

DATE ISSUED: March 9, 2006

REPORT NO. PC-06-096

ATTENTION: **Planning Commission, Agenda of March 16, 2006**

SUBJECT: JEWELL STREET CONDOMINIUMS – PROJECT NO. 58194
PROCESS FOUR

**OWNER/
APPLICANT:** Michael Turk, Owner/Applicant

SUMMARY

Issue: Should the Planning Commission approve a Tentative Map and Coastal Development Permit for the conversion of Forty (40) existing residential apartment units into condominiums, and waive the requirement to underground existing overhead utilities for a Sustainable Housing Expedite project located at 3993 Jewell Street, within the Pacific Beach Community Plan?

Staff Recommendation:

1. **Approve** Tentative Map No. 170863 and waiver to the requirement for the undergrounding of the existing overhead utilities; and
2. **Approve** Coastal Development Permit No. 176487.

Community Planning Group Recommendation: On April 25, 2005, the Pacific Beach Planning Board voted 14-0-0 to recommend approval of the proposed project with one recommendation discussed within this report.

Environmental Review: This project is exempt from environmental review pursuant to Article 19, Section 15301(k), Existing Facilities, of the California Environmental Quality Act (CEQA), and is not subject to a pending appeal of the environmental determination to the City Council. The environmental exemption determination for this project was made on January 12, 2005, and the opportunity to appeal that determination ended January 27, 2005.

Fiscal Impact: None with this action. All staff costs associated with processing this project are recovered from a separate deposit account provided by the applicant.

Code Enforcement Impact: None with this action.

Housing Impact Statement: With the proposed conversion of 40 existing apartments to condominiums, there would be a loss of 40 rental units and a gain of 40 for-sale units. The project does not provide affordable housing, therefore, the proposed project will pay an Inclusionary Affordable Housing In-Lieu Fee per the requirements of MC 142.1310.

BACKGROUND

The 0.69-acre project site is located at 3993 Jewell Street, south of Fortuna Avenue, west of an unnamed alley in the RM-1-1 Zone of the Pacific Beach Community Planning area. The site is designated within the Pacific Beach Community Plan for low to medium residential use; 9-14 dwelling units per acre. The site is presently developed with a two story, 40-unit apartment building. The building consists of thirty-one 1 bedroom apartment units, nine 2 bedroom apartment units, and 40 off-street parking spaces. The project is surrounded by single and multi-family residential development on all sides.

The 40-unit apartment building was built in 1968 when the zone was R-4, a multi-family residential zone, which permitted one unit per 400 square feet and would have allowed 75 units on the property. A progression of down zoning began in the 1970's as R-4 was rezoned to R2-A. R-2A allowed 1 dwelling unit per 1500 square feet. The property was then rezoned to R-3000 on January 9, 1991. R-3000 was later renamed to RM-1-1. The current RM-1-1 Zone permits one unit per 3,000 square feet and currently would allow 10 units on the property. At the time of the building permit, the parking regulations required one parking space per residential unit. The project provides 40 off-street parking spaces where current regulations require 75 for the project site. The project deviates from current landscape and parking regulations, and may deviate from other development criteria. However, the project has previously conforming rights to be maintained as outlined in Chapter 12, Article 7, Division 1 and Chapter 10, Article 3, Division 15 of the San Diego Municipal Code (SDMC).

DISCUSSION

Project Description:

The project proposes a Tentative Map for the subdivision of a 0.69 -acre site to convert 40 existing residential apartment units into condominiums. The applicant is also requesting that the requirement for the undergrounding of the existing overhead utilities be waived. This subdivision also requires a Coastal Development Permit since the project is located in the Coastal Overlay Zone. No new development is proposed with this Tentative Map and Coastal Development Permit. The structures are currently under repair for renovation. There are no existing or prospective tenants. This condo conversion is exempt from environmental review per Article 19, Section 15301(k) of CEQA, based on "Existing Facilities." The project is not subject to a pending appeal of the environmental determination. The environmental exemption determination for this project was made on January 12, 2005, and the opportunity to appeal that determination ended January 27, 2005.

