

**DATE ISSUED:** April 27, 2006

**REPORT NO. PC-06-140**

**ATTENTION:** Planning Commission, Agenda of May 11, 2006

**SUBJECT:** 4960 CORONADO AVENUE TENTATIVE MAP – OCEAN BEACH –  
PROJECT NO. 71968, PROCESS 4.

**OWNER:** Glenn L. Goldman, Pruetts Realty, Inc.

**APPLICANT:** Nicole Noble, Sterling Land Services

### **SUMMARY**

**Issue:** Should the Planning Commission approve a Coastal Development Permit, Tentative Map, and Undergrounding Waiver to convert eight existing residential apartment units into condominiums at 4960 Coronado Avenue, within the Ocean Beach Precise Plan?

#### **Staff Recommendation:**

1. APPROVE Coastal Development Permit No. 223152;
2. APPROVE Tentative Map No. 219581; and
3. APPROVE waiver to the requirement to underground existing overhead utilities.

**Community Planning Group Recommendation:** The Ocean Beach Planning Board voted 8-0-0 to recommend denial of the proposed project on January 4, 2006 over concerns of parking, status of the building's mechanical systems, and the reduction of affordable rental units in Ocean Beach (Attachment 9).

**Environmental Review:** The project has been determined to be exempt from the California Environmental Quality Act (CEQA) in accordance with the State CEQA Guidelines 15301(k), existing facilities (Attachment 15). This project is not pending an appeal of the environmental determination. The environmental exemption determination for this project was made on June 23, 2005, and the opportunity to appeal that determination ended July 7, 2005.

**Fiscal Impact:** The cost of processing this application is paid for by the applicant.

**Code Enforcement Impact:** None with this action.

**Housing Impact Statement:** The proposed project is the conversion of 8 existing apartment units to condominiums. There would be a loss of 8 rental units and a gain of 8 for-sale units. This project is subject to the Inclusionary Housing and Coastal Affordable Replacement Regulations, which are conditions of the proposed Tentative Maps for Condominium Conversions. The applicant proposes to pay an in-lieu fee of \$30,800 to the Housing Commission.

## **BACKGROUND**

The developed 7,010 square-foot (0.16-acre) site is located at 4960 Coronado Avenue (Attachment 1), between Bacon Street, and Cable Street within the South Ocean Beach neighborhood of the Ocean Beach Precise Plan and Local Coastal Program (Attachment 2). The Precise plan designates the site for multi-family residential land use at a density of 25 dwelling units/acre (du/ac) (Attachment 3). The site is zoned RM-2-4 and is within the Coastal Overlay Zone (non appealable), Coastal Height Limit Overlay Zone, Parking Impact Overlay Zone, Airport Approach Overlay Zone, Airport Environs Overlay Zone, and the Ocean Beach Emerging Historic District. The surrounding area contains a mix of multi-family and single-family development. The two-story structure was constructed in 1958 as eight units with four parking spaces accessed from the alley at the rear.

## **DISCUSSION**

**Project Description:** This project is a request for a Coastal Development Permit and Tentative Map for the subdivision of a 0.16-acre site to convert eight existing residential units to eight condominium units (Attachment 5), which will allow the sale of each unit. Additionally, the applicant is requesting a waiver from the requirement to underground the existing overhead utilities adjacent to the project site.

The project consists of six, two-bedroom units (781 square feet each), and two, three-bedroom units (907 square feet each) in a two-story, 6,535 square -foot building built in 1958 with a total of 6,503 square feet of living area. Current parking requirements for the project, if constructed today, would be 19 spaces. The project was constructed with, and proposes to maintain four parking spaces. The development complied with the zoning and development regulations in effect at the time of construction and no zoning or code violations have been recorded against the property. The project has established previously conforming rights. No new construction or grading will take place under Coastal Development Permit No. 223152 and Tentative Map No. 219581.

Section §125.0410 of the San Diego Municipal Code (SDMC) requires that a Tentative Map be processed for the subdivision of land. According to San Diego Municipal Code Section §125.0440, Findings for Tentative Maps for Condominium Conversion, the decision maker may

approve a Tentative Map for the purposes of the conversion of residential property into a condominium project if the decision maker finds that the proposed conversion complies with the requirements of the Subdivision Map Act and the San Diego Municipal Code. Staff has reviewed the proposed condominium conversion, and determined that it complies with both the Subdivision Map Act and the Municipal Code.

