

DATE ISSUED: June 15, 2006

REPORT NO. PC-06-163

ATTENTION: **Planning Commission, Agenda of June 22, 2006**

SUBJECT: MISSION @ PB DRIVE - PROJECT NO. 41256
PROCESS FOUR

**OWNER/
APPLICANT:** Pacific Beach Investment Trust (Michael E. Turk)

SUMMARY

Issue(s): Should the Planning Commission approve a request for the construction of a mixed-use development containing 18 residential units and seven commercial retail spaces on a 0.503-acre site located at 4105 and 4135 Mission Boulevard, on the northeast corner of Mission Boulevard and Pacific Beach Drive, within the Pacific Beach Community Planning Area?

Staff Recommendation:

1. **CERTIFY** Mitigated Negative Declaration No. 41256; and
2. **APPROVE** Coastal Development Permit No. 116352; and
3. **APPROVE** Planned Development Permit No. 116353.

Community Planning Group Recommendation: On July 26, 2004, the Pacific Beach Community Planning Committee (PBCPC) voted 13-0-0 to recommend denial of the project. The project was revised and resubmitted for the group's review, and on November 22, 2004, the PBCPC voted 14-0-0 to recommend denial of the revised project. On September 26, 2005, the PBCPC voted 16-0-0 in favor of sending a letter as a synopsis of the PBCPC actions and recommendations (Attachment 10).

Environmental Review: A Mitigated Negative Declaration has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) guidelines, which address potential impacts to Human Health/Public Safety/Hazardous

Materials. Mitigation measures would be implemented with this project to reduce the impacts to a level below significance.

Fiscal Impact Statement: None with this action. All costs associated with the processing of this project are paid from a deposit account maintained by the applicant.

Code Enforcement Impact: None with this action.

Housing Impact Statement: The project proposes to demolish the existing commercial building on site for the construction of a mixed-use development containing 18 residential units and seven commercial retail spaces. The Pacific Beach Community Plan designates the proposed project site as Commercial-Visitor and allows a residential density of up to 43 dwelling units per acre for projects designed as a transit oriented development.

The proposed project site, occupying 0.503-acres, could accommodate 15 dwelling units based on the underlying CV-1-2 zone and 22 dwelling units based on the density bonus provided by the community plan. The applicant has chosen to utilize the density bonus provision in the community plan, which would allow three additional units above the density allowed by the underlying zone. In accordance with the City of San Diego's Inclusionary Housing Ordinance, in-lieu fees would be paid instead of providing affordable housing units on the site.

BACKGROUND

The proposed project site is located at 4105 and 4135 Mission Boulevard on the northeast corner of Mission Boulevard and Pacific Beach Drive (Attachment 2). The site is located within the Pacific Beach Community Plan (Attachment 3), the CV-1-2 zone (Commercial-Visitor) (Attachment 4) within the Coastal Overlay Zone (Non-Appealable Area 2), Coastal Height Limitation Overlay Zone, Parking Impact Overlay Zone, and Transit Area Overlay Zone. The zoning designation provides for commercial-visitor oriented mixed-use development and allows for one-unit per 1,500 square foot of lot area. The Pacific Beach Community Plan (PBCP) identifies Mission Boulevard as a transit corridor and allows a density of up to 43 dwelling units/per acre (du/ac) for mixed-use projects in transit corridors when designed as a Transit-Oriented Development. The proposed project site, occupying 0.503-acres, could accommodate 15 dwelling units based on the zone and 22 dwelling units based on the PBCP.

The project site is a rectangular shaped lot with frontage on Mission Boulevard and Pacific Beach Drive. The site is relatively flat and is currently developed with a single-story commercial retail building, the Mission Bay Market, and a commercial parking lot. The parking lot was previously a gasoline service station that was demolished and the underground storage tanks (USTs) were removed in 1987. The County of San Diego Department of Environmental Health (DEH) issued a letter regarding the site remediation dated November 3, 1989, that no further action is required at this time (Attachment 5). However, the letter does require the notification of the DEH of any changes to the original report content, future contamination, or site usage.

The subject property is immediately surrounded by commercial/retail/hotel development to the north, west, and south along Mission Boulevard, and single-family development directly to the east. Land use designations for the areas adjacent to the site on the north and west are predominantly commercial/retail (CV-1-2) and single-family residential (R-1-7) to the east. The properties immediately south of Pacific Beach Drive are located within the Mission Beach Planned District and are predominantly commercial/retail for commercial-visitor oriented uses (VC-N).

