



THE CITY OF SAN DIEGO

## REPORT TO THE PLANNING COMMISSION

DATE ISSUED: October 15, 2015 REPORT NO. 15-099

ATTENTION: Planning Commission Agenda of October 22, 2015

SUBJECT: Southeastern San Diego and Encanto Neighborhoods Community Plan Update. Process 5

### SUMMARY

**Issue:** Should the Planning Commission recommend to the City Council **Approval** of the update to the 1987 Southeastern San Diego Community Plan and the creation of a new community plan for the Encanto Neighborhoods?

**Staff Recommendation:** Staff recommends that Planning Commission forward the Southeastern San Diego Community Plan update and the new Encanto Neighborhoods Community Plan to City Council with a recommendation of **Approval** based on the information contained in this report and the evidence offered as part of the public hearing.

### Planning Commission Actions:

1. Recommend to the City Council **Certification** of Final Environmental Impact Report (FEIR) Sch. No. 2014051075 and adoption of the Findings, a Statement of Overriding Considerations, and a Mitigation, Monitoring and Reporting Program (MMRP).
2. Recommend to the City Council **Approval** of a resolution amending the Southeastern San Diego Community Plan, creating a new Encanto Neighborhoods Community Plan and amending the General Plan.
3. Recommend to the City Council **Approval** of an ordinance amending the Land Development Code (which will include repealing the Southeastern San Diego and Mt. Hope Planned District Ordinances). Implementation of the community plans will be by citywide zoning.
4. Recommend to the City Council **Approval** of an ordinance to create a Community Plan Implementation Overlay Zone within the Southeastern San Diego and Encanto Neighborhoods community plans.

### Other Recommendations:

On September 29, 2014, the Southeastern San Diego Community Planning Group voted 9-0-1 to support the draft community plan (Attachment 1).

On October 7, 2014 the Encanto Neighborhoods Community Planning Group made multiple motions to approve components of the draft community plan. Overall, the draft plan was supported by the majority of the Encanto Neighborhoods planning group. See planning group minutes for further details (Attachment 2).

On September 9, 2015, the Community Forest Advisory Board voted 6-0-1 to recommend approval of the Southeastern San Diego and Encanto Neighborhoods Community Plan Urban Forestry sections. On October 15, 2015, the City's Park and Recreation Board will vote on the Recreation Elements contained in each community plan.

**Environmental Review:** A Program Environmental Impact Report (SCH No. 2014051075) has been prepared in accordance with the California Environmental Quality Act (Attachment 3). On May 23, 2014, the City of San Diego issued a Notice of Preparation (NOP) of a Program Environmental Impact Report (PEIR) to the State Clearinghouse, state responsible and trustee agencies, local agencies, and other interested parties. A Draft PEIR was then prepared and circulated for a 60-day public review beginning July 9, 2015. The comment period closed on September 8, 2015; responses to comments have been incorporated into the Final PEIR.

As described in the PEIR, the City has determined that the project would have a potentially significant environmental effect in the following issue areas: Land Use, Air Quality, Noise, Biological Resources, Hydrology and Water Quality, Historical Resources, Paleontological Resources, and Geology and Seismic Hazards. However, these impacts will be mitigated to below a level of significance. It is further demonstrated in the PEIR that the project would not result in any significant environmental effects in the following areas: Hazardous Materials, Greenhouse Gas Emissions, Energy, Public Services and Facilities, and Visual Effects and Neighborhood Character. Additionally, the following issue areas have been determined to be significant: Transportation (Capacity of the Street System, Freeway Traffic, Existing or Planned Transportation System); Air Quality (Air Quality Plan, Ozone); and Noise (Transportation Noise, Ambient Noise). Mitigation measures have been identified which reduce the significant impacts; however, no feasible mitigation measures are available to reduce impacts to below a level of significance. As such, Findings of Fact and Statement of Overriding Considerations have been prepared for consideration and adoption by the decision-making body.

