



THE CITY OF SAN DIEGO

## REPORT TO THE PLANNING COMMISSION

**DATE ISSUED:** September 13, 2007 **REPORT NO. PC-07-131**

**ATTENTION:** Planning Commission, Agenda of September 20, 2007

**SUBJECT:** LAFAYETTE HOTEL & RESIDENCES AMENDMENT –  
PROJECT NO. 125216, PROCESS FOUR

**REFERENCE:** Report to Planning Commission No. PC-07-002 (Attachment 14)

**OWNER/  
APPLICANT:** Hampstead Lafayette Hotel, LLC

### SUMMARY

**Issue(s):** Should the Planning Commission approve an amendment to a previously approved project which would allow 75 of the 128 previously approved but not yet constructed residential condominium units to have the option to be utilized as combination condominium/hotel units and the addition of eight hotel rooms within the existing historic Lafayette Hotel structure at 2223 El Cajon Boulevard in the Greater North Park Community Plan area?

### Staff Recommendation:

1. **APPROVE** Site Development Permit No. 428690 (an amendment to Site Development Permit No. 114024 and 354499);
2. **APPROVE** Vesting Tentative Map No. 428923.

**Community Planning Group Recommendation:** On July 17, 2007, the Greater North Park Community Planning Group voted 11-0-0 to recommend approval of the proposed project amendment on consent with no conditions (Attachment 10).

**Environmental Review:** Environmental Analysis Section staff has reviewed the proposed project amendment and determined that the proposal is covered under the two previously completed environmental documents that have been prepared for this project. The City of San Diego as Lead Agency under the California Environmental Quality Act (CEQA) has reviewed and considered both an Environmental Impact Report (EIR) No. 40351/SCH No. 2004081201, dated June 9, 2005, adopted on June 23, 2005, by Resolution No. 3795-PC and an Addendum to EIR No. 106678, dated January 9, 2007, adopted on January 25, 2007, by Resolution No. 4210-PC.



**Fiscal Impact Statement:** All costs associated with the processing of this project are paid from a deposit account maintained by the applicant.

**Code Enforcement Impact:** None with this action.

**Housing Impact Statement:** The Greater North Park Community Plan designates the proposed 2.32-acre site for Commercial with High to Very High Residential 55 to 75 dwelling units per net residential acre (1.05 acres) and High to Very High Residential 45 to 55 dwelling units per acre (1.27 acres). Based on the existing land use designations, the project site could accommodate 115 to 149 dwelling units on site. The proposed project would result in the demolition of 12 existing hotel units and 2 existing townhouses and the construction of 128 dwelling units. As previously approved, no affordable housing units would be provided with the proposed project.

## **BACKGROUND**

The subject 2.32-acre project site is located on the south side of El Cajon Boulevard between Mississippi Street and Louisiana Street. The site is located at 2223 El Cajon Boulevard (Attachment 3) within the North Park Redevelopment Project area and the Greater North Park Community Planning area. The site is also located within the CL-1 (Commercial Linear) and MR-800B (Multi-Family Residential) Zones of the Mid-City Communities Planned District, as well as the Transit Area Overlay Zone. Surrounding land uses include general retail/commercial to the north, general commercial and multi-family units to the east and west and a mix of single- and multi-family residential uses to the south.

The site is currently developed with the historically designated Lafayette Hotel complex. The northern portion of the site (approximately 1.16 acres) which fronts El Cajon Boulevard, is designated for Community Commercial use in the Greater North Park Community Plan, allowing commercial and high- to very-high density residential development at a rate of 55 to 75 dwelling units per acre. The southern portion of the project site (approximately 1.16 acre) which fronts on Howard Avenue, is designated for high- to very-high density residential development at a rate of 45 to 75 dwelling units per acre. Please see the *Community Plan Analysis* section on Page 7 of this document for more detailed information regarding the allowed land uses and density on the subject site.

On June 23, 2005, the Planning Commission voted 4-1 to certify Environmental Impact Report No. 40351 and approve a Site Development Permit and Tentative Map to allow the demolition of a portion of the existing hotel, the renovation of the historic portion of the hotel and the construction of a 2- to 17-story multi-family condominium project with 271 residential units (including 42 affordable units) and 17 new hotel rooms for the project site.

