

DATE ISSUED: February 17, 2005

REPORT NO. PC-05-051

ATTENTION: Planning Commission
Agenda of February 24, 2005

SUBJECT: Initiation of an amendment to the Rancho Penasquitos Community Plan and the Progress Guide and General Plan to redesignate a 30.7-acre parcel from Low-Medium (5-10 du/ac) density residential to Medium (10-22 du/ac) and Medium-High (22-45 du/ac) density residential for development of multifamily residential with a mixed use component.

OWNER/
APPLICANT: California Properties Leisure Life

SUMMARY

Issue(s) – Should the Planning Commission INITIATE a land use plan amendment to the Progress Guide and General Plan and the Rancho Penasquitos Community Plan pursuant to Municipal Code Section 122.0103? An Amendment to the Progress Guide and General Plan and the Rancho Penasquitos Community Plan has been requested to redesignate a 30.7-acre site from Low-Medium (5-10 du/ac) density residential to Medium (10-22 du/ac) and Medium-High (22-45 du/ac) density residential for development of multifamily residential with a mixed use component.

Manager's Recommendation - INITIATE the plan amendment process.

Community Planning Group Recommendation – The Rancho Penasquitos Planning Board voted, at their regularly scheduled meeting on January 5, 2005, to support the initiation request 12-0-0.

Environmental Impact – If initiated, the proposed plan amendment and future discretionary Actions will be subject to environmental review.

Fiscal Impact – Processing costs are paid by the applicant.

Housing Affordability Impact – The plan amendment proposes to increase residential densities beyond the level currently permitted at the site under the existing land use designation. The proposed redesignation would allow a range of 478 to 1004 multi-family residential units on the

subject property, where the currently allowed maximum density pursuant to the land use plan is 307 units. Any development associated with the proposed plan amendment would be subject to an affordable housing inclusionary requirement and the applicant is proposing to include the affordable housing on site.

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

BACKGROUND

The Rancho Penasquitos community planning area is located in the northern portion of the City of San Diego. Interstate 15 provides the eastern boundary of the planning area and State Route 56 traverses east-west through the south-central portion of the community. Adjacent communities include Carmel Mountain Ranch and Sabre Springs to the east, Los Penasquitos Canyon Preserve and Mira Mesa to the south, Del Mar Mesa and Torrey Highlands to the west, Black Mountain Ranch to the northwest and Rancho Bernardo to the north. (See Attachment 1 – Location Map)

The proposed amendment would redesignate a residentially designated parcel located in Rancho Penasquitos by increasing the residential density and including a commercial component. The subject property is a 30.7-acre site located near the I-15 at the southwest corner of Carmel Mountain Road and Penasquitos Drive and borders both Cuca Road and Gerana Road. (See Attachment 2 – Land Use Map) The only parcel directly adjacent to the subject parcel is the Penasquitos Lutheran Church on the northwest corner.

Across Penasquitos Drive to the north is the DoubleTree Golf Resort. Across Cuca Road to the west, the topography terraces upward and single family homes line the top of the slope. Across from Gerana Road to the south there are 504 two-story multi-family units situated on 27.7 acres and across Carmel Mountain Road to the northeast are commercial businesses including a gas station and Albertson's grocery store and to the southeast is single story multi-family housing.

The subject property is designated for Low-Medium Density (5-10 du/ac) residential. (See Attachment 3 – Residential Land Use Map) Currently, there are 248 units on the subject parcel, 134 of which are Section 8 units under HUD contract. The existing residences are nearing the end of their 40-year HUD contract and the owner is interested in redeveloping the site to include more affordable and market rate rental units. All the existing residences which would be demolished, were constructed in the 1960's and are low scale, single level structures. The applicant stated that more than 30% of the entire number of units proposed with the development will be reserved for affordable housing.

The proposal would increase the density over 17-acres of the western portion of the property to Medium density at 10-22 du/ac. On the eastern 14-acres of the site, the applicant is requesting a redesignation to Medium-High density at 22-45 du/ac. (See Attachment 4 – Aerial Map) The applicant will be proposing a concurrent development project with the amendment which will include between 625 to 800 dwelling units across the 30.7-acre property and a mixed use

residential/commerical component integrated on the northeast corner. The affordable housing component will be located within the easterly 14-acres.

The applicant intends to redevelop the 30.7-acres with a variety of 2- to 4-story structures. The first phase of the project would be the affordable component located on the southwest corner at Carmel Mountain Road and Gerana Road. The applicant proposes to disperse and terrace the remaining units throughout the parcel with the highest density located near Carmel Mountain Road and lowest density located near the single family homes to the west. The proposed project will also include approximately 25,000 square feet of commercial retail services, consisting of small shops, fronting along the northeast corner at Carmel Mountain Road and Penasquitos Drive.

The eastern portion of the site borders Carmel Mountain Road which supports two bus routes, one of which is an Express Bus with a stop on the northeastern corner of the site. In addition to close proximity to Interstate 15 and transit, the subject property is located across the street from additional commercial services.

