

**DATE ISSUED:** April 14, 2006 **REPORT NO.** PC-06-158

**ATTENTION:** **Planning Commission, Agenda of April 20, 2006**

**SUBJECT:** CITY HEIGHTS SQUARE AMENDMENT – PROJECT NO. 95232.  
PROCESS FOUR

**REFERENCE:** Report to Planning Commission No. PC-05-201 (Attachment 11)

**OWNERS/  
APPLICANTS:**

1. San Diego Revitalization Corporation, a California Non-Profit Public Benefit Corporation (Attachment 12)
2. City of San Diego Redevelopment Agency

**SUMMARY**

**Issues:** Should the Planning Commission approve an Amendment to a previously-approved Planned Development Permit, Neighborhood Use Permit, Conditional Use Permit, and Site Development Permit to allow minor deviations from the development regulations in order to accommodate the proposed mixed-use development on the general block bounded by Fairmount Avenue, University Avenue, 43<sup>rd</sup> Street, and Polk Avenue?

**Staff Recommendation:**

1. **Certify** Addendum to Mitigated Negative Declaration No. 40960 (for Project No. 95232); and
2. **Approve** Planned Development Permit No. 308092, Neighborhood Use Permit No. 327436, Conditional Use Permit No. 308101, and Site Development Permit No. 308102 (An Amendment to Planned Development Permit No. 116927, Neighborhood Use Permit No. 116928, Conditional Use Permit No. 116929, and Site Development Permit No. 228858).

**Community Planning Group Recommendation:** At their April 3, 2006, meeting the City Heights Area Planning Committee (CHAPC) voted 13-2-1 to recommend approval

of the proposed project, with recommendations. (Attachment 8)

**Environmental Review:** An Addendum to Mitigated Negative Declaration (MND) No. 40960 has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) Guidelines Section 15164. Based upon a review of the current project, it has been determined that there are no new significant environmental impacts not considered for the previous MND, no substantial changes have occurred with respect to the circumstances under which the project is undertaken, and there is no new information of substantial importance to the project

**Fiscal Impact Statement:** None with this action. Project costs are paid by the applicant through a deposit account.

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

**Housing Impact Statement:** According to the Mid-City Communities Plan, the 2.857-acre project site is currently designated for Residential, Commercial, and Mixed-Use development and could accommodate 120 residential dwelling units. Additionally, the applicant is requesting a 21% affordable housing density bonus based on the maximum dwelling units allowed by the CU-2-3 zone in order to allow a total of 151 total housing units. The project would result in the demolition of 5 existing single-family residences, creating a net gain of 146 housing units within the City Heights community.

The project exceeds the requirements of the City's Inclusionary Housing Ordinance and Density Bonus Program by setting aside 99% of the proposed units (150 affordable units and 1, two-bedroom manager's unit) to very low-income seniors (at/below 62 years of age) with incomes at or below 50 percent of Area Median Income (AMI). The affordable units would consist of 75 studio units and 75 one bedroom units and would be affordable in perpetuity.

## **BACKGROUND**

The City Heights Square project site is located between Fairmount Avenue, University Avenue, 43<sup>rd</sup> Street, and Polk Avenue, within the City Heights neighborhood of the Mid-City Communities Plan (Attachment 1). The project site is located within the CU-2-3 and CT-2-3 Zones of the Central Urbanized Planned District, the Transit Overlay Zone, and is designated as a facilities-deficient neighborhood. The CU-2-3 and CT-2-3 Zones are commercial zones which also permit residential development following the RM-3-7 Zone development regulations. The 2.857-acre site is located within the City Heights Redevelopment Area.

The original City Heights Square project (Project No. 40960) was approved by the City Council on their consent agenda on June 28, 2005, after receiving a recommendation of approval from the Planning Commission on June 23, 2005. The original project, a mixed-use development, required the following discretionary actions:

1. A Planned Development Permit (PDP) to deviate from commercial and residential architectural features;
2. A Neighborhood Use Permit (NUP) for the medical clinic use;
3. A Site Development Permit (SDP) for deviations from applicable development regulations as an additional development incentive to a density bonus for affordable housing, FAR and for a mixed-use project in a facility deficient neighborhood;
4. A Conditional Use Permit (CUP) for the proposed senior housing;
5. An Easement Vacation for the vacation of the existing water, sewer and general utility easements.

The original City Heights Square project was a Process 5 level decision due to the inclusion of an Easement Abandonment, which has already occurred and is not within this scope of this Amendment. Therefore, the decision level for this Amendment is a Process 4.

