

DATE ISSUED: March 11, 2005

REPORT NO. PC-05-048

ATTENTION: Planning Commission, Agenda of March 17, 2005

SUBJECT: YACHT CLUB TENTATIVE MAP - PENINSULA
PROJECT NO. 45316. PROCESS 4

OWNER/APPLICANT: Joseph Sapp, Yacht Club Condominiums, L.P.

SUMMARY

Issue: Should the Planning Commission approve an application for a Tentative Map to convert 123 existing residential units to condominiums and waive the requirement to underground existing overhead utilities?

Staff Recommendation: APPROVE Tentative Map No. 132732, Coastal Development Permit 132740, and waive the requirement to underground utilities.

Community Planning Group Recommendation: The Peninsula Community Planning Board considered the project at their meeting on December 16, 2004 where a motion to recommend approval carried by a vote of 9-1-0. At the request of the community planning group, the owner agreed to pave 80 – 85 feet of sidewalk on the project's south side along Talbot Street as a public benefit.

Environmental Review: The project has been determined to be exempt from the California Environmental Quality Act (CEQA) in accordance with the State CEQA Guidelines 15301(k), existing facilities (February 8, 2005).

Fiscal Impact: The cost of processing this application is paid for by the applicant.

Code Enforcement Impact: None with this action.

Housing Impact Statement: The proposed project is the conversion of 123 existing apartment units to condominiums. There would be a loss of 123 rental units and a gain of 123 for-sale units. This project is located within the Coastal Zone and is subject to the Coastal Affordable Replacement regulations which would require an in-lieu fee of \$1.39 million (\$1,390,000.00) or provision of 47 affordable replacement units as further clarified in this Staff Report.

BACKGROUND

A “Tentative Map for a Condominium Conversion” is a Process Four, Planning Commission decision per San Diego Municipal Code Section 125.0430. A Tentative Map for Condominium Conversion may be approved if the decision maker finds that the proposed division of land complies with the requirements of the Subdivision Map Act and the San Diego Municipal Code.

The developed 1.681 acre site is located at 1021 Scott Street (APN 531-692-03) and is bounded by Upshur Street to the north, Anchorage Lane to the east, Talbot Street to the south, and Scott Street to the west. This site is approximately 100 feet north of the Shelter Island Yacht Basin of the San Diego Bay. This location is within the Roseville neighborhood of the Peninsula Community Plan and Local Coastal Program. The land is designated multifamily residential in the community plan at a high density of 45-73 du/ac. The site is zoned RM-3-9 and is within Coastal Overlay Zone (Appealable), Coastal Height Limit Overlay Zone, Parking Impact Overlay Zone, and Council District 2. The surrounding area contains open space access to San Diego Bay, recreational use of the San Diego Yacht Club, single family residences on Talbot and Shafter Streets, condominiums on Scott Street, and apartments on Upshur Street. The building was built in 1960 as a motel and later converted to the Harbor View Apartments and currently known as The Pointe at La Playa. The Peninsula Community Plan contemplated re-use of the site for senior-oriented housing at a density not to exceed 144 units, but defers to the recommendation of the Peninsula Community Planning Board (Page 32 of the Community Plan).

On-site development consists of a one- and two-story building, and a three-story building. The southern portion of the property is developed with a three-story structure constructed in 1959. A one- and two-story building was constructed in 1960 and is positioned over a partially-subterranean parking level and occupies the western and northern portions of the site. The units on site range from 300 square-foot studios to 1,000 square foot two-bedroom/ 1.5 bath units. On-site amenities include a pool, laundry rooms, a recreation room, a fitness room, and a computer room. The project applicant has conducted a Property Condition Report for the property as prepared by the National Assessment Corporation. That report concludes that the structure should have at least an additional 25 year design life assuming implementation of a preventive/remedial maintenance program.

DISCUSSION

Project Description: The project proposes to convert the existing 123 apartments to 123 condominiums as 94 studio, 21 one-bedroom, and 8 two-bedroom units in a three-story building over parking. The site currently provides for 141 parking spaces as 82 assigned, covered spaces; 29 assigned garage spaces; 11 non-assigned, uncovered spaces; 15 non-assigned covered spaces; and 4 Accessible spaces. The project includes conversion of approximately 8,000 square feet existing vacant commercial space at the corner of Talbot Street and Scott Street to six residential condominiums (included in the above unit count). Public improvements associated with the project include replacement of cracked sidewalk, installation of new sidewalk, closure of non-utilized driveways, and reconstruction of pedestrian ramps. The project site is located on one existing lot.

Project-Related Issues:

Municipal Code Conformance - The 1.681 acre site is within the RM-3-9 zone as applied to the site in January 2000 from the previous R-4 zone of September 1932. The site is within the Coastal Overlay Zone (Appealable), Coastal Height Limit Overlay Zone, and Parking Impact Overlay Zone. Future expansion or redevelopment of the project site would be subject to review under these regulations as outlined in Chapter 13, Article 2 of the Land Development Code.

The 141 unit residential project was constructed in 1960 when the site was zoned R-4. The 1987 community plan, recommends a density of 45 – 73 du/acre for new construction. The project would provide 123 units on 1.68 acres for a density 73 du/acre. Under the current RM-3-7 zone, 1 dwelling unit would be allowed for each 1,000 feet of lot area for a density of 73 units on the 73,224 square foot site.

