #1	Alternative #2	Alternative #3
KMA Adjustments					
Total Profit	$589,000	($410,000)	($1.0) M	($1.5) M	($356,000)
% of Cost	4.9%	-2.9%	-46.4%	-46.4%	-2.6%
% of Value	5.2%	-3.3%	-71.8%	-82.9%	-3.0%

IV. LIMITING CONDITIONS

1. KMA has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources deemed to be reliable including state and local government, planning agencies, and other third parties. Although KMA believes all information in this study is correct, it does not guarantee the accuracy of such and assumes no responsibility for inaccuracies in the information provided by third parties.

2. The findings are based on economic rather than political considerations. Therefore, they should be construed neither as a representation nor opinion that government approvals for development can be secured.

3. The analysis, opinions, recommendations, and conclusions of this study are KMA's informed judgment based on market and economic conditions as of the date of this report. Due to the volatility of market conditions and complex dynamics influencing the economic conditions of the building and development industry, conclusions and recommended actions contained herein should not be relied upon as sole input for final business decisions regarding current and future development and planning.

4. The analysis assumes that neither the local nor national economy will experience a major recession. If an unforeseen change occurs in the economy, the conclusions contained herein may no longer be valid.

5. Any estimates of development costs, interest rates, income and/or expense projections are based on the best available project-specific data as well as the experiences of similar projects. They are not intended to be projections of the future for the specific project. No warranty or representation is made that any of the estimates or projections will actually materialize.

attachments

APPENDIX

320 W. CEDAR AND 1610 UNION STREET
PEER REVIEW OF ECONOMIC ALTERNATIVE ANALYSIS

KMA Adjustments

TABLE 1

KMA ADJUSTMENTS

PROJECT DESCRIPTION
320 W. CEDAR / 1610 UNION STREET
CIVIC SAN DIEGO

		Base Project Demolish Existing Structures Develop 4,350 SF Home, 1,400 SF Retail, and 35 Efficiency Units		Base Project w/Parking Garage Demolish Existing Structures Develop 4,350 SF Home, 1,400 SF Retail, and 35 Efficiency Units	
I.	Site Area	5,012 SF	0.12 Acres	5,012 SF	0.12 Acres
II.	Gross Building Area (GBA)				
	A. New Construction				
	Single-Family Home	4,350 SF	13.7%	4,350 SF	13.7%
	Multi-Family Units	13,125 SF	41.4%	13,125 SF	41.4%
	Retail	1,400 SF	4.4%	1,400 SF	4.4%
	Common Area/Circulation	12,847 SF	40.5%	12,847 SF	40.5%
	Total GBA - New Construction	31,722 SF	100.0%	31,722 SF	100.0%
	B. Total GBA	31,722 SF		31,722 SF	
III.	Approximate Floor Area Ratio (FAR)	6.33 FAR		6.33 FAR	
IV.	Number of Units	Total	Unit Size	Total	Unit Size
	A. Single Family Home (SFH)	1 Unit	4,350 SF	1 Unit	4,350 SF
	B. Multi-Family Units (MF)				
	Market-Rate Units	31 Units	375 SF	31 Units	375 SF
	Affordable Units	4 Units	375 SF	4 Units	375 SF
	Number of Efficiency Units	35 Units	375 SF	35 Units	375 SF
	C. Total Number of Units	36 Units	485 SF	36 Units	485 SF
V.	Density		312.9 Units/Acre		312.9 Units/Acre
VI.	Number of Stories		4 - 8 Stories		4 - 8 Stories
VII.	Construction Type		Type I		Type I
VIII.	Parking				
	Type		Tuck-under		Tuck-under and Two Stories Below Grade w/ Car Elevator
	Number of Spaces				
	Single Family Home		2 Spaces		2 Spaces
	Basement Parking		0 Spaces		***24*** Spaces (1)
	Total Space		2 Spaces		26 Spaces
	Ratio		2.0 Spaces/Unit		0.72 Spaces/Unit

(1) KMA estimate. Assumes two levels of below grade parking totaling 10,024 SF at an average 420 gross SF per space.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\CivicSD_Cedar & Union_Development Prototype Pro Formas_v1;11/2/2016;lag

TABLE 1

KMA ADJUSTMENTS

PROJECT DESCRIPTION
320 W. CEDAR / 1610 UNION STREET
CIVIC SAN DIEGO

		Alternative #1 Rehabilitate Existing House and Commercial Space		Alternative #2 Rehabilitate Existing House and Construct 2 Residential Units		Alternative #3 Relocate and Rehabilitate Existing House Develop 4,350 SF Home, 1,400 SF Retail, and 35 Efficiency Units	
I.	Site Area	5,012 SF	0.12 Acres	5,012 SF	0.12 Acres	5,012 SF	0.12 Acres
II.	Gross Building Area (GBA)						
	A. New Construction						
	Single-Family Home	---	---	0 SF	0.0%	4,350 SF	13.7%
	Multi-Family Units	---	---	1,200 SF	60.0%	13,125 SF	41.4%
	Retail	---	---	0 SF	0.0%	1,400 SF	4.4%
	Common Area/Circulation	---	---	800 SF	40.0%	12,847 SF	40.5%
	Total GBA - New Construction	---	---	2,000 SF	100.0%	31,722 SF	100.0%
	B. Rehabilitation						
	Existing House	2,013 SF	55.2%	2,013 SF	100.0%	2,013 SF	100.0%
	Existing Retail	816 SF	22.4%	0 SF	0.0%	0 SF	0.0%
	Existing Garage	816 SF	22.4%	0 SF	0.0%	0 SF	0.0%
	Total GBA - Rehabilitation	3,645 SF	100.0%	2,013 SF	100.0%	2,013 SF	100.0%
	C. Total GBA	3,645 SF		4,013 SF		33,735 SF	
III.	Approximate Floor Area Ratio (FAR)	0.73 FAR		0.80 FAR		6.33 FAR	
IV.	Number of Units	Total	Unit Size	Total	Unit Size	Total	Unit Size
	A. Single-Family Home (SFH)	1 Unit	2,013 SF	1 Unit	2,013 SF	1 Unit	4,350 SF
	B. Multi-Family Units (MF)						
	Market-Rate Units			2 Units	600 SF	31 Units	375 SF
	Affordable Units			0 Units	0 SF	4 Units	375 SF
	Number of Efficiency Units			2 Units	600 SF	35 Units	375 SF
	C. Total Number of Units	1 Unit	2,013 SF	3 Units	1,071 SF	36 Units	485 SF
V.	Density		8.7 Units/Acre		26.1 Units/Acre		312.9 Units/Acre
VI.	Number of Stories		2.0 Stories		2.0 Stories		4 - 8 Stories
VII.	Construction Type		Type V		Type V		Type I
VIII.	Parking		---		---		
	Type						Tuck-under
	Number of Spaces						
	Single Family Home						2 Spaces
	Basement Parking						0 Spaces
	Total Space						2 Spaces
	Ratio						2.0 Spaces/Unit

