

**DATE ISSUED:** January 6, 2005

**REPORT NO. PC-05-021**

**ATTENTION:** Planning Commission, Agenda of January 13, 2005

**SUBJECT:** Initiation of an Amendment to the Progress Guide and General Plan and the Midway/Pacific Highway Corridor Community Plan and Local Coastal Program to revise the land use designation on a 1.26-acre site from Light Industrial to Multiple Use. 1895 Hancock/Brickworks - Project No. 47051

**OWNER/  
APPLICANT:** Maidhof Brothers/Maidhof Bros. Ltd.

### **SUMMARY**

**Issue(s)** – Should the Planning Commission INITIATE an amendment to the Progress Guide and General Plan and the Midway/Pacific Highway Corridor Community Plan and Local Coastal Program pursuant to Municipal Code Section 122.0103? An amendment has been requested to allow a mixed-use development on a property currently designated for Light Industrial use.

**Staff Recommendation** - INITIATE the plan amendment process.

**Community Planning Group Recommendation** - The Midway Community Planning Advisory Committee voted 7-0-0 on October 13, 2004 to recommend approval of this initiation (Attachment 1 – MCPAC Minutes from October 13, 2004).

**Other Recommendations** – None.

**Environmental Review** – If initiated, the proposed plan amendment and future discretionary actions will be subject to environmental review.

**Fiscal Impact** – Processing costs would be paid by the applicant.

**Code Enforcement Impact** – None.

**Housing Impact Statement** – If initiated, the proposed general/community plan amendment to redesignate the 1.26-acre site from Light Industrial to Multiple Use would allow commercial/retail uses with residential units where the current designation does not

allow residential development. Currently, the community plan does not indicate a density range for the multiple use designation; and therefore, appropriate density range would need to be analyzed and further evaluated through the general/community plan amendment review process if the subject request is initiated by the Planning Commission. The applicant has indicated a desire to develop the site with approximately 53 units, 21 of which would be work-live units. At least 10 percent of those units would be provided as for-sale affordable and set aside for households with an income at or below 100 percent of the area median income. For example, for a household of four this would be at or below \$63,400. Impacts to housing supply and demand, as well as affordability, will be evaluated in more detail if the proposed amendment is initiated by the Planning Commission.

**This initiation request does not constitute an endorsement of the project proposal. If initiated, a staff recommendation will be developed once the project has been fully analyzed. This action will allow the staff analysis to proceed.**

## **BACKGROUND**

The 1.26 acre site is located on Hancock Street between Noell Street and Sutherland Street in the Midway/Pacific Highway Corridor plan area (Attachments 2, 3 - Vicinity Map, Location Map). The subject site is currently designated as Light Industrial in the community plan, and proposed designation would be Multiple Use. The site is currently zoned IS-1-1 (Industrial-Small Lot) per the Land Development Code. The northern portion of the site is currently occupied by a furniture company, while the southern building is currently unoccupied. It is surrounded by existing uses including commercial use to the immediate west (carpet retailer), industrial to the south (event staging and traffic control signs), commercial (airport parking) to the east and Interstate 5 Freeway right-of-way to the north (Attachments 4, 5 – Aerial Photo, Existing Conditions Land Use Map). No part of the subject site lies within the coastal zone.

To the northeast of the subject site across Interstate 5, in the Uptown Community Plan area, are mixed uses, commercial/residential and medium density residential uses. South of the immediately adjacent industrial uses are airport uses. The subject site is part of a larger area identified as blighted by the North Bay Redevelopment Plan. Blighted areas constitute either physical, social, or economic liabilities requiring redevelopment in the interest of the health, safety, and general welfare of the people of the community and the State according to California Redevelopment Law.

During the 1950's the subject site was a bottling plant for Canada Dry. Following that, for several years the two buildings on-site were used to manufacture micro-fiche machines. In the 1980's and 1990's there were 150 people employed on-site in the manufacture and assembly of computer related products. A retail furniture company currently occupies the north building on the subject site. The southern building is vacant.

The regional planning agency (SANDAG) estimates that by 2030 there will be 9,285 people

living in 3,729 dwelling units in the Midway plan area. Affordable housing currently exists in Midway. In the category of for-sale housing, there are currently 163 units affordable to low income residents earning between 51%-80% of area median income. For a household of four this would be an income between approximately \$34,935 and \$54,800. In the category of special purpose housing (e.g. transitional or permanent housing to maximize the ability of persons with disabilities to live independently) 70 units are affordable to very low income residents earning between 0%-50% of area median income. For a household of four this would be equal to a maximum of \$34,250.

