

REPORT NO. PC-16-099

DATE ISSUED:	December 9, 2016
ATTENTION:	Planning Commission, Agenda of December 15, 2016
SUBJECT:	THE BEACON – Centre City Development Permit/Site Development Permit No. 2016-19 – Process Four
OWNER/ APPLICANT:	Wakeland Housing & Development

SUMMARY

Issue(s): Should the Planning Commission ("Commission") approve Centre City Development Permit/Site Development Permit (CCDP/SDP) No. 2016-19 for The Beacon, a 5-story (approximately 60 foot tall) very low-income, supportive housing development located on the south side of C Street between 14th and 15th avenues in the East Village Neighborhood of the Downtown Community Plan area ("Project")?

Staff Recommendation(s): Approve CCDP/SDP No. 2016-19 for the Project.

Historical Resources Board Recommendation: On November 17, 2016 the City of San Diego ("City") Historical Resources Board (HRB) voted 6-0 to find that the three required findings for approval of the SDP could not be substantiated (see Discussion section on Page 4).

<u>**Civic San Diego Board Recommendation:**</u> On November 16, 2016 the Civic San Diego Board voted 8-0 to grant Design Review approval and recommend that the Commission approve CCDP/SDP No. 2016-19.

<u>Community Planning Group Recommendation</u>: On November 9, 2016 the Downtown Community Planning Council voted 16-0 to recommend approval of the Project.

Other Recommendations: None.

Environmental Review: Development within the Downtown Community Planning area is covered under the following documents, all referred to as the "Downtown FEIR": Final Environmental Impact Report (FEIR) for the San Diego Downtown Community Plan, Centre City Planned District Ordinance, and 10th Amendment to the Centre City Redevelopment Plan, certified by the former Redevelopment Agency ("Former Agency") and the City Council on March 14, 2006 (Resolutions R-04001 and R-301265,

respectively); subsequent addenda to the FEIR certified by the Former Agency on August 3, 2007 (Former Agency Resolution R-04193), April 21, 2010 (Former Agency Resolution R-04510), and August 3, 2010 (Former Agency Resolution R-04544), and certified by the City Council on February 12, 2014 (City Council Resolution R-308724) and July 14, 2014 (City Council Resolution R-309115); and, the Final Supplemental Environmental Impact Report for the Downtown San Diego Mobility Plan certified by the City Council on June 21, 2016 (Resolution R-310561). The Downtown FEIR was adopted prior to the requirement for documents prepared under the California Environmental Quality Act (CEQA) to consider a project's impacts related to greenhouse gas emissions. The effect of greenhouse gas emissions on climate change, and the subsequent adoption of guidelines for analyzing and evaluating the significance of data, is not considered "new information" under State CEQA Guidelines Section 15162 triggering further environmental review because such information was available and known before approval of the Downtown FEIR. Nonetheless, development within the Downtown Community Planning area is also covered under the following documents, all referred to as the "CAP FEIR": FEIR for the City of San Diego Climate Action Plan (CAP), certified by the City Council on December 15, 2015 (City Council Resolution R-310176), and the Addendum to the CAP, certified by the City Council on July 12, 2016 (City Council Resolution R-310596). The Downtown FEIR and CAP FEIR are both "Program EIRs" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. Consistent with best practices suggested by Section 15168, a Downtown 15168 Consistency Evaluation ("Evaluation") has been completed for the project. The Evaluation concluded that the environmental impacts of the project were adequately addressed in the Downtown FEIR and CAP FEIR; that the project is within the scope of the development program described in the Downtown FEIR and CAP FEIR and is adequately described within both documents for the purposes of CEQA; and, that none of the conditions listed in Section 15162 exist. Therefore, no further environmental documentation is required under CEQA.

The Downtown FEIR is available at this link: www.civicsd.com/planning/environmental-documents.html

The CAP FEIR is available at this link:

www.sandiego.gov/sites/default/files/legacy//planning/programs/ceqa/2015/151123capfin alpeir.pdf

Fiscal Impact Statement: None.

Code Enforcement Impact: None.

Housing Impact Statement: The Project will demolish two buildings currently containing 17 single room occupancy (SRO) units that can accommodate up to 28 individuals. The Project consists of 43 units of supportive housing restricted at or below 35% Area Median Income (AMI). The Project complies with the City Inclusionary Housing Ordinance ("Inclusionary Ordinance").

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BACKGROUND

The subject property was acquired in 1996 by the Episcopal Community Services (ECS) for the purpose of providing affordable housing. At this time, Declaration of Covenants, Conditions and Restrictions (CC&Rs) were recorded against the property by ECS in accordance with the loan and grant funds obtained from the San Diego Housing Commission (SDHC). The CC&Rs restricted the property's use to that of affordable housing and were renewed in 1999 to be in effect until 2054. The loan and grant funds were used to improve the property for its use as affordable housing and support the ECS program (i.e. Downtown Safe Haven). In accordance with the CC&Rs, the property is currently being used as affordable, transitional housing. However, as operating costs have increased and federal subsidies have declined, ECS has been forced to resort to uncertain stop-gap funding measures including fundraising and donations as well as grants from the County and Veteran Affairs that are subject to yearly procurement and not guaranteed. For these reasons, ECS can no longer afford to operate their program with certainty and therefore the ECS Board of Directors conveyed the property to Wakeland Housing & Development ("Wakeland"), an affordable, non-profit housing developer, in the fall of 2016. Wakeland's supportive housing program is currently a priority at the federal and local levels. Supportive housing is a different type of service than transitional housing and has different facility/design requirements than an SRO. These differing program needs and facilities, as well as the CC&Rs restricting the property's use, are the primary reasons for the requested SDP (for demolition) and will be discussed in more detail later in the report.

Neighborhood Context

The East Village is envisioned to build out into an eclectic residential and mixed-use community with a diverse spectrum of users. Presently it consists of commercial, warehouse, light industrial, educational, and predominantly lower density residential uses. The projected population for the district is 46,000. The proposed project site is located in the northeast corner of the neighborhood directly across C Street from the San Diego City College campus. The area around City College is well suited for a mix of residential and employment uses that can leverage the considerable educational resources available in the area.

ROLE	FIRM / CONTACT	OWNERSHIP
Applicant	Wakeland Housing & Development / Jonathan Taylor	See Attachment A (Non-Profit Corporation)
Property Owner	Wakeland Beacon Apartments / Kenneth Sauder	See Attachment A (Non-Profit Corporation)
Architect	MW Steele / Diego Velasco	Mark W. Steele

DEVELOPMENT TEAM

Permits Required

- CCDP approval required for new construction over 1,000 square feet (SF); and
- SDP for the substantial alteration of a designated historical resource (demolition of two structures).

Per SDMC Section 112.0103, when an Applicant applies for more than one permit for a single development, the applications shall be consolidated for processing and shall be reviewed by a single decision-maker. The decision-maker shall act on the consolidated application at the highest level of authority for that development, and the findings required for approval of each permit shall be considered individually. The decision-maker for this Project will be the Planning Commission under a Process 4 review. This decision is appealable to the City Council.

DISCUSSION

The Project is a 5-story (60 feet tall) residential development consisting of 43 living units (all 350 SF) and one 1-bedroom unit (770 SF) designated for the building manager. The 43 living units are to be affordable for individuals below 35% of the area median income (AMI) while the one bedroom unit is provided rent-free as part of the building manager's compensation package. Parking is not required for living units at this income threshold; however, eight spaces are provided in the ground floor garage, with one spot designated for the manager's unit. The other spaces will be used by supportive program managers and visitors. Father Joe's Villages will provide services to 21 of the 43 tenants and the County of San Diego Behavioral Health Services Division will provide mental health focused services to the remaining 22 tenants (Attachment B - Project-Program). Living unit projects are required to have 5 SF of common indoor space per unit which equates to 215 SF total for the project. This requirement is met by the 555 SF common-room provided on the fourth floor. The project also contains a total of 1,384 SF of outdoor open space by including a 250 SF outdoor deck on the second floor and a 1,134 SF courtyard on the ground floor that is accessible via a stairwell from the rear of the building and a gate at the front near the garage door. Please see the Project Data Sheet (Attachment H) for further details.

The building's design incorporates a variety of materials including light and dark Hardie board, cement plaster, yellow metal louvers and red metal panel accents. On the west side of the building there is a side courtyard that provides light, air, trees, and planters as well as a second means of egress from the rear of the building. Along the street frontage, the focal point is the recessed, storefront lobby entrance. Overall, this elevation presents a well-articulated façade that responds to the architectural context by continuing the rhythm of bay windows established by the adjacent building to the east. The west elevation presents three distinct components with the center component differentiated through the use of a light gray cement plaster. Notably, the roof line on this elevation avoids a flat linear appearance with each component having a slight break in depth and height from one another. The east elevation that faces the neighboring residential development has two window wells that will provide increased light and air into the units and hallways.

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The project site has a Minimum FAR of 3.5 and a Base Maximum FAR of 6.0. The proposed Project's FAR of 3.76 is above the minimum required for the zone. The primary reason for the smaller project is that a range of 40 to 50 dwelling units is considered optimal for providing adequate service to homeless individuals with mental illnesses or disabilities. Additionally, the cost of construction to build a higher, Type I structure as well as the small, mid-block development site are cited as reasons that are discussed more in depth in the Applicant's FAR justification statement (Attachment I).