TABLE 2

DEVELOPMENT COSTS
320 W. CEDAR / 1610 UNION STREET
CIVIC SAN DIEGO

	Base Project Demolish Existing Structures Develop 4,350 SF Home, 1,400 SF Retail, and 35 Efficiency Units			Base Project w/Parking Garage Demolish Existing Structures Develop 4,350 SF Home, 1,400 SF Retail, and 35 Efficiency Units		
	Totals	**Per Unit**	**Comments**	**Totals**	**Per Unit**	**Comments**
I. Gross Building Area (GBA)						
Sitework	$0	$0	$0 /SF Site Area	$0	$0	$0 /SF Site Area
Parking	$0	$0	Included below	$1,750,000	$48,611	$175 /SF - Parking (1)
Shell Construction - New Construction						
Single-Family Home	$1,305,000	$36,250	***$300*** /SF GBA - SFH	$1,305,000	$36,250	***$300*** /SF GBA - SFH
Multi-Family/Common Area	$5,974,000	$165,944	$230 /SF GBA - MF/Common	$5,974,000	$165,944	$230 /SF GBA - MF/Common
Commercial	$322,000	$8,944	$230 /SF Commercial	$322,000	$8,944	$230 /SF Commercial
Shell Construction - Rehabilitation						
Existing House	$0	$0	$0 /SF GBA-House	$0	$0	$0 /SF GBA-House
Existing Commercial	$0	$0	$0 /SF GBA-Commercial	$0	$0	$0 /SF GBA-Commercial
Existing Garage	$0	$0	$0 /SF GBA-Garage	$0	$0	$0 /SF GBA-Garage
Contingency	$402,000	$11,167	5.3% of Above Directs	$402,000	$11,167	4.3% of Above Directs
Total Direct Costs	$8,003,000	$222,306	$252 /SF GBA	$9,753,000	$270,917	$307 /SF GBA
II. Indirect Costs	$1,401,000	$38,917	***17.5%*** of Directs	$1,707,000	$47,417	***17.5%*** of Directs
III. Financing Costs	$600,000	$16,667	***7.5%*** of Directs	$731,000	$20,306	***7.5%*** of Directs
IV. Total Development Costs - excluding Land	**$10,004,000**	**$277,889**	**$315 /SF GBA**	**$12,191,000**	**$338,639**	**$384 /SF GBA**
V. Land Acquisition Costs						
Land Acquisition - Existing Site	$1,910,000	$53,056	$381 /SF Site Area	$1,910,000	$53,056	$381 /SF Site Area
Land Acquisition - New Site	$0	$0	$0 /SF Site Area	$0	$0	$0 /SF Site Area
Land Closing Costs	$0	$0	$0 /SF Site Area	$0	$0	$0 /SF Site Area
Total Land Acquisition Costs	$1,910,000	$53,056	$381 /SF Site Area	$1,910,000	$53,056	$381 /SF Site Area
VI. Total Development Costs - with Land	**$11,914,000**	**$330,944**	**$376 /SF GBA**	**$14,101,000**	**$391,694**	**$445 /SF GBA**

(1) Based on KMA assumed parking area of 10,024 SF.

TABLE 2

DEVELOPMENT COSTS
320 W. CEDAR / 1610 UNION STREET
CIVIC SAN DIEGO

	Alternative #1 Rehabilitate Existing House and Commercial Space		Alternative #2 Rehabilitate Existing House and Construct 2 Residential Units		Alternative #3 Relocate and Rehabilitate Existing House Develop 4,350 SF Home, 1,400 SF Retail, and 35 Efficiency Units		
	Totals	**Comments**	**Totals**	**Comments**	**Totals**	**Per Unit**	**Comments**
I. Gross Building Area (GBA)							
Sitework	$0	$0 /SF Site Area	$0	$0 /SF Site Area	$63,000	$1,750	$13 /SF Site Area (1)
Parking	$0	No on-site parking	$0	No on-site parking	$0	$0	Included below
Shell Construction - New Construction							
Single-Family Home	$0	$0 /SF GBA - SFH	$0	$0 /SF GBA - SFH	$1,305,000	$36,250	***$300*** /SF GBA - SFH
Multi-Family/Common Area	$0	$0 /SF GBA - MF/Common	$350,000	$175 /SF GBA - MF/Common	$5,974,000	$165,944	$230 /SF GBA - MF/Common
Commercial	$0	$0 /SF Commercial	$0	$0 /SF Commercial	$322,000	$8,944	$230 /SF Commercial
Shell Construction - Rehabilitation							
Existing House	$352,000	***$175*** /SF GBA-House	$352,000	***$175*** /SF GBA-House	$453,000	$12,583	***$225*** /SF GBA-House
Existing Commercial	$163,000	$200 /SF GBA-Commercial	$0	$0 /SF GBA-Commercial	$0	$0	$0 /SF GBA-Commercial
Existing Garage	$122,000	$150 /SF GBA-Garage	$0	$0 /SF GBA-Garage	$0	$0	$0 /SF GBA-Garage
Contingency	$38,000	6.0% of Above Directs	$48,000	6.8% of Above Directs	$402,000	$11,167	5.0% of Above Directs
Total Direct Costs	$675,000	$185 /SF GBA	$750,000	$187 /SF GBA	$8,519,000	$236,639	$269 /SF GBA
II. Indirect Costs	$118,000	***17.5%*** of Directs	$131,000	***17.5%*** of Directs	$1,491,000	$41,417	***17.5%*** of Directs
III. Financing Costs	$51,000	***7.5%*** of Directs	$56,000	***7.5%*** of Directs	$639,000	$17,750	***7.5%*** of Directs
IV. Total Development Costs - excluding Land	**$844,000**	**$232 /SF GBA**	**$937,000**	**$233 /SF GBA**	**$10,649,000**	**$295,806**	**$336 /SF GBA**
V. Land Acquisition Costs							
Land Acquisition - Existing Site	$1,910,000	$381 /SF Site Area	$1,910,000	$381 /SF Site Area	$1,910,000	$53,056	$381 /SF Site Area
Land Acquisition - New Site	$0	$0 /SF Site Area	$0	$0 /SF Site Area	$895,000	$24,861	$76 /SF Site Area - New (2)
Land Closing Costs	$0	$0 /SF Site Area	$0	$0 /SF Site Area	$0	$0	$0 /SF Site Area
Total Land Acquisition Costs	$1,910,000	$381 /SF Site Area	$1,910,000	$381 /SF Site Area	$2,805,000	$77,917	$560 /SF Site Area
VI. Total Development Costs - with Land	**$2,754,000**	**$756 /SF GBA**	**$2,847,000**	**$709 /SF GBA**	**$13,454,000**	**$373,722**	**$424 /SF GBA**

(1) Reflects cost to move the existing house.

(2) Home is assumed to be relocated to a 0.27 acre (11,731 SF) site in Logan Heights.

GROSS SALES PROCEEDS AND NET OPERATING INCOME
320 W. CEDAR / 1610 UNION STREET
CIVIC SAN DIEGO

	Base Project Demolish Existing Structures Develop 4,350 SF Home 1,400 SF Retail, and 35 Efficiency Units					Alternative #1 Rehabilitate Existing House and Commercial Space				
I. Single-Family Home	**Unit Size**	**# of Units**	**Price Per SF**	**Price Per Unit**	**Gross Sales**	**Unit Size**	**# of Units**	**Price Per SF**	**Price Per Unit**	**Gross Sales**
A. Gross Sales Proceeds - New	4,350 SF	1	***$650***	$2,828,000	$2,828,000	----	----	----	----	----
B. Gross Sales Proceeds - Existing	----	----	----	----	----	2,013 SF	1	***$700***	$1,409,000	$1,409,000
II. Multi-Family Units (1)	**Average Unit Size**	**# of Units**	**$/SF**	**$/Month**	**Total Annual**	**Average Unit Size**	**# of Units**	**$/SF**	**$/Month**	**Total Annual**
A. Market-Rate Units	375 SF	31	***$3.75***	***$1,406***	$523,125					
Affordable Units @ 50% AMI	375 SF	4	***$1.98***	***$744***	$35,712					
Subtotal	375 SF	35	$3.55	$1,331	$558,837					
B. Add: Other Income		$0 /Unit/Month			$0					
Total Gross Scheduled Income					$558,837					
C. Vacancy		0.0% of GSI			$0					
D. Total Effective Gross Income					$558,837					
E. Operating Expenses (2)										
(Less) Operating Expenses (3)		***$4.75 /SF GBA/Year***			***($62,000)***					
(Less) Property Taxes (4)		$2,639 /Unit/Year			($92,378)					
Total Operating Expenses		$4,411 /Unit/Year			($154,378)					
F. Net Operating Income					$404,459					
III. Commercial (1)	1,400 SF		$4.24 /SF NNN		$71,292		816 SF	***$520*** /SF		$424,000 (5)