In response to the applicant's first permit amendment request, the Planning Commission voted 5-0-2 on January 25, 2007 to certify the Addendum to EIR No. 106678 and approve a Site Development Permit Amendment and a Vesting Tentative Map to allow a smaller-scale project than was approved in June 2005. This amendment included all of the previously required renovations to the historic hotel but reduced the height of the structure to seven stories and reduced the number of residential condominium units to 128.

For brevity, this staff report discusses only the current amendment proposal. The previous approvals have been summarized in this report, however, not all of the background information has been included for brevity. Please refer to the January 25, 2007 staff report (Attachment 13) and other attachments for more project background information.

## DISCUSSION

### Project Description:

The applicant is requesting an amendment to the previously approved Site Development Permit for the Lafayette Hotel project site and the approval of a Vesting Tentative Map. The proposed amendment would allow 75 of the previously approved 128 residential units to be utilized as combination condominium/hotel units and would also allow the creation of eight additional hotel rooms within the existing historic Lafayette Hotel structure. With the exception of the provision of eight additional parking spaces created for the new hotel rooms, the proposed amendment would not change the size, design or conditions of the previously approved project.

### Condominium/Hotel Units:

The applicant has requested the ability to utilize a portion of the residential units as combination condominium/hotel units. This would allow an owner of an individual condominium unit to rent their residential condominium unit as a hotel unit when they are not occupying the unit. A condominium/hotel unit is a residential condominium unit that is individually owned but can be made available as a motel/hotel unit. Section 113.0103 of the Municipal Code defines a Hotel/Motel as “*Hotel/Motel means a building containing six or more guest rooms that are rented for less than 30 days and used or designated to be used for sleeping purposes*”. Whether the unit is utilized as a residential dwelling unit or as a motel/hotel unit is at the discretion of the individual unit owner.

The 128 previously approved residential condominium units consist of 18 existing lanai units that would be retained and 110 units to be constructed in a seven-story building located on the southern half of the project site. The northern half of the site, which contains the historic Lafayette Hotel, is zoned CL-1 which is a commercial zone. The southern half of the site, which will contain the residential condominium units, is zoned MR-800B which is a multi-family residential zone. Section 1512.0302(g) of the Mid-City Communities Planned District Ordinance states that when a residentially zoned site is immediately adjacent to a commercially zoned site, then the commercial uses may also be allowed on the residentially zoned site, if certain requirements are met, as described below:

1512.0302(g)(1) - *The commercial uses shall be within a mixed commercial/residential structure.* Approval of this amendment would allow the residential structures to function as mixed commercial and residential structures. In addition, the previously approved parking garage would provide a subterranean connection with the existing Lafayette Hotel structure, which would remain a commercial hotel operation.

1512.0302(g)(2) – *The commercial uses within the structure shall be located within both the residential zone and the abutting commercial zone.* Hotel rooms are considered to be a commercial use and hotel rooms would be provided in the existing Lafayette Hotel which is located in a commercial zone.

With approval of this amendment, hotel units would also be provided within the previously approved residential structures, which are located within a residential zone. Therefore, commercial uses would be located in both zones.

1512.0302(g)(3) – *The commercial uses shall be located no more than 100 feet from the abutting commercially zoned property.* The previously approved seven-story residential condominium structure and 18 existing lanai units to be converted to condominiums are located approximately 10 feet from the existing Lafayette Hotel structure. The existing Lafayette Hotel pool, which would be renovated as a part of the previous approvals, is located within the residentially zoned portion of the site. In addition, the previously approved parking garage would provide a subterranean connection with the existing Lafayette Hotel structure, which would remain a commercial hotel operation

1512.0302(g)(4) – *The applicable community plan shall address the conditions under which commercial uses in a mixed commercial/residential project may be located partially in a residential zone.* The Greater North Park Community Plan encourages mixed-use developments along commercial nodes provided that residential densities are observed, design guidelines are met and community character is maintained. Long-Range Planning staff has reviewed the amendment request and determined it conforms with the Community Plan and the Greater North Park Community Planning Group voted unanimously to recommend approval of the amendment request.