**Fiscal Impact Statement:** Impact fee studies (IFS) and associated Development Impact Fees (DIF) for the Southeastern and Encanto communities are currently being prepared by City staff. When completed, the IFSs and associated DIFs will be presented to the City Council for consideration and approval in conjunction with their consideration of the proposed updated Southeastern Community Plan and the proposed Encanto Community Plan. These DIFs, when adopted, will be a partial funding source for the public facilities envisioned for the communities and contained within the respective IFSs. Portions of facilities costs not funded by DIF will need to be identified by future City Council actions in conjunction with the adoption of Capital Improvements Program (CIP) budgets.

**Code Enforcement Impact:** Not applicable



**Housing Impact Statement:** A total of 3,010 additional residential dwelling units would be allowed within the Southeastern San Diego planning area with a maximum build out of approximately 18,038 residential dwelling units. A total of 7,874 additional residential dwelling units would be allowed within the Encanto Neighborhoods community planning area for a maximum build out of approximately 21,097 residential dwelling units.

## **BACKGROUND**

The existing Southeastern San Diego (SESD) Community Plan, which includes both the Southeastern San Diego and Encanto Neighborhoods planning areas, was originally adopted in 1969. It was comprehensively updated in 1987, and amended to include the 5<sup>th</sup> Amendment to the Central Imperial Redevelopment Plan in 2009. The plan update work program has resulted in a comprehensive update of the 1987 SESD community plan and the creation of a new independent community plan for the Encanto Neighborhoods (Attachments 4 and 5).

The Planning Department embarked on the SESD Community Plan update in April 2013. The plan update benefitted from a \$1 million State of California Sustainable Communities Planning Grant, with a primary objective to implement planning and development strategies to reduce future greenhouse gas emissions and promote smart growth development. As such, the plans provide policies, regulations and incentives to reduce future greenhouse gas emissions in accordance with Assembly Bill (AB) 32 and Senate Bill (SB) 375. This planning effort was also supported by SANDAG and Caltrans grants as discussed below under “Master Plans.” Overall, the City received \$2,380,000 in grant funding to prepare the community plan update and associated master plans.

## **DISCUSSION**

The proposed SESD and Encanto Neighborhoods community plans provide a long-range, comprehensive policy framework for urban growth and development in the two communities. The draft plans further implementation of State of California goals and legislation, the City of San Diego General Plan, and the City’s draft Climate Action Plan (CAP), as well as the vision and goals developed by the communities.

The work program also included the drafting of two impact fee studies (formerly known as public facilities financing plans) that form the basis for proposed new impacts fees for both communities. Additional actions are to rescind the existing SESD Planned District Ordinance and Mount Hope Planned District Ordinance (PDO), and replace them with citywide zoning in order to streamline development and allow for mixed-use development where it is currently prohibited; and create Community Plan Implementation Overlay Zones (CPIOZ) for both communities. A comprehensive Programmatic Environmental Impact Report has been prepared to analyze impacts associated with the plan updates.

The draft community plans provide a mix of uses and development intensity that support smart growth/transit-oriented development and heightened multi-modal use within the designated community village districts; identify the need for additional public services and facilities in accordance with City standards; and maintain and enhance the character

of established single-family areas. The Land Use elements define Village Districts and key transit corridors where future growth is targeted.

### **Location**

Located just east of downtown, Southeastern San Diego is situated between Interstate 5 (I-5) and Interstate 805 (I-805), with State Route 94 (SR-94) to the north and National City to the south. The communities of Golden Hill and City Heights are to the north, Encanto Neighborhoods to the east, and National City to the south. It also lies near major recreation facilities in Balboa Park and San Diego Bay.

The Encanto Neighborhoods is located east of I-805, west of Skyline and the City of Lemon Grove, and north of Paradise Hills and the City of National City. Encanto is proximate to major employment and commercial centers in the South Bay and Downtown and linked to them by freeways, trolleys and buses providing good access to local and regional designations.

### **Master Plans**

Prior to the commencement of the plan update process in 2013, four master plans were completed for the primary transportation corridors including: Commercial Street and Imperial Avenue, along with National Avenue in Southeastern San Diego; and, the Euclid + Market Land Use and Mobility Plan and the Euclid Gateway Master Plan in the Encanto Neighborhoods. The master plans were funded by two SANDAG Smart Growth Incentive Program Planning Grants, and two Caltrans Environmental Justice Transportation Planning grants. These grants included specific goals to target smart growth development and multi-modal infrastructure improvements along major transit corridors, to reduce greenhouse gas (GHG) emissions, and to promote environmental justice in disadvantaged communities. The master plans took approximately two years to complete and were driven by community input.