Downtown Community Plan Analysis

The Downtown Community Plan (DCP) envisions downtown as a multi-use regional center, with strong employment and residential components; targeting a residential buildout population or approximately 90,000 people with a market for a broad array of supporting stores and services with opportunities to live close to jobs and transit. The DCP implements the City of Villages strategies of the City's General Plan by directing growth in limited areas served by transit as an efficient use of urban land that reduces the need to develop outlying areas while creating opportunities for realistic alternatives to automobile travel.

The preservation, rehabilitation, restoration, reconstruction, and retention of designated historical resources, and their incorporation into new development projects, whether in whole or in part, is strongly encouraged in the DCP. If full retention is not feasible, the Centre City Planned District Ordinance (CCPDO) strongly encourages the retention and reuse of notable architectural fragments or features especially when particular elements are identified as significant in respective neighborhood guidelines. However, the DCP recognizes that some loss of properties listed on the San Diego Register may inevitably occur to accommodate growth and population goals.

The character of East Village will be transformed under the DCP. The East Village is slated to have the highest residential intensities with accompanying retail, commercial and open space amenities.

Applicable DCP Goals and Policies

- 3.1-G-2 Provide for an overall balance of uses employment, residential, cultural, government, and destination as well as a full compendium of amenities and services.
- 3.5-G-2 Foster a rich mix of uses in all neighborhoods, while allowing differences in emphasis on uses to distinguish between them.
- 3.3-G-1 Provide a range of housing opportunities suitable for urban environments and accommodating a diverse population.
- 3.4-G-1 Continue to promote the production of affordable housing in all of downtown's neighborhoods and districts.
- 3.4-G-3 Increase the supply of rental housing affordable to low income persons.

SDP - Proposed Demolition of Historical Resource - W.G. Reinhardt Apartments

DCP Chapter 9 – This chapter establishes the strategy for preservation of historical resources as part of Downtown's continued development. The historic property in question, the W.G. Reinhardt Apartments, is a locally listed property as classified per the third tier below. The Reinhardt Apartments have not been found to be eligible for either the National Register of Historic Places or California Register of Historic Resources. The three-tiered system is as follows:

- 1. **National Register of Historic Places (NRHP)** representing the highest level of designation, and marking resources contributing to the nation's history bestows the greatest protection.
- 2. California Register of Historic Resources (CRHR) also establishes substantial protections in recognition of contributions to state heritage.
- 3. The third tier, the **San Diego Register of Historical Resources (SDRHR)**, includes properties deemed to have contributed significantly to regional history and culture.

The DCP's strategy for conserving downtown historic resources relies on the established process through the National, California and Local Register designations of individual properties and districts. Each designation is associated with preservation goals and development restrictions. Specifically, Table 9-1: *Historical Designations and Preservation Goals*, of the DCP calls for the following preservation goal for buildings listed in the SDRHR:

SDRHR Listed – Whenever possible, retain resource on-site. Partial retention, relocation or demolition of a resource shall only be permitted through applicable City procedures. Resources contributing to a San Diego Register District have the same protection status as individually-listed resources.

Downtown FEIR - The Downtown FEIR identified the demolition of SDRHR buildings as a significant direct impact (Impact HIST-A.1). However, the City Council adopted a Statement of Overriding Considerations determining that such impacts may be unavoidable in order to realize the substantial economic and social benefits of implementing the DCP's development goals. The FEIR's Mitigation Monitoring Reporting Program (MMRP) lists MM HIST-A.1 that stipulates that all applications for construction and development permits where historical resources are present shall be evaluated pursuant to the Historical Resources Regulations of the San Diego Municipal Code including the proposed demolition of local resources.

San Diego Municipal Code (SDMC) - The Project's proposed demolition of the locally designated historical resource, the W.G. Reinhardt Apartments, is by definition a substantial alteration per SDMC Section 143.0251 - Development Regulations for Designated Historical Resources. Substantial alterations to an historical resource require an SDP granted through a Process Four. In order to approve an SDP, the Planning Commission must make the following six findings (three general and three supplemental):

General Findings – SDMC § 126.0504 (a):

- 1. The proposed development will not adversely affect the applicable land use plan;
- 2. The proposed development will not be detrimental to the public health, safety, and welfare; and,
- 3. The proposed development will comply with the applicable provisions of the LDC.

Supplemental Findings – Historical Resources Deviation for Substantial Alteration of a Designated Historical Resource – SDMC § 126.0504(i):

- 1. There are no feasible measures, including a less environmentally damaging alternative, that can further minimize the potential adverse effects to the designated historical resource or historical district.
- 2. This deviation is the minimum necessary to afford relief and accommodate the development and all feasible measures to mitigate for the loss of any portion of the historical resource have been provided by the applicant.
- 3. The denial of the proposed development would result in economic hardship to the owner. For the purpose of this finding, "economic hardship" means there is no reasonable beneficial use of a property and it is not feasible to derive a reasonable economic return from the property.

Alternatives Analysis - Per the Historic Resources Regulations and Supplemental Finding #1 the analysis of "less environmentally damaging alternatives that can further minimize the potential adverse effects to the designated historical resource" is required. After consultation with both Civic San Diego and Historic Staff, the Applicant submitted SDP findings that evaluated the following, less damaging project alternatives (Attachment E) as follows:

<u>Base Project</u> - The proposed project will construct a new building to provide permanent supportive housing in forty-three studio units in a four story building fully occupying the 8,278 square foot parcel. These units will be equipped with kitchens and baths and will be made available for homeless individuals. The building will consist of four stories of Type-VA wood construction over a one story Type 1 concrete podium. The height will not exceed 60 feet; the gross building floor area will be 31,107 SF, including 5,610 SF of garage and 25,497 SF of residential uses. Common areas totaling approximately 1,000 SF will include a community room, counseling office, manager's office and a laundry room.

<u>Alternative 1</u> - An investigation was undertaken by the M.W. Steele Group for the purpose of converting both buildings into the proposed use by constructing 350 SF units for permanent supportive housing within the two existing building in accordance with the use restrictions on the property from the recorded CC&Rs. It was determined that a total of 13 units of this nature could be constructed within the two existing structures, 9 units in the front building and 4 units in the rear building. Two tandem off-street parking spaces could also be constructed. This option is hereinafter referred to as Alternative 1.

<u>Alternative 2</u> - The second investigation undertaken by the M.W. Steele Group proposed to remove the rear building, construct 8 units in the front building and construct 24 units in a new building at the rear of the lot. Two tandem off-street parking spaces could also be constructed with this option. This option is hereinafter referred to as Alternative 2.

<u>Relocation Alternative</u> - The proposed project will require a Site Development Permit for the Substantial Alteration of a Designated Historical Resource under SDMC Section 126.0504 (i). In many instances, a Site Development for Relocation of a Designated Historical Resource under SDMC Section 126.0504 (h) can provide an option that can further minimize the potential adverse effects on the historical resource. The CC&Rs recorded against this property require that any development on this property must be set aside and reserved as "Affordable Units." These Restrictions would not permit Wakeland or any other non-profit owner to use this property as a financing source to acquire another property as a relocation site for these two designated structures with the intent of subsequently rehabilitating them on the new site and later selling the improved relocation site to generate funds for the construction of future affordable housing on the project site. Therefore, a Relocation Alternative is not feasible for this designated resource. It is also the case, as will be explained in the Economic Feasibility Analysis below, that the only way that these Restrictions can be complied with is by using the existing and time sensitive funding sources that will permit the construction of these needed permanent supportive housing units within the near future on the project site.

Economic Alternative Analysis - SDP Supplemental Findings #2 and #3 ask if "all feasible measures to mitigate for the loss of any portion of the historical resource have been provided by the applicant," and if "denial of the proposed development would result in economic hardship." For purposes of this finding, "economic hardship" means there is no reasonable beneficial use of a property and it is not feasible to derive a reasonable economic return from the property. To address these findings, the Applicant retained The London Group to evaluate the two alternatives against the proposed or "base" project. The London Analysis (Attachment C) found that only the base project is "economically feasible" which, for this all-affordable project, is defined as the project's ability to "repay the funds used to build the project."

Peer Review of Economic Alternative Analysis - Civic San Diego retained Keyser Marston (KMA) to peer review (Attachment D) the London Analysis. The KMA review concurred with the London Analysis and found "only the Base Project to be economically feasible...Alternatives #1 and #2 would require identification of additional funding source to support development of the Project."

Historic Resources Board – Before consideration of an SDP by the Commission a recommendation is made by the HRB. The Project was presented to the HRB on November 17, 2016. Historic Staff's findings can be found in the HRB Staff Report (Attachment F). The HRB did not approve the Historic Staff's recommendation that the Commission adopt the mitigation measures and findings associated with the SDP but, voted 6-0-0 to approve the following two alternate motions:

- 1. Motion made by Chair Coyle that the HRB does not concur that the 3 SDP findings have been substantiated for the following reasons:
 - a. The California and National Register report concluding the resource is not eligible for listing has not been provided to the HRB.
 - b. Current use of the buildings appears to meet the terms for affordable housing in the CC&Rs.

