

DATE ISSUED: June 9, 2005 REPORT NO. PC-05-190

ATTENTION: Planning Commission
Docket of June 16, 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 0.89-acre site from Light Industrial to Very-High Residential (75-110 du/ac). Stella - Project No. 65484

OWNER/
APPLICANT: Allen A. Kalkstein, Linda P. Low/Marchese & Partners International

SUMMARY:

Issue – 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 revise the land use designation on a 0.89-acre site from Light Industrial to Very-High Residential (75-110 du/ac).

Staff Recommendation – INITIATE the plan amendment process.

Community Planning Group Recommendation - The Midway Community Planning Advisory Committee voted 11-0-0 on April 13, 2005 to recommend approval of this initiation (see Attachment 1).

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 Affordability Impact – The proposed general/community plan amendment would redesignate the 0.89-acre site from Light Industrial to Very-High Residential (75-110 du/ac) to allow a range of 67 to 98 dwelling units on this site where none are currently allowed. The applicant has indicated a desire to build 86 dwelling units on the site of which 15 percent, or 13 units, would be affordable as for-sale units to households with an income at or below 100 percent area median income. 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 0.89-acre site is located on Hancock Street between Wright Street and Estudillo Street in the Midway/Pacific Highway Corridor community plan area (see Attachments 2 and 3). The site is currently occupied by warehouse, storage and associated office uses. It is surrounded primarily by non-manufacturing industrial uses with a railroad storage yard to the immediate west and the trolley line to the south. There are also vacant offices and an equipment rental business further south. An air conditioning sales and distribution outlet and an auto repair business are located to the southwest of the subject site. A sandblasting, powder coating and plating business is located to the southeast. A video/DVD transfer/processing business and airport parking are located to the east. To the immediate north is located a conglomeration of various enterprises, including a gym, a backyard recreational business, a tax advisor, a former nightclub, a printing business, a moving company and a mixed-use live/work loft configuration with a graphics business below four residential lofts. The Interstate 5 (I-5) right-of-way is to the approximate north (see Attachments 4 and 5).

To the northeast of the subject site across I-5 in the Uptown community plan area, mixed-uses, commercial/residential and medium density residential uses are found. 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 the California Redevelopment Law. The proposal does not lie within the coastal zone but is subject to the Proposition D 30-foot height limit.

The applicant has requested a plan amendment to shift the subject property's land use designation from Light Industrial to Very-High Residential (75-110 du/ac) in order to allow a density range of 67 to 98 dwelling units on-site. The applicant has indicated a desire to develop the subject property with 86 for-sale residential dwelling units over 139 parking spaces. Fifteen percent of the units would be affordable to low income residents. It is anticipated that this general/community plan amendment, if initiated, would be processed with any required development permits.

San Diego Association of Governments (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 percent - 80 percent 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 percent - 50 percent of Area Median Income. For a household of four this would be an income equal to a maximum of \$34,250.

There are three other general/community plan amendments in process in the Midway/Pacific Highway Corridor community. Two of these amendments are similar to the project proposal. On August 19, 2004, the Planning Commission initiated a general/community plan amendment for property located at 1875 Hancock Street, three parcels east of the subject site. This amendment is currently being evaluated and includes a proposed redesignation from Commercial-Transportation Related to Multiple Use to allow for a transit-oriented mixed-use development. The Planning Commission also initiated a general/community plan amendment for property located at 1895 Hancock Street on January 13, 2005. This amendment would redesignate the property's land use from Light Industrial to Multiple Use. The other application for a plan amendment in Midway is a proposal by the City of San Diego Community and Economic Development Department to remove the Bay-to-Bay element from the Midway community plan and substitute a system of open spaces in its place. The amendment also calls for intensified land uses and zoning along what would have been the canal alignment. On December 16, 2004, staff held a workshop to seek input from the Planning Commission regarding this particular amendment. At that workshop the three projects in the Midway corridor area were mentioned. At the January 13, 2005 Planning Commission hearing to consider initiating the plan amendment at 1895 Hancock Street, Commissioners provided staff with direction to coordinate the three applications for community plan amendments along Hancock Street in order to encourage a village community, determine the feasibility of locating housing in a non-pedestrian-oriented area, provide connectivity with the trolley and determine if industrial land is no longer feasible in this area.

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 Land Development 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 amendment would allow for the development of a variety of housing types that could include an affordable housing component.

The subject site is virtually surrounded by non-manufacturing industrial uses. The site is also in an area where commercial retail and office uses have almost completely displaced the original “low-tech” industrial uses. High land prices in this area have basically rendered any new industrial uses infeasible with most of the more suitable industrial land now located in the southern and northern areas of the City. A proposed change in land use designation, while not constituting a depletion of land currently in use as manufacturing, could constitute a depletion of land that could be used for manufacturing. This could adversely affect the Progress Guide and General Plan goal, “Protect a reserve of manufacturing lands from encroachment by non-manufacturing uses.” If initiated, the area’s current viability and attractiveness in terms of base sector manufacturing would be evaluated, as well as the appropriateness of this site for housing.

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, in the Pacific Highway Corridor part of the community, is defined by small scale industrial buildings, large scale buildings and unscreened commercial parking lots. Haphazard development has characterized Midway since the 1960s 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 proposed amendment meets goals of the applicable land use plan, including the industrial goal to, “Redevelop the Pacific Highway Corridor in a manner that compliments the proposed trolley extension” and the residential goals: “Promote the availability of low-and moderate-income housing units within market-rate residential projects” and “increase home ownership opportunities.” Therefore, 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 general/community plan amendment review process.

(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 on-site affordable housing as described above. In addition, development under the proposed amendment would be supportive of the Washington Street light rail transit station and would enhance pedestrian activity, conforming to the industrial element policy to, “redevelop the Pacific Highway Corridor in a manner that compliments the proposed trolley extension.”

(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. Police Department services are available from the Western Division office located at 5215 Gaines Street. Fire Department services are available from all three stations (Station Numbers 3, 8 and 20) that serve the area under the six minute standard established for this area. 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 Residential Use, which would allow a range of from 67 to 98 dwelling units on the site.

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.
- Possible redesignation of the site to Multiple Use.
- Traffic circulation issues and mitigation measures.
- Compatibility with adjacent existing 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 versus Light Industrial related uses.
- Issues associated with the collocation of Residential and Industrial Uses, including public health effects.
- 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.
- Relationship to the Draft Airport Land Use Compatibility Plan for the San Diego International 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 general/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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Program Manager
Planning Department

Tony Kempton
Associate Planner
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- Attachments:
1. Minutes from April 13, 2005 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
 8. Concurrent Applications for Plan Amendment in Midway/Pacific Highway Corridor Community