A Final Map is required to consolidate the existing two lots into one lot and to subdivide the ownership interest as a condition of the tentative map

**Project-Related Issues:**

Municipal Code Conformance – The site is a flat 7,010 square-foot, rectangular lot which is currently zoned RM-2-4, a multiple unit residential zone permitting one unit per 1,750-square-foot of lot area. The zone was applied in January 2000. Previous zoning was R-4, which was established on the site in April 1930 and allowed 18 residential units. Under the current RM-2-4 zone, only four units could be constructed on the site. The site is developed with eight residential units within one-structure, including six-two bedroom units for a total of 4,688 square-feet of living area, and two-three-bedroom units for a total of 1,815 square-feet of living area.

Prior to 1960, no off-street parking spaces were required. This project provides 4 off-street open parking spaces. Under current regulations, the project would require 19 spaces, the six 2-bedroom units would require 2.25 spaces each and the two 3-bedroom units would require 2.5 spaces each in accordance with LDC-Table 142.05C. The site deviates from current density and parking criteria. However, the project has previously conforming rights to be maintained as outlined in Chapter 12, Article 7, Division 1 of the Land Development Code

The site is within the Coastal Overlay Zone (non-appealable), the Beach Parking Impact Overlay Zone, Airport Approach Overlay Zone, Airport Environs Overlay Zone, and Ocean Beach Emerging Historic District. Future expansion or redevelopment of the project site would be subject to review under these regulations as outlined in Chapter 13, Article 2 of the Land Development Code.

Coastal Overlay Zone – The project location is within the Coastal Overlay Zone (Map C-730) which is permit jurisdiction of the City of San Diego and non-appealable to the California Coastal Commission. Pursuant to §126.0708(a) of the San Diego Municipal Code, findings for Coastal Development Permit No. 223152 (Attachment 7) are substantiated in the Resolution (Attachment 8). The project site is not within the First Public Roadway, contains no Environmentally Sensitive Lands, is a consistent land use as designated in the Precise Plan, and does not encroach on physical or visual access to the ocean.

Airport Environs Overlay Zone (AEOZ) - The project site is within the Airport Environs Overlay Zone (AEOZ) and within the 60 decibel (dB) Community Noise Equivalent Level (CNEL) for Lindbergh Field operations. However, an Avigation Easement is not required pursuant to the

Municipal Code Section §132.0309 as there is no increase in the number of dwelling units.

Airport Approach Overlay Zone (AAOZ) - The project site is within the Airport Approach Overlay Zone (AEOZ) for Lindbergh Field operations. Pursuant to SDMC Section §132.0202, structures less than 30 feet high are exempt from further requirements of the AAOZ.

Noticing – California State Law and the City's Municipal Code require that all tenants living within a proposed condominium conversion project, and all persons applying for a rental unit within such a project, must receive adequate notice (see California Government Code Section §66427.1 and San Diego Municipal Code Sections §125.0431 and §125.0640).

The applicant has certified that the required 60-day Notice of Intent to Convert to Condominiums was provided to the tenants on November 11, 2004 (Attachment 13).

Government Code 66452.3, requires that a copy of the staff report be served to each tenant, on each lease 72-hours (three calendar days) prior to the Public Hearing. This requirement will be fulfilled on or before May 8, 2006.

Undergrounding Waiver Request - There are power poles and overhead utilities lines in the alley right-of-way to the rear, which serve the subject property as well as adjacent properties in the neighborhood. Service to the site is provided via an overhead utility line that extends from a pole located adjacent to the northwest corner of the property.

San Diego Municipal Code Section 144.0240 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 the conversion is a requirement of a condominium conversion of an existing development and the conversion would not represent a logical extension to an underground facility. The project site is located within Block 2Q for which an undergrounding date has been set by Council for allocation in 2010 (Attachment 12).

The applicant will be required to underground all existing service to the site per Condition No. 21 of the draft Tentative Map resolution (Attachment 6). The applicant would also be required to underground any new service run to any new or proposed structures within the subdivision per Condition No. 22 of the draft Tentative Map resolution (Attachment 6).

Affordable Housing – All condominium conversion projects Deemed Complete on or after February 7, 2004, must conform with the new regulations regarding Inclusionary housing and tenant relocation benefits adopted by the City Council on March 15, 2004. This proposed project was Deemed Complete on June 9, 2005, and is therefore subject to these new regulations.