Section 125.0410 of the SDMC requires that a Tentative Map be processed for the subdivision of land. According to SDMC Sections 125.0440 and 125.0444, *Findings for Tentative Maps and*

for *Condominium Conversions*, the decisionmaker may approve a Tentative Map for the purposes of the conversion of residential property into a condominium project if the decisionmaker finds that the proposed conversion complies with the requirements of the Subdivision Map Act and the SDMC. There are no existing or prospective tenants. No tenants reside at the property. Therefore, the tenant notices required by the Subdivision Map Act are not required for this project. Staff has reviewed the proposed condominium conversion and determined that it complies with both the Subdivision Map Act and the SDMC.

Undergrounding Waiver Request:

The project site is located east of Jewell Street, south of Fortuna Avenue, and west of an unnamed alley, within Council District Two. The project requests to waive the requirement to underground existing overhead utilities to two poles located in the public right-of-way adjacent to the project. One pole is located at the northeast corner of the project at the alley and Fortuna Avenue. The other pole is located half way down the alley on the east side of the project. These individual poles cannot be eliminated without installing additional poles to replace them a short distance. The City's Undergrounding Master Plan for Fiscal Year 2006 designates the site within Block 2BB. A fiscal year to underground this block has not yet been determined by City Council (Attachment 7). While the basic requirement for utility conversions is considered to be a public benefit through the improvement of the environment and enhancement of the quality of life, Council Policy 600-25 recognized that there are circumstances where a waiver of the undergrounding requirement is appropriate. It is the policy of the Council to consider granting a waiver, in whole or in part, when such conversions are determined to be impractical from a technical or financial standpoint, or would have minimal aesthetic impact. SDMC Section 144.024(b)(5) allows the subdivider to apply for a waiver from 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, *Underground Conversion of Utility Lines at the Developer's Expense*, in that the conversion involves a short span of overhead facility (less than 600 feet in length) and it has been determined that such conversion is not a part of a continuing effort to accomplish a total undergrounding within a specific street or area. The subdivider is conditioned to underground any new service run to any new or proposed structures within the subdivision. A map resolution condition has been added requiring the applicant provide written confirmation from applicable utility companies that all existing on-site utilities serving the subdivision are undergrounded with appropriate permits, or provide other means to assure the undergrounding, satisfactory to the City Engineer.

Sustainable Building Expedite Program:

This project qualified for the Affordable/In-Fill Housing and Sustainable Building Expedite Program. The Expedite Program provides expedited permit processing for all eligible affordable/in-fill housing and sustainable building projects. This project qualified for this program as each existing unit will provide a photovoltaic system which will meet the "sustainable buildings" definition as established by Council Policy 900-14. The photovoltaic system includes panels to be located on the roof top of the building. This system will generate

more than 50% of the projected total energy consumption on site.

Housing:

All residential development is subject to the Inclusionary Affordable Housing Regulations. The project does not provide affordable housing, therefore is subject to the in lieu fee rate in effect per the requirements of MC 142.1310. The project has been conditioned to require payment of an Inclusionary Affordable Housing In-Lieu Fee of \$48,524. The rate of the In-Lieu Fee is calculated based on the rate in effect at the time the Tentative Map application was deemed complete on December 22, 2004. The amount of the In-Lieu fee is the sum of the gross floor area of the development minus garages and carports multiplied by the applicable square-foot charge in accordance with Table 142-13C, SDMC Section 142.1310 (27,728 square feet x \$1.75 = \$48,524).

Community Planning Group Recommendation:

The Pacific Beach Planning Board considered the project on April 25, 2005, and voted 14-0-0 to recommend approval with the condition that “the City verify that there are no fire issues with the back wall inhibiting escape in case of emergency and the parking space blocking pedestrian exiting” (Attachment 11). City staff researched the original building approvals and found that the Building was constructed in 1968. The approved Building Permits were in accordance with the 1967 Uniform Building Code. Staff found the subject wall and building were approved and permitted on the Building plans allowing an 18" separation where 3 feet should have been required. Subsequent to a meeting with the Building Official, the Building Official concurred that the existing situation of an 18" separation versus a 3 foot separation was an egress safety issue that should be corrected. To correct this egress safety situation, the applicant removed walls and redesigned a portion of the northeastern bilding walls so that safe egress could be established. This redesign allows a person egress via the existing front doors. Therefore, the existing 18" separation between the subject window and exterior wall is no longer an egress issue per current building codes.

