



THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: June 15, 2006 REPORT NO. PC-06-133

ATTENTION: Planning Commission
Agenda of June 22, 2006

SUBJECT: Initiation of an Amendment to the Progress Guide and General Plan and the Otay Mesa-Nestor Community Plan and Local Coastal Program to Redesignate an Approximate 27.2-Acre Site from Park, Community Commercial and Low-Medium Density Residential to Park and Mixed Use. PTS 100402

OWNER/
APPLICANT: De Anza Land and Leisure Corp/Lennar Homes of California, Inc.

SUMMARY

Issues – Should the Planning Commission INITIATE an amendment to the Progress Guide and General Plan and the Otay Mesa-Nestor Community Plan pursuant to Municipal Code Section 122.0103? The amendment has been requested to redesignate an approximate 27.2-acre site from Park, Community Commercial and Low-Medium Density Residential (10-15 dwelling units per acre) to Park and Mixed-Use.

Staff's Recommendation – INITIATE the plan amendment process.

Community Planning Group Recommendation – On May 10, 2006, the Otay Mesa-Nestor Community Planning Group voted 10-0-0 to recommend maintaining the current land use designations in the community plan, and not endorse any change to the commercial or residential boundaries and density levels (see Attachment 1).

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

Fiscal Impact – None. Costs associated with processing this application would be reimbursed by the applicant.

Housing Affordability Impact – The existing land use designations and zoning would allow approximately 31 single-family and 138 multifamily residential units on the property. Currently, there are 64 mobile home units and 57 visitor recreational vehicle sites within the proposal site. If redesignated to Park and Mixed Use, the site could accommodate up to 789 dwelling units. The net result would be an increase of approximately 725 dwelling units. In addition, the applicant has indicated a desire to provide a range of housing products, with the inclusionary housing on-site, which would help the City address its shortage of affordable housing stock at a time when the City Council has determined that the City is in a Housing State of Emergency.

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 subject area of the proposed amendment, an approximate 27.2-acre site, is located in the Otay Mesa-Nestor Community Planning Area (see Attachment 2). Otay Mesa-Nestor is an urbanized community bounded by the Tijuana River Valley on the south, Imperial Beach to the west, Chula Vista to the north, and Otay Mesa to the east. Currently, the site is occupied by the Nestor Creek Greenway, the South Bay Drive-in Theater, and the South Bay Mobile Home Park. Surrounding uses include the Interstate-5 freeway to the east, Coronado Avenue to the south, Mendoza Elementary School to the west, and a mobile home park to the north (see Attachment 3).

The Otay Mesa-Nestor Community Plan designates the subject area Park, Community Commercial (no residential permitted) and Low-Density Residential (see Attachment 4). The approximately 3.7-acre creek property is designated Park, the approximately 10.8-acre drive-in theater site is designated Community Commercial, and the approximately 12.6-acre mobile home park is designated Low-Medium Density Residential and Community Commercial. Land use designations surrounding the site include Low-Medium Residential (10-15 du/nra), Visitor Commercial, Park, and School.

The applicant, Lennar Homes, is proposing to retain the 3.7-acre Park designation along Nestor Creek and create a riparian corridor as recommended in the Otay Mesa-Nestor Community Plan. Originally, the applicant proposed to redesignate the remaining 23.5 acres of the site to Medium Density Residential (15-30 du/nra) and Community Commercial to accommodate residential and commercial uses at an overall density of approximately 20 du/nra. However, in working with planning staff, it was determined that a Mixed Use designation may be more appropriate to implement smart growth strategies in close proximity to an existing school, park, and natural greenway. If initiated, it is anticipated that the general/community plan amendment would be processed with rezones and all necessary permits required through the entitlement process.

The proposed initiation was an action item at the Otay Mesa-Nestor Community Planning Group's meeting of April 12, 2006. The planning group voted 10-0-0 to recommend denial of the initiation of a plan amendment. The motion recommended maintaining the current land use designations in the community plan, and not endorsing any change to the commercial or residential boundaries and density levels. The City Planning and Community Investment department is aware of the group's concerns, but believes a redesignation of the site could help better implement the strategies and guidelines of the Otay Mesa-Nestor Community Plan. With its proximity to transit, parks, and schools, the site is an ideal location to implement smart growth strategies while providing much needed housing and community-serving commercial uses.

The most recent amendment to the Otay Mesa-Nestor Community Plan occurred in 2003. The River Estates Project redesignated approximately 2.5 acres from Park to Medium Residential and is located south of the drive-in site along Hollister Avenue, and anticipates providing 48 dwelling units. On April 6, 2006, the Planning Commission initiated a community plan amendment for the 17-acre Marion High School site located to the west along Coronado Avenue. The proposed amendment to redesignate the site from School to Medium Density Residential could provide up to 255 dwelling units.

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 City Planning and Community Investment 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 City Planning and Community Investment 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 Otay Mesa-Nestor Community Plan.**

The proposed project would help implement many of the goals and policies of the Progress Guide and General Plan, the Strategic Framework Element, the Transit-Oriented Development Design Guidelines, and the Housing Element. The Open Space, Recreation, and Urban Design Elements of the Progress Guide and General Plan recommend the preservation of natural resources, the provision of passive recreational opportunities, and sensitive design that addresses distinctive neighborhood character while increasing safety, comfort, and pride. Housing goals in the Progress Guide and General Plan include the availability of adequate sites for the development of a variety of housing types for all income levels and an adequate supply of housing to meet the needs of low- and moderate-income households.