The Midway Community Planning Advisory Committee has expressed formal approval of the proposed initiation of a plan amendment to redesignate the 1.26-acre site from Light Industrial to Multiple Use based on a proposal representing a mixed residential/commercial concept, transit-oriented development. It is anticipated that this general/community plan amendment, if initiated, will be processed concurrently with any required development permits.

The site to the immediate east, known as the Mission Brewery project, is currently being evaluated on a number of issues raised by Planning Commissioners during an initiation hearing (August 11, 2004) to redesignate that property from Commercial-Transportation Related to Multiple Use to allow for a transit-oriented, mixed-use development. Another applicant has participated in a preliminary review for a potential plan amendment located at 2015 Hancock Street, just two parcels to the west of the subject property, to redesignate the property from Light Industrial to Multiple Use, which would allow another mixed-use project. In addition, a major plan amendment, currently in process, was submitted by the San Diego Community and Economic Development Department to remove the Bay-to-Bay element from the Midway/Pacific Highway Corridor Community Plan and substitute a system of open spaces in its place. The amendment also calls for intensified land uses and rezones along what would have been the approximate canal alignment. On December 16, 2004 staff held a workshop to seek input from the Planning Commission regarding this particular amendment. At that December 16<sup>th</sup> workshop mention was made of the three other proposed plan amendments in the Midway corridor area. The Planning Commissioners provided staff with direction to combine this application and the pending application at 2015 Hancock Street with the broader community plan amendment to remove the Bay-to-Bay element from the Midway community plan but allow the already initiated Mission Brewery amendment to proceed on its own. A suggestion was also made at the workshop to explore ways to expedite the process in the event of combining the three proposed amendments as one while not slowing down the process for this applicant (1895 Hancock Street).

Although there are merits associated with combining the three proposed amendments as one, staff has some concerns associated with the complexity of scope of the major plan amendment and the different timeline expectations from the various applicants. For instance, the applicant for this initiation has already indicated a desire to qualify for the expedite program by providing 10 percent of the units as affordable housing. Also, the amendment to remove the Bay-to-Bay amendment from the Midway/Pacific Highway Community Plan is complicated by the need to substitute the proposed Bay-to-Bay alignment with a system of open spaces accompanied by land use redesignations and rezones focused in the core area of Midway adjacent to the Sports

Arena, all requiring broad consensus from adjacent community planning areas with differing perspectives on these issues. Although this amendment does seek to establish nodes for transit-oriented development, it is primarily focused in the Midway core area as well as removing the Bay-to-Bay element. Therefore, the different timeframe expectations for these different amendments and the complexity of the major plan amendment make it difficult to achieve a fully reliable and reasonable timeline that will help expedite the process for all applicants. Because of these concerns, staff recommends that this request not be combined with the amendment to remove the Bay-to-Bay from the Midway/Pacific Highway Corridor Community Plan and Local Coastal Program.

## **DISCUSSION**

Before a general/community plan amendment can be initiated, Section 122.0104 of the Land Development Code requires that any one of three primary criteria or all four supplemental criteria specified in the code must be met. The Planning Department does not believe that any of the following three primary criteria can be met:

- (1) The amendment is appropriate due to a mapping or textual error or omission made when the original land use plan or local coastal program was adopted or during subsequent amendments;**
- (2) Denial of initiation would jeopardize the public health, safety or general welfare;**
- (3) The amendment is appropriate due to a material change in circumstances since the adoption of a land use plan or local coastal program whereby denial of initiation would result in a hardship to the applicant by denying any reasonable use of the subject real property.**

The Planning Department does, however, believe that all of the following supplemental criteria can be met:

- (1) The proposed land use plan amendment is consistent with the goals and objectives of the Progress Guide and General Plan and the Midway/Pacific Highway Corridor Community Plan and Local Coastal Program Land Use Plan.**

Progress Guide and General Plan:

Two stated goals in the Progress Guide and General Plan relate to “the availability of adequate sites for the development of a variety of types of housing for all income levels...” and, “...adequate supply of housing to meet the needs of low and moderate income households in general...” If approved, this initiation would allow for the development of a variety of housing types that could include an affordable housing component. The initiation would also provide opportunities for new residential construction, as called for in the Progress Guide and General Plan.

The subject site is virtually surrounded by non-industrial uses except for one of the properties to the south of subject site which manufactures traffic control signs. This redesignation from Light Industrial to Multiple Use may not fulfill one of the goals under the Industrial Element of the Progress Guide and General Plan that states “Protect a reserve of manufacturing lands from encroachment by non-manufacturing uses.” However, the proposed amendment is consistent with several other goals and objectives, mentioned in the following paragraph, and the site is currently occupied by a vacant building and a furniture consignment outlet and is located in an area where commercial retail and office uses have almost completely displaced the original “low-tech” industrial uses. Also, high land prices in this area have also basically rendered any new industrial uses infeasible. Because of these factors, staff recommends that this supplemental criterion be considered fulfilled for the purposes of this initiation process with the understanding that further analysis for the proposed land use change take place through the community plan amendment review process.