As indicated above, the original approval included four discretionary permits (PDP, NUP, SDP, CUP) which were encapsulated within one permit document. Although only the Planned Development Permit (which covered the deviations from the development regulations for the site) technically requires an amendment for this current request, due to the nature of the permit document an amendment to all actions is required.

The basics of the City Heights Square project are contained within the original Report to the Planning Commission No. 05-201 and will not be repeated within this report to be more efficient. Due to the length of that report and the duplicative nature of the attachments within that report and this report, only relevant pages have been included (Attachment 11). This Amendment is being requested by the applicant so the project will be consistent with the final plans for the Senior Residential Facility – Building 3 that required revisions to the original Exhibit “A,” approval due to recent changes in the Building Code and the extra requirements of the California Tax Credit Allocation Committee (TCAC) for their portion of the subsidy for the very-low-income senior housing.

No deviations to the other uses or structures within this broad project are being requested with this action.

## **DISCUSSION**

### **Project Description:**

The proposed amendment includes changes to the permitted deviations as described in the table below. The reasons for these deviation requests are also contained within this table. Staff

supports the requested deviations for the reasons specified.

NO.	DEVIATION APPROVED WITH ORIGINAL PERMIT (Project No. 40960)	DEVIATION REQUESTED WITH AMENDMENT (Project No. 95232)	REASON FOR CHANGE
1.	A maximum structure height of 87'-2" where 50'-0" is the maximum permitted (although not specified, this was for the tower in Building 1)	A maximum structure height of 70'-0" where 50'-0" is the maximum permitted for Building 3 (the plans originally showed height of 61'-2" for Building 3)	The deviations for height of Building 3 were the result of changes to Title 24 and to requirements of the California Tax Credit Allocation Committee (TCAC) for their portion of the subsidy for the very-low income senior housing. The requirements include a larger high efficiency mechanical system for each unit and a larger mechanical enclosure. The high efficiency mechanical system for each unit results in a 23.5" height increase to the low parapet (from 53'-6" to 55'-6"). The approved height of the mechanical enclosure is 61'-2". The proposed mechanical enclosure is 7'-0", a difference of 8'-10". 23-1/2" inches of this difference are due to the increase noted above. The rest is due to the high-efficiency cooling tower required to exceed the new Title-24 energy requirements.
2.	A 2'-6" side yard setback for Building 3 where up to 10 feet is required	A 2'-3" side yard setback for Building 3 where up to 10 feet is required	The size of side yard set back deviation has been reduced from 2'-6" to 2'-3". The 3-inch difference is due to a structural design change in the width of the concrete shear wall, from the approved 15-inch wall to the proposed 18-inch wall.
3.	A 15'-0" street side yard setback along 43 <sup>rd</sup> Street for Building 1 where a maximum of 10 feet is required for 30 percent of the street side yard	No change	N/A
4.	A 6'-8" rear yard setback for Building 2 where up to 10 feet is required	No change	N/A
5.	A deviation from the transparency requirements where 50 percent of the building wall between 3 feet and 10 feet above	No change	N/A

NO.	DEVIATION APPROVED WITH ORIGINAL PERMIT (Project No. 40960)	DEVIATION REQUESTED WITH AMENDMENT (Project No. 95232)	REASON FOR CHANGE
	grade for Building 3 shall be transparent into a commercial or residential use		
6.	A deviation from the open space requirement where 750 square feet of open space is required per dwelling unit for Building 3	No change	N/A
7.	A floor area ratio of 1.75 where 1.50 is the maximum permitted for Buildings 1, 2 and 3, combined	A floor area ratio of 1.78 where 1.50 is the maximum permitted for Buildings 1, 2 and 3, combined	The .03 increase in floor area ratio (from 1.75 to 1.78) is due to changes in the TCAC low-income housing tax credit (LIHTC) program. The revised program now requires all 1-bedroom units to have a minimum interior floor area of 500 square feet (sf). TCAC's new regulations do not allow any part of the exterior walls or common walls to be used in calculating the 500 sf. minimum interior floor area, which was the basis for calculating the floor area ratio for the original PDP.
8.	A reduction of the required number of parking spaces (79 spaces provided where 110 spaces are required) for Building 3	A reduction of the required number of parking spaces (78 spaces provided where 110 spaces are required) for Building 3	The parking for Building 3 has been reduced by one space, from 79 spaces to 78 where 110 are required. The 32 additional required parking spaces are provided in Building 1 via the shared parking agreement. (Previously, San Diego Revitalization Corporation and Senior Community Centers agreed to a Shared Parking Agreement to accommodate the provision in Building 1 of the additional 31 required parking spaces for Building 3. At their existing facility, Senior Community Centers has experienced difficulties evacuating seniors in emergency situations when the power goes out. They have requested a generator be added to the design. The loss of the one on-site space is due to the addition of this generator.)
9.	A deviation from the off-street loading requirement for Building 2 to one space, where two spaces are required	No change	N/A