- c. Lack of evidence provided that property currently provides no reasonable beneficial use.
- d. Documentation program as sole mitigation may not meet League for Protection of Oakland's Architectural and Historical Resources case.
- e. No information regarding lack of structural integrity of properties for relocation and insufficient information regarding feasibility of different relocation scenarios.

The HRB recommends to Planning Commission that alternative methods of relocating one or more structures be pursued or that alternative 2 which retains the front property be reconsidered by the applicant. The Board does not concur that the proposed mitigation measures and permit conditions provided to it are sufficient to reduce the effect of demolishing the WG Reinhardt apartments, HRB designated historical resources.

2. Motion made by Chair Coyle for the Board to recommend staff and the HRB Policy Subcommittee to explore mechanisms of funding to the City's Historic Preservation Fund for mitigation to include funding to the City's Historic Preservation Fund, with nexus and proportionality to the effects of demolition or other substantial alteration.

It should be noted that the second motion is not relevant to the Project's SDP but is included as it was made in response to the Project. In regards to the first motion, Staff has the following responses:

- a. Per established operating procedure, the State and National Register eligibility report is not provided to the HRB. Historic Staff makes the technical determination on State or National eligibility.
- b. Please refer to applicant's project and program information (Attachment B) outlining the reasons that ECS must sell the property and can no longer operate the Downtown Safe Haven program.
- c. Please refer to applicant's project and program information (Attachment B) outlining the reasons that ECS must sell the property and can no longer operate the Downtown Safe Haven program.
- d. The Downtown FEIR was certified in 2006 by the City Council and evaluated the cumulative loss of historic resources. While it found the loss of historic resources to be a significant, unmitigated impact, the City Council adopted overriding considerations and the Downtown FEIR provides for partial mitigation which recommended as a condition of the SDP.
- e. Relocation would involve purchase of an alternate site and high treatment costs. Please refer to applicant's project and program information (Attachment B) regarding the financial constraints of the CC&Rs and funding limitations inherent to the provision of affordable housing.

Civic San Diego Staff's full responses to the six required SDP findings are included in the attached resolution (Attachment K) and conclude that the findings can be made for the SDP based upon the financial infeasibility of executing any of the alternatives and the fact that the property is restricted by CC&Rs for use as an affordable housing project.

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Conclusion:

Staff recommends that the Commission grants CCDP/SDP No. 2016-19 for the Project.

Respectfully submitted,

Christian Svensk Senior Planner

Brad Richter Assistant Vice President, Planning

Attachments:

- A. Ownership Disclosure Statements
- B. Project Description/Architectural Narrative (provided by Applicant)
- C. London Analysis (provided by Applicant)
- D. KMA Review (provided by Applicant)
- E. SDP Findings (provided by Applicant)
- F. Historical Resources Board Staff Report
- G. Public Comments
- H. Project Data Sheet
- I. FAR justification (provided by Applicant)
- J. Consistency Evaluation & MMRP
- K. Draft Planning Commission Resolution and Draft Permit CCDP/SDP No. 2016-19

Basic Concept/Schematic Drawings dated October 26, 2016

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Concurred by:

Reese A. Jarrett President

January	2015
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Ownership Disclosure Statement

Approval Type: Check appropriate boxes for type of approval(s) requested:

 □ Limited Use Approval
 □ Neighborhood Development Permit
 □ Centre City Development Permit

 □ Temporary Use Permit
 □ Planned Development Permit
 □ Gaslamp Quarter Development Permit

 □ Neighborhood Use Permit
 □ Site Development Permit
 □ Marina Development Permit

 □ Conditional Use Permit
 □ Coastal Development Permit
 □ Other:

Project Title: The Beacon Apartments

Project Address: 1425 C Street

Assessor Parcel Number(s): 534-210-12

Part 1 - To be completed by property owner when property is held by individual(s)

By signing this Ownership Disclosure Statement, the property owner(s) acknowledges that an application for a permit, map, or other matter, as identified above, will be filed with Civic San Diego on the premises that is the subject of the application, with the intent to record an encumbrance against the property or properties. List below the owner(s) and tenant(s) (if applicable) of the above referenced property or properties; all subject properties must be included. The list must include the names and addresses of all persons who have an interest in the property or properties, recorded or otherwise, and state the type of property interest (e.g., tenants who will benefit from the permit, all individuals who own the property or properties). Original signatures are required from at least one property owner for each subject property. Attach additional pages if needed. Note: The Applicant is responsible for notifying the Project Planner of any changes in ownership during the time the application is being processed or considered. Changes in ownership are to be given to the Project Planner at least thirty days prior to any public hearing on the subject property or properties. Failure to provide accurate and current ownership information could result in a delay in the hearing process.

Name of Individual (type or	print):	Name of Individual (type or print):				
Assessor Parcel Number(s):		Assessor Parcel Number	er(s):			
Street Address:		Street Address:	Street Address:			
City/State/Zip Code:		City/State/Zip Code:				
Phone Number:		Phone Number:				
E-mail:		E-mail:				
Signature:	Date:	Signature:	Date:			

Additional pages attached:
Yes
No

401 B Street, Suite 400 | San Diego, CA 92101-4298 | P: 619-235-2200 | F: 619-236-9148 | www.CivicSD.com

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Project Title: The Beacon Apartments

Part 2 – To be completed by property owner when property is held by a corporation or partnership By signing this Ownership Disclosure Statement, the property owner(s) acknowledges that an application for a permit, map, or other matter, as identified above, will be filed with Civic San Diego on the premises that is the subject of the application, with the intent to record an encumbrance against the property or properties. List below the names, titles, and addresses of all persons who have an interest in the property or properties, recorded or otherwise, and state the type of property interest (e.g., tenants who will benefit from the permit, all corporate officers, and/or all partners in a partnership who own the property or properties). Original signatures are required from at least one corporate officer or partner who own the property for each subject property. Attach additional pages if needed. Provide the articles of incorporation, articles or organization, or partnership agreement identifying all members of the corporation or partnership. Note: The applicant is responsible for notifying the Project Planner of any changes in ownership during the time the application is being processed or considered. Changes in ownership are to be given to the Project Planner at least thirty days prior to any public hearing on the subject property or properties. Failure to provide accurate and current ownership information could result in a delay in the hearing process.

Additional pages attached:
Yes
No

Corporation/Partnership Name (type or print):

Wakeland Beacor	n Apartmer	ts LP
□ Corporation		I Partnership
Assessor Parcel Nur 534-210-12	mber(s):	
Street Address:		
1230 Columbia :	Street, Su	uite 950
City/State/Zip Code	:	
San Diego, CA	92101	
Name of Corporate	Officer/Parts	ner (type or print):
Kenneth L. Sauc	ler	
Title:		
President and (CEO	
Phone Number:		
619-326-6212		
E-mail:		
jtaylor@wakelar	ndhdc.com	
Signature:	12	Date:

Corporation/Partnership Name (type or print):

Corporation	D LLC	□ Partnership
Assessor Parcel N	umber(s):	
Street Address:		
City/State/Zip Cod	e:	
Name of Corporate	e Officer/Partner	(type or print):
Title:		
Phone Number:		<u></u>
E-mail:	<u></u>	
Signature:		Date:

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Project Title: The Beacon Apartments

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Part 3 - To be completed by all other financially interested parties

List below the names, titles, and addresses of all financially interested parties and state the type of financial interest (e.g., applicant, architect, lead design/engineering professional). Original signatures are required from at least one individual, corporate officer, and/or partner with a financial interest in the application for a permit, map, or other matter, as identified above Attach additional pages if needed. Note: The applicant is responsible for notifying the Project Planner of any changes in ownership during the time the application is being processed or considered. Changes in ownership are to be given to the Project Planner at least thirty days prior to any public hearing on the subject property or properties. Failure to provide accurate and current ownership information could result in a delay in the hearing process.