(1) Reflects estimated income and operating expenses in 2016 (Year 2).
(2) Reflects operating expenses for multi-family units only.
(3) Per Developer, reflects $100 per unit per month.
(4) Per Developer, reflects 1.1% of 90% of construction costs.
(5) Assumes commercial space is sold.
(6) Per Developer, assumes existing home rehabilitated and sold in the community of Logan Heights.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\CivicSD_Cedar & Union_Development Prototype Pro Formas_v1;11/2/2016;lag

GROSS SALES PROCEEDS AND NET OPERATI NG INCOME
320 W. CEDAR / 1610 UNION STREET
CIVIC SAN DIEGO

	Alternative #2 Rehabilitate Existing House and Construct 2 Residential Units					Alternative #3 Relocate and Rehabilitate Existing House Develop 4,350 SF Home 1,400 Sf Retail, and 35 Efficiency Units				
I. Single-Family Home	**Unit Size**	**# of Units**	**Price Per SF**	**Price Per Unit**	**Gross Sales**	**Unit Size**	**# of Units**	**Price Per SF**	**Price Per Unit**	**Gross Sales**
A. Gross Sales Proceeds - New	----	----	----	----	----	4,350 SF	1	***$650***	$2,828,000	$2,828,000
B. Gross Sales Proceeds - Existing	2,013 SF	1	***$700***	$1,409,000	$1,409,000	2,013 SF	1	***$325***	$654,000 (6)	$654,000
II. Multi-Family Units (1)	**Average Unit Size**	**# of Units**	**$/SF**	**$/Month**	**Total Annual**	**Average Unit Size**	**# of Units**	**$/SF**	**$/Month**	**Total Annual**
A. Market-Rate Units	600 SF	2	***$3.50***	$2,100	$50,000	375 SF	31	***$3.75***	***$1,406***	$523,125
Affordable Units @ 50% AMI	0 SF	0	$0.00	$0	$0	375 SF	4	***$1.98***	***$744***	$35,712
Subtotal	600 SF	2	$3.50	$2,100	$50,000	375 SF	35	$3.55	$1,331	$558,837
B. Add: Other Income		$0 /Unit/Month			$0		$0 /Unit/Month			$0
Total Gross Scheduled Income					$50,000					$558,837
C. Vacancy		0.0% of GSI			$0		0.0% of GSI			$0
D. Total Effective Gross Income					$50,000					$558,837
E. Operating Expenses (2)										
(Less) Operating Expenses (3)		***$4.75*** /SF GBA/Year			***($6,000)***		***$4.75*** /SF GBA/Year			($62,000)
(Less) Property Taxes (4)		$12,813 /Unit/Year			($25,626)		$2,675 /Unit/Year			($93,618)
Total Operating Expenses		$15,813 /Unit/Year			($31,626)		$4,446 /Unit/Year			($155,618)
F. Net Operating Income					$18,374					$403,219
III. Commercial (1)		0 SF	$0 /SF		$0	1,400 SF		$4.24 /SF NNN		$71,292

(1) Reflects estimated income and operating expensesin 2016 (Year 2).
(2) Reflects operating expenses for multi-family units only.
(3) Per Developer, reflects $100 per unit per month.
(4) Reflects operating expenses for multi-family units only.
(5) Assumes commercial space is sold.
(6) Per Developer, assumes existing home rehabilitated and sold in the community of Logan Heights.

Prepared by: Keyser Marston Associates, Inc.
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TABLE 4

DEVELOPER PROFIT
320 W. CEDAR / 1610 UNION STREET
CIVIC SAN DIEGO

	Base Project Demolish Existing Structures Develop 4,350 SF Home, 1,400 SF Retail, and 35 Efficiency Units		Base Project w/Parking Garage Demolish Existing Structures Develop 4,350 SF Home, 1,400 SF Retail, and 35 Efficiency Units		Alternative #1 Rehabilitate Existing House and Commercial Space		Alternative #2 Rehabilitate Existing House and Construct 2 Residential Units		Alternative #3 Relocate and Rehabilitate Existing House Develop 4,350 SF Home, 1,400 SF Retail, and 35 Efficiency Units	
I. Single-Family Home										
Gross Sales Proceeds		$2,828,000		$2,828,000		$1,409,000		$1,409,000		$3,482,000
(Less) Cost of Sale	5.0%	($141,400)	5.0%	($141,400)	5.0%	($70,000)	5.0%	($70,000)	5.0%	($174,000)
Net Sales Proceeds		$2,686,600		$2,686,600		$1,339,000		$1,339,000		$3,308,000
II. Efficiency Units										
Net Operating Income		$404,459		$404,459		---		$18,374		$403,219
Add: Parking Income		$0		$57,600 (1)				$0		$0
Total Income		$404,459		$462,059				$18,374		$403,219
Capitalized Value @	***4.75%***	$8,515,000	***4.75%***	$9,728,000		---	***4.75%***	$387,000	***4.75%***	$8,489,000
(Less) Cost of Sale	2.0%	($170,000)	2.0%	($195,000)		---	2.0%	($7,740)	2.0%	($170,000)
Total		$8,345,000		$9,533,000		---		$379,260		$8,319,000
III. Commercial										
Net Operating Income		$71,292		$71,292				$0		$71,292
Capitalized Value @	***4.75%***	$1,501,000	***4.75%***	$1,501,000		$424,000		$0	***4.75%***	$1,501,000
(Less) Cost of Sale	2.0%	($30,000)	2.0%	($30,000)	5.0%	($21,000)		$0	2.0%	($30,000)
Total		$1,471,000		$1,471,000		$403,000		$0		$1,471,000
IV. Total Net Sales Proceeds		$12,502,600		$13,690,600		$1,742,000		$1,718,000		$13,098,000
V. Developer Profit										
Net Sales Proceeds		$12,502,600		$13,690,600		$1,742,000		$1,718,000		$13,098,000
(Less) Development Costs		($11,914,000)		($14,101,000)		($2,754,000)		($3,207,000)		($13,454,000)
Net Profit		**$588,600**		**($410,400)**		**($1,012,000)**		**($1,489,000)**		**($356,000)**
% of Costs		**4.9%**		**-2.9%**		**-36.7%**		**-46.4%**		**-2.6%**
% of Value		**5.2%**		**-3.3%**		**-71.8%**		**-82.9%**		**-3.0%**

Prepared by: Keyser Marston Associates, Inc.
Filename i:\CivicSD_Cedar & Union_Development Prototype Pro Formas_v1;11/2/2016;lag

LAW OFFICES
FRANK E. ROGOZIENSKI
A PROFESSIONAL CORPORATION

1660 UNION STREET
4TH FLOOR
SAN DIEGO, CALIFORNIA 92101
(619) 237-1878
FAX (619) 237-1870

November 9, 2016

Civic San Diego
Attention: Downtown Community Planning Council
svensk@civicsd.com

Re: 320 West Cedar Street

Dear Committee:

As the owner of four properties in the same block as this proposed project,[1] we oppose its construction and urge the Downtown Community Planning Council recommend that Civic San Diego *not* grant Design Review approval, and *not* recommend approval to the Planning Commission of Centre City Planned Development Permit/Site Development Permit No. 2016-39. Among other reasons, our opposition is based on the following grounds:

The additional "RESIDENTIAL" unit. Applicant's plans dated June 15, 2016, show the southeast corner of the ground floor of what is described as a *single*-family residence as "RETAIL/OPTIONAL", and Applicant's most recent plans dated November 2, 2016 describe *the same space* as "RESIDENTIAL". Applicant's plans for this "RESIDENTIAL" space show a full kitchen, bathroom with a tub, bedroom and its own patio and access door onto the street. According to Applicant's plans, what is described as a single-family residential unit on Lot B is in fact a duplex of *two* residential units. Applicant's calculation of 36 housing units (35 studio apartments and 1 3-bedroom house) is incorrect; in fact, Applicant's plans show *37 housing units* (36 studio apartments and 1 3-bedroom family residence). Thus, all calculations which fail to include the "RESIDENTIAL" unit on Lot B are erroneous. This is not addressed in the staff report.