Should the proposed amendment be initiated any permits which would be required for this development would be processed concurrently with the amendment to the Rancho Penasquitos Community Plan.

DISCUSSION

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

- (1) **The amendment is appropriate due to a mapping or textural 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 and Development Review 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 Rancho Penasquitos Community Plan?**

A primary objective of the Residential Element of the Rancho Penasquitos Community Plan is to provide housing opportunities for a variety of household types, lifestyles and income levels, while maximizing the health, safety and welfare of the community. The proposed amendment would be consistent with this objective by providing additional housing opportunities, including on site affordable housing, in the community within the Medium and Medium-High density range.

The subject property is located in an area the Rancho Penasquitos Community Plan identified as the Village neighborhood. The Village neighborhood is characterized as multi-family in nature and the Community Plan emphasizes redevelopment of the multi-family areas in the neighborhood to provide low- and moderate-income housing. The proposed land use change offers an opportunity to develop the site with additional affordable units consistent with the plan recommendations for the Village area. The applicant's proposal to include more than 30% affordable units on site is an opportunity to preserve and highlight the policies set forth in the Rancho Penasquitos Community Plan and the Strategic Framework Element which calls for the provision of affordable housing throughout the city to accommodate a diversity of incomes.

The Strategic Framework Element and the City of Villages strategy places an emphasis on determining where and how new growth will occur, and in particular how and where to accommodate additional housing. The strategy seeks to target growth in village areas. The subject property is identified within a potential Neighborhood Village Center on the City of Villages Opportunity Areas Map that is an appendix to the Action Plan. The initiation of this plan amendment would provide an opportunity to explore the feasibility and appropriateness of a higher density land use designation on the subject property. The inclusion of a commercial component supports the City of Villages strategy and could help promote pedestrian- and transit-oriented development.

(2) The proposed land use plan amendment appears to offer a public benefit to the Community or City.

The City of San Diego is anticipating a serious housing deficit, and the proposed amendment offers an opportunity to offset this shortage by proposing additional residential units not anticipated by the adopted Ranch Penasquitos Community Plan.

The site is also in close proximity to existing commercial services, freeway and transit access and a short distance from Los Penasquitos Elementary School. The subject property is well-located to give residents access to a number of public, commercial and recreational opportunities and services, key goals in the Strategic Framework Element and the Rancho Penasquitos Community Plan. Proximity to these services, in combination with a project design which encourages pedestrian

activity and transit usage, could reduce automobile trips and would contribute to a more efficient use of the transportation system.

The location of the subject property within a Village Opportunity Area and near a variety of services and uses suggest the proposed redesignation to a more intense residential and commercial development in a mixed-use configuration would be beneficial and meet the long range goals of the City of San Diego.

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

Public services appear to be available to serve the proposed residential uses, as Rancho Penasquitos is an urbanizing community, and services are available for this and surrounding sites. However, the proposed increase in residential density would require all public services to be examined in more detail if this initiation request is approved. An amendment to the Rancho Penasquitos Public Facilities Financing Plan will be processed concurrently with the community plan amendment to ensure that facilities needs generated by the proposal will be addressed.

(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's work program includes staff time for non-general fund development projects. The costs associated with processing this amendment will be paid for by the applicant.

As outlined above, the proposed plan amendment meets all of the supplemental initiation criteria; therefore, the staff recommends that the Cresta Bella amendment to the Rancho Penasquitos Community Plan and the progress Guide and General Plan be initiated.

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 community plan amendment review process:

- Availability of public services and infrastructure to support the additional residential uses proposed; This would include an analysis of adequate park, and library facilities as well as fire and police services to serve the proposed land use changes in Rancho Penasquitos
- Retention of on site affordable housing and the overall preservation of low and moderate income housing; Siting and integration of affordable housing with remainder of the project
- Incorporation of commercial facilities or civic uses within the development project area

- Appropriate method to accommodate the commercial component of the project
- Compatibility of the proposed development with surrounding uses
- Vehicular, pedestrian and bicycle access into and within the subject property, in particular, maximizing walkability and establishing pedestrian linkages to and from the site surrounding development
- Site design, building orientation, and architecture (in terms of bulk, scale, and character) for compatibility with surrounding development and to encourage pedestrian activity and transit use
- Evaluation of traffic impacts of the proposed additional residential and mixed use development

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 are committed to recommend in favor or denial or the proposed amendment.**

Respectfully submitted,

ROBERT J. MANIS
Program Manager
Long Range Planning

SARA OSBORN
Assistant Planner
Long Range Planning

RJM/OSBORN: 533-5931

Attachments:

1. Rancho Penasquitos Location Map
2. Rancho Penasquitos Community Plan - Land Use Map
3. Rancho Penasquitos Community Plan - Residential Land Use Map
4. Rancho Penasquitos Aerial Map
5. Ownership Disclosure Statement