The master plans resulted in recommendations for higher density lands uses, and development of guiding principles, goals and policies. An important aspect of these efforts was the recommendation to include “road diets” (reducing the number or width of travel lanes) along these corridors in order to accommodate more multi-modal forms of travel. The scopes of the master plans provided a high level of specificity in terms of the street and public realm improvements, and visual examples of what development could look like under the proposed land use and zoning. The information from these master plans was incorporated into the community plan documents, and as such, much of the specific land use work in key areas of change was completed in advance of the plan update kick-off.

### **Vision**

During the development of the master plans and community plan updates, each community prepared a vision for how their communities should grow and prosper over the next twenty years. The following provides the visions for each community that was adopted at each community planning group.



## **Southeastern San Diego**

Southeastern San Diego's community vision is of a diverse, inclusive, and vibrant place to live and work. The vision included in the community plan promotes economic well-being, with a job-ready population, active employment areas, and investment by property owners and public agencies. The lower-density character is maintained within neighborhoods, while transit corridors are enhanced with a vibrant mix of retail, restaurant, and cultural uses, jobs, and higher density housing. Parks are safe, well-maintained, and full of community-serving amenities. The community benefits from its strong connections to the rest of the region. Movement within the community is enhanced with north-south connections, and well-lit and pedestrian-friendly streetscapes, making it easy to get around car-free.

## **Encanto Neighborhoods**

The Encanto Neighborhoods Community Plan's vision is of a scenic, vibrant and healthy community. The Encanto Neighborhoods vision is to be known for its panoramic views, unique arts and culture, night life and entertainment, employment, education, and housing opportunities. The community will contain new mixed-use transit-oriented development and a diversity of housing types clustered close to the intermodal transit stations. Single-family neighborhoods in the northern and eastern parts of the community are characterized by a semi-rural atmosphere. The community seeks to have high-quality parks and recreational facilities including multi-use trails along Chollas Creek, area canyons and other open spaces. The community plan supports opportunities for high educational attainment and an overall quality of life and environment for children to learn, play and grow, nurturing the next generation of great community leaders.

## **Community Plan Element Development**

Based on the community's vision statements, guiding principles, existing conditions studies, and market demand study, the staff and multi-disciplinary consulting team began preparation of the draft elements in September 2013. In addition to the Introduction and Implementation sections, each community plan includes the following elements: Land Use; Mobility; Urban Design; Economic Prosperity; Public Facilities, Services and Safety; Conservation and Sustainability; Recreation; Historic Preservation; and Arts and Culture.

### **Land Use Development**

Guided by the City of Villages growth strategy and Citywide policy direction contained in the General Plan, the plan update identifies land use and multi-modal mobility strategies to cohesively guide growth and development in SEDS and Encanto Neighborhoods, foster walkable and transit-oriented communities, and address a range of long-range planning topics.

The plans recommend that future growth and development be focused along transit corridors in close proximity to rail and high frequency bus transit. Areas that are not subject to change include the predominately single family and low-density residential areas that comprise the majority of land uses in both communities. Furthermore, industrial land uses were retained in both community plan areas in order to provide for manufacturing and employment opportunities in the future. The proposed land use maps were presented in June 2013 to both planning groups who both recommended that the City proceed forward with traffic modeling to understand the overall impacts from the change.

Development completed in accordance with the plan update would occur in an existing urbanized area with established public transportation infrastructure, which may reduce vehicle trips, miles traveled, and support bicycling and walking as transportation choices. In addition, implementation of the policies contained in the Land Use, Mobility, Recreation, and Conservation elements of both community plans would improve mobility within the plan areas, including open space and recreation areas through the development of a balanced, multi-modal transportation network.

Keyser Marston & Associates prepared a market demand analysis for the combined SESD and Encanto Neighborhoods area (Attachment 6). The findings suggested that the proposed land use and zoning exceed the projected absorption through 2032. However, city staff recognized the importance of adopting higher transit-supportive densities and intensities and therefore retained the proposed community and neighborhood mixed-use designations along the corridors, and added additional development incentives to encourage development.