In 1960, the parking regulations required one space per dwelling unit. The site currently provides for 141 parking spaces as 82 assigned, covered spaces; 29 assigned garage spaces; 11 non-assigned, uncovered spaces; 15 non-assigned covered spaces; and 4 Accessible spaces. Under the current zone, including the added requirements of the Parking Impact Overlay Zone, the following parking requirements would apply: 94 studios – 141 automobile, 5 motorcycle, and 28 bicycle spaces; 21 one-bedrooms units – 37 automobile, 2 motorcycle, and 8 bicycle spaces; 8 two-bedrooms units – 18 automobile, 1 motorcycle, and 4 bicycle spaces; and 6 Accessible spaces; for a total of 196 automobile spaces, 7 motorcycle spaces, and a maximum of 25 bicycle spaces.

The site deviates from current density and parking criteria. However, the project has previously conforming rights to be maintained as outlined in Chapter 12, Article 7, Division 1 of the Land Development Code.

A Code Violation was reported for the project site in March 2004 regarding a mechanical, electrical, or plumbing issue (known as an “MEP”). The project was also cited in June 2002 regarding business in a residential zone. However, these violations have been closed and there are no open violations associated with this property.

Coastal Overlay Zone – The project location is within the jurisdiction of the City of San Diego Coastal Zone, but not within the First Public Roadway. Findings for the required Coastal Development Permit (CDP) are substantiated in the Resolution.

Undergrounding Waiver Request - There are existing overhead facilities adjacent to the project site. 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 parcel or subdivision. Staff has determined the undergrounding waiver request qualifies under the guidelines of Council Policy 600-25, Underground Conversion of Utility Lines at the Developers Expense, in that it involves a span of under 600 feet, the conversion would represent an isolated

undergrounding with a minimum probability of extension in the future, and would not represent a logical extension to an undergrounding facility. The project's implementation requires the undergrounding of any new utilities to any new or proposed structures within the parcel or subdivision.

Affordable Housing - This project is subject to the Coastal Overlay Zone Affordable Housing Replacement Regulations as defined in the San Diego Municipal Code at Chapter 14, Article 3, Division 8. The San Diego Housing Commission has completed a tenant income survey of the existing residents which identified 40 studio units occupied by low-income tenants, one 1-bedroom unit occupied by low-income tenants, five studio units occupied by moderate-income tenants, and one 1-bedroom unit occupied by moderate-income tenants. Pursuant to the January 7, 2005 direction from the Housing Commission on this project, the applicant must either set aside 47 Affordable Replacement units or pay the appropriate In-Lieu fee of \$1,390,000. If the applicant chooses to provide the replacement units, the combination of units must be provided as identified by the tenant income survey. The basis for the Housing Commission In-Lieu fee is as follows: 40 studio low-income units at \$31,100 each; one 1-bedroom low-income unit at \$29,700 each; five moderate-income studios at \$20,700 each; and one 1-bedroom moderate-income unit at \$12,800 each. This Coastal Affordable Replacement In-Lieu fee supercedes the Inclusionary Affordable Housing In-Lieu as defined in Chapter 14, Article 2, Division 13 of the Land Development Code at 142.1310, Table 142-13D).

Noticing:

California State Law and the City's Municipal Code require that all tenants living within a proposed condominium conversion project, and all persons applying for a rental unit within such a project, must receive adequate notice (see California Government Code Section 66427.1 and San Diego Municipal Code Sections 125.0431 and 125.0640).

The applicant has provided copies of the Affidavit of Proof of Service that all tenants were served required notice on April 29, 2004.

Government Code 66452.3, requires that a copy of the staff report be served to each tenant, on each lease 72-hours (3 calendar days) prior to the Hearing Officer hearing. This requirement will be fulfilled on or before March 11, 2005.

In response to public notice, three Interested Persons registered with Development Services Department on this project. None were opposed to the conversion, but called seeking information on the process and relocation / purchase options.

Conclusion:

Staff has reviewed the proposed condominium conversion and found it to be in conformance with the applicable sections of the San Diego Municipal Code regulating Tentative Maps and land use policies. Staff has determined that the required findings can be made as the project meets the applicable San Diego Municipal Code regulations and requirements. Staff recommends approval of the project as proposed.

ALTERNATIVES

1. Approve Tentative Map No. 132732 and Coastal Development Permit 132740 with modifications.
2. Deny Tentative Map No. 132732 and Coastal Development Permit 132740 if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

**Marcela Escobar-Eck
Deputy Director, Project Management Division
Development Services Department**

**Cory Wilkinson, Project Manager
Development Project Manager
Development Services Department**

Attachments:

1. Area Location
2. Site Location
3. Aerial Photograph
4. Community Plan Land Use Map
5. Zone
6. Project Data Sheet
7. Tentative Map
8. Draft Tentative Map Resolution
9. Ownership Disclosure Statement
10. Project Chronology
11. Housing Commission letter dated 01/07/05
12. Peninsula Community Planning Board Recommendation
13. Undergrounding Map and Schedule for Block 2L
14. Coastal Development Permit Resolution
15. Draft Coastal Development Permit