



**Fiscal Impact** – None with this action. All costs associated with the processing of this project are paid by the applicant through maintenance of a deposit account with the City of San Diego.

**Code Enforcement Impact** - None

**Housing Impact Statement** - Approval of the proposed conversion of 7 residential apartment dwelling units to condominiums would result in an increase of 7 for-sale market-rate units and the loss of 7 existing rental units. There is no loss or addition to the supply or demand for housing in the Pacific Beach Community.

## **BACKGROUND**

The 6,247 square-foot site is located at 839 Sapphire Street on the south side between Mission Boulevard and Bayard Street in the RM-1-1 zone of the Pacific Beach Community Plan area. The existing 7 residential unit building was constructed in 1967 when the site was zoned R-4 and would have permitted up to 15 dwelling units. The site is within the Coastal Overlay Zone (non-appealable area), and Coastal Height Limit Zone. The existing building on-site, is a two story stucco and brick structure with open surface parking within the front-yard setback on Sapphire Street and garage spaces on the ground level off the alley to the rear. It is assumed that the development complied with all development criteria at the time as building and occupancy permits were approved. Property sites in the adjacent areas are developed with a varied mix of residential developments, commercial services within walking distance and coastal resources three blocks to the west.

This project is subject to the City of San Diego's, 'Inclusionary Housing Ordinance', Coastal Affordable Housing Replacement Regulations and the Condo Conversion Ordinance. The San Diego Housing Commission has stipulated that the applicant will pay an in-lieu fee to the Housing Commission prior to the filing of a Final Map to comply with the requirements of the Inclusionary Housing Ordinance and it is required that an income survey of existing tenants will need to be completed by the Housing Commission to determine if any existing tenants will qualify for relocation assistance under provisions of the Inclusionary Housing Ordinance.

## **DISCUSSION**

### **Project Description:**

The project proposes a Tentative Map for the subdivision of this 6,247 square-foot site to consolidate the lot for the conversion of 7 residential apartments units into condominiums. The conversion of the 7 apartments to condominiums would remove 7 rental units from the market within the Pacific Beach Community and create 7 new units for ownership at a generally accepted entry level cost. The tenants have the right of first refusal to purchase his or her unit at

the same or better terms than those that will be offered to the public. No other entitlements accrue to the Owner/Permittee through this action other than the change of ownership to condominiums. The site has been fully developed for approximately 37 years.

**Waiver of Undergrounding:**

The Council District 2 'neighborhood' in which the project site is located is in Block 2-T and a date and schedule for undergrounding has been determined by the City Council for the year 2006 (Attachment No. 12).

San Diego Municipal Code Section 144.0240, allows the subdivider to apply for a waiver of the requirement to underground the existing overhead utilities within the boundary of the subdivision, or within the abutting public rights-of-way. City staff has determined the undergrounding waiver request qualifies under the Guidelines of Council Policy 600-25, *Undergrounding Conversion of Utility Lines at the Developers Expense* (Attachment No. 13), in that it involves a short span of under 600-feet, would not represent a logical extension to an undergrounding facility and is a condominium conversion application. The applicant would be required to underground any new service run to any new or proposed structures within the subdivision, per Condition No. 5 of the draft Subdivision Resolution.

There are no power poles adjacent to this site within the alley abutting this site. If the undergrounding were required, two new power poles would be provided on the south side of the alley opposite the property corners and only 50-feet of existing power lines would be undergrounded. The visual result would be the 'crowding of existing and new power poles and the 50-feet of undergrounding would look unbalanced. No power poles or lines serve the property from Sapphire Street Street.

**Community Plan Analysis:**

The Pacific Beach Community Plan designates this site for a residential development. The site is within an area developed with a variety of residential types, with commercial within walking distance and coastal resources approximately three blocks to the west. No physical changes to the building or site are being conveyed with this condominium conversion.

**Project-Related Issues:**

The requested conversion of these residential units to condominiums represents primarily a change in ownership and key applicable issues to the review and consideration of approval is that this project application was deemed complete after February 6, 2004, and is subject to the condominium amendments added to the Inclusionary Affordable Housing Regulations. The request to waive the undergrounding of existing overhead utilities is in accord with City Council policy.

The project was Deemed Complete on June 21, 2004, after the adoption of the Amendments of Chapter 14, Article 2, Division 13, Sections 142.1303 and 142.1306 of the San Diego Municipal Code, all relating to Inclusionary Affordable Housing Regulations. Therefore, the proposed project is subject to the amended regulations.

The Pacific Beach Community Planning Committee has recommended approval of the requested project as submitted.

**Conclusion:**

The project application is a Tentative Map for the conversion of 7 residential units to condominium ownership with no other entitlements requested or granted with this action. The project will make available residential dwelling units for ownership at more affordable prices than single-family and new condominium units and allow existing renters into ownership.

**ALTERNATIVES:**

1. **Approve** Tentative Map and Waiver of Undergrounding Permit No. 115294 and Coastal Development Permit No. 115297 with modifications.
2. **Deny** Tentative Map and Waiver of Undergrounding Permit No. 115294 and Coastal Development Permit No. 115297 if the findings required to approve the project cannot be affirmed.

**Respectfully submitted,**

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**Marcela Escobar-Eck**  
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**Development Services Department**

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**Robert Korch**  
**Development Project Manager**  
**Development Services Department**

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map
4. Project Data Sheet
5. Tentative Map
6. Draft Map Conditions and Subdivision Resolution
7. Draft Coastal Development Permit Conditions
8. Draft Coastal Development Permit Resolution

9. Community Planning Group Recommendation
10. Ownership Disclosure Statement
11. Project Chronology
12. Council Undergrounding Schedule
13. City Council Policy 600-25
14. Sample 'Notices to Tenants'