DISCUSSION

Project Description:

The project proposes to demolish the existing single-story commercial retail building and the commercial parking lot for the construction of a mixed-use development containing 18 residential units and seven commercial retail spaces (Attachment 7). The proposed first floor (ground level) would consist of seven retail units totaling approximately 3,350 square feet, utility rooms, entry court, landscaping, motorcycle parking, bicycle parking, and on-site parking spaces. Eighteen residential units would be located on the second and third floors consisting of seven floor plan types ranging from approximately 1,506 to 2,051 square feet. The second and third floor levels have an approximate combined total of 28,811 square feet.

The project provides for both common areas and individual unit deck areas totaling approximately 2,245 square feet. The project proposes a 1.46 floor area ratio (FAR) or 32,161 square feet, where the zone allows for a 2.0 FAR or 43,845 square feet. The proposed development is estimated to generate 242 average daily trips with 13 AM peak-hour trips and 23 PM peak-hour trips. A trip credit can be applied to the existing use on this site. The existing use on site is generating approximately 259 average daily trips with 8 AM peak-hour trips and 24 PM peak-hour trips. Therefore the proposed project is expected to generate 17 fewer net daily trips than the existing and currently occupied use on site. The project would be providing 44 off-street parking spaces where 44 spaces are required (total includes residential, commercial, and guest parking).

The proposed mixed-use development will self-generate at least 50 percent of their electrical energy needs through photovoltaic technology (solar panels). Because the project utilizes renewable technologies and qualifies as a Sustainable Building under Council Policies 900-14 and 600-27, the land use approvals have been processed through the Affordable/In-Fill Housing and Sustainable Buildings Expedite Program.

Development of the proposed project requires the approval of a Coastal Development Permit (CDP) and a Planned Development Permit (PDP) for density. The applicant has chosen to utilize the density bonus provision identified within the community plan for mixed-use development, which allows for the proposed additional three units above the density allowed by the base zone. The project proposes no deviations and complies with the CV-1-2 zoning regulations.

Community Plan Analysis:

The proposed project is located at 4105 and 4135 Mission Boulevard on the northeast corner of Mission Boulevard and Pacific Beach Drive. The PBCP designates the proposed project site as Commercial-Visitor. In order to promote transit and pedestrian use along the community's commercial corridors, the community plan allows a residential density of up to 43 dwelling units per acre, as an incentive for mixed-use projects designed as a Transit-Oriented Development (TOD). The proposed project site, occupying 0.503-acres, could accommodate 15 dwelling units based on the zone and 22 dwelling units based on the community plan. The community plan also identifies an alternative incentive of shared parking. Although the PBCP identifies the two incentives, shared parking can be achieved by right pursuant to the Land Development Code (LDC). Therefore, the applicant has chosen to utilize the plan incentive of density bonus in addition to the zone provision for shared parking in order to achieve the type of mixed-use development that is encouraged by the plan.

The proposed project would implement the goal of promoting the development of a variety of housing types and styles in the community by providing 18 new four bedroom units where none currently exist. The proposed project would also meet the goal of creating pedestrian linkages between residential neighborhoods and commercial areas and community facilities. As a mixed-use project along a commercial corridor, the proposed project would provide commercial-retail services in close proximity to existing residential neighborhoods to the east and provide benches, planters, new 10-foot stamped concrete sidewalks with street trees per the Street Tree Plan of the community plan.

The proposed project would also meet commercial design standards of the Commercial Element of the community plan by minimizing curb-cuts along pedestrian oriented streets. There are currently four existing curb-cuts within the proposed project site. The project would close two existing curb-cuts on Mission Boulevard and propose a new 20-foot drive way on Pacific Beach Drive and Mission Boulevard. The project would also provide entryways and windows as the street level in order to enhance pedestrian activity.

In order to meet the commercial design standard of limiting the development of new commercial development on adjacent residential development, the project would provide a six-foot high wall with an additional three-foot lattice between the proposed development and existing residences. This feature would provide sound attenuation and screening of the lower story elements of the proposed project. Additionally, fifteen 24-inch box trees would also be provided behind the 6-foot wall as a visual buffer between the proposed development and the existing residences.

