

DATE ISSUED: April 6, 2006 **REPORT NO. PC-06-118**

ATTENTION: **Planning Commission, Agenda of April 13, 2006**

SUBJECT: 301 and 333 UNIVERSITY – PROJECT NO. 11896. PROCESS FIVE.

**OWNER/
APPLICANT:** La Jolla Pacific Development Group, Inc.

SUMMARY

Issue(s): Should the Planning Commission recommend that the City Council approve a Site Development Permit, Tentative Map and Right-of-Way Vacation for the construction of a mixed use residential and commercial project consisting of 96 condominium units, 10,304 square-feet of ground floor commercial, 201 designated private parking spaces and 121 public parking spaces?

Staff Recommendation:

1. Recommend that the City Council **CERTIFY** Mitigated Negative Declaration No. 11896; and
2. Recommend that the City Council **APPROVE** Right-of-Way Vacation No. 323355; and
3. Recommend that the City Council **APPROVE** Site Development Permit No. 23948; and
4. Recommend that the City Council **APPROVE** Tentative Map No. 323359

Community Planning Group Recommendation: On September 6, 2005, the Uptown Planners voted 6-4-0, adopting a motion that the proposed development does not conform to the Uptown Community Plan (Attachment 11). The Community Planning Group recommendation to deny the proposed development is discussed within this report.

Other Recommendations: On August 29, 2005, Robert Orphey, the president of the Uptown Partnership, recommended approval of the proposed project to Leo Wilson, the

president of the Uptown Planners. In addition, the Hillcrest Business Association endorsed the project's inclusion of permanent parking spaces on September 13, 2005.

Environmental Review: The City of San Diego conducted an Initial Study which determined that the proposed project could have a significant environmental effect on Paleontological Resources, Historical Resources (Archaeology) and Human Health and Public Safety. Subsequent revisions in the project proposal create the specific mitigation identified in Mitigated Negative Declaration No. 11896. The project as revised now avoids or mitigates the potentially significant environmental effects previously identified.

Fiscal Impact Statement: None, all of the costs associated with processing this application are paid for by the applicant.

Code Enforcement Impact: None.

Housing Impact Statement: The project site contains approximately 34,693-square feet of area (0.80 acre) and would allow a maximum of 80 units on the site. However, a twenty-percent (20%) density bonus would be permitted, pursuant to SB 1818 (Chapter 928, Statutes of 2004 amending the density bonus law [Gov. Code 65915]), since the project would allocate five-percent (5%) of the total number of dwelling units as “very low income rental units, and pay an in-lieu fee for five percent (5) of the total number of units. This provision of affordable housing would allow an additional sixteen (16) units, resulting in a total of 96 dwelling units where none currently exist. Additionally, the project would help the City address its shortage of affordable housing stock during a time when the City Council has determined that the City of San Diego is in a housing state of emergency. The project will set aside four (4) units as Affordable Housing in accordance with the Inclusionary Housing Ordinance, which requires all new residential development with two units or more to provide affordable housing, and will pay an in-lieu fee for the four (4) additional units.

BACKGROUND

The project site is located on the northerly portion of the block bounded by University Avenue, Robinson Avenue, Third Avenue and Fourth Avenue (Attachment 1) in the Hillcrest neighborhood of the Uptown Community Plan area. The project site currently includes a portion of a dedicated alley connecting Robinson Avenue to the south with University Avenue to the north. The Uptown Community Plan designates the 0.80-acre site for Commercial Mixed-Use development with a high-intensity residential component (Attachment 2). The project site includes both the CN-1A Zone and the MR-800B Zone of the Mid-City Communities Planned District Ordinance.

The project site is developed with a vacant one-story medical office building and the associated surface parking on Third Avenue and University Avenue and a one-story commercial retail building with multiple tenants and the associated surface parking along Fourth Avenue and University Avenue. Both of the existing structures are proposed to be demolished to make way for the proposed project (Attachment 3).

The surrounding neighborhood is a mix of commercial retail and service uses, restaurants and multi-family development. Existing development in the area is generally characterized by both old and new low to mid-rise structures of varying architectural styles with a relatively high volume of pedestrian activity.