Additional pages attached:
Yes X No

Name of Individual (type or print): MW STEELE	Name of Individual (type or print):
Applicant 🖾 Architect 🗆 Other	Applicant Architect Other
Street Address:	Street Address:
1805 Newton Avenue	
City/State/Zip Code:	City/State/Zip Code:
San Diego, CA 92113	
Phone Number:	Phone Number:
619-230-0325	
E-mail:	E-mail:
diego@mwsteele.com	
Signature:	Signature: Date:
Corporation/Partnership Name (type or print):	Corporation/Partnership Name (type or print):
Corporation LLC Partnership	Corporation LLC Partnership
Applicant Architect Other	Applicant Architect Other
Street Address:	Street Address:
City/State/Zip Code:	City/State/Zip Code:
Name of Corporate Officer/Partner (type or print):	Name of Corporate Officer/Partner (type or print):
Title:	Title:
Phone Number:	Phone Number:
E-mail:	E-mail:
Signature: Date:	Signature: Date:

Civic San Diego

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WAKELAND HOUSING AND DEVELOPMENT BOARD OF DIRECTORS

Elizabeth B. Bluhm Board Chair E. Bluhm Consulting LLC 3636 Rosecroft Lane San Diego, CA 92106 Ph. # (619) 972-9900 Email: <u>eb@ebluhm.com</u>

Jeff Brazel Board Secretary JVB Real Estate Advisors PO Box 502135 San Diego, CA 92150 Ph. # (619) 507-8800 jbrazel@jvbrealestateadvisors.com

Lee Winslett **Board Treasurer** Senior Vice President Wells Fargo Community Lending 401 B Street, Suite 304-A San Diego, CA 92101 Ph. # (619) 699-3037 Fax # (877) 786-4003 Email: Lee.Winslett@WellsFargo.com

D. Lawrence Clemens Board Member PO Box 676324 Rancho Santa Fe, CA 92067 Cell# (858) 775-4746 Email: <u>dlarryclemens@yahoo.com</u>

Julie Dillon Board Member 767 Rosecrans Street San Diego, CA 92106 Ph. # (619) 985-5100 Email: juliedillon@me.com Craig Fukuyama Board Member The Fukuyama Company 2926 E. Brandon Lane Fresno, CA 93720 Ph. # (559) 779-3217 Email: <u>craig.fukuyama@gmail.com</u>

Jeff W. Graham Board Member UNIVERSITY OF CALIFORNIA, SAN DIEGO Department of Real Estate 10280 North Torrey Pines Road, Suite 340 La Jolla, California 92037 Cell # (619) 867-6713 Email: jgraham@AD.UCSD.EDU

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Deanna O'Brien Board Member Senior Director Real Estate Greystar 17885 Von Karman, Suite 450 Irvine, CA 92614 Ph. # (949) 242-8028 Email: dobrien@greystar.com



December 2, 2016

City of San Diego Planning Commission 1222 First Ave., 5th Floor San Diego, CA 92101

Dear Planning Commissioners:

Wakeland Housing and Development Corporation (Wakeland) requests your support for the issuance of a Site Development Permit for the development of the Beacon Apartments, a new permanent supportive housing community located at 1425 & 1431 C Street in the City of San Diego's East Village. The Beacon Apartments will create 44 affordable homes for mentally ill homeless or at-risk individuals and revitalize the area by replacing a defunct 28-bed homeless transitional living facility with a modern community of permanent homes coupled with intensive wrap-around services designed to help individuals live successfully within the community.

Project Background

Episcopal Community Services (ECS) purchased the subject property in 1996. Since that time, they have used it to operate their "Downtown Safe Haven" housing project, providing transitional housing to homeless adults living with mental illness. The program – which is in the process of closing as outlined further below – consisted of 28 beds in 17 mostly shared rooms within two buildings.

The Downtown Safe Haven project was primarily funded with grants from the Department of Housing and Urban Development (HUD). However, in recent years, funding has become increasingly uncertain as HUD and other funders changed their priorities from transitional housing to permanent supportive housing. These funding challenges, combined with increasingly high maintenance and repair expenses at the 100+ year old property, made ongoing operations of the Downtown Safe Haven program unsustainable for ECS. Additionally, the property's configuration and condition did not meet the current needs and standards for housing special needs individuals and would not be eligible for permanent supportive housing funding.

For these reasons, ECS approached Wakeland in 2014 to work together and determine a way to redevelop the property in a way that matched the current policy and funding priorities. There were two key factors to be considered in the redevelopment strategy:

1. The Property is subject to the City of San Diego's SRO Ordinance (17 units), which requires that any new development on the site contain at least 17 affordable units.

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2. ECS recorded Covenants, Conditions, and Restrictions (CC&Rs) on the property in accordance with a loan and grant from the San Diego Housing Commission. These CC&Rs require that the site be used to provide at least 18 units of affordable housing for persons who are mentally ill and whose income does not exceed 35% AMI.

Taking these factors into account, Wakeland and ECS determined that the only feasible scenario for utilizing the site was the demolition of the existing two buildings and the construction of a new 44-unit permanent supportive housing project. This would meet several goals:

- The project would meet the above-mentioned restrictions.
- The project would be financially feasible, both in terms of construction and ongoing operations.
- The project would provide much-needed permanent supportive housing, a model of housing that has proven successful in improving housing stability, employment and mental/physical health for often hard-to-house homeless individuals with special needs.

In August 2016, ECS donated the property to Wakeland to be used for the development of this project. In this same month, Wakeland entered into three agreements with the San Diego Housing Commission:

- 1. An Assignment, Assumption and Consent Agreement. This document assigns ECS's interests, rights and obligations in the property including the CC&Rs and all loans and grants to Wakeland.
- An amendment to the Declaration of Covenants, Conditions and Restrictions. This document allows for a suspension of the CC&R, loan and grant obligations between October 1, 2016 and September 30, 2020, when the new Beacon project will be completed and able to meet the obligations and restrictions.
- A Single Room Occupancy (SRO) Replacement Housing Agreement and Agreement Imposing Covenants Conditions and Restrictions on Real Property. This document requires that the 17 SRO units being demolished be replaced with a minimum of 17 affordable units.

Since the donation, ECS has begun closing down the Downtown Safe Haven program. All current residents are being relocated, no new individuals are being admitted into the program, and all grant funding for the project will end in March 2017.

Project Vision

The Beacon will be a five-story permanent supportive housing development providing 44 homes for homeless individuals living with mental illness. Private office space and common areas will be used for on-site behavioral healthcare and supportive services needed by the resident population. All services will prioritize keeping residents housed and invested in their treatment and recovery and will be



provided by Father Joe's Villages the County of San Diego Behavioral Health Services Division. The project will be financed using 9% Low Income Housing Tax Credits, funding from the San Diego Housing Commission, project-based vouchers and other funding targeted to permanent supportive housing development and operations.

When completed, the Beacon Apartments will provide a wide range of much-needed improvements over the existing transitional facility:

1. Accessibility

The existing buildings provide limited-to-no handicap accessibility because the main entrance to the front house is elevated several feet above the street and accessed only from a set of long exterior and interior staircases. The Beacon Apartments will be designed to comply fully with current ADA and FHA Accessibility standards, including the provision of at least one unit equipped for the visually and hearing impaired and an elevator, accessible kitchens and bathrooms.

2. Financial Viability

The existing housing program is no longer financially viable due to a lack of funding available for transitional housing. The Beacon Apartments will have secure funding in place for at least 30 years of operations through use of financing sources for permanent supportive housing.

3. <u>Parking</u>

The existing buildings do not provide on-site parking and the placement of the front house precludes the ability to provide any parking. The Beacon Apartments will be designed with a secured and enclosed parking garage that accommodates up to seven parking spaces, two motorcycle spaces and nine bicycle spaces. Although resident parking is not required by code, it is necessary for the supportive service providers, counselors and on-site resident manager, making it vital to the operation of a successful special needs housing development.

4. <u>Functionality</u>

The existing buildings are designed as a boarding house with multiple occupants per room and shared bathrooms, kitchen, dining and common areas. The Beacon Apartments will be designed with 44 individual apartments for single-occupancy equipped with private kitchens, bathrooms and dining areas, in line with current standards and funding requirements.

5. <u>Security</u>

The existing building does not have controlled access or surveillance systems, but the Beacon Apartments will have both, plus 24-hour staffing.

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6. <u>Circulation/ Common Areas</u>

The existing circulation and common areas are primarily exterior. The Beacon Apartments will be designed to contain most common areas and circulation in an enclosed and secured building.

7. Building Standards

The Beacon Apartments will be new construction, therefore fully compliant with current insulation and acoustical standards – dual paned windows, high wall and roof insulation ratings, better party wall assemblies between units, better floor-ceiling assemblies for the unit floors and corridors – all of which will result in a more quiet and energy-efficient building than the existing houses on site.

8. Resident Health

Lead and asbestos have been found in the two existing buildings, posing a risk to resident health. The Beacon Apartments will be built at a minimum of LEED Silver standards, which require a high level of indoor air quality, low VOC paints, and other features designed to ensure that the homes are healthy for the residents.

Historical Resources Board Decision

On November 17th, the Beacon Apartments project went before the Historical Review Board (HRB) with a staff recommendation to recommend Planning Commission adoption of the mitigation measures and findings associated with the site development permit as presented or recommend inclusion of additional permit conditions related to a designated historical resource. The HRB did not agree with the staff recommendation, and adopted a resolution stating that they did not concur with the three required Site Development Findings for five reasons, each of which are addressed below.

Reason 1 - The California and National Register report concluding the resource is not eligible for listing has not been provided to the HRB.

• While this is best addressed by City staff, HRB staff have consistently stated that the property is not eligible for these Registers.

Reason 2 - Current use of the buildings appears to meet the terms for affordable housing in the CC&R.

• The current use of the buildings does meet the terms for affordable housing in the CC&Rs. However, as discussed in the sections above, the current use for the property **does not** meet current standards for housing homeless individuals with special needs. Additionally, the current use is not

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financially sustainable, which is why the current operator is closing down the existing housing and vacating the buildings by March 2017.

Reason 3 – Lack of evidence provided that the property currently provides no beneficial use.

• Again, we would reiterate that the current use of the property is not sustainable, and is in fact ending. The property is not suitable for the use that is required by the CC&Rs, which is providing affordable housing to extremely low income individuals with mental illness.

Reason 4 – Documentation program as sole mitigation may not meet League for Protection of Oakland's Architectural and Historical Resources Case.