1512.0302(g)(5) – *The project shall obtain a Mid-City Communities Development Permit.* A Mid-City Communities Development Permit is processed in the same manner as a Site Development Permit. A Mid-City Communities Development Permit/Site Development Permit was previously approved for this site and the requested Site Development Permit Amendment would satisfy this requirement.

Considering the above, staff has determined that the requested combination residential condominium/hotel units may be allowed for a portion of the previously approved 128 residential units, as described below.

To ensure that the residentially zoned portion of the project site maintains a residential presence, City staff has included a condition which limits the number of residential units that have the option to be utilized as hotel units. Of the 128 previously approved residential units, 53 units must remain as pure residential units and would not be allowed to utilize the condominium/hotel unit option.

The renting, management and tracking of the condominium/hotel units would be conducted as an extension of the existing Lafayette Hotel operation. There is no restriction as to which 75 units may be used as condominium/hotel units, provided that the 53 units that are restricted to only residential use are not utilized as hotel units. Additionally, the condominium/hotel units could be utilized in a time-share configuration, as is allowed in the CL-1 Zone. No additional parking would be required to accommodate the condominium/hotel use because the previously approved residential units are required to provide parking at the standard Transit Overlay Zone residential rate, which is equal to or higher than the one-space-per-room requirement for hotels.

#### Eight Additional Hotel Rooms:

This amendment would also allow the creation of eight additional hotel rooms within the existing Lafayette Hotel structure. These rooms would be created by reconfiguring the interior space and would not result in any square footage or building footprint expansion. The previous amendment approved 73 hotel rooms in the existing Lafayette Hotel structure, which would increase to 81 with the approval of this amendment ( $73 + 8 = 81$ ). The addition of eight hotel rooms would result in a need for eight more parking spaces, which have been provided onsite. Approval of this amendment would revise the project's parking requirement from 265 spaces to 273 spaces ( $265 + 8 = 273$ ).

#### Project Design/Hotel Renovations:

The requested amendment would not result in any changes to the facade, height, layout or square footage of the previously approved project. The only physical change would be the addition of eight parking spaces to accommodate the eight additional hotel rooms created.

All renovations of the existing hotel included in the original approval would remain as requirements of the amended project. These improvements are included as conditions of approval and would include reconstruction of the clock tower/cupola per the Secretary of the Interior's standards; new roofing; use of historical colors and the reconstruction/restoration of the swimming pool. The amended project would not change the previously approved conditions of approval as they relate to the renovation of the existing hotel structure.

#### Community Plan Analysis:

The Greater North Park Community Plan designates the proposed 2.32-acre site for Commercial with High to Very High Residential 55 to 75 dwelling units per net residential acre (1.05 acres) and High to Very High Residential 45 to 55 dwelling units per acre (1.27 acres). Based on the existing land use designations, the project site could accommodate 115 to 149 dwelling units on site. The community plan further identifies the location of the proposed 128 dwelling units within the project site as a transition area between commercial and residential uses. The proposed project would involve the preservation of the existing Lafayette Hotel and the construction of 128 dwelling units, which under certain limitations as described previously in this report, could be utilized as hotels. As proposed, the project would implement objectives in the Housing and Commercial Elements of the North Park Community Plan for encouraging mixed-use development that incorporates housing with commercial uses within selected commercial nodes.

The proposed project would meet guidelines in the Urban Design Element that promote visual harmony by controlling bulk and scale by utilizing vertical and horizontal offsets and other architectural features such as balconies and patio areas which would serve to break up building facades. Additionally, the proposed building elevations would be articulated to reduce their apparent size and the upper stories of the building would be setback in order to provide differences in height and depths to various portions of the proposed building and divide the mass of the proposed building into separate elements. According to the design guidelines involving parking, the plan recommends that curb-cuts be minimized and that driveways be restricted in width.

The proposed project would implement this recommendation by removing four existing driveways on Howard Avenue and reducing the numbers of driveways along Mississippi Street and Louisiana Street. Additionally, new curb extensions would be proposed on all four corners of the project site, along with new curb ramps, to promote pedestrian orientation and traffic calming.