This project is subject to the requirements of the Coastal Overlay Zone Affordable Housing

Replacement Regulations of the San Diego Municipal Code at Chapter 14, Article 3, Division 8. On October 28, 2005, the San Diego Housing Commission completed a tenant income survey of the existing residents which found one two-bedroom unit occupied by a *low-income* household. The applicant must set aside one (1) two-bedroom replacement unit affordable to low-income households for a period of five years or pay the Coastal In-Lieu fee of \$30,800 pursuant to the Coastal Affordable Housing Replacement regulations of the Municipal Code at Sections 143.0810 through 143.0860 (Attachment 14).

In addition, this project is subject to the Inclusionary Housing requirements of San Diego Municipal Code Chapter 14, Article 2, Division 13. The Inclusionary Housing in-lieu fee would be \$5,690 based on 6,503 square feet of living space at the rate of \$0.875/square foot.

For projects that have both Inclusionary Housing and Coastal Affordable Housing requirements, the project is only subject to the more stringent of the two requirements, not both. In this case, the Coastal Affordable Housing In-Lieu fee of \$30,800 is more stringent.

Community Planning Group Recommendation – The Ocean Beach Planning Board voted 8-0-0 to recommend denial of the proposed project on January 4, 2006 over concerns of parking, status of the building’s mechanical systems, and the reduction of affordable rental units in Ocean Beach. Each of these issues is further discussed below.

*Parking* – The Ocean Beach Planning Board expressed concerns that the project is not providing adequate parking. The eight unit project (six, two-bedroom units, and two, one-bedroom units) provides four parking spaces. As previously stated, current parking requirements for the project, if constructed today, would be 19 spaces. However, this project is only for the condominium conversion; no new construction will take place with this action and as noted previously, the project has previously conforming rights for development to be maintained as outlined in Chapter 12, Article 7, Division 1 of the Land Development Code.

*Mechanical Systems* – The Ocean Beach Planning Board expressed concern over the status of the existing mechanical systems. While not a current requirement of the Municipal Code, the applicant is currently preparing a Building Conditions Report as requested by the Planning Commission and has agreed to replace any building elements if required by the building conditions report while renovating the building.

*Reduction of Affordable Units* – The Ocean Beach Planning Board expressed concern about the reduction of affordable rental units in their community. The Ocean Beach Precise Plan identifies that “High housing prices are having a severe impact upon many people living in Ocean Beach.” The Plan recommends to “Promote the continuation of an economically balanced housing market, providing for all age groups and family types.” This project would result in the loss of eight rental units, but with the gain of eight market-rate for-sale units.

The San Diego Housing Commission completed a tenant income survey of the existing residents which found one two-bedroom unit occupied by a *low-income* household. The applicant must set aside one (1) two-bedroom replacement unit affordable to low-income households for a period of

five years or pay the Coastal In-Lieu fee of \$30,800 pursuant to the Coastal Affordable Housing Replacement regulations. The applicant proposes to pay the in-lieu fee rather than setting aside units designated as Affordable Housing.

**Conclusion:**

Staff has reviewed the proposed condominium conversion and has found the project to be in conformance with the applicable sections of the San Diego Municipal Code regulating Tentative Maps, Coastal Development Permits, and Council Policy 600-25 regulating undergrounding of existing overhead utilities. Staff believes that the required findings can be supported and recommends the Planning Commission approve the project as proposed.

**ALTERNATIVES**

1. **Approve** Coastal Development Permit No. 223152, and Tentative Map No. 219581 with modifications.
2. **Deny** Coastal Development Permit No. 223152, and Tentative Map No. 219581, if the findings required to approve the project cannot be affirmed.

**Respectfully submitted,**

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**Jeffrey D. Strohminger**  
**Assistant Deputy Director,**  
**Customer Support and Information Division**  
**Development Services Department**

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**Customer Support and Information Division**  
**Development Services Department**

STROHMINGER/LSI

Attachments:

1. Project Location Map
2. Aerial Photo
3. Community Plan Land Use Map
4. Project Data Sheet
5. Tentative Map
6. Draft Map Conditions and Subdivision Resolution
7. Draft CDP Permit
8. Draft CDP Findings
9. Community Planning Group Recommendation
10. Ownership Disclosure Statement
11. Project Chronology
12. Undergrounding Map and Schedule

13. Copy of 60-Day Tenant Notices
14. Housing Commission Requirements
15. CEQA Exemption
16. Photos of Existing Front and Rear Elevations