Project design is flawed. Applicant's proposed project, even with the changes agreed upon with staff, remains flawed. As discussed, *infra*, permitting a project of this scale with no off-street parking and the elimination of 2 on-street spaces, would be an unwarranted and set an adverse precedent. Affordability of these units must take into consideration the cost of parking off-site (say $200 per month per vehicle). The project has no amenities, just prison cell-like living units. The project has no common indoor or outdoor open space. There is no pet open space. Entrance into the apartment building is a long narrow hall leading to a small reception area ("lobby") with access to a small elevator and emergency stairs serving *eight floors and 5 units* per floor. The lobby has a storage area for 5 bicycles, and each floor has a storage area for only 4 bicycles. There is no residential (tenant) storage, another cost in the affordability calculation. A tenant leaving in the

[1] 1660 Union Street; 1632 Union Street, Unit 6; 335 W. Date and 1653 State Street.

morning and returning home at night would thus need to bring his bicycle with him in the crowded elevator. If 2 persons occupy a unit, the problem is compounded. A trash room is provided only on the ground floor. The studio units have a kitchen and bathroom (toilet, etc.) which face and are open to each other. One enters the unit into the open bathroom and kitchen. The proposed lot split will leave the single-family residence (which Applicant states will be occupied by a member of Applicant's family) and extra "RESIDENTIAL" unit (together a duplex) free of the 8 story apartment structure and saleable at a likely substantial profit. By combining it as part of a larger project, Applicant will have succeeded in tearing down a historic structure and replacing it with a more modern duplex. This is not a suitable project under the guise of affordable housing or otherwise.

Complete lack of any parking for 36 living units. Applicant calculates that "[w]ith the existing 35 units scheme the parking requirement is 9 spaces." Applicant does not contend this minimal number of spaces cannot be achieved; rather, Applicant claims that to do so would create what it says would be an "impossible financial burden." This is because, instead of using the ground floor for parking, Applicant seeks for itself the *added revenue* of a "commercial component" on the ground floor. We note that 1653 State Street is a 5,000 square foot lot in the same block with 14 parking spaces. Applicant's claim that ground floor (or lower) parking would not comply with Civic San Diego's requirement for a 'pleasant and rich pedestrian experience' is self-serving and without basis. It is also important to note that under Applicant's no parking space scheme, there will be *no parking for handicapped persons.* It is unrealistic to assume that the tenants of the 36 living units will not have cars. Rather, they will have *no place to park them*. It is unrealistic to assume that guests of tenants of the 36 living units will not have cars. Rather, they will have *no place to park them*. Moreover, the *two on-street parking spaces* on Union Street *will be eliminated* in front of where two parking garages are planned for the single-family home on Lot B. No parking spaces is further contrary to the existing uses and manner in which multi-unit projects have been built in the vicinity of this project. 1636 Union Street has a parking space for each unit, a total of 7 spaces. If allowed, no parking spaces for a project of this size, would be a first and an ill-advised precedent. And finally, Applicant is demanding *an incentive* be used to waive the parking requirement *for the nine spaces*, threatening that state law mandates this. However, we submit that Applicant is wrong, and in any event an incentive may only be used to waive one, *and not nine* (or all) parking spaces. To waive nine parking spaces requires *nine* incentives. Otherwise, every developer who could cobble together a single incentive could eliminate *all* (an unlimited number) of parking spaces - an obviously unintended and absurd result.

Adverse to neighborhood. Thirty-six studio living units, approximately 400 square feet each, with no parking, is not in harmony with, and is adverse to the neighborhood. It is further not consistent with the Little Italy community. There are a series of historic houses adjacent to and in the immediate vicinity of Applicant's proposed development. They form a cohesive, visual display of Little Italy in its origins. Applicant's proposal of a narrow, 87 foot tall, 8-story cement wall structure, exhibits none of the charm of the Little Italy community, which others have fought so hard to preserve. It flies in the face of those who have built projects which enhance, not detract from Little Italy. See for example the Piazza Famaglia project and other projects on the 1600 block of Union Street.

Removal of historic property. Demolition of the Oscar M. Hillard Rental should not be

allowed. This beautiful, Queen Anne architectural style house is an historic resource, originally built in 1894. It was registered as number 282 in 1990 with the City's Historic Review Board. and is part of a group of historic residences which have populated Little Italy from its beginnings, and define its fabric, charm and character. See other residences next to this property on Union Street, and those on Cedar and State Streets within a block of this project. Having derived the economic and other benefits of being designated as an historical resource, Applicant should not be allowed to simply tear it down. Only Applicant would benefit from the demolition of the Hillard residence. Moreover, the owners and developers who have all taken care to protect and preserve the historic properties in this area, and should not be "rewarded" by having their work diminished by this proposed project.

Mini-Hotel. Thirty-six (36) studio apartments of approximately 400 square feet each is a compelling set up for short-term rentals; essentially a mini-hotel with none of the requirements and safeguards of a hotel. Applicant has not shown he can rent 36 units of the type he proposes on other than a short-term basis. With the help of airbnb, vrbo and the other short-term vacation rental sites, regardless what is said now, the economics will quickly drive this transient use. Thirty-six units checking in and out on a daily or weekly basis will have a serious adverse impact on the neighborhood. The corner of Cedar and Union is not a proper location for a hotel, especially one with no parking. The nearby Doubletree has all the safeguards of a hotel, plus its traffic fronts on Front Street.

The requested deviations should not be allowed:

(a) *LISA height limits*
(b) *Minimum street wall height*
(c) *Garage door setback*

Requested design issues and considerations (page 11 of Staff Report) are not appropriate.

Development will adversely affect the applicable land use plan because it is not consistent with a well-designed residential development and is not consistent with the orderly growth and scale of the neighborhood. The project overall will have a significant adverse impact on the surrounding neighborhood (e.g, blocking the sun, light and solar). It will stand out as a highly visible sore thumb.

We reserve the right to further address the proposed project and further define our objections.

Respectfully,

Frank E. Rogozienski

From: jared_hahn@gg.nitto.co.jp
To: Christian Svensk
Subject: "320 West Cedar" proposed project in Little Italy
Date: Thursday, September 01, 2016 4:09:33 PM

Dear Christian,

I would like to publicly voice my opposition to the proposed "320 West Cedar" project, as outlined in the Civic San Diego "Notice of Application and Preliminary Design Review Meetings" (dated 25 August 2016).

I am not opposed to the building size or number of units. The existing structure has been neglected and should certainly be demolished. Furthermore, I generally like the aesthetic design of Jonathan Segal's projects.