### **Areas of Change and Development of Village Districts**

The policies and regulations developed as part of the master plan and comprehensive community plan update efforts focus higher intensity and density development on identified areas of change (Attachments 7 and 8) to facilitate land planning for new residential, employment opportunities and business expansion. The policies further the community's goals for developing safe and attractive pedestrian and bicycle-friendly streetscapes, as well as providing the needed public facilities such as parks and police/fire stations to accommodate future growth. The placement of future higher-intensity residential and commercial/retail uses have been identified to occur within designated Village Districts that are located around the existing trolley stations at 25<sup>th</sup> Street, 32<sup>nd</sup> Street, 47<sup>th</sup> Street, Euclid Avenue and 62<sup>nd</sup> Street. The intent of placing higher density and intensity uses around the transit stations is not only to identify appropriate multi-modal areas for future growth but to also preserve the established low-density residential neighborhoods that are the foundation of both of these great communities.

The plan update implements SANDAG's adopted Regional Comprehensive Plan (RCP), as well as the draft *San Diego Forward: The Regional Plan*, smart growth strategy, through the designation of high-density mixed-use "villages" along transit corridors. These villages provide for the coordination of land use and transportation planning to create compact, connected, pedestrian-friendly activity centers. In addition, the plan update furthers the RCP's housing goals by promoting green building techniques and



addressing environmental justice. Finally, the plan update implements the RCP's "healthy environment" goals by protecting and enhancing natural habitats in the two communities.

The City of Villages strategy is a central theme of the General Plan. The strategy focuses growth into mixed-use activity centers that are pedestrian-friendly districts linked to an improved regional transportation system. The villages are envisioned to have an integrated mixture of uses, accessible and attractive streets, and public spaces. Each community plan area includes a Village District: the Southeastern Village District in SESD, and the combined Euclid and Market Village and Imperial Avenue Village District in the Encanto Neighborhoods. The Village Districts are within "transit priority areas," in close proximity to the Orange Line Trolley and high frequency bus transit service. Each of the community plan's Urban Design elements are intended to work in conjunction with the other elements of the community plans to create a pattern and scale that complements and fosters design excellence in the existing and evolving character of the Villages.

### **Southeastern Village District**

The Southeastern Village District includes the Commercial Street and Imperial Avenue corridors from Interstate 5 to Interstate-15, and is centered on the trolley stops at 25th Street and 32nd Street. The Village District will contain a mix of uses, with higher densities allowed near the high frequency transit stops, the variety of land uses in the corridors, preserve some industrial land, as well as promote new commercial, residential, and mixed-use development, sensitively designed to integrate into the existing community character. The Historic Districts of Sherman Heights and Grant Hill will be respected and preserved while allowing planned infill development that is sensitive to the existing and evolving community character.

### **Village at Market Creek and Imperial Avenue Village District**

The Village at Market Creek and Imperial Avenue Village District is envisioned as the mixed-use center of Encanto Neighborhoods and the cultural center of the community. The Village encompasses the Euclid Avenue, 47th Street, and 62nd Street trolley stations. It is planned to grow into a dynamic higher density mixed-use hub that caters to the needs of the community. The integration of commercial and residential uses is emphasized in the Villages, including uses such as retail, professional/administrative offices, commercial, entertainment, recreation facilities, and service industries. The Community Plan envisions that the Village District will draw on the existing cluster of activities and the high level of transit access and use. It will include a diversity of housing types, employment and retail uses, and public realm enhancements.

### **Incentives and Standards**

The Land Use Element of each community plan provides a package of development incentives with an emphasis on reduced parking requirements, to spur development of properties within designated Village Districts planned in close proximity to transit stations. Density minimums and retail-required standards are incorporated into the

community plans in order to ensure that the vision developed by the communities for walkable and vibrant Village Districts will be realized over the plan's horizon. In addition, a transfer of development rights (TDR) program is included in the Village Districts that will allow new development to acquire additional density and intensity from parcels within the ¼ mile area around the existing trolley stations.