#### Midway/Pacific Highway Corridor Community Plan and Local Coastal Program:

Much of the Midway/Pacific Highway Corridor Community Plan area is within the North Bay Redevelopment Area and, by definition, is characterized by blight. The area where the subject site is located is the corridor part of the community and is defined by small scale industrial buildings, large scale buildings and unscreened commercial parking lots. Haphazard development has characterized Midway since the 1960’s and much of the focus in the community plan is directed toward ameliorating these conditions by improving the aesthetic and functional qualities of these commercial and industrial areas.

The community plan recommends applying “the commercial development criteria of the underlying high-intensity, strip commercial zoning allowing heavy commercial and residential uses and the urban design criteria of this element (commercial) to...those areas immediately adjacent to the Washington Street trolley station, to help improve the visual appearance of the area...”

Initiation of this plan amendment would also provide the impetus for realizing other goals of the Midway/Pacific Highway Corridor Community Plan, such as redeveloping the Pacific Highway Corridor in a manner that compliments the proposed trolley extension and developing trolley-supported commercial uses adjacent to the proposed Washington Street and Laurel Street light rail transit stations. Also, approval of this initiation would promote mixed residential/commercial development in areas which are not in conflict with General Plan and San Diego Association of Government (SANDAG) noise compatibility standards as the proposed project location lies outside established community noise levels (65-70 CNEL) that would be incompatible with multi-family residential development.

- (2) The proposed land use plan amendment appears to offer a public benefit to the**

### **Community or City.**

The proposed plan amendment would further City goals to meet future housing needs for the region based on population forecasts and to provide affordable housing. In addition, development under the proposed amendment would be supportive of the Washington Street light rail transit station and would enhance pedestrian activity.

**(3) Public services appear to be available to serve the proposed increase in density or intensity or use.**

Police and Fire department services, provided by the City of San Diego, are in place and available. Fire department services are available from all three stations (Station Numbers 20, 8, 3) that serve the area under the six minute standard established for this area. The community plan calls for a comprehensive program of water and sewer line replacement to be timed and phased to meet the community's needs. Water and sewer line upgrading and replacement is occurring on an ongoing basis within the community. One public educational facility, Dewey Elementary School, serves the community. Any impacts to services would be fully analyzed during review of the amendment proposal.

**(4) City staff is available to process the proposed land use plan amendment without any work being deferred on General Fund supported programs or ongoing plan updates.**

Staff is available to process this amendment request without delaying General Fund programs or ongoing plan updates as the Planning Department work program includes staff time for non-general fund development projects. However, delays in processing the plan amendment could occur based on staff levels and workloads. All costs associated with staff review of the project will be paid for by the applicant.

### **CONCLUSION**

As outlined above, the proposed general/community plan amendment meets all four of the supplemental initiation criteria, as described in Land Development Code Section 122.0104; therefore, Planning Department staff recommends this amendment process be initiated to study the issues and impacts related to the proposed land use change from Light Industrial to Multiple Use.

The following land use issues have been identified with the initiation request. If initiated, these issues, as well as others that may be identified, will be analyzed and evaluated through the general/community plan amendment review process.

- The appropriate land use designation, density range and zoning for the site.
- Traffic circulation issues and mitigation measures.

- Compatibility with adjacent existing (including the Comprehensive Land Use Plan for Lindbergh Field) and planned development.
- Consistency between the proposed community plan amendment and the City's Strategic Framework Element, Transit-Oriented Development Design Guidelines, and Housing Element goals for future development.
- Demand for residential/mixed-use versus light industrial related uses.
- Adequacy of existing public services and facilities, including schools, parks, fire, police and transit services, to serve additional dwelling units proposed.
- Provision of amenities, application of urban design guidelines, including pedestrian circulation and pedestrian-scale elements according to the adopted community plan.
- Noise issues with respect to nearby trolley station and airport.
- Housing affordability issues within the Midway community.
- Walkability and integration with the community.

Although staff believes that the proposed amendment meets the necessary criteria for initiation, staff has not fully reviewed the applicant's proposal. **Therefore, by initiating this community plan amendment, neither the staff nor the Planning Commission is committed to recommend in favor or denial of the proposed amendment.**

Respectfully submitted,

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Attachments:

1. Minutes from October 13, 2004 meeting of the Midway Community Planning Advisory Committee
2. Vicinity Map
3. Project Location Map
4. Project Site Aerial Photograph

5. Existing Conditions Land Use
6. Ownership Disclosure Statement
7. Proposed Land Use