As a home owner and multi-year resident in the Little Italy neighborhood of San Diego, however, I am well aware of the limited on-street parking that is currently available. The neighborhood and its restaurants and other businesses rely on street parking for patrons and general visitors/tourists.

As such, I feel that the developer's attempt to circumvent on-site parking requirements by constructing 2 low income housing units is ridiculous and a waiver should not be granted. It is unacceptable to design and develop a new apartment building with 36 units in Little Italy and not build any parking.

Thank you.

Regards,
Jared Hahn

1601 Kettner Blvd., 28
San Diego, CA 92101

From:	Carol Pucak
To:	Christian Svensk
Subject:	320 W Cedar
Date:	Tuesday, September 20, 2016 5:54:54 PM

Hello,

I understand that you are the planner involved in this project of proposed 36 units with ZERO parking spaces. The quality of life in this areas of town is constantly being diminished by too many vehicles roaming while looking for parking spaces. Adding another 36 units and possible twice as many cars to this mix without requiring the developer to provide parking is ludicrous. While our lives are impacted very negatively for perpetuity, the developer takes their profits and leaves.

Developers should be required to provide off street parking, one for each bedroom, as well as parking for guests. It is not our responsibility to make sure a developer can make money on a project, often by leaving out basic necessities for a comfortable life in their buildings. Just where does the developer think people will park who live in this building? Neither they nor their guests can afford to pay the going price for parking spaces in the area.

Another thought unrelated to parking is the overabundance of pets in this area of the city with no place to let the pets relieve themselves. Hence there is animal feces everywhere on the streets and sidewalks. This is not only unsanitary but disgusting. I would propose that any developer is required to provide a "pet relief area" onsite or to prohibit pets.

Please consider these suggestions and include me on all notices of this project.

Thank you,
Carol Pucak
Owner 602 W Fir #401
San Diego CA
970-379-2216

From:	Lisa Lambiase
To:	Christian Svensk
Subject:	320 West Cedar
Date:	Saturday, September 03, 2016 1:06:12 PM

Dear Christian,

I live across the street from the above-referenced, proposed new new development. I **COMPLETELY SUPPORT THIS PROJECT, BUT ONLY IF THE FOLLOWING CONDITIONS ARE APPLIED:**

(1) All prospective tenants (except in the garaged-unit) must sign a contract stating that they do not own a car and intend to rely on self-mobilization (i.e. bicycling or walking) and/or use of public transportation or similar private services (Uber, taxi, etc.) for the duration of their residency.
(2) 320 West Cedar Management must review public DMV records every 6 months at a minimum and apartment dwellers found to be in violation of their contract will be subject to eviction.

I see these compact apartments as potentially a great asset to my community . They'd bring in some (at least slightly) lower income residents and they'd provide some nice infilling to the central area in an environmentally appropriate manner. They would improve the look of the neighborhood, given the unfortunate state of disrepair of the historic building currently occupying that location.

That said, bringing in residents with cars and no assigned parking spaces is unconscionable. There are severe parking issues already and more parking spaces are scheduled to disappear from Little Italy once the Downtown Mobility Plan is implemented. A rule of thumb for new residential development downtown should be: no parking, no cars.

Sincerely,

Lisa Lambiase
Union Street
San Diego, CA 92101
(619) 987-2871

From: Brown, Jodie
To: Christian Svensk
Subject: FW: 320 W. Cedar Street in Little Italy
Date: Wednesday, September 14, 2016 11:59:40 AM

FYI.

Jodie Brown, AICP
Senior Planner
Development Services Department
619.533.6300

From: Devon Foster [mailto:devonsd@gmail.com]
Sent: Tuesday, September 13, 2016 4:22 PM
To: Brown, Jodie
Subject: 320 W. Cedar Street in Little Italy

To Whom it May Concern:

I am strongly opposed to the proposed project at 320 West Cedar.
The building being replaced/destroyed is a gorgeous historic home: the Oscar M Hillard home, built in the Queen Anne architectural style and registered as number 282 in 1990 with the Historic Review Board. It absolutely should not be torn down and replaced with an 8-story condo building.
According to Bruce Coons of the Save Our Heritage Organization, this is the most intact block of Victorian houses left in downtown San Diego. It's also a beautiful part of Little Italy's history. It should not be destroyed!!

Devon Foster
Little Italy homeowner and resident

From:	Zaho
To:	Christian Svensk
Subject:	Fwd: 320 Cedar Building Project
Date:	Friday, September 02, 2016 4:58:26 PM

---------- Forwarded message ----------
From: Zaho <tostevenwalker@yahoo.com>
Date: Sep 2, 2016 4:50 PM
Subject: 320 Cedar Building Project
To: svensk.civicsd.com@yahoo.com
Cc:

> Dear Planning Group, I want to voice my opposition to the plan to build an apartment building with no parking spaces in Little Italy. I have lived in the neighborhood for 20 years and have watched the parking situation go from bad to worse. Adding 37 units with no parking will impact the area even more negatively. I emphatically encourage the city to reject this proposal. Steven Walker, 602 W. Fir #103, San Diego, CA 92101

From:	Gail Roberts
To:	Christian Svensk
Subject:	Fwd: 320 W. Cedar
Date:	Thursday, September 08, 2016 11:27:11 AM

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sorry, I spelt your name wrong on my first email

Begin forwarded message:

From: Gail Roberts <gailroberts@yahoo.com>
Subject: 320 W. Cedar
Date: September 8, 2016 at 11:24:35 AM PDT
To: swensk@civisd.com

I live at 1601 India Street where finding parking for family and friends to visit me is a constant problem. I do not want to see new construction that does not provide parking for their residents.

I try to limit my the time I spend in my car, and I want to see people use more public transportation, but, to build apartments that do not have parking is an added burden for the building residents and neighborhood residents.

I strongly oppose giving Jonathan Segal the OK for this project.

Regards,

Gail Roberts

Project Review Committee
Little Italy Association, July 8th, 2016, 9:30 a.m
Union and Cedar Project
LIA Office, 2210 Columbia Street

Present: Jim Barone, Tom Cervello, Danny Moceri, Lou Palestini, Rich Gustafson,

Staff: Marco Li Mandri, Chris Gomez,

Presenters: Jonathan and Matthew Segal

Discussions Held and Recommendation of Project Review Committee Support Made to the Board of Directors:

The purpose of this morning's meeting was to discuss the proposed Union and Cedar project, a very unique idea slated for the eastern corridor of Little Italy. The presenters were Jonathan and Matthew Segal. Matthew plans on living in the larger single family residence at the corner of Union and Cedar. The existing 5,000 square foot site is currently home to a series of businesses, many of which have raised concern over the years in the community.

Project Description/Union and Cedar:

Specifications for this project include:

- 35 micro units, estimated to be around 400 square feet each
- One traditional single family residential unit
- 1,300 feet of retail planned for the ground floor
- Roughly $1,400 per month rental fees; current average rent in Little Italy is around $2,900
- Target audience are millennials and workforce, who seek to live in Little Italy without a vehicle and make 80-120% of AMI or approximately 61,300$ a year.
- 2 very low income affordable units built as part of the FAR bonus
- FAR will be 6.3
- 8-floor structure totaling 31,277 square feet
- No parking spaces provided for micro units, making this project the first of its kind and an experiment
- Demolition of current structures by February
- Bicycle parking spaces on each floor of the unit

At the end of the presentation, the following recommendations were made:

a. The Committee insists that the new Gateway sign be maintained at Union and Cedar
b. The Committee expects green dual acorn lights be installed at the corner (and perhaps mid-block) on Cedar, since Civic SD has designated Cedar as a gateway Street
c. Single green acorn lights (LED) to be installed on the Union Street side
d. A minimum of 2-3 trash receptacles, compliant with Civic SD Little Italy standards, to be installed at the property lines of the property
e. Chinese Pistache trees planted along Union and Jacarandas planted along Cedar
f. Consistent with long term parking plan, head-in parking installed along Union and Cedar wherever possible
g. Developer Impact Fees (park-related) generated from the project should be allocated to the improvement of various projects planned for Amici Park. The Association will work with Civic San Diego staff to identify the qualifying projects.