DISCUSSION

Project Description:

The proposed development is a 12-story high rise mixed-use building over two levels of subterranean parking. The two subterranean levels consist of 121 pay-for parking intended for public use. Approximately 10,000 square-feet of commercial retail space and 24 designated commercial off-street parking spaces would occupy the ground floor. Three levels of private parking for the residential use would occupy the first three stories and 96 condominium units of varying sizes would occupy the upper eight stories. The overall building height would be 148 feet. The modern building design is classically inspired with solid surfaces and punched window openings. The structure presents a variety of forms using off-setting planes, vertical articulation and different fenestration styles.

Ground floor building interest is provided by the building façade and enhanced exterior finish materials, while pedestrian activity would be generated by wide landscaped walks adjacent to recognizable individual storefronts. The project's street wall is designed with the intent to provide a "village feel" with numerous differential storefront designs utilizing ceramic tile and strong colors, awnings, canopies and a varying of setbacks to create a pedestrian friendly environment. Opportunities for sidewalk cafes and enhanced landscaping are provided as well as a strong visual definition of retail space with the parking garage disguised behind an articulated façade. The proposed vacation of a portion of the existing alley between University Avenue and Robinson Avenue would alleviate conflicts between pedestrians and vehicles accessing the alley and reduce traffic congestion by eliminating mid-block access to University Avenue.

The twelve story structure would be significantly taller than other surrounding structures in the immediate area simply because it is the first high intensity mixed-use development implementing the goals and recommendations of the Uptown Community Plan. The bulk and scale of the project is consistent with several new developments within the Uptown community on Fourth, Avenue, Fifth Avenue and Sixth Avenue to the south and the medical complexes of Scripps Mercy and UCSD to the north. The Uptown Community Plan designates the project site and surrounding properties along University Avenue and Washington Street for commercial mixed-use development with high intensity residential components. Accordingly, the underlying Mid-City Communities Planned District Ordinance's CN-1A and MR-800B Zones permit high density residential development. The CN-1A Zone allows one unit per 400 square-feet of lot area and the MR-800B Zone allows one unit per 600 square-feet of lot area. The majority of the project site is zoned CN-1A which permits a 200 foot height limit.

Community Plan Analysis:

The majority of the project site is designated for Commercial/Residential Mixed Use with a density range of 73-110 Dwelling Units per acre (DU/AC), and the remaining area is designated for High Residential with a density range of 44-73 DU/AC. The project site contains approximately 34,693-square feet of area (0.80 acre) and would allow a maximum of 80 units on the site. However, a twenty-percent (20%) density bonus would be permitted, pursuant to SB 1818 (Chapter 928, Statutes of 2004 amending the density bonus law [Gov. Code 65915]), since the project would allocate five-percent (5%) of the total number of dwelling units as “very low income” rental units at 50% of the Average Median Income (AMI). The provision of the five-percent affordable housing units would allow an additional sixteen (16) units, resulting in a total of 96 dwelling units where none currently exist. The proposed project would not exceed the allowable number of dwelling units based on the underlying land use designation and the allowable density bonus, and would implement the land use element of the Uptown Community Plan.

The proposed project would include the construction of a 12-story mixed-use building with both commercial and residential uses; 10,304 square feet of ground floor commercial retail space and 96 dwelling units. The project proposes wall texture variations, façade off-sets, upper floor setbacks and varied roof forms. In addition, the project would provide widened sidewalks and other pedestrian orientation, off-street parking, and high-intensity, mixed-use development on University Avenue in the Hillcrest commercial core. By providing both commercial and residential components, architectural variety, off-street parking, pedestrian amenities, and high-intensity mixed-use development, the project would implement several objectives of the Urban Design Element.

Environmental Analysis:

An environmental initial study determined that the project could have potentially significant adverse impacts in the areas of Historical Resources (Archaeological) Paleontological Resources and Human Health and Public Safety. Mitigated Negative Declaration No. 11896 was prepared for the proposed development with specific mitigation measures that would reduce potential impacts in these areas to below a level of significance.

The environmental initial study determined that recorded archaeological resources have been located within the proximity of the project site and that the property was previously developed with residential and commercial uses as early as 1921. Therefore, there is the potential to encounter subsurface historic archaeological materials in pit privies and trash deposits during excavation for the underground parking garage. Archaeological monitoring by a qualified archaeologist would be required during grading activities to mitigate potentially significant impacts to archaeological resources.