• This too is best addressed by City staff, but does not appear to be applicable to this project.

Reason 5 – No information regarding lack of structural integrity of properties for relocation and insufficient information regarding feasibility of different relocation scenarios.

• The structural integrity of the properties is not applicable to this project as relocating the properties is not financially feasible. Relocation of a historic building requires that a historically-appropriate relocation site be purchased and that the property be renovated and maintained to historic standards. This would not be financially feasible for a small affordable housing project like this one, which is already at the cusp of the funding agencies' high-cost thresholds. Additionally, as stated in the HRB Staff Report for the project, the CC&R restrictions would not allow Wakeland to use this property as a financing source to acquire another property as a relocation site. Therefore, relocation was deemed economically infeasible.

The HRB resolution also recommended to the Planning Commission that "alternative methods of relocating one or more structures be pursued or that alternative 2 which retains the front property be reconsidered by the applicant."

As stated above, relocation is not a viable alternative to this project. Wakeland has also studied the option of retaining the front property, and found it infeasible for two key reasons:

1. Economic Infeasibility

The London Group Realty Advisors completed an economic analysis of this option, which would retain the front building only and replace the rear building with a new four-story wood frame structure with 32 units of permanent supportive housing.



The London Group finds that this alternative puts the project at a high-cost threshold of 136.14% under the State of California's Low Income Housing Tax Credit program (currently the primary source of funding for affordable housing), which suggests the project would not be awarded tax credits and could not be financed. Even if it were feasible to secure this funding, the small project size would result in negative cash flow in ongoing operations, with forecasted cash flow for the project going negative in Year 4.

2. Lack of Parking

Retaining the front building would remove the ability to add parking to the project due to the configuration of the front house. Wakeland currently operates over 30 affordable housing developments throughout California, and have found that on-site staff parking needs to be provided at the project for it to be operated successfully, especially at supportive housing developments with 24/7 staff on call to meet the needs of the residents.

Conclusion

Wakeland understands the HRB's unwillingness to recommend the demolition of these two structures but **our research and findings show there is no viable alternative that continues this site's mandated use while also preserving these buildings.**

We believe the benefit of providing a high-quality permanent supportive housing development to address San Diego's escalating homeless crisis makes this difficult decision worthwhile.

San Diego's stakeholders, elected leadership, and business community have recognized that ending homelessness in downtown San Diego is critical to a thriving economy as well as a vibrant living and working environment, and that the key is providing permanent supportive housing.

For these reasons, we again request your support for a Site Development Permit issuance.

Sincerely,

Kynett 2 n

Kenneth L. Sauder President & CEO, Wakeland Housing and Development Corporation

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Building foundations for opportunity

The Beacon Apartments

Architectural Narrative

The Beacon is, above all, a place to call home. The project will serve our city's homeless population, many of whom will have mental disabilities and need a permanent, safe and welcoming place where they will get the support they need to re-establish their lives. This is the fundamental principle that brings focus to the design: livability and dignity.

Located on a compact, infill site with only one frontage on C Street, the site is roughly 59 feet wide by 140 feet long with a five-story residential condominium building on the east and south property lines and a series of one-story commercial buildings on the west property line. C Street has a gentle westerly down-slope, giving the condominium building on the east a towering presence on the site that is further emphasized by mostly blank façades that abut almost at a zero lot-line with the site. Instead of siting the building in the middle of the site, resulting in narrow and dark side yards that face blank walls, the building is set against the blank wall of the existing condominium building and windows are oriented toward generous light-wells that are sized appropriately to bring in natural light and ventilation. These light-wells are evenly spaced and align with the few, non-operable windows of the adjacent condominium building (in effect sharing the light-well with the building to ensure our proposed project does not entirely block out the sun to its neighbor). This maximizes the west side yard, resulting in a yard that supports trees, landscaped planters, an exit path and plenty of sunlight. While the adjacent commercial buildings are zoned for greater density and height, they house stable businesses and it is unlikely they will redevelop in the near future. Moreover, a new project on that corner site would need to set back from the interior property line to allow for some windows and openings and a potential fault-line that runs through the site. It is reasonable to believe that the western façade of The Beacon will remain a prominent facade of the building and offer spectacular views to downtown from the second floor and above. The building is also set back on the rear of the site to allow openings and access to sunlight. Existing buildings are set back on the rear yard abutting the property, ensuring that adequate southern light will bathe that part of the site.

The south and east elevations of the building are simple and un-adorned, as these are internal to the site and will not be highly visible. A majority of the emphasis has been placed on the west and north facades. The west façade is composed of three primary massing elements, with breaks in the façade for articulation. The building corridor opens to the air and view on the southwest corner of the site, with an exterior exit stair that connects a communal sun deck on the second floor with the side yard and exit path. Windows are grouped visually to emphasize a larger scale and form on the façade, compatible with the larger-scale forms of City College

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buildings across C Street. Because this is the west façade and afternoon sun will hit the façade directly, sunshades and recessed windows have been designed to help filter the sun. The roof over the northernmost portion of the building projects out 5 to 8 feet to suggest directionality and movement but also for sun control. The manager's unit will have a private view balcony on the top floor.

The north façade is composed of three primary defining features. The first is a defined masonry base, which will form the lobby and parking entrances and continue the presence of hard materials visible in the area. The lobby entrance is envisioned to be highly transparent with clear views into the building. The storefront doors are set back a few feet, and the concrete podium slab will project out approx. 5 feet to further accentuate the entrance. A landscaped planter with seating will activate the entrance and create a sense of arrival. The entrance provides a space for a directory and building signage. The garage door will be a finished and painted metal to match railings of the project and limited to 14 feet in width to minimize its presence on the street. The second feature of the north façade are two projecting oriel windows with glazing on multiple sides and metal siding panel surrounds. The projecting windows continue a pattern of oriel windows present in the adjacent condominium building and help give the project a residential character. The third element of the façade is the sloping roof, anchored by the stair tower. It projects beyond the building edge and gives the building a westward direction and a residential feel.

Materials and finishes for The Beacon are carefully selected to both reference the project's context and provide a sense of home. Hardi Board siding will be used throughout and serves as a reference to the Prairie-style boarding houses currently on the site. Cement Plaster with a smooth finish is applied to the middle section and rear of the building. The earth tones of the building also reference the existing buildings and are a softer touch appropriate for the residential use. Color has been used selectively and red has been chosen as an accent color to reference the red tones that predominate the City College Campus buildings. Sunshade louvers and railings will be painted metal with a light color for the sunshades to contrast the earth tones and the reds. Masonry block will be used for the ground floor and garage. A Precision Stone will be used with a light Pumice Stone color variation to add visual interest. The side yard path and sundeck paving will be finished with pavers that will have a color tone variation to provide a pattern on the ground and complement the masonry walls and planters.

The Beacon will be a new home for those who most need it. It's location next to a large-scale residential building and its use requires a soft touch and attention to livability appropriate for residential buildings. Its presence next to single-story commercial means the West facade may be as important as its street façade, as this will be highly visible from the neighborhood and add to the urban form of the area. While it is a compact and highly dense site, The Beacon has been designed as a comfortable living environment with the right mix of common areas and spaces that support a livable and dignified place to call home.

Project Description

The Beacon Apartments is a new construction, permanent supportive housing development located in the East Village community of San Diego at 1425 C Street. Forty-three studio units, each approximately 350 SF and equipped with kitchens and baths (classifying as "living units" under SDMC 156.0315(f)), will be made available to homeless individuals. The project will also include a one-bedroom manager's unit. Supportive services will be provided by Father Joe's Villages and the County of San Diego Behavioral Health Services. Wakeland Housing and Development Corporation is the sole developer.

M.W. Steele Architecture and Planning is designing the building: four stories of Type-VA wood construction over one story of Type I concrete podium. Height will not exceed 60 feet; gross building floor area is approximately 31,155 SF, including 5,500 SF of garage and 25,655 SF of residential uses.

A glassy, street-level vestibule entrance leads to a stairwell and elevator, and an adjacent driveway provides access to a gated garage with eight parking spaces—primarily for use by service providers and property management. No residential parking is required for living units. The building is set back from a one-story commercial improvement to the west, providing adequate space for a tree-landscaped yard that runs almost the full length of the property. The yard leads to a 250 SF sun deck on the second level at the rear of the property.

Residential units, connected by an open hallway with generous lightwells that provide natural illumination and ventilation, are located on floors two through five. Common areas totaling approximately 1,000 SF, including a community room, counseling office, manager's office, and a laundry room, are on the fourth and fifth floors. (A plan set is attached in Tab 1 for reference.)

Access to the building and grounds will be monitored 24/7 by electronic means and onsite personnel. Key fobs or similar devices will restrict resident and staff access to approved areas. Each floor has a glass-walled landing at the elevator and main stairwell, creating small, secured lobby spaces.

Environmental Conditions

A phase I environmental site assessment dated January 21, 2016 (attached in Tab 3) reveals that no evidence of known or suspected, controlled, historical, or de minimis Recognized Environmental Conditions (RECs) exists on the 8,278 SF site.

An initial seismic fault study indicates that no faults intersect the site. A more detailed study will be performed as part of the Site Development Permit process with Civic SD, which will formally clear the project of any fault-related design constraints.