Deviations would be sought by the proposed project to exceed street wall heights, reduce upper story setbacks, and increase the maximum building height by 16.5 feet along Howard Avenue, Mississippi Street, and Louisiana Street. However, the proposed project would meet the intent of these regulations, in addition to meeting the design recommendations in the Urban Design Element, by varying the frontages of the project along these streets and articulating the buildings elevations to reduce scale. Further, the proposed project would represent an effort to balance high density development with the preservation of onsite historic resources. The required preservation of the existing Lafayette Hotel creates a difficulty for the project to be designed to meet all development regulations and design recommendations, since the recommended residential density would have to be clustered on a much smaller portion of the total project site.

As designed, the project maintains and implements the residential density for the entire site with deviations that can be supported due to the proposed project's consistency with a majority of the urban design guidelines that address building scale. As proposed, the project would implement the goals and recommendations of the Housing and Commercial Elements of the Greater North Park Community plan as well as the major guidelines and recommendations of the Urban Design Element. Therefore, the project would not adversely affect the goals, objectives, and recommendations of the community plan.

### **Environmental Analysis:**

The original project approval included the certification of an Environmental Impact Report (EIR) which identified significant, unmitigable impacts to Land use, Visual Quality and Neighborhood Character due to the height, bulk and massing of the residential building. The proposed amendment, which represents a substantial reduction in the size of the project, would no longer result in any significant, unmitigated impacts.

In response to the applicant's first amendment request, which was approved by Planning Commission on January 25, 2007, an Addendum to the Environmental Impact Report Number 106678 was prepared and finalized on January 11, 2007 in accordance with the State of California Environmental Quality Act (CEQA) Guidelines. This Addendum identified that although the amended project would eliminate or reduce some environmental impacts associated with project implementation, mitigation measures were still necessary for potential impacts to Paleontology, Solid Waste and Traffic. Although the project intensity did decrease, all the mitigation measured required in the original EIR for these issue areas remained as project requirements to preclude significant environmental impacts.

In response to the current amendment request, Environmental Analysis staff has determined that the proposed project amendment is covered under the two previously completed environmental documents and no additional review is required.

**Community Planning Group Recommendation:**

On September 19, 2006, the Greater North Park Community Planning Group voted 10-0-0 to recommend approval of the proposed project amendment with no conditions (Attachment 10).

**Conclusion:**

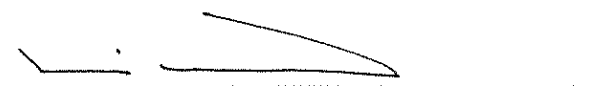
Staff concludes that the findings can be made to support the proposed Site Development Permit Amendment and Vesting Tentative Map. The requested combination condominium/hotel units would be allowed by the Municipal Code with approval of this permit and would not alter the physical design of the previously approved project. The eight additional hotel rooms requested would be achieved by reconfiguring the interior space and would not require any enlargement of the historic structure. All relevant previously approved conditions of approval, including the historic structure renovations, would remain as project conditions.

Staff finds that the amended project is consistent with the recommended land use, design guidelines and development standards in effect for this site per the Mid-City Communities Planned District Ordinance, the North Park Redevelopment Plan, the Greater North Park Community Plan and the City of San Diego Progress Guide and General Plan.

**ALTERNATIVES**

1. **Approve** Site Development Permit No. 428690 (an amendment to Site Development Permit No. 114024 and 354499) and Vesting Tentative Map No. 428923, **with modifications.**
2. **Deny** Site Development Permit No. 428690 (an amendment to Site Development Permit No. 114024 and 354499) and Vesting Tentative Map No. 428923, **if the findings required to approve the project cannot be affirmed.**

Respectfully submitted,



**Mike Westlake  
Program Manager  
Development Services Department**



**Paul Godwin  
Development Project Manager  
Development Services Department**

WESTLAKE/PBG

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map
4. Project Data Sheet
5. Vesting Tentative Map
6. Project Plans and Renderings
7. Draft Vesting Tentative Map Conditions and Subdivision Resolution
8. Draft Site Development Permit with Conditions (Amendment)
9. Draft Site Development Permit Resolution with Findings (Amendment)
10. Community Planning Group Recommendation
11. Ownership Disclosure Statement
12. Project Chronology
13. Staff Report No. PC0-07-002, dated January 11, 2007, and Relevant Attachments