Similarly, the environmental initial study determined that the project site is underlain by the Lindavista and San Diego formations, which exhibit moderate and high paleontological resource sensitivity, respectively. Based upon the proposed quantity and depth of excavation,

implementation of the proposed project could result in significant impacts to sensitive paleontological resources. To reduce this impact to below a level of significance, excavation would be monitored by a qualified paleontologist or paleontological monitor and any significant resources encountered would be recovered and curated as required by the Mitigation, Monitoring and Reporting Program.

Significant impacts to human health and public safety were identified based on the proposed demolition of existing structures. Due to the age of these structures, there is the potential for the presence of lead-based paint and asbestos-containing building materials. Exposure to lead-based paint and asbestos-containing building materials poses a potentially significant human health impact. Therefore, prior to demolition of the existing structures, proper testing would be required to determine if lead-based paint and asbestos-containing building materials (ACBM) exist within the structures. If testing shows the presence of asbestos or lead-based paints, then proper precautions would be made during the removal and disposal of asbestos or lead-based paint containing materials. In addition, prior to the preconstruction meeting, the applicant must submit written verification that the County of San Diego, Department of Environmental Health, has reviewed and approved the proposed work plan for treatment and disposal of hazardous materials or contaminated soils that are encountered onsite. Implementation of this mitigation measure would reduce this impact to below a level of significance.

The staff determination to issue a Mitigated Negative Declaration (MND No. 11896) as the appropriate environmental document in lieu of an Environmental Impact Report has been challenged by an adjacent property owner. A comment letter provided during the public review period for MND No. 11896 contends that the project could have significant environmental effects in the areas analyzed by the staff as well as land use and planning impacts, aesthetics and community character, traffic and noise. Prior to finalizing MND No. 11896, staff has responded to the public comments and concluded that all of the potential adverse project impacts have been eliminated or mitigated below a level of significance.

Project-Related Issues:

Discretionary Actions

The proposed development is requesting a Tentative Map, Site Development Permit and a Right-of-Way Vacation to develop the 0.80 acre property with a mixed use project consisting of commercial and residential uses and a public parking component. The Tentative Map is required to develop the project as condominiums which would allow the sale of individual units and commercial spaces. The Site Development Permit is required in order to grant requested deviations to the underlying development regulations pursuant to the Mid-City Communities Planned District Ordinance and the Land Development Code. These deviations were added to the project based on the comments received during the public outreach conducted by the applicant. The Right-of-Way Vacation is requested in order to vacate a portion of a dedicated public alley. A request to vacate a dedicated public easement requires a decision by the City Council in accordance with a Process Five level public hearing. The Land Development Code requires that all of the discretionary project actions be consolidated and decided in accordance with the highest level of decision making process. Therefore, the Tentative Map and Site

Development Permit are included in the Process Five decision.

Site Development Permit

The project is requesting six deviations to the underlying CN-1A and MR-800B Zones that would require a Site Development Permit (Attachment 4). The deviations are considered necessary because the project premises consists of two different zones and strict application of the development regulations would result in incongruent site planning and a dissimilar building design over the project area. For example, although the majority of the site is zoned CN-1A, which has a 200 foot height limit; the remainder of the site is MR-800B, which has a maximum 60 foot height limit. Conceivably, the property could be developed with 200 foot tall buildings on the CN-1A portion and shorter, 60 foot tall buildings on the MR-800B Zoned portion. However, the CN-1A Zone is located along the entire street frontage on University Avenue and parts of Third Avenue and Fourth Avenue as well. Developing the taller buildings pursuant to the zones would result in structures that were higher at the street level and lower at the interior of the site so buildings would step into the street instead of stepping back away from it. To resolve this issue, the design of the building is consistent across the entire project site with a requested 12-foot height deviation in the MR-800B Zone. The building design as proposed also eliminates the need to add additional floors for the required residential parking.

Similarly, the project is requesting deviations to reduce the setbacks and street wall. These deviations would allow additional building articulation and varied storefront façade treatments along the street which provide for a more active street environment. In addition to the building deviations, the project is requesting deviations from site requirements including the provision of a hammerhead turnaround rather than a cul-de-sac within the vacated portion of the alley, a reduced driveway separation and reduced street visibility area. Staff determined that a full cul-de-sac would not be required at the terminus of the narrow alley and that the hammerhead would serve the same purpose. The reduced driveway separation allows traffic flow in both directions from the remaining portion of the alley. The street visibility area would be reduced from between 14 feet to 17 feet where 25 feet is typically requested. The reduction allows the street wall of the building to be consistent with the community plan, which recommends placing structures closer to the sidewalk in order to promote interest and pedestrian activity.