### **Community Plan Implementation Overlay Zones (CPIOZ)**

#### **Village Districts**

Southeastern San Diego and the Encanto Neighborhoods Community Plan Implementation Overlay Zones (CPIOZ), Type-A will be applied to the Village Districts as defined in Figure 2.3 of each Land Use Element of the community plans. CPIOZ Type-A (ministerial approval) is intended to evaluate trip generation rates in order to determine if new projects are required to provide traffic improvements based on density and/or intensity (Attachments 9 and 10).

#### **Sherman Heights and Grant Hill Historic Districts CPIOZ**

The Sherman Heights Historic District and the Grant Hill Park Historic District were designated in 1987 and 1988, respectively, by the City of San Diego Historical Resources Board (HRB). As designated historic districts, development within the Sherman Heights and Grant Hill Park Historic Districts must comply not only with the Sherman Heights and Grant Hill Park Historic Districts Design Criteria and Guidelines, but the City's Historical Resources Regulations (Municipal Code Chapter 14, Article 3, Division 2) which will be implemented through CPIOZ-A contained in the Land Use Element (Attachment 11).

### **Zoning Program**

The adopted Southeastern San Diego and Mount Hope Planned District Ordinances (SESDPDO and MHPDO) that have served as the community's zoning regulations will be repealed and replaced with citywide zones of the Land Development Code (LDC). The intent is to allow for a compatible mixture of uses as well as streamline the permitting process for sites within close proximity to the transit stations and within the Village Districts where the majority of future growth and development is anticipated to occur. The existing PDOs now require that any development over four (4) units obtain a discretionary permit. Attachments 12 and 13 reflect the proposed zoning maps for both the SESD and Encanto Neighborhoods planning areas.

### **Land Use Alternatives Development Considerations**

City staff and the multi-disciplinary consulting team engaged with the planning groups, residents and stakeholders in exploring land use alternatives for both communities. In particular, the area along Commercial Street in Southeastern San Diego and the area around Euclid Avenue and Market Street in the Encanto Neighborhoods were a focus of discussion. The affected areas were analyzed as alternatives and included in the PEIR to allow the decision-makers to be able to adopt them if desired. If adopted, the alternatives



would require additional environmental analysis as part of any future development project. The following is a discussion of the development of the alternatives and the preferred land use plans

### **Encanto Neighborhoods**

As part of the development and assessment of land uses for the Encanto Neighborhoods, a higher density alternative (45-74 dwelling units per acre) in the Village District was requested by Civic San Diego (CSD), a city-owned non-profit that is the entrepreneurial development partner for targeted urban neighborhoods.

When the Euclid + Market Village District was conceived as part of the Euclid + Market Land Use and Mobility Plan (EMLUMP) master planning effort, staff determined that the area could support a mix of higher density (30-44 dwelling units per acre) land uses throughout the village dependent on site conditions and proximity to high frequency transit. As such, the core area of the village has been designated as Community Mixed Use-Medium (30 to 44 dwelling units per acre). The alternative proposal is to include higher densities for the village core area (Community Mixed Use-High 45 to 74 units per acre). In addition, the higher density alternative includes extending the Commercial Mixed Use designation on the west side of Euclid Avenue north of Hilltop Drive further to the west.

In order to partially address the goals of the higher density alternative, City staff developed the incentive program described above. Furthermore, the transfer of development rights program included in the land use plan will allow for up to 74 dus/acre in the Village District, and a 35% density bonus via the affordable housing density bonus regulations could be sought along with the incentives included in the Land Use Element Table 2-2. The higher density alternative map that incorporates this request can be found in the Alternatives section of the PEIR.

### **Southeastern San Diego - Commercial Street**

In Southeastern San Diego, the Commercial Street corridor between 28th and 32nd streets is proposed to be redesignated from heavy industrial to light industrial, in accordance with the Commercial and Imperial Corridor Master Plan (CICMP). A number of affected property owners requested that the City consider designating the entire area along Commercial Street for Neighborhood Mixed Use-Medium, allowing mixed use development with ground-floor retail and 30 to 44 units per acre. The requested change in land use can be found as part of the higher density alternative map located in the Alternatives section of the PEIR. As illustrated on the preferred plan land use map, the area west of 28<sup>th</sup> street will transition from industrial to neighborhood mixed use as well as the parcels surrounding the 32<sup>nd</sup> Street trolley station.