NO.	DEVIATION APPROVED WITH ORIGINAL PERMIT (Project No. 40960)	DEVIATION REQUESTED WITH AMENDMENT (Project No. 95232)	REASON FOR CHANGE
10.	Not within original permit	A reduction in the planter size from the required 40 sf to +/-22 sf in the interior courtyard of Building 3	The size of the interior courtyard was reduced in order to meet the new requirements of the TCAC for larger 1-bedroom units in their low-income tax credit program. The courtyard is the largest assembly space in the building and such large planters would take up space necessary for proposed senior activities such as exercise classes, arts and crafts, concerts and mixers. Eight 40-sf planters would be out of scale with the narrower courtyard. The new trees specified were selected for their ability to grow beyond the required minimum height and spread of 15 feet (without compromising the root zone) when planted in a 22-sf planter.

**Environmental Analysis:**

An Addendum to the Mitigated Negative Declaration (Project No. 95232) was prepared for this project in accordance with State of California Environmental Quality Act (CEQA) Guidelines. Based upon a review of the current project, it was determined that there are no new significant environmental impacts not considered for the previous Mitigated Negative Declaration; no substantial changes have occurred with respect to the circumstances under which the project is undertaken; and there is no new information of substantial importance to the project. Therefore, in accordance with Section 15164 of the State CEQA guidelines, an Addendum was prepared. All mitigation measures included in the previous Mitigated Negative Declaration No. 40960 have been incorporated into this Addendum.

**Project-Related Issues:**

**Community Input**

Although the City Heights Redevelopment Project Area Committee (PAC – the communication link between the Redevelopment Agency and the community) provided extensive comments on the original City Heights Square project (Project No. 40960), they did not express recommendations on the proposed minor modifications captured in this Amendment.

The City Heights Area Planning Committee (CHAPC - the recognized community planning group) reviewed the proposed Amendment at their April 3, 2006, meeting and voted 13-2-1 to recommend approval of the proposed project with the following comments (Attachment 8):

1. Recommend approval of the requested changes in the size of units.

Response: Comment noted.

2. Recommend approval of the shrinkage of the courtyard.

Response: Comment noted; captured under landscape deviation.

3. Recommend increasing the FAR to 1.75 for the project.

Response: Comment noted.

4. Recommend increasing the building and cooling tower heights.

Response: Comment noted.

5. Recommend approval of the reduced number of trees.

Response: Comment noted; captured under landscape deviation.

6. Recommend the use of evergreen trees in the landscape plan.

Response: Comment noted; captured under landscape deviation.

7. Recommend that no project funds be used to alter the intersection of Euclid Avenue and University Avenue; that the mitigation funds be used to improve Transportation Demand Management and to improve Fire and Life Services infrastructure in City Heights.

Response: This fairshare contribution requirement is an identified traffic impact within the traffic impact analysis prepared for the original project and in the approved Mitigated Negative Declaration. Because the proposed minor design deviations for Building 3 do not increase the amount of units or cause other significant impacts, an Addendum to the Mitigated Negative Declaration was prepared and distributed. The use of these required mitigation funds (the fairshare contribution toward the intersection improvements) for any other purpose would leave an unmitigated significant impact for this traffic issue.

8. Recommend in strong terms against the reduction in window sizes, noting that energy savings can be effected in other, less dangerous ways.

Response: The applicant indicates the windows of Building 3 are slightly reduced in size because of the lender's (the California Tax Credit Allocation Committee) requirement that all units be 15% more efficient than the new Title 24 standards. In order to meet transparency requirements, more glass was added to the

southwest stair tower and to the entry tower. In fact, there is slight increase in the overall net transparency of the building (from 564 square feet approved to 603 square feet proposed).

The only communications regarding this project have been statements indicating the perception that the mitigation requirement which specifies payment of a fairshare contribution to improvements required at the intersection of University and Euclid Avenues is “irrelevant” and request the contribution be shifted to the improvements of fire and life safety services, as also recommended by the City Heights Area Planning Committee (Attachment 12).

As indicated above, this fairshare contribution requirement is an identified traffic impact within the traffic impact analysis prepared for the original project, and that the draft Mitigated Negative Declaration was originally circulated in March 2005. Mr. John Stump provided comments regarding this issue, which were responded to in the Final Mitigated Negative Declaration distributed in April 2005. Because the proposed minor design deviations for Building 3 do not increase the amount of units or cause other significant impacts, an Addendum to the Mitigated Negative Declaration was prepared and distributed. The use of these required mitigation funds (the fairshare contribution toward the intersection improvements) for any other purpose would leave an unmitigated significant impact for this traffic issue.