Staff has reviewed the proposed deviations and determined that they are minor in scope and would contribute to a better overall project than would be achieved with the strict application of the development regulations of the split-zoned site.

Right-of-Way Vacation

The project is proposing to vacate a portion of the dedicated public alley that runs through the project site parallel with Third Avenue and Fourth Avenue in a north/south direction connecting University Avenue with Robinson Avenue. Staff has determined that closing the alley to through vehicle access would have a beneficial effect on traffic flow on University Avenue by eliminating mid-block access. Pedestrian access through the site would be maintained with a street level corridor and the proposed hammerhead would provide the necessary turnaround for the remainder of the alley.

Community Planning Group

The proposed development was presented to the Uptown Planners Design Review Subcommittee on numerous occasions as the project design changed throughout the review process. Further input was provided by surrounding business owners, the Uptown Partners and the Hillcrest Business Association. On September 6, 2005, the Uptown Planners voted 6-4-0, adopting a motion that the proposed development does not conform to the Uptown Community Plan. Based on the approved September 6, 2005 meeting minutes, the motion that the project did not conform to the Uptown Community Plan was based primarily on the height and scale of the proposed development as well as the impacts associated with traffic circulation, parking and infrastructure (Attachment 11).

Critical Project Features to Consider During Substantial Conformance Review

The proposed development has been through several design renditions based on an evolving project scope and input from city staff, the Uptown Planners Design Review Subcommittee and several recognized business groups. The following project design features should not be eliminated, modified or diluted through the Substantial Conformance Review process:

- **LAND USE:** The project should be maintained as a mixed-use development and all ground floor area along the street frontages should be dedicated solely for commercial use.
- **INTENSITY OF DEVELOPMENT:** The proposed project is developed to the maximum residential density. Any further requested density for the project site would require an Amendment to the Uptown Community Plan.
- **ARCHITECTURE:** Much of the community and staff support of the project was due to the architectural elements incorporated into the building design. Any proposed change to the exterior of the building should not decrease the number of off-setting planes, building articulation, enhanced building materials or the “village” storefront concept, nor should the amount of glass used on the elevations be increased.
- **PARKING/CIRCULATION:** The number of off-street parking spaces dedicated exclusively for public parking should not be reduced. The proposed hammerhead in the vacated alley should not be eliminated.

Conclusion:

The proposed development has been reviewed for conformance with the Uptown Community Plan and determined to be a compatible mix of land uses at the appropriate density. The project has also been reviewed pursuant to the applicable regulations of the City of San Diego Land Development Code and determined to be in compliance with the purpose and intent of the underlying CN-1A and MR-800B Zones. The requested deviations are considered to be minor in

scope and contribute to an overall better project than would be provided with strict compliance to the split zoning requirements of the site. The Tentative Map would comply with the State of California Subdivision Map Act and allow the project to be developed with for-sale commercial sites and residential condominiums. Mitigated Negative Declaration No. 11896, including a Mitigation, Monitoring and Reporting Program, would reduce potential adverse impacts to below a level of significance. Staff considers the project issues resolved, and therefore, recommends that the Planning Commission forward the proposed development application to the City Council for a final decision with a recommendation to approve the project.

ALTERNATIVES:

1. Recommend that the City Council **Approve** Right-of-Way Vacation No. 323355; Site Development Permit No. 23948; and Tentative Map No. 323359, **with modifications**; or
2. Recommend that the City Council **Deny** Right-of-Way Vacation No. 323355; Site Development Permit No. 23948; and Tentative Map No. 323359, **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/JPH

Attachments:

1. Project Location Map
2. Community Plan Land Use Map
3. Aerial Photograph
4. Project Data Sheet
5. Project Site Plan(s)
6. Tentative/Vesting Tentative Map
7. Project Plans (Include as appropriate/relevant.)
8. Draft Map Conditions and Subdivision Resolution
9. Draft Permit with Conditions
10. Draft Resolution with Findings
11. Community Planning Group Recommendation
12. Ownership Disclosure Statement
13. Project Chronology