The PBCP recommends that new projects along transit corridors incorporate transit-oriented development standards into the design. These standards include minimizing building setbacks, locating parking to the rear of the lot, articulating building façade, orienting the commercial entrance to the street, providing bus shelters and bike racks, and providing public plazas as space permits. Additionally, the PBCP recommends the utilization of alleys for vehicular access where it is safe and efficient.

The proposed project would meet the TOD standards in the community plan for minimizing

building setbacks and locating the parking to the rear of the building by bringing the building close to the sidewalk and locating parking to the rear of the building adjacent and off the existing alley. The proposed use of the alley would be for “exit-only” given its current use by adjacent residences, while the primary access and egress points for the project would be taken off a single driveway on Pacific Beach Drive and on Mission Boulevard.

In order to meet the standard of providing building articulation, the proposed project would utilize upper story setbacks, corniced and slope roofs, and various window treatments. The eastern corners of the second and third stories of the northern elevation of the building would be stepped back, a portion of the northern elevation of the proposed building would also step back to allow for pedestrian access to the second floor from an internal stairwell starting at street level. Surface articulation along the western elevation would be provided by the provision of varying window shapes and sizes, window treatments, doors, awnings, and balcony railings. The upper stories of the southern building elevation would also utilize alternating setbacks and second story balcony decks to break up the building facade. The building façade of the eastern elevation would include alternating second and third story setbacks, and varying roof and window details.

As a way of meeting the TOD standard of creating interest and activity in the proposed development, the project would include an arch element at the corner of Pacific Beach Drive and Mission Boulevard and a clock tower centrally located within the project. Balconies would also be provided along the second story of the project. The proposed project would also meet the standard of orienting commercial buildings to the street by locating all commercial entrances and storefronts to Mission Boulevard. Although the TOD standard of providing bus shelters at established bus stops would not apply since there are no bus stops immediately adjacent to the project, the project would be serviced by an offsite bus route located in front of the existing motel to the north of the project site.

In order to meet TOD standards for providing bicycle facilities, public plaza and courtyard areas, the project would provide bicycle racks along the pedestrian pathway along the northern elevation and within a sheltered location along Pacific Beach Drive, which is identified as a future Class III bikeway. Further, a common open space area with an overhead trellis would be located on the second story of the project and a public plaza feature would be provided at the corner of Pacific Beach Drive and Mission Boulevard, which would include an artistic sun dial pattern.

The proposed project would implement the Residential and Commercial Element goals and recommendations of the community plan of providing additional housing opportunities, promoting a mixture of commercial uses and services within the community, actively encouraging mixed-use development in conjunction with transit corridors such as Mission Boulevard, and providing Transit Oriented Development; therefore, the project as proposed would conform to the goals and recommendations of the PBCP.

Environmental Analysis:

A Mitigated Negative Declaration (MND) has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) guidelines, which address potential

impacts; and mitigation measures would be implemented with this project to reduce the impacts to a level below significance. The following environmental issues were considered during review and determined to be significant (Human Health/Public Safety/Hazardous).

Human Health/Public Safety/Hazardous- The site is relatively flat and is currently developed with a single-story commercial retail building, the Mission Bay Market, and a commercial parking lot. The parking lot was previously a gasoline service station that was demolished and the underground storage tanks (USTs) were removed in 1987. A burn ash deposit was encountered in the northwestern portion of the site, and was removed as well. The County of San Diego Department of Environmental Health (DEH) issued a letter regarding the site remediation dated November 3, 1989, that no further action is required at this time (Attachment 5). However, the letter does require the notification of the DEH of any changes to the original report content, future contamination, or site usage.

A site assessment was conducted in April 2004 by PETRA Environmental Division. This site assessment recommended that a soil gas survey be conducted to evaluate the possible presence of petroleum hydrocarbon vapors in the shallow subsurface, and if vapors were present, evaluate the potential human risk. A groundwater assessment was also conducted by PETRA on September 27, 2004. The results of the assessment indicated that significant off-site migration of dissolved petroleum hydrocarbons in groundwater was not likely occurring at the site. Based on both assessments, petroleum hydrocarbon-bearing soil appeared to be generally delineated, and was generally limited to the vicinity of the former USTs. The extent of dissolved petroleum hydrocarbons in groundwater also appeared to be generally delineated as well.