As part of the 2012 CICMP effort, City staff formed a stakeholder committee that held seven stakeholder meetings and three bi-lingual community workshops in the community. These meetings generated the land uses that are included in the draft SESD preferred land use map. As part of this effort, a number of land use



concepts were developed and analyzed. Three concepts were refined to greater specificity to determine potential heights and massing, transportation and streetscape improvements, financial feasibility and resulting development potential. The ultimate plan to incorporate light industrial between 28<sup>th</sup> and 32<sup>nd</sup> Street was supported by the community and incorporated into the draft land use map. Attachment 14 includes the discussion of the development of alternatives considered.

Staff determined that reducing the overall amount of heavy industrial along this corridor and transitioning future land to light industrial would ultimately reduce impacts associated with collocation as well as provide future light industrial and manufacturing jobs within the community of Southeastern San Diego. Both transit stations at 25<sup>th</sup> Street and 32<sup>nd</sup> Street would retain land use designations to facilitate higher intensity transit-oriented development. However, industrial would be the preferred land use between 28<sup>th</sup> Street and 32<sup>nd</sup> Street acknowledging the uses that exist there now, and lighter industrial uses that could be developed to provide employment opportunities in the future.

### **COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS**

The City conducted an extensive community outreach process, where a wealth of valuable community information was received through a variety of avenues, including workshops, meetings and community outreach sessions at various places in the community. The Encanto Community Planning Group alone held over 34 public meetings to discuss and provide recommendations to the City. During each phase of the process broad public input was obtained through a series of meetings where residents, employees, and property owners, as well as representatives of advocacy groups and the surrounding neighborhoods, weighed in on issues and provided recommendations, concerns, and preferences. To ensure that outreach activities reached a broad spectrum of the population, outreach materials were available in English and Spanish, and bilingual interpretation was available at community workshops. Through these meetings, the community confirmed its vision and developed a set of guiding principles that were used as criteria in crafting each of the community plan elements.

The plan update was brought before the Planning Commission on December 12, 2013 (Report PC-13-111) and on June 26, 2014 (Report PC 14-001). On June 19, 2014 the City's Park and Recreation Board held a workshop to discuss the Recreation Elements.

### **AWARDS**

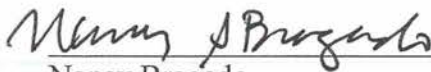
A number of American Planning Association (APA) awards have been received as part of the master planning and community plan update outreach efforts. These included a local APA award for the Euclid Gateway Master Plan and the National Avenue Master Plan as well as a Local, State and National APA Public Outreach awards for the Pop-Up Outreach efforts that were conducted as part of the public outreach campaign.



## CONCLUSION

The proposed Southeastern San Diego and Encanto Neighborhoods community plans provide the vision, guiding principles, and policies to guide future growth and development in these distinctive and vibrant communities, consistent with the City's General Plan. The community plans provide smart growth goals and policies, clear urban design guidance, and innovative development incentives to help spur high quality investment while also addressing the infrastructure, housing and economic development needs of these communities. Alternatives addressing a few targeted sites are also presented in this report. Overall, the updates were drafted through a community-based process and greatly benefitted from the efforts of an engaged citizenry and stakeholders.

Respectfully submitted,



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### Attachments:

1. Southeastern San Diego Community Planning Group Minutes of 9/29/2014
2. Encanto Neighborhoods Community Planning Group Minutes of 10/7/2014
3. Program Environmental Impact Report
4. Draft Southeastern San Diego Community Plan
5. Draft Encanto Neighborhoods Community Plan
6. Market Demand Analysis
7. SESD Areas of Change Map
8. Encanto Neighborhoods Areas of Change Map
9. SESD CPIOZ Village District Map
10. Encanto Neighborhoods CPIOZ Village District Map
11. Sherman Heights and Grant Hill Historic District CPIOZ Map
12. SESD Draft Zoning Map
13. Encanto Neighborhoods Draft Zoning Map
14. CICMP Alternatives Development Summary