Project Related Issues:

No Tenants - The purpose of the City condominium conversion regulations is to protect the interests of tenants by giving them notice and assuring tenants that during times of tight rental markets they will be provided reasonable assistance in relocation, and given adequate notices. However, there are no prospective tenants, or existing tenants that reside at the property. Therefore, the tenant notices required by the SDMC and Subdivision Map Act are not required for this project. In addition, no tenant relocation benefits are required as part of this condominium conversion.

The Tentative Map has been conditioned to note that no prospective tenants, or tenants shall reside at the property prior to the recording of the Final Map. If prospective tenants or tenants occupy the premises prior to the recording of the Final Map, then the Tentative Map would be null and void. The Subdivider would be required to provide each tenant, and each person applying for the rental of a unit all applicable notices and rights required by the State Map Act and Land Development Code.

Coastal Affordable Housing Replacement Regulations - SDMC Chapter 14, Article 3, Division 8, requires that condominium conversions in the Coastal Overlay Zone must provide replacement housing for units that are occupied by low or moderate-income persons or families. The State of California Government Code Section 65590(b) further states that if a substantial number of persons or families of low or moderate-income are evicted within one year prior to the filing of an application to convert a structure, the evictions shall be presumed to have been for the purpose of avoiding the requirements of this subdivision. Therefore, the Housing Commission carefully reviewed the circumstances surrounding the entire vacancy of this 40 unit apartment complex. The Housing Commission found that the applicant adequately documented to the satisfaction of the Housing Commission that the substantial number of vacancies was not due to the eviction of persons or families of low or moderate-income. Since the entire project is vacant, and will continue to remain vacant until converted to condominiums, there was no basis for conducting a tenant income survey, and the owner was found to have no obligation to provide replacement housing pursuant to the Coastal Overlay Zone Affordable Housing Replacement Regulations.

Structural Repairs - The property was purchased by the applicant as an empty apartment building in the process of ongoing renovation. The structural repairs were found to be more significant and required the property to remain vacant. The presence of mold was found to be significant in the building. It was necessary to remove all the windows and all the drywall throughout the project in order to abate the mold problem. Approximately 200,000 square feet of new drywall was installed. All surfaces in all units were replaced with new drywall and paint. The cabinets were replaced, and new granite counter tops were installed in the kitchen and baths. All plumbing, electrical fixtures, space heaters, and appliances were replaced.

Significant improvements to the exterior of the buildings have been completed. The windows and sliding glass doors were replaced. The 1970's fau-stone was removed and replaced with ceramic tile. Mansard roof details were removed and cornice details added. All exterior walls were re-stuccoed in contemporary colors. The wrought iron railings were replaced. The entire roof was removed and replaced with the addition of solar photovoltaic panels in accordance with Council Policy 900-14. The landscaping is being replaced to improve the exterior appearance, while keeping the mature queen palms.

Conclusion:

Staff has reviewed the request for a Tentative Map and Coastal Development Permit for the conversion of 40 residential apartment units into condominiums and the request to waive the requirement to undergrounding the existing overhead utilities, and has found the project to be in conformance with the applicable sections of the SDMC regulating Tentative Maps and Council Policy 600-25 regulating the undergrounding of existing overhead utilities. Therefore, staff recommends that the Planning Commission acknowledge the Environmental Exemption and approve the project as proposed.

ALTERNATIVES:

1. **Approve** Tentative Map No. 170863 and Coastal Development Permit No. 176487, and the waiver to the requirement for the undergrounding of the existing overhead utilities, with modifications.

2. **Deny** Tentative Map No. 170863 and Coastal Development Permit No. 176487 and the waiver to the requirement for the undergrounding of the existing overhead utilities, if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

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and Information Division
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STROHMINGER/DM

Attachments:

1. Aerial Photo/Project Location Map
2. Community Plan Land Use Map
3. Project Data Sheet
4. Tentative Map Exhibit
5. Building Renovations – Exterior
6. Building Renovations - Interior
7. Existing Overhead Utilities Photo
8. Undergrounding Schedule District 2
9. Underground Map District 2 Block 2BB
10. Draft Tentative Map Resolution with Conditions
11. Draft Coastal Development Permit
12. Draft Coastal Development Permit Resolution with Findings
13. Community Planning Group Recommendation
14. Environmental Exemption
15. Ownership Disclosure
16. Project Chronology