A property mitigation plan was submitted to DEH's Site Assessment and Mitigation Program's (SAM) Volunteer Assistance Program (VAP) on January 24, 2005. The plan was revised and re-submitted on April 5, 2005, based on comments received from VAP. With the provision that substantive changes would not be made to this plan, VAP approved the plan and excavation began in March 2005.

The purpose of the excavation was to mitigate shallow petroleum hydrocarbon-bearing soil that might otherwise be encountered during the proposed construction activities. Petroleum hydrocarbon-bearing soil was removed to a depth at or just below the groundwater table at depths generally ranging from approximately four to six feet below grade, and laterally to approximately five feet from site property lines (grading permit requirement). Approximately one to two feet of crushed rock was placed in the bottom of the excavations to provide a base for the overlying compacted fill and a layer of filter fabric was placed over the crushed rock. Clean fill soil derived on-site and clean import soil was placed over the filter fabric, at a minimum thickness of approximately three feet, and then re-compacted. Approximately 1,857 tons of petroleum hydrocarbon-bearing soil was transported from the project site.

PETRA recommended a vapor barrier, referred to as Liquid Boot, be applied to portions of the site with ground-floor commercial or retail occupancy. The Liquid Boot System is a cold spray membrane that is designed to prevent chemical vapors such as benzene, toluene, ethylene, xylene, gasoline, hexane, perchlorethene, trichloroethylene, or vinyl chloride from migrating into the proposed structure. A vapor barrier is not needed for the ground-level parking lot due to open

air circulation. The residential units would not be affected by migrating vapors due to the reduced concentration of petroleum hydrocarbons remaining on the project site.

The DEH's SAM Program completed review of PETRA's "*Report of Site Mitigation*" (dated May 26, 2005), "*Report Addendum*" (dated July 21, 2005) and recommendation for application of Liquid Boot as a vapor barrier to the soil surface at portions of the site with ground-floor commercial or retail occupancy, and concurs with this recommendation. In order to ensure that all the issues related to the soil contamination have been adequately addressed, the applicant is required to submit documentation to the Development Services Department from the County DEH indicating that the Liquid Boot vapor barrier was properly installed. Compliance of this mitigation measure would adequately mitigate the potential impacts. See Section V of the MND.

Other Environmental Issues- The environmental issues for Noise, Land Use, and Hydrology/Water Quality were considered during review and determined not to be significant, as outlined in Section IV of the MND.

Community Planning Group:

On July 26, 2004, the Pacific Beach Community Planning Committee (PBCPC) voted 13-0-0 to recommend denial of the project. The project was revised and resubmitted for the group's review, and on November 22, 2004, the PBCPC voted 14-0-0 to recommend denial of the revised project. On September 26, 2005, the PBCPC voted 16-0-0 in favor of sending a letter as a synopsis of the PBCPC actions and recommendations (Attachment 10).

This synopsis highlighted four primary recommendations as follow:

- A. Provide commercial use on the ground floor on the front 30 feet of the lot along Mission Boulevard, the intended corridor for transit and visitor commercial zoning.

Staff's Response: LDC Section 131.0540 prohibits residential use and residential parking on the ground floor in the front 30 feet of the lot. The front property line is defined in the LDC as the narrower frontage which is Pacific Beach Drive with this project. The project does not propose any residential use or residential parking on the ground floor in the front 30 feet of the lot.

- B. The project employs both bonus density and shared parking, and the community plan allows only one of these "if designed as a transit oriented development through a discretionary permit process." Do not allow both.

Staff's Response: While the PBCP identifies these two incentives, shared parking can also be achieved by right pursuant to the LDC. Therefore, the applicant has chosen to utilize the plan incentive of density bonus in addition to the zone provision for shared parking in order to achieve a mixed-use development that is encouraged by the community plan. The standards for TOD in the PBCP are recommendations for emphasizing pedestrian orientation and reinforcing the use of public transit. The PBCP recommends that these standards be followed but does not require that all standards

must be met in order to be consistent with the goals and recommendations of the PBCP.

- C. Do not allow vehicular circulation to residential alley.

Staff's Response: The alley is currently utilized by the existing residences for both ingress and egress; the proposed use of the alley by the project would be for "exit-only." Additional points of ingress and egress for the proposed project are located at driveway entrances along both Pacific Beach Drive and Mission Boulevard. LDC Section 142.0560(j)(7) requires off-street parking spaces for new developments located within a Beach Impact Area of the Parking Impact Overlay Zone shall be accessible from the abutting alley.