The issue of the lack of parking for the micro units was discussed extensively. This is a unique project that mimics much of what is going on in many transit-friendly Downtowns throughout the country. It would be the first of its kind and Little Italy may be the best place to test it out. The Committee believes that the Segals run the risk of not attracting new tenants due to the lack of parking – but that is their risk to take. (See attached comment on the site)

Minutes taken by Marco Li Mandri, Chief Executive Administrator
Little Italy Association

***Comments by Marco Li Mandri, of the Little Italy Association on the Key Elements of the Union and Cedar Project* - September 1, 2016**

This proposed development has generated more comment, mostly controversial, than any project in recent years. I would like to comment on some of the great concerns that certain people in the community have expressed, in the spirit of generating more constructive discussion on the future of Little Italy.

1. Parking Demands in Little Italy:

a. If one looks at the two blocks surrounding this development (Ash/Front, Date/State), you will find close to 150 older housing stock units without any parking provided. That was the norm in Little Italy prior to the condo boom in the early part of the 21st century. During those days, parking on the streets wasn't an issue since many of those tenants did not have cars and still don't. There are other newer buildings such as the Vantaggio and Villa Maria (both affordable housing complexes) that do not provide enough parking to match their number of units.

Parking in all of Downtown San Diego in the 1980s had sporadic residential density, but no corresponding parking. This is not to say that we should deny the need for more parking associated with housing; however, it has worked in the past and will work well into the future. The profile of a micro unit dweller is normally not one that needs, or has, a car.

b. In the 1980s, the old CCDC acted to jump-start the revitalization of Downtown by adopting a provision whereby retail, restaurants, and bars could open with no parking requirement. I would submit to you, based upon our current research, that restaurants and retail are creating more demand for parking than the Union and Cedar project ever would. A census of employers in Little Italy taken this summer revealed that we have verified a minimum of 5,000 employees working in Little Italy. Couple this fact with the provision of a mere 1,000 or so parking spaces dedicated for office use in Little Italy and one can see the supply and demand problem. Where do those over 4,000 or so employees park throughout the day? There are an estimated 850 – 900 on-street parking spaces in Little Italy today.

c. Residential development in Little Italy grew by almost 3,000 new residential units from 2001 to 2015. Approximately 1,000 more have been approved or will be approved in the coming year. Some of these units will have more residents than parking spaces provided. This may exacerbate the issue of parking demand, too.

d. Within 800 feet of India and Date, there are at least five construction projects currently underway. This process has taken existing street parking out of circulation as well as put additional demand on parking by the construction workers who seek to have their vehicles and tools adjacent to the work site.

e. The recently adopted Civic San Diego mobility plan (though adamantly opposed by the overwhelming majority of Little Italy residents, the Association, the School and the Church) was passed unanimously by the San Diego City Council. This plan prevents the Association from maximizing parking and slowing down traffic on State Street and Beech Street. We estimated that the loss from the implementation of these new bike lanes will equal over 50 new on-street parking spaces.

f. For the past 4 years, the Association has used parking meter revenues generated in Little Italy to fund the valet program throughout the community. We are able to relocate over 1,000 visitors to Little Italy per week due to the various stations in the community. Furthermore, we have opened up parking lots in the evening that previously were out of circulation.

g. The County Parking Structure, totaling over 700 spaces, is now open in the evening and the weekends for residents or their visitors in Little Italy. Unfortunately, the demand for the parking spaces is weak and the structure is not being used.

2. Will 35 micro units create that much of an impact?

Some believe that ANY addition of residents without corresponding parking will increase the supply and demand problem for parking in Little Italy. The Committee discussed this and concluded that there are at least 35 people willing to live in 400 square feet without a need for parking in Downtown. It is speculation as to whether or not these new tenants will require cars, or are part of a new breed of resident who will see Downtown as walkable, bikable, and will use Uber/Lyft or some other ride-sharing program. The new free electric vehicle on-call transportation system is novel and can also provide people with many of the resources they might need to get around Downtown.

3. Affordable housing in Little Italy.

One of the better features of the new micro units, as seen in other cities, is that they are affordable. The micro units are being built based upon price point, not cost per square foot. We are fully aware that affordable housing is in great demand in Little Italy. Currently, only Villa Maria (and the new Fenton project at Piazza della Famiglia) offer on-site affordable housing. Our goal is to build as much affordable housing here as possible so families can attend their neighborhood Washington Elementary School as well as walk to work. Although the price per square foot in the micro units may hover around $3.40 per square foot (as compared to under a dollar per square foot at Villa Maria), this price point of monthly rent around $1,400 will allow many single workers to live here and walk to work. This is something a city center neighborhood clearly needs much more of, in terms of new inventory.

It is estimated that it costs the SD Housing Commission around $270,000 per door to build new affordable housing, at which point it must be managed. The micro unit concept can bring much

more inventory to the neighborhood - privately funded - much quicker so this is something that should be supported.

4. Where is San Diego's Downtown going?

In 1980, no native San Diegan could have predicted close to 30,000 people living in Downtown by 2016, not to mention a projected 90,000 residents by 2040. This is in fact happening. Downtown, however, cannot solely be built for those who can afford units over 500k. The best communities are those that are mixed use, mixed income, and mixed race. Such a community must be constructed; we cannot simply wait for the market to make that happen.

As long as the City of San Diego has an ordinance restricting ALL development west of Interstate 5 to a 30-foot height limit (excluding Downtown, government properties, Liberty Station and UCSD), high-density, vertical development, particularly around new transit centers, will only be possible in neighborhoods where said height limitations are not enforced, restricting growth in areas with massive potential.

None of us believe the concept of no-parking residential units will become the new status quo, since we are and will continue to be, a car-based region. It will take decades for development patterns to support an effective mass transit system, a system that will have to be quick, efficient, and convenient for its users. But to fight this proposal for the micro units may be considered to be not in the best interests of long term planning. Therefore, we should allow it to proceed and monitor its impact.

The key is making this Downtown community even more walkable and livable than it already is, with great public spaces, a vibrant economy, and an overall dynamic density. From that perspective, a proposal for 35 micro units, with no parking, should be put into perspective. Cars are cars, no matter the source.

Sincerely,

Marco Li Mandri
Little Italy Association

LIRA
Little Italy
Residents
Association

Date: September 9, 2016
To: Christian Svensk, Senior Planner
From: Anne MacMillan Eichman
Re: 320 W. Cedar Project No.2016-65

Dear Christian,

I enthusiastically support this project.

Mr. Segal's "micro-housing" project will be the first of its kind in Little Italy and all of Downtown. And it has the potential to be the prototype and catalyst for subsequent developments to come.

Renters of small units in LA, San Francisco, New York, Boston, Washington D.C., Minneapolis, Seattle, Portland and Houston are enjoying the benefits of urban living and paying less to do so. Why not us? The average rental cost now in Little Italy is around $2900 per month.

Micro-housing will help level the "Paying Field."
And the 320 W. Cedar Project will also have 2 "very affordable" housing units in addition to all the other affordable ones.

Furthermore, I believe this project will help encourage more walking, biking and use of public transit.