Within the Strategic Framework Element, the Neighborhood Quality, Urban Form, and Housing Affordability policies promote pedestrian connections, passive recreation opportunities, incorporation of the natural environment through sensitive design, and mixed-use village centers integrated into existing neighborhoods. The Transit-Oriented Development Design Guidelines recommend efficient development patterns that minimize urban sprawl, enhance the social aspect of neighborhoods, and conserve sensitive environmental features through design. The proposed amendment could provide infill development on underutilized property that is situated within walking distance to schools, community-serving commercial uses, and is oriented on a street with transit service. The proposed amendment could provide a publicly accessible pedestrian/bicycle path along the creek, consciously incorporate the creek through building fronts and play areas that face Nestor Creek, and could provide much needed housing that is affordable in nature.

The Park-designated portion of the site includes Nestor Creek, regarded by the Otay Mesa-Nestor Community Plan as an important hydrologic feature of the community. The plan specifically addresses creek improvements through the strategies and guidelines for the Nestor Creek Greenway in Topic 2b, Nestor Town Center (see Attachment 5). The plan calls for the development of Nestor Creek Greenway as a public open space corridor that will serve as the anchor and unifying element of the Nestor Town Center revitalization. The design guidelines recommend the utilization of riparian vegetation landscaping along Nestor Creek; the development of Nestor Creek Greenway as a passive park incorporating shade trees, open turfed areas, picnic areas, areas for outdoor dining establishments, and a pedestrian and bicycle path; the prohibition of further channelization unless absolutely necessary; and the preservation of Nestor Creek as an open channel with the incorporation of a pedestrian bridge and linkages, enhanced landscaping, and public art. The recent River Estates and Creekside Trails projects have incorporated the Nestor Town Center strategies and guidelines, and the retention of the Park designation would

retain the opportunity to further link private project development with a publicly-accessible natural resource.

The Otay Mesa-Nestor Community Plan emphasizes individual neighborhood centers and unique natural areas by providing neighborhood objectives through topics and appendices. Topic 2b, Nestor Town Center, provides strategies and guidelines for future development of the drive-in site and surrounding properties (see Attachment 5). The drive-in site and the Flower Street historic area are considered the heart of Nestor Town Center, with the Nestor Creek Greenway being the spine of the community. Topic 2b states that the drive-in site presents an opportunity for redevelopment as a commercial center providing a variety of shopping and recreational services to the community. If initiated, the amendment would allow development of both dwelling units and commercial uses in a neighborhood with proximity to schools, transit, and park on an underutilized property.

While the proposed general/community plan amendment conforms to many of the goals and objectives of the Progress Guide and General Plan, the Strategic Framework Element, Transit-Oriented Development Design Guidelines, and the Otay Mesa-Nestor Community Plan, the City Planning and Community Investment department acknowledges that the community group recommended denial of the plan amendment initiation. Given that the proposed amendment is consistent with a number of goals and objectives as mentioned above, staff recommends that this supplemental criterion be considered fulfilled for the purposes of this initiation process, with the understanding that further analysis of the appropriate mix of uses and density range for the site would be considered if the community plan amendment is initiated.

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

The potential benefit of the proposed land use amendment to the Otay Mesa-Nestor Community Plan is that it would allow for the integration of mixed-use residential and community-serving commercial development on an overall site where residential and commercial development had previously been separate and exclusive. The proposed amendment would allow for community-serving commercial development, along with housing stock development at a density range comparable to surrounding development which could help maintain the neighborhood character within the Otay Mesa-Nestor community area. Infill development such as this could provide housing of an affordable nature within the San Diego region, at a time when the City of San Diego is searching for areas that can accommodate additional residential units. The proposed plan amendment would provide an efficient use of the site by locating residential uses in

close proximity to commercial and community-serving uses. In addition, the provision of a publicly-accessible greenway would provide recreational and public benefits to the community.

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

Otay Mesa-Nestor is an urbanized community and all needed public services are available in the community. If the plan amendment is initiated, analysis of public services and facilities would be conducted with the review of the plan amendment.

(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 City Planning and Community Investment department's 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 workload. The costs associated with processing this amendment will be paid for by the applicant.

As outlined above, the proposed plan amendment meets all the supplemental initiation criteria; therefore, City Planning and Community Investment staff recommends the proposed amendment to the Progress Guide and General Plan and the Otay Mesa-Nestor Community 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 general/community plan amendment review process:

- The appropriate land use designation, density range, and zoning;
- The appropriate amount of commercial development based on an economic needs analysis;
- The impact of potential residential and commercial development on public services and facilities;
- The evaluation of any traffic impacts associated with the addition of residential and commercial development on the site;
- The availability of transit;

- Housing availability and affordability;
- Walkability and pedestrian connectivity;
- Integration of Nestor Creek into the overall design of the site.

Although staff believes that the proposed amendment meets the necessary supplemental criteria for initiation, staff has not fully reviewed the applicant's proposal. Therefore, by initiating this general/community plan amendment, neither staff nor the Planning Commission is committed to recommend in favor or denial of the proposed amendment.

Respectfully submitted,

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Attachments:

1. Otay Mesa-Nestor Community Planning Group April minutes
2. Otay Mesa-Nestor Vicinity Map
3. Aerial Photo
4. Otay Mesa-Nestor Community Plan Land Use Map
5. Topic 2b, Nestor Town Center
6. Ownership Disclosure Statement