- D. Assure compliance with parking requirements. The parking area (spaces and lanes) exceeds 50% of the lot size (SDMC 131.05401). Plans do not show dimensions for parking spaces; however, calculations indicate they do not meet requirements for width, length, and aisle width.

Staff's Response: LDC Section 131.0540(c) states "Within the Coastal overlay Zone, **required parking** cannot occupy more than 50% of the ground floor in the CV-1-1 or CV-1-2 zones." These regulations do not include the lanes as part of the "required parking," nor do the definitions for parking pursuant to LDC Section 113.003.

Community Interest:

The proposed project has generated three letters in support and community opposition in the form of 31 emails with attachments, 26 form letters, and 10 letters addressed and/or sent to the Development Project Manager (Attachment 11- contains one copy of the form letters). The emails, form letter, and letters are available for public review at the Project Management Division of the Development Services Department; however, a copy of the emails and letters will be provided to the Planning Commissioners (Attachments 18-20). In accordance with the LDC Section 112.0302(b), all persons who provided an address that sent an email and/or letter to the Development Project Manager were sent a Notice of Public Hearing (Attachment 12).

On February 17, 2005, former Council Member Michael Zucchet issued a memorandum that identified the community concerns. The Planning Director and Development Services Director issued a combined memorandum in response to the community concerns dated May 6, 2005 (Attachment 13- includes the Councilmember's memorandum as an attachment). However, since this memorandum was issued, the project was revised to omit any and all deviations.

On March 22, 2005, the Development Services Director issued a memorandum regarding non-agenda comments on Tuesday, March 15, 2005, by Richard Pearson, an adjacent land owner to the project site (Attachment 14). This memorandum generated a response letter from Marcie Beckett, a land owner located west of the project site (Attachment 15).

Critical Project Features to Consider During Substantial Conformance Review:

- Parking- The project design should not increase the number of units or amount of commercial development without increasing the parking to meet the requirements of the LDC.

Conclusion:

The proposed project would implement the Residential and Commercial Element goals and recommendations of the community plan of providing additional housing opportunities, promoting a mixture of commercial uses and services within the community, actively encouraging mixed-use development in conjunction with transit corridors such as Mission Boulevard, and providing Transit Oriented Development; therefore, the project as proposed would conform to the goals and recommendations of the PBCP. The proposed project is in conformance with the Local Coastal Program Land Use Plan, the Progress Guide and General Plan, the Strategic Framework Element, and the Housing Element.

The project proposes to utilize renewable energy technology, self-generating at least 50% of the projected total energy consumption on site through photovoltaic technology (solar panels), thus meeting the requirements of Council Policy 900-14, the City Council’s Sustainable Building Policy.

ALTERNATIVES

1. **CERTIFY** Mitigated Negative Declaration No. 41256; **APPROVE** Coastal Development Permit No. 116352; and **APPROVE** Planned Development Permit No. 116353 **with modifications.**
2. **DO NOT CERTIFY** Mitigated Negative Declaration No. 41256; **DENY** Coastal Development Permit No. 116352; and **DENY** Planned Development Permit No. 116353, **if the findings required to approve the project cannot be affirmed.**

Respectfully submitted,

Mike Westlake
Program Manager
Development Services Department

Jeffrey A. Peterson
Development Project Manager
Development Services Department

WESTLAKE/JAP

Attachments:

1. Location Map
2. Aerial Photograph
3. Community Plan Land Use Map
4. Zoning Map
5. DEH Letter Dated November 3, 1989
6. Project Data Sheet
7. Project Plans
8. Draft Permit with Conditions
9. Draft Resolution with Findings
10. Community Planning Group Recommendation
11. One Copy of the Form Letter
12. List of Person for Email and/or Letter
13. Planning and Development Services Director's Memorandum Dated May 6, 2005
14. Development Services Director's Memorandum Dated March 22, 2005
15. Marcie Beckett Letter Dated April 11, 2005
16. Ownership Disclosure Statement
17. Project Chronology
18. Letters in Support (Copy provide for the Planning Commissioners only)
19. Letters in Opposition (Copy provide for the Planning Commissioners only)
20. Emails (Copy provide for the Planning Commissioners only)