If we are serious about achieving the Climate Change goals set by Gov. Brown, I think this project is an excellent place to start.

Sincerely,
Anne MacMillan Eichman

Anne MacMillan Eichman

395 WEST CEDAR STREET, SAN DIEGO CA 92101

From: jenilou511@gmail.com
To: Christian Svensk
Subject: Opposition to 320 W. Cedar Project in Little Italy
Date: Wednesday, September 07, 2016 3:40:21 PM

Hi Christian,

I wanted to express reasons for my opposition to the current proposed project at 320 W. Cedar Street in Little Italy. I am a neighbor of the proposed site and live across the street within a 300-500 ft radius.

1.) The historic home at the north-west corner of Cedar & Union is consistent with the character of the neighborhood, as there are historically preserved homes next door....as well as several other Victorian homes on the same street. In addition, the building across the street at the northeast corner of Cedar & Union is historic and has been beautifully restored. To demolish the history of the neighborhood and the structure involved in this project's proposal would be a huge mistake on the part of Civic SD. Please require Mr. Segal to incorporate parking into the project, as all other developers have been required to do. Why give Architect Segal the ability to demolish a historic structure just because he's willing to allow two very low income units in his project? Anyone who knows how building permit approval works, knows this is just a legal way to bribe planners and decision makers to allow builders to take actions that would otherwise be unacceptable. An eight story building does NOT fit the character of the neighborhood or the surrounding structures nearby.

2) Providing a building permit for 37 residences with zero off-street parking spaces in a community that already has a severe shortage of on-street parking for residents is unconscionable!! Civic SD/SANDAG already wants to wipe out on-street parking on State and Beech the next block over for the proposed bike lanes. Civic SD has not yet approved a resident parking permit program for residents in Little Italy. Why is that?!? It is also a known fact, and acknowledged by Civic SD staff, that there is a deficit of on-street parking spaces for residents in this high tourist area part of town. Adding to the existing parking problem is not a solution!! Don't be like Pacific Beach, and allow a bar on every corner!! Hindsight is 20/20. Please, use some sound judgement when it comes to design projects in Little Italy with no parking before it is too late!

True, the City & County built a beautiful new parking garage a few blocks away for visitors who frequent the shops & restaurants in Little Italy...but residents should not be expected to pay a daily rate to park their cars in that garage!! Seriously, anyone who lives downtown knows how crazy the parking situation is already. For example, if a couple rents a one bedroom condo in Little Italy, one of those two people will have a designated parking spot to park in at their building. The second person will have to spend a great deal of time circling the neighborhood intheir car every night trying to find a place to park before they can get home to eat or sleep. If they invite one or two family members over for dinner? Forget parking! As a result, many of us who live downtown have very few visitors...because we are considered "geographically undesirable" by our friends and family due to where we live.

3) Don't let the inclusion of 2 low income housing units make you throw good planning judgment out the window! Do the right thing, even if it goes against what Li Mandri & Segal want. Don't be fooled. The community (i.e., residents) DO NOT WANT this project as it is currently proposed. Li Mandri probably wants a new "front porch" building as an updated entrance into his business district. There's nothing wrong with that...but please ask the proponents to modify the project requirements so it is a smart project that adds value to all who live in the community and one that won't add to an already existing parking crisis and allow an ugly behemoth next to other Victorian structures.

Thank you for your consideration.

Regards,
Jennifer Smith
1580 Union Street
San Diego, CA 92101

From:	corry candland
To:	Christian Svensk
Subject:	Opposition to 320 W. Cedar Project
Date:	Thursday, September 08, 2016 9:43:32 AM

Sent from my iPhone

Begin forwarded message

Date: September 8, 2016

Hi Christian,

I wanted to express reasons for my opposition to the current proposed project at 320 W. Cedar Street in Little Italy. I am a neighbor of the proposed site and live within a block away.

1.) The historic home at the north-west corner of Cedar & Union is consistent with the character of the neighborhood, as there are historically preserved homes next door....as well as several other Victorian homes on the same street. In addition, the building across the street at the northeast corner of Cedar & Union is historic and has been beautifully restored. To demolish the history of the neighborhood and the structure involved in this project's proposal would be a huge mistake on the part of Civic SD. Please require Mr. Segal to incorporate parking into the project, as all other developers have been required to do. Why give Architect Segal the ability to demolish a historic structure just because he's willing to allow two very low income units in his project? Anyone who knows how building permit approval works, knows this is just a legal way to bribe planners and decision makers to allow builders to take actions that would otherwise be unacceptable. An eight story building does NOT fit the character of the neighborhood or the surrounding structures nearby.

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True, the City & County built a beautiful new parking garage a few blocks away for visitors who frequent the shops & restaurants in Little Italy...but residents should not be expected to pay a daily rate to park their cars in that garage!! Seriously, anyone who lives downtown knows how crazy the parking situation is already. For example, if a couple rents a one bedroom condo in Little Italy, one of those two people will have a designated parking spot to park in at their building. The second person will have to spend a great deal of time circling the neighborhood intheir car every night trying to find a place to park before they can get home to eat or sleep. If they invite one or two family members over for dinner? Forget parking! As a result, many of us who live downtown have very few visitors...because we are considered "geographically undesirable" by our friends and family due to where we live.

3) Don't let the inclusion of 2 low income housing units make you throw good planning judgment out the window! Do the right thing, even if it goes against what Li Mandri & Segal want. Don't be fooled. The community (i.e., residents) DO NOT WANT this project as it is currently proposed. Li Mandri probably wants a new "front porch" building as an updated entrance into his business district. There's nothing wrong with that...but please ask the proponents to modify the project requirements so it is a

smart project that adds value to all who live in the community and one that won't add to an already existing parking crisis and allow an ugly behemoth next to other Victorian structures.

4) We currently have several residential project going on in and around Little Italy and do not want to be bombarded with more.

Thank you for your consideration.

Regards,

Corry Candland
1480 Union Street
San Diego, CA 92101

Sent from my Verizon Wireless 4G LTE Tablet

From:	Lauren Mack
To:	Christian Svensk
Subject:	opposition to project 320 West Cedar
Date:	Thursday, September 01, 2016 9:54:40 AM

Dear Mr. Svensk,

I am appealing to you to deny the tentative design plan submitted under Project 320 West Cedar. The project is expected to be reviewed by CivicSD on Sept. 13. I understand you are the project planner.

As a longtime resident (8 years) in the Little Italy Community, I am seriously opposed to Project 320 West Cedar because there is "zero automobile parking spaces" allocated for the hundreds of residents who will ultimately reside in this building. The fact that an 8-story apartment building with at least 36 apartment units is requesting to be built in an already highly-impacted residential community with ZERO additional parking spots is absolutely unacceptable and absurd! I do not understand how the City would approved a large apartment building without parking spaces.

Please know that I am an integral part of the Little Italy community - I live here and I pay property taxes and I frequent the local businesses. If the Little Italy Association leadership has not represented my opposition to this project, I am advising per this appeal.

I am aware that Project 320 West Cedar is being presented a "model" similar to Japan's "micro-living-spaces." I am told, the builders say it will "appeal to the "Uber generation". The housing situation in Japan's Tokyo is completely different than San Diego's Little Italy. Not only is this idea absurd, but it is going to add to the congestion in the area. The fact is that beyond a few blocks in the downtown San Diego area, life is very difficult without a vehicle in San Diego, and I promise you the "Uber generation" all have automobiles. They may live a lifestyle downtown in which they do not drive their cars that often, but they ALL own cars and those cars will come with them, and need a parking spot.

The congestion in our neighborhood is already out of control. I thought the City had municipal codes that required apartments to provide a certain number of parking spots. I know they do that in the beach area. Why is this project different?