Entitlement Benchmarks

Early consultation with Marie Burke Lia identified that the two buildings currently on the site were potentially historic. Any relocation or demolition of the buildings would require review by the City's Historical Resources Board. She advised Wakeland to seek historical designation, which occurred on March 24, 2016 under criterion C: *Embodies distinctive characteristics of a style, type, period or method of construction or is a valuable example of the use of indigenous materials or craftsmanship.* The HRB finding (attached in Tab 3) specifies that no other historical criteria apply to the project.

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The designation allows Wakeland to now apply for a *Site Development Permit for Substantial Alteration of a Designated Resource* from Civic SD. (SDP application was made concurrently with this application.) The permit will provide approval for 1) demolition of the designated structures and 2) entitlements for development of The Beacon Apartments. The approval process is expected to take six to eight months.

The SDP process includes Civic SD's review of an Economic Feasibility Study; The London Group is currently wrapping up work on the submittal. The study contemplates three development scenarios and demonstrates that the proposed project is the most economically feasible. The other two scenarios are 1) rehabilitating and repurposing both buildings for use as 13 permanent supportive housing units, and 2) rehabilitating one building, demolishing the other, and constructing a new building behind the remaining building to result in 32 PSH units.

Both scenarios fall short of delivering parking for staff and adequate service program facilities, which are needed for successful permanent supportive housing programs. And budgets obtained by Allgire General Contractors demonstrate that the cost to rehabilitate the structures exceeds the cost to build new on a per unit basis. (Wakeland will forward the completed study upon request.)

Existing Uses

Episcopal Community Services acquired the property in 1996 using a combination of San Diego Housing Commission loans and HUD Supportive Housing Program grants to operate a Safe Haven transitional housing program (commonly referred to as Downtown Safe Haven) that can accommodate up to 28 homeless individuals in 17 Single Room Occupancy units. The loans restrict the units to persons who are homeless/mentally ill and whose income does not exceed 35% AMI. Additionally, the 17 units are subject to the City of San Diego's Single Room Occupancy Ordinance. There is no Conditional Use Permit on the property.

ECS currently uses several grants to operate the Safe Haven, including a HUD Continuum of Care grant, VA Per Diem grant, and County of San Diego grant. The HUD Continuum of Care grant has been the primary, and for many years, the only operating grant for Downtown Safe Haven; as costs have increased over time and federal funding has declined, ECS began subsidizing the program. The current estimated annual Downtown Safe Haven operating budget is approximately \$800,000 and the HUD Continuum of Care grant covers approximately \$505,000 of the operating costs. Prior to receiving the VA and County grants, ECS was subsidizing the operating costs of the program through fundraising and donations. In the last few years ECS has been able to secure VA and County grants to help cover the operating gaps, but these grants are subject to yearly procurement and are not guaranteed.

The site improvements have also presented service program challenges to ECS over the years. The layout of the rooms and lack of connections between floors and buildings are not conducive to delivering efficient service and comfortable environments. ECS has managed the problematic circumstances well, but the antiquated facilities fail to support modern best practices to fight homelessness—and in no way align with Housing First models.

In 2014, ECS and Wakeland began meeting with a wide range of stakeholders and potential project funders, including the San Diego Housing Commission, the VA San Diego Healthcare System, and the County of San Diego Behavioral Health Services. (An MOU is attached in Tab 3.) ECS and Wakeland originally envisioned a redeveloped project that included both Safe Haven and Permanent Supportive

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Housing units. However, as this concept was further explored, it became apparent that maintaining a Safe Haven component was infeasible due to the lack of funding for the establishment and operation of new Safe Haven facilities.

Disposition and Relocation

Declining resources for Safe Haven programs and prioritization of permanent supportive housing and Housing First models at federal and local levels has prompted ECS to find a path to close out the Downtown Safe Haven. The board of directors resolved to convey the property to Wakeland for the benefit of a new project. (A Resolution is attached in Tab 3.) Wakeland and ECS are currently drafting a purchase and sale agreement/conveyance document that includes an assignment option to SDHC.

To protect ECS from default and prevent dereliction of the property, Wakeland proposes the following steps:

- SDHC suspends rent and affordability restrictions and any other covenants between ECS and SDHC (or otherwise holds ECS harmless for shutting down their operations) upon approval of this NOFA application until construction loan closing of The Beacon, at which time all existing restrictions and covenants would be permanently lifted in favor of new restrictions and covenants for The Beacon;
- ECS begins relocation of Downtown Safe Haven clients upon approval of this NOFA application (see below for more details);
- SDHC grants permission to ECS to convey the property to Wakeland upon Site Development Permit approval;
- Wakeland demolishes the existing improvements at the property;
- Upon construction loan closing, SDHC would take back the property and transfer it to The Beacon.

All expenses associated with permits, relocation, demolition, or other predevelopment activities would be carried by Wakeland on behalf of the new project and reimbursed at construction loan closing through new loan proceeds and tax credit equity.

Wakeland and ECS will work together to ensure that all Downtown Safe Haven clients are successfully relocated to alternative housing and programs. HUD has advised Overland, Pacific, and Cutler (the project relocation consultant) that relocation rules apply to the program provider, not individual clients. Options include, but are not limited to:

1. Full Service Partnership (FSP) Services/Housing

Wakeland and ECS would work with San Diego County Behavioral Health Services to explore the possibility of referring clients to the County's-contracted Full Service Partnerships to receive continued services (Assertive Community Treatment services and/or Strength-Based Case Management) and housing (MHSA-leased housing, MHSA-developed housing, Sponsor Based Vouchers, Shelter Plus Care, etc.).

2. Sponsor-Based Vouchers

Wakeland and ECS would explore the possibility of referring clients to County-contracted providers who administer Sponsor-Based Vouchers for use in the County's current Sponsor-Based program; and collaborate with service providers to apply for additional Sponsor-Based vouchers under the current San Diego Housing Commission Housing First NOFA.

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3. HUD-VASH

The majority of the veterans that participate in the Downtown Safe Haven program move into housing utilizing HUD-VASH vouchers. ECS would continue to assist eligible veterans in accessing and securing housing utilizing tenant-based HUD-VASH vouchers.

4. 1,000 Homeless Veteran Initiative

Wakeland and ECS would coordinate referrals to selected sponsors who are able to provide housing and services to veterans not eligible for the HUD-VASH program.

5. Permanent Supportive Housing Developments

Wakeland and ECS would explore availability at PSH developments owned and operated by various developers, and monitor the opening of new developments that coincide with the Downtown Safe Haven dissolution.

Financing

Wakeland proposes to combine several sources of funds to finance The Beacon: 9% tax credit equity, MHSA capital and services, SDHC loan, and a permanent bank loan leveraged by section 8 rents.

Homeless, special needs projects, like The Beacon, are a funding priority for TCAC. Wakeland expects the project to receive an allocation from TCAC in 2017. Tax credit investment is in high demand for San Diego deals, and Wakeland's strong relationships with investors bring top credit pricing to the project.

County Behavioral Health Services has committed support for the project. A letter in Tab 5 outlines the County Agency Director's commitment of Mental Health Services Act (MHSA) Housing program capital funds in the amount of \$2,895,046, as well as supportive services estimated at \$15,000 per tenant per year for the 22 MHSA-eligible tenants.

Cash flow for the project, bolstered by project-based section 8 rental subsidies, supports \$1,933,501 in permanent debt at a 1.30 DCR. To maintain positive cash flow over the 15-year tax credit compliance period (as required by TCAC), the permanent loan must be sized using a 1.30 DCR rather than the 1.20 DCR stated in the NOFA. Annual operating costs per unit are \$6,627.

The San Diego Housing Commission loan request of \$3,080,000 is sized to accommodate a services reserve of \$2,833,359 for the 21 non-MHSA units serviced by Father Joe's. Total project costs for The Beacon are \$19,387,536. Wakeland anticipates that the principal balances and accrued interest of any remaining debt on the property at the time of construction loan closing would be consolidated and added to the new SDHC loan. For simplicity, the development proforma omits representing the consolidated amount, which would be shown as both a project use and source.

With this application, Wakeland also requests \$85,000 in Funders Together to End Homelessness grant funds. Wakeland will use the resources to build capacity for extending their resident services programs to PSH populations. The effort will be spearheaded by Supportive Housing Director, Tricia Tasto Levien. Specific uses for the funds include training staff to implement pilot programs that address the special needs of homeless populations, as part of Wakeland's existing comprehensive service programs to affordable housing residents.

Supportive Services

Wakeland understands that long-term, supportive service commitments are vital to the success and

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stability of any permanent supportive housing development. As such, Wakeland is partnering with two highly qualified supportive service providers – the County of San Diego Behavioral Health Services contracted Full Service Partnership and Father Joe's Villages. Both of these agencies have extensive experience providing services in permanent supportive housing to vulnerable homeless populations and have a long-term vested interest in ending homelessness in the City of San Diego.

Utilizing a Housing First approach, comprehensive supportive services will be provided both on-site and off-site and will be focused on assisting tenants in maintaining their well-being; successfully attaining and maintaining their tenancy in supportive housing; increasing their income; and improving their overall quality of life.

