THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: March 29, 2007 **REPORT NO. PC-07-055**

ATTENTION: **Planning Commission, Agenda of April 5, 2007**

SUBJECT: FANUEL STREET UNITS - PROJECT NO. 102521
PROCESS FOUR

OWNER/ APPLICANT: Fanuel Villas, LLC

SUMMARY

Issue(s): Should the Planning Commission approve a request to demolish an existing 16 unit residential building (all studio units) for the construction of a 10 unit (for-rent) residential complex on a 15,625 square-foot site located at 4459 Fanuel Street in the Pacific Beach Community Plan Area?

Staff Recommendation:

1. **APPROVE** Coastal Development Permit No. 337909; and

2. **APPROVE** Planned Development Permit No. 426601.

Community Planning Group Recommendation: On November 29, 2006, the Pacific Beach Community Planning Committee (PBCPC) voted 9-2-1 to recommend approval with one condition (Attachment10).

Environmental Review: This project is exempt from environmental review pursuant to Article 19, Section 15332, In-fill Development, of the California Environmental Quality Act (CEQA). The environmental exemption determination for this project was made on July 17, 2006, and the opportunity to appeal that determination ended August 7, 2006. This project is not pending an appeal of the environmental determination.

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

DIVERSITY

Code Enforcement Impact: None with this action.

Housing Impact Statement: The project proposes to demolish an existing 16 unit residential building (all studio units) for the construction of a 10 unit (for-rent) residential complex. The Pacific Beach Community Plan designates the proposed project site as Medium-Density Residential and allows a residential density of 14-29 dwelling units per acre. The proposed project site, occupying 0.358-acres, could accommodate 10 dwelling units based on the underling RM-2-5 Zone and 5-10 dwelling units based on the community plan.

This project is subject to the requirements of the Coastal Overlay Zone Affordable Housing Replacement Regulations of the San Diego Municipal Code (Chapter 14, Article 3, Division 8) and the City's Inclusionary Housing Ordinance requirements (Chapter 14, Article 2, Division 13). Prior to receiving a building permit, the applicant must enter into a Coastal Affordable Housing Compliance Agreement with the San Diego Housing Commission to set aside replacement units affordable to low-income households for a period of five years or pay an in-lieu fee.

BACKGROUND

The proposed project site is located at 4459 Fanuel Street on the northeast corner of Hornblend Street and Fanuel Street (Attachment 2). The site is located within the Pacific Beach Community Plan (Attachment 3), the RM-2-5 Zone (Attachment 4) within the Coastal Overlay Zone (Non-Appealable Area 2), and the Coastal Height Limitation Overlay Zone. The zoning designation provides for multi-family residential development and allows for one-unit per 1,500 square foot of lot area. The Pacific Beach Community Plan (PBCP) allows medium-density residential of 14-29 dwelling units per acre. The proposed project site, occupying 0.358-acres, could accommodate 10 dwelling units based on the underling zone and 5-10 dwelling units based on the community plan.

The project site is a rectangular shaped lot with frontage on Hornblend Street and Fanuel Street. The site is relatively flat and is currently developed with a 16 unit apartment building that was permitted on January 28, 1947. The site is fully developed with the structure, hardscape, and landscape, which would be demolished with the proposed project.

The subject property is immediately surrounded by commercial/retail development to the north and west, and multi-family development to the south and east. Land use designations for the areas adjacent to the site on the north and west are commercial (Community Commercial), and are zoned CC-4-2 (north) and RM-2-5 (west). The land use designations for the properties immediately south and west are residential (Medium-Density Residential), and zoned RM-2-5.

DISCUSSION

Project Description:

The project proposes to demolish an existing 16 unit residential building (all studio units) for the construction of a 10 unit (for-rent) residential complex (Attachment 6). The proposed development would consist of two five-unit buildings, three stories, three-bedroom units ranging from 1,707- 1,728 square feet, landscaping, motorcycle parking, bicycle parking, and on-site parking spaces. The project would be providing 20 off-street parking spaces within attached garages, one off-street van accessible parking space, and 10 on-street parking spaces, where 30 spaces are required (total off-street and on-street parking).

The existing 16 unit residential building is not considered historic, and there are no sensitive biological habitats on or adjacent to the subject property, nor is the property within or adjacent to the City of San Diego's Multi-Habitat Planning Area. The project site is located approximately 3/4 mile from the Pacific Ocean and 1/4 mile from the shoreline of Mission Bay. The property is not located between the sea and the first public roadway paralleling the sea, and Fanuel Street at this location is not designated as a physical accessway or as a visual access corridor within the adopted PBCP and the Local Coastal Program Land Use Plan.

Development of the proposed project requires the approval of a Coastal Development Permit (CDP) and a Planned Development Permit (PDP) for deviations to the development regulations. The proposed development will self-generate at least 50 percent of their electrical energy needs through photovoltaic technology (solar panels). Because the project utilizes renewable technologies and qualifies as a Sustainable Building under Council Policies 900-14 and 600-27, the land use approvals have been processed through the Affordable/In-Fill Housing and Sustainable Buildings Expedite Program.