I am a firm believer in finding ways to reduce the use of automobiles, but this is not a fair project or a logical idea.

I pay very steep property taxes to reside in Little Italy. I am opposed to to the current design plan for Project 320 West Cedar. I am open to negotiating. Maybe they can settle on a draft design with a reduced number of parking spots or something of that nature. But as the plan is currently designed, I am submitted my opposition and very concerned!

Sincerely,

Lauren Mack

From:	Aria Jafari
To:	Christian Svensk
Subject:	Project at 320 Cedar
Date:	Monday, September 12, 2016 5:18:30 PM

Hello,

I am a homeowner in the neighborhood near the proposed development, 320 Cedar. I am writing to present my concern regarding the lack of parking available for the proposed units, and urge the planner to consider the negative impact that this would have on the nearby community and local business.

Already, there is an exceptional problem with parking in this area. Local businesses and homeowners/tenants suffer because people simply will not drive to Little Italy due to the lack of parking or the available parking spaces are too far or inconvenient. The majority of the industry is leisure (restaurant/food/drink) which somewhat relies on out of town or within San Diego travel and subsequently automobile transportation.

It is unclear why the proposed development will not include parking. There is not a high density of walkable industry nearby from which a pedestrian employee community may benefit.

I urge the committee to think about the impact on our community and the stifling effect on the vibrancy of our growing Little Italy community.

Sincerely,
Aria Jafari, MD

--
Aria Jafari

From:	Ernestine Smith
To:	Christian Svensk
Subject:	Property at Union and Cedar
Date:	Friday, September 02, 2016 10:02:13 AM

Hello,
I think building units without garage space is a bad idea. Parking is bad enough in Little Italy. People will have cars even if we don't want them to.

Sincerely,
Ernestine Smith

From:	Devon Foster
To:	Christian Svensk
Subject:	Protest of 320 West Cedar Project
Date:	Thursday, September 01, 2016 5:16:36 PM

To Whom it May Concern:
I am strongly opposed to the proposed project at 320 West Cedar.
First, the building being replaced/destroyed is a gorgeous historic home. It absolutely should not be torn down and replaced with a condo.
Second, to build a project with 36 units and zero parking spots may bring 72 cars- OR MORE- into an already congested neighborhood with a serious lack of parking. Not only would this negatively impact every single resident, but it would also seriously impact all the businesses. I already hear from friends and family that they hate to come to Little Italy because there's no parking- this will needlessly intensify that.
Finally, an 8 story building is FAR too tall for that part of Little Italy. I hope that it is restricted by the flight path and neighborhood codes, but if not I would strongly urge you to cap it (if it must be built) at 2 stories like the surrounding residences.
Devon Foster
Resident and Owner at Village Walk
1501 India Street, #503

LAW OFFICES
FRANK E. ROGOZIENSKI
A PROFESSIONAL CORPORATION

1660 UNION STREET
4TH FLOOR
SAN DIEGO, CALIFORNIA 92101
(619) 237-1878
FAX (619) 237-1870

October 11, 2016

Civic San Diego
Attention: Design Review Committee
svensk@civicsd.com

Re: 320 West Cedar Street

Dear Committee:

As the owner of four properties in the same block as this proposed project,[1] we oppose its construction and urge the Design Review Committee to reject/disapprove its design. Having only received the staff report for this hearing on Monday, October 10, 2016, this opposition is not as all inclusive and well organized as had there been more time. Among other reasons, our initial opposition is based on the following grounds:

Complete lack of any parking for 35 living units. Applicant calculates that "[w]ith the existing 35 units scheme the parking requirement is 9 spaces." Applicant does not contend this minimal number of spaces cannot be achieved; rather, Applicant claims that to do so would create what it says would be an "impossible financial burden." This is because, instead of using the ground floor for parking, Applicant seeks for itself the *added revenue* of a "commercial component" on the ground floor. We note that 1653 State Street is a 5,000 square foot lot in the same block with 14 parking spaces. Applicant's claim that ground floor (or lower) parking would not comply with Civic San Diego's requirement for a 'pleasant and rich pedestrian experience' is self-serving and without basis. It is also important to note that under Applicant's no parking space scheme, there will be *no parking for handicapped persons.* It is unrealistic to assume that none of the tenants of the 35 living units will not have cars. Rather, they will have *no place to park them.* No parking spaces is further contrary to the existing uses and manner in which multi-unit projects have been built in the vicinity of this project. If allowed, no parking spaces, especially for a project of this size, would be a first and an ill-advised precedent. And finally, Applicant is demanding *an incentive* be used to waive the parking requirement *for the nine spaces*, threatening that state law mandates this. However, we submit that Applicant is wrong, and in any event an incentive may only be used to waive one, *and not nine* parking spaces. To waive nine parking spaces requires *nine* incentives. Otherwise, any developer who could cobble together a single incentive could eliminate *all* (an unlimited number) parking - an obviously unintended and absurd result.

Adverse to neighborhood. Thirty-five studio living units, under 400 square feet each, with no parking, is not in harmony with, and is adverse to the neighborhood. It is further not consistent

[1] 1660 Union Street; 1632 Union Street, Unit 6; 335 W. Date and 1653 State Street.

with the Little Italy community. There are a series of historic houses adjacent to and in the immediate vicinity of Applicant's proposed development. They form a cohesive, ivsual display of Little Italy in its origins. Applicant's proposal of a narrow, 87 foot tall, 8-story cement wall structure, exhibits none of the charm of the Little Italy community, which others have fought so hard to preserve. It flies in the face of those who have built projects which enhance, not detract from Little Italy. See for example the Piazza Famaglia project.

Removal of historic property. Demolition of the Oscar M. Hillard Rental should not be allowed. This beautiful, Queen Anne architectural style house is an historic resource, originally built in 1894. It was registered as number 282 in 1990 with the City's Historic Review Board. and is part of a group of historic residences which have populated Little Italy from its beginnings, and define its fabric, charm and character. See other residences next to this property on Union Street, and those on Cedar and State Streets within a block of this project. Having derived the economic and other benefits of being designated as an historical resource, Applicant should not be allowed to simply tear it down. Only Applicant would benefit from the demolition of the Hillard residence.

Mini-Hotel. Thirty-five (35) studio apartments of less than 400 square feet each is a compelling set up for short-term rentals; essentially a mini-hotel with none of the requirements of a hotel. Applicant has not shown he can rent 35 u nits of the type he proposes on other than a short-term basis. With the help of airbnb, vrbo and the other short-term vacation rental sites, regardless what is said now, the economics will quickly drive this transient use. Thirty-five units checking in and out on a daily or weekly basis will have a serious adverse impact on the neighborhood. The corner of Cedar and Union is not a proper location for a hotel, especially one with no parking. The nearby Doubletree has all the safeguards of a hotel, plus its traffic fronts on Front Street.

The requested deviations should not be allowed:

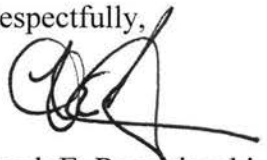
(a) *LISA height limits*
(b) *Minimum street wall height*
(c) *Ground floor height: Active commercial uses*
(d) *Garage door setback*

Requested design issues and considerations (page 10 of Staff Report) are not appropriate.

Development will adversely affect the applicable land use plan because it is not consistent with a well-designed residential development and is not consistent with the orderly growth and scale of the neighborhood. The project overall will have a significant adverse impact on the surrounding neighborhood (e.g, blocking the sun, light and solar). It will stand out as a highly visible sore thumb.

We reserve the right to further address the proposed project and further define our objections.

Respectfully,



Frank E. Rogozienski