#### Redevelopment Project

As indicated throughout this report, the proposed project is a redevelopment project. The project has an accelerated timeframe due to the use of redevelopment funds from the State and resulting project phasing.

#### **Critical Project Features to Consider During Substantial Conformance Review**

- LAND USE: The retail/office component of the property follows the permitted uses identified in the underlying zone.
- INTENSITY OF DEVELOPMENT: As specified within the permit conditions.
- PARKING: A shared parking agreement mitigates the reduced parking at Building 3. Overall, there is excess parking for the site (450 spaces where 404 are required).
- AFFORDABLE HOUSING: Agreement from the Housing Commission is required for the use of Building 3 (senior facility).
- ENVIRONMENTAL DOCUMENTS: Mitigation, Monitoring and Reporting Program is required.
- LANDSCAPING: Recreational park area design required to follow Park and Recreation Department procedures and return to CHAPC for input.

#### **Conclusion:**

In summary, staff finds the project consistent with the recommended land use, design guidelines, and development standards in effect for this site per the adopted Mid-City Communities Plan



(City Heights neighborhood), the City Heights Redevelopment Plan, the CU-2-3 and CT-2-3 Zones of the Central Urbanized Planned District (with the exception of the deviations requested). Draft conditions of approval have been prepared for the project (Attachment 6) and Findings required to approve the project are included in the draft resolutions (Attachment 7).

## **ALTERNATIVES**

1. **Approve** Planned Development Permit No. 308092, Neighborhood Use Permit No. 327436, Conditional Use Permit No. 308101, and Site Development Permit No. 308102 (An Amendment to Planned Development Permit No. 116927, Neighborhood Use Permit No. 116928, Conditional Use Permit No. 116929, and Site Development Permit No. 228858), with modifications.
2. **Deny** Planned Development Permit No. 308092, Neighborhood Use Permit No. 327436, Conditional Use Permit No. 308101, and Site Development Permit No. 308102 (An Amendment to Planned Development Permit No. 116927, Neighborhood Use Permit No. 116928, Conditional Use Permit No. 116929, and Site Development Permit No. 228858), if the findings required to approve the project cannot be affirmed.

**Respectfully submitted,**

---

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

---

**Michelle Sokolowski, Project Manager**  
**Customer Support and**  
**Information Division**  
**Development Services Department**

STROHMINGER/MAS

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map
4. Project Data Sheet
5. Project Plans
6. Draft Permit and Conditions
7. Draft Permit Findings and Resolution
8. City Heights Area Planning Committee Recommendation
9. Ownership Information
10. Project Chronology

11. Report to Planning Commission No. 05-201 (not available via internet due to original posting error)
12. Communications received regarding proposed project

Internet Links – Referenced Attachments in Report to Planning Commission No. 05-201

13. SB 1818, information regarding current applicability of the State of California's Density Bonus Law, effective January 1, 2005  
[http://info.sen.ca.gov/pub/03-04/bill/sen/sb\\_1801-1850/sb\\_1818\\_bill\\_20040930\\_chaptered.pdf](http://info.sen.ca.gov/pub/03-04/bill/sen/sb_1801-1850/sb_1818_bill_20040930_chaptered.pdf)
14. City Heights neighborhood of the Mid-City Communities Plan -  
<http://www.sandiego.gov/planning/pdf/commplans/midcity/mccpfv.pdf>
15. Disposition and Development Agreement and Associated Actions for the City Heights Square Office and Retail Project; Report to the Redevelopment Agency and City Council; Report No. RA-05-10/CMR 05-094; May 3, 2005 Docket Date.  
[http://clerkdoc.sannet.gov/RightSite/getcontent/local.pdf?DMW\\_OBJECTID=09001451800b7b0c](http://clerkdoc.sannet.gov/RightSite/getcontent/local.pdf?DMW_OBJECTID=09001451800b7b0c)
16. Disposition and Development Agreement and Associated Actions for the City Heights Square Senior Housing Project; Report to the Redevelopment Agency and City Council; Report No. RA-05-11/CMR-05-095; May 3, 2005 Docket Date.  
[http://clerkdoc.sannet.gov/RightSite/getcontent/local.pdf?DMW\\_OBJECTID=09001451800b7a8d](http://clerkdoc.sannet.gov/RightSite/getcontent/local.pdf?DMW_OBJECTID=09001451800b7a8d)