Community Plan Analysis:

The proposed project is located at 4459 Fanuel Street on the northeast corner of Hornblend Street and Fanuel Street. The PBCP designates the project site as Medium-Density Residential and allows for a density of 14-29 dwelling units per acre. The project site, occupying 0.358-acres, could accommodate 10 dwelling units based on the underling zone and 5-10 dwelling units based on the community plan.

The project would implement the goal of the community plan by promoting the development of a variety of housing types and styles in the community by providing 10 new three-bedroom units. The project would enhance the residential neighborhood by maintaining the street tree pattern and promoting general maintenance and improvement of the residential property. In addition, to meet the standard of providing building articulation, the proposed project would utilize upper story setbacks, slope roofs, and various window treatments for building articulation. The building elevations would also utilize alternating setbacks and second story balcony decks to break up the building facade. Therefore, the project as proposed would conform to the goals and recommendations of the PBCP.

Community Planning Group:

On November 29, 2006, the Pacific Beach Community Planning Committee (PBCPC) voted 9-2-1 to recommend approval with the condition that the City evaluate the alley's condition relative to the applicant's responsibility for replacement or repair (Attachment 10).

> Staff's Response: The permit includes a condition (Condition No. 17), that the applicant shall repair the broken portions of concrete alley surface adjacent to the project, satisfactory to the City Engineer.

Project Related Issues:

Deviations from the San Diego Municipal Code (SDMC) - The project proposal includes a request for deviations to the Front Setback along Hornblend Street and Street Side Setback along Fanuel Street as follows:

> 1. Front Setback Deviation - A Deviation from the requirements of SDMC Section 131.0443(e)(1)(A), to allow 63% (65 feet) of the width of the building envelope to observe the minimum 15 foot front setback where 50% (52 feet) is allowed. To allow for a more pedestrian oriented design along Hornblend Street, and to enhance the façade articulation, the entrance and porch for Unit No. 5 was oriented to the street (Attachment 7). This orientation of the entry and porch creates a deviation for 13 feet of the building envelope to observe the minimum 15 foot front setback where a standard 20 foot front setback would be required. However, staff supports the deviation based on the improvements and enhancements that would promote pedestrian interaction along the street.
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> 2. Street Side Setback Deviation - A Deviation from SDMC Section 131.0443(e)(3)(B), to allow 62% (64 feet) of the width of the building envelope to observe the minimum 7 foot 6 inch street side setback where 50% (52 feet) is allowed. To allow for a more pedestrian oriented design along Hornblend Street, and to enhance the façade articulation, the entrance and porch for Unit No. 10 was oriented to the street (Attachment 7). This orientation of the entry and porch creates a deviation for 12 feet of the building envelope to observe the minimum 7 foot 6 inch setback where a standard 12 foot 6 inch setback would be required. However, staff supports the deviation based on the improvements and enhancements that would promote pedestrian interaction along the street.

Affordable and Inclusionary Housing - This project is subject to the requirements of the Coastal Overlay Zone Affordable Housing Replacement Regulations of the SDMC Chapter 14, Article 3, Division 8. On November 14, 2006, the San Diego Housing Commission completed a tenant income survey of the existing residents which found two studio units occupied by *low-income* households. The applicant must set aside two studio replacement units affordable to low-income households for a period of five years or pay a Coastal In-Lieu fee of $62,200 pursuant to the Coastal Affordable Housing Replacement regulations of the SDMC Sections 143.0810 through 143.0860.

In addition, this project is subject to the Inclusionary Housing requirements of SDMC Chapter 14, Article 2, Division 13. For projects that have both Inclusionary Housing and Coastal Affordable Housing requirements, the project is only subject to the more stringent of the two requirements, not both. In this case, the Coastal In-Lieu fee of $62,200 is more stringent.

Conclusion:

Other then the two deviations, the project meets all applicable regulations and policy documents, and staff finds the project consistent with the recommended land use, design guidelines, and development standards in effect for this site per the adopted Pacific Beach Community Plan and Local Coastal Program Land Use Plan, the Progress Guide and General Plan, the Strategic Framework Element, and the Housing Element.

As a component of the proposed project, the buildings will utilize renewable energy technology, self-generating at least 50% of the projected total energy consumption on site through photovoltaic technology (solar panels), thus meeting the requirements of Council Policy 900-14, the City Council's Sustainable Building Policy.

ALTERNATIVES

1. **APPROVE** Coastal Development Permit No. 337909; and Planned Development Permit No. 426601, **with modifications.**

2. **DENY** Coastal Development Permit No. 337909; and Planned Development Permit No. 426601, **if the findings required to approve the project cannot be affirmed.**

Respectfully submitted,

Mike Westlake
Program Manager
Development Services Department

Jeffrey A. Peterson
Development Project Manager
Development Services Department

WESTLAKE/JAP

Attachments:

1. Location Map
2. Aerial Photograph
3. Community Plan Land Use Map
4. Zoning Map
5. Project Data Sheet

6. Project Plans
7. Deviation Exhibit
8. Draft CDP and PDP Permit with Conditions
9. Draft CDP and PDP Resolution with Findings
10. Community Planning Group Recommendation
11. Ownership Disclosure Statement
12. Project Chronology