The County's contracted Full Service Partnership will provide services to 22 of the tenants who have a diagnosed serious mental illness and qualify under the County's Mental Health Services Act (MHSA) program. Services will be provided to the MHSA tenants through a "whatever it takes" model of care called the Assertive Community Treatment (ACT) model, an evidence-based practice of providing services to homeless individuals with a serious mental illness. Services will be provided both on-site and in the community and will be provided at a 1:10 staff to client ratio in accordance with the ACT fidelity model.

Father Joe's Villages will provide services to 21 non-MHSA tenants both on-site and off-site. Using evidence-based practices, Father Joe's will provide case management, life skills, and access to substance use and mental health services. In addition, tenants will have access to an array of services and resources offered on Father Joe's campus in downtown San Diego. Services will be provided at an approximate 1:11 staff to client ratio in accordance with best practices.

The Beacon Apartments will have an on-site Resident Services Coordinator who will coordinate services for all tenants. They will work closely with the supportive service providers and with property management to ensure that the tenants are receiving the services and resources needed to achieve successful tenancy.

The service providers will track data and outcomes through a number of databases and this information will be reported to the San Diego County Commission and other funders, such as the County of San Diego Behavioral Health Services and the California Housing Finance Agency (CalHFA) on a yearly basis.

ATTACHMENT C



July 8, 2016

Mr. Jonathan Taylor Wakeland Housing & Development Corp. 1230 Columbia Street, Suite 350 San Diego, CA 92101

Via email: jtaylor@wakelandhdc.com

RE: Economic Alternative Analysis for The Beacon at 1425 & 1431 "C" Street

The London Group Realty Advisors has completed an economic analysis of the two development options pertaining to the The Beacon project located at 1425 & 1431 "C" Street in San Diego, CA ("Subject Property"). The purpose of this analysis is to analyze the impact on the profitability of the project and how each alternative impacts the reasonable use of land.

We have analyzed the proposed Base Project as well as two alternatives for development of the property, which includes:

- **Base Project**: Clear the entire site and develop 44 affordable housing units.
- Alternative 1: retain both buildings and rehabilitate them to serve as permanent supportive housing achieving 13 affordable housing units.
- Alternative 2: retain the front building only and replace the rear building with a new fourstory wood frame structure to serve as permanent supportive housing achieving 32 affordable units.

Conclusions of Economic Alternatives

To determine the impact to the project, we have analyzed and verified the financial proformas prepared by the developer. When evaluating affordable housing developments, the ultimate threshold that determines economic feasibility is not the total profit generated for investors and developers. Affordable housing deals do not generate a significant profit and developers are generally "fee builders". Affordable housing developers do not achieve a significant profit "upside" as with market rate housing.

Therefore, our approach to analysis focused on whether the Base Project and two alternatives are financeable, can feasibly be built and can repay the funds used to build the project. The metrics we utilized to establish economic feasibility are as follows:

- Is the project sufficiently capitalized to build the project (e.g. agency funds, tax credit equity, permanent loan, etc.)? Or does a funding gap or shortage exist?
- Does the project meet the Tax Credit Allocation Committee (TCAC) threshold requirements for awarding credits?
- Does the project generate sufficient cash flow after it is built to service the debt and repay the agencies that contributed funds to construct the project?

We have determined that the Base Project of 44 affordable units is economically feasible. While it is an expensive project to construct (\$440,626 per unit), the project is able to be completely funded with no gaps in financing. Most importantly, it is able to achieve investor equity financing via tax credits. The Tax Credit Authority Committee has a cost basis threshold maximum of approximately 130% that projects cannot exceed. The Base Project is just under this benchmark at 127.17%. Most importantly, the forecasted cash flow of the Base Project results in a positive income stream that can afford to repay the funds contributed by SDHC and MHSA.

Alternative 1 is not economically feasible. This alternative includes only 13 affordable units, but incurs the highest cost of construction. Total construction costs are estimated at \$716,394 per unit -63% higher than the Base Project. This results in several problems for the project, the most glaring of which is that it would not be able to receive tax credits because the high cost threshold is 213.35%, much higher than the TCAC maximum of 130%. In addition, there is a significant shortfall in cash flow and the project would not be able repay the funds contributed by SDHC and MHSA. In fact, the project would need to be subsidized to afford the annual operating costs.

Alternative 2 is not economically feasible. This alternative includes 32 affordable units and increases project costs by \$28,454 per unit. As a result, the project represents a high cost threshold of 136.14%, which suggests that the project would not be awarded tax credits and could not be financed. There is also a funding gap of approximately \$4 million. This inability to achieve financing for the entire project precludes development. The forecasted cash flow of the project remains negative starting in Year 4 (with assuming a funding gap of \$4 million). This negative cash flow means that the project cannot repay the funds contributed by the SDHC and MHSA.

Economic Feasibility Analysis

The following details our analysis of economic feasibility. We have included tables in the <u>Appendix</u> that detail the financial proformas.

Base Project

The Base Project assumes that the entire site is cleared and 44 affordable housing units are built on the property. Based on our review of the financials, this project is economically feasible for the following reasons:

- Total project costs are approximately \$19.4 million, which represents a cost of \$440,626 per unit. It is important to note that this is a high cost per unit and results in higher-level scrutiny by the SDHC and other agencies. For perspective, a similar project built by Wakeland cost only \$346,000 per unit (Talmadge Gateway). The high cost of the Base Project is due to the fact that the small site is not conducive to the most efficient methods of construction.
- Affordable housing projects are dependent on the ability to sell tax credits to investors to finance the project. The TCAC is the authority that awards the credits and a project must not exceed a cost basis threshold of 130% to receive the credits. The Base Project represents a high cost threshold of 127.17%, which suggests that the project will qualify for tax credit awards.
- While costs are high, the project is sufficiently funded by tax credit equity (\$11.5 million), MHSA Funds (\$2.9 million), SDHC Loan (\$3.1 million) and a permanent loan (\$1.9 million). There is no gap in financing.
- After the project is built, there is sufficient positive annual cash flow to repay funds contributed by SDHC and MHSA.

<u>Alternative 1</u>

Alternative 1 retains both buildings and rehabilitates them to serve as permanent supportive housing achieving 13 affordable housing units. Based on our review of the financials, this project is not economically feasible for the following reasons:

- Project costs are \$716,394 per unit. Compared to the Base Project of \$440,626 per unit, this represents an increase of \$275,768 per unit or 63%.
- The project is not financeable because of its high costs, which does not make it eligible for tax credits. Affordable housing projects are dependent on the ability to sell tax credits to investors to finance the project. A project must not exceed a cost basis threshold of 130% to achieve TCAC credits. Alternative 1 represents a high cost threshold of 213.35%, which demonstrates that the project would not be awarded tax credits and the project could not be built.

- Since tax credits are not achievable, there exists a financing gap of approximately \$7.6 million to build the project. This demonstrates that project is not sufficiently capitalized.
- After the project is built, there is an immediate shortfall in cash flow. This means that there
 is no money available to repay the hypothetical MHSA Funds (\$789,558) and the SDHC
 Loan (\$910,000). Furthermore, it would not be prudent to assume that either the MHSA or
 SDHC would contribute funds to the project.
- Because of the significant shortfall in cash, the project does not support a permanent loan on the property as there is no money available to service the debt payments.
- To further illustrate the infeasibility of this alternative, even if the developer fee of \$1.4 million¹ is reduced to zero, which means that the developer receives no development fees, there would still be a funding gap of \$6.2 million. There would also be a recurring significant shortfall in cash flow to repay these funds contributed to the project. In addition, it would still be unlikely that the MHSA and SDHC would contribute funds to the project.

<u>Alternative 2</u>

Alternative 2 retains the front building only and replaces the rear building with a new four-story wood frame structure to serve as permanent supportive housing. This alternative results in 32 affordable units. Based on our review of the financials, this project is not economically feasible for the following reasons:

- Project costs are \$469,080 per unit. Compared to the Base Project of \$440,626 per unit, this represents an increase of \$28,454 per unit or 6.5%.
- Affordable housing projects are dependent on the ability to sell tax credits to investors to finance the project. A project must not exceed a cost basis threshold of 130% to receive TCAC credits. Alternative 2 represents a high cost threshold of 136.14%, which suggests that the project would not be awarded tax credits and could not be financed.
- There exists a financing gap of approximately \$4 million to build the project. But due to the high cost of the project, it would be difficult to attain a permanent loan of \$544,000. Therefore, the real funding gap is approximately \$4.5 million. This demonstrates that project is not sufficiently capitalized.
- After the project is built, there is a shortfall in cash flow beginning in Year 4. This means that there is no money available to repay MHSA Funds (\$2.1 million) and the SDHC Loan (\$2.2 million). Nor is there sufficient income to afford the asset management fee for the project, in which case a developer would not be adequately compensated for operating the project.

¹ Developer fee is capped per California TCAC regulations (sec.10327.c.2.A.i) and SDHC.

- Because there is a shortage of annual cash flow, additional funds would have to be contributed to the project each year to subsidize the operations. Moreover, should additional funding of \$4 million become available to bridge the financing gap, there would not be any cash flow available to repay these funds either.
- To further illustrate the infeasibility of this alternative, even if the developer fee of \$1.4 million² is reduced to zero, which means that there would be no developer fees, there would still be a funding gap of \$3.1 million. There would also be a recurring shortfall in cash flow to repay these funds contributed to the project.

Should you have any questions regarding this analysis, please contact us.

Sincerely,

Tray H. Torch

Nathan Morder

Gary H. London

Nathan Moeder

Appendix

<u>Base Project</u>

SOURCES AND USES OF FUNDS

USES:	<u>per unit</u>	<u>Construction</u>	Permanent	Final Perm.
Land/Acquisition	\$7,727	\$340,000	\$340,000	\$340,000
Design & Engineering	\$20,909	890,000	920,000	920,000
Legal/Financial/Other Consultants	\$4,091	167,500	180,000	180,000
Permits & Fees	\$25,986	1,143,368	1,143,368	1,143,368
Bridge Loan Interest	\$0	0	0	0
Direct Building Construction	\$227,758	10,021,365	10,021,365	10,021,365
Financing Costs	\$95,711	1,124,987	4,211,296	4,211,296
Marketing/General & Administrative	\$4,961	148,300	218,300	218,300
Developer Fees	\$31,818	600,000	1,400,000	1,400,000
Hard Cost Contingency	\$18,585	817,732	817,732	817,732
Soft Cost Contingency	\$3,079	130,375	135,475	135,475
Total Project Uses	\$440,626	\$15,383,627	\$19,387,536	\$19,387,536
SOURCES:				
Tax Credit Equity	260,886	\$1,147,899	\$11,478,989	\$11,478,989
Perm Loan (NOI Tranche)			0	0
Perm. Loan (Section 8)	43,943	0	1,933,501	1,933,501
GP Capital Contribution	0	0		0
Construction Loan	0	8,414,682	0	0
MHSAFunds	65,797	2,895,046	2,895,046	2,895,046
General Partner Equity	0	0	0	0
City Fee Waiver	0	0	0	0
SDHC Loan	70,000	2,926,000	3,080,000	3,080,000
Gap	(0)	0	(0)	(0)
Total Project Sources	\$440,626	\$15,383,627	\$19,387,536	\$19,387,536

The Beacon (ECS)

CTCAC BASIS CALCULATIONS

		2016		149.00	% **
		TCAC Basis	Basis x	TCAC Bas	sis Basis :
<u>Jnit Size</u>	<u># of Units</u>	Limits w/o Features	<u># of Units</u>	Limits w/ Featur	es <u># of Units</u>
BR1/BA1	1	204,266	204,266	304,35	6 304,356
0BR/1BA	43	177,162	7,617,966	263,97	1 11,350,769
1BR/1BA	0	204,266	0	304,35	6 0
2BR/1BA	0	246,400	0	367,13	6 0
3BR/2BA	0	315,392	0	469,93	4 0
				Environmental Remediation	0
				Impact Fees	610,617
Totals	44		7,822,232	•	12,265,742

Γ	1	2	3	4	5	6	7	8	9	10
Cash Flow Available for Debt Service with Section	161,978	163,455	164,873	166,225	167,507	168,712	169,831	170,865	171,807	172,646
Debt Service - First Trust Deed	(124,599)	(124,599)	(124,599)	(124,599)	(124,599)	(124,599)	(124,599)	(124,599)	(124,599)	(124,599)
Cash Flow After Debt Service	37,380	38,857	40,274	41,627	42,908	44,113	45,233	46,266	47,208	48,047
MHSA Servicing Fee	12,159	12,159	12,159	12,159	12,159	12,159	12,159	12,159	12,159	12,159
Total Cash Flow After Debt Service	25,220	26,698	28,115	29,468	30,749	31,954	33,074	34,107	35,049	35,888
General Partner Asset Mgt Fee	(20,000)	(20,600)	(21,218)	(21,855)	(22,510)	(23,185)	(23,881)	(24,597)	(25,335)	(26,095)
Limited Partner Asset Mgmt. Fee	(5,000)	(5,150)	(5,305)	(5,464)	(5,628)	(5,796)	(5,970)	(6,149)	(6,334)	(6,524)
CASH FLOW AVAILABLE FOR DISTRIBUTIC	220	948	1,593	2,149	2,611	2,972	3,222	3,360	3,380	3,269
Residual Receipts to SDHC	57	244	410	554	673	766	831	866	871	842
Residual Receipts to MHSA	53	230	386	521	633	720	781	814	819	792
Residual Receipts to Developer	110	474	796	1,075	1,306	1,486	1,611	1,680	1,690	1,634

Alternative 1

SOURCES AND USES OF FUNDS

		0		
USES:	per unit	Construction	<u>Permanent</u>	<u>Final Perm.</u>
0325.				
Land/Acquisition	\$26,154	\$340,000	\$340,000	\$340,000
Design & Engineering	\$58,077	725,000	755,000	755,000
Legal/Financial/Other Consultants	\$13,846	167,500	180,000	180,000
Permits & Fees	\$38,790	504,272	504,272	504,272
Bridge Loan Interest	\$0	0	0	0
Direct Building Construction	\$275,222	3,577,884	3,577,884	3,577,884
Financing Costs	\$143,145	937,726	1,860,887	1,860,887
Marketing/General & Administrative	\$13,215	101,800	171,800	171,800
Developer Fees	\$107,692	600,000	1,400,000	1,400,000
Hard Cost Contingency	\$32,683	424,874	424,874	424,874
Soft Cost Contingency	\$7,570	93,307	98,407	98,407
Total Project Uses	<mark>\$716,394</mark>	\$7,472,363	\$9,313,124	\$9,313,124
SOURCES:				
Tax Credit Equity	0	\$0	\$0	\$0
Perm Loan (NOI Tranche)			0	0
Perm. Loan (Section 8)	0	0	0	0
GP Capital Contribution	0	0		0
Construction Loan	0	5,818,305	0	0

GP Capital Contribution	0	0		0
Construction Loan	0	5,818,305	0	0
MHSAFunds	60,735	789,558	789,558	789,558
General Partner Equity	0	0	0	0
City Fee Waiver	0	0	0	0
SDHC Loan	70,000	864,500	910,000	910,000
Gap	585,659	0	7,613,566	7,613,566
Total Project Sources	\$716,394	\$7,472,363	\$9,313,124	\$9,313,124

9
The Beacon (ECS)

CTCAC BASIS CALCULATIONS

Basis x <u># of Units</u> 204,266 125,944	TCAC Basis <u>Limits w/ Features</u> 304,356	Basis : <u># of Unit</u> : 304,356
204,266	304,356	
,		304,356
125.944		
,	263,971	3,167,657
0	304,356	0
0	367,136	0
0	469,934	0
En	nvironmental Remediation	0
Imp	pact Fees	182,422
330,210	·	3,654,435
,	0 0 Er	0 367,136 0 469,934 Environmental Remediation Impact Fees

]	1	2	3	4	5	6	7	8	9	10
Cash Flow Available for Debt Service with S	(45,835)	(48,537)	(51,363)	(54,319)	(57,411)	(60,645)	(64,026)	(67,561)	(71,257)	(75,116)
Debt Service - First Trust Deed	0	0	0	0	0	0	0	0	0	0
Cash Flow After Debt Service	(45,835)	(48,537)	(51,363)	(54,319)	(57,411)	(60,645)	(64,026)	(67,561)	(71,257)	(75,116)
MHSA Servicing Fee	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316	3,316
Total Cash Flow After Debt Service	(49,152)	(51,853)	(54,679)	(57,635)	(60,727)	(63,961)	(67,342)	(70,877)	(74,573)	(78,433)
General Partner Asset Mgt Fee	(20,000)	(20,600)	(21,218)	(21,855)	(22,510)	(23,185)	(23,881)	(24,597)	(25,335)	(26,095)
Limited Partner Asset Mgmt. Fee	(5,000)	(5,150)	(5,305)	(5,464)	(5,628)	(5,796)	(5,970)	(6,149)	(6,334)	(6,524)
CASH FLOW AVAILABLE FOR DISTRIBU	(74,152)	(77,603)	(81,201)	(84,953)	(88,865)	(92,943)	(97,193)	(101,624)	(106,242)	(111,052)
Residual Receipts to SDHC	(19,852)	(20,776)	(21,739)	(22,743)	(23,791)	(24,882)	(26,020)	(27,206)	(28,443)	(29,730)
Residual Receipts to MHSA	(17,224)	(18,026)	(18,862)	(19,733)	(20,642)	(21,589)	(22,576)	(23,606)	(24,678)	(25,796)
Residual Receipts to Developer	(37,076)	(38,801)	(40,601)	(42,477)	(44,433)	(46,471)	(48,597)	(50,812)	(53,121)	(55,526)

Alternative 2

SOURCES AND USES OF FUNDS

USES:	<u>per uni</u>	t Construction	<u>Permanent</u>	Final Perm.
Land/Acquisition	\$10,625	\$340,000	\$340,000	\$340,000
Design & Engineering	\$28,750	890,000	920,000	920,000
Legal/Financial/Other Consultants	\$5,625		180,000	180,000
Permits & Fees	\$27,999		895,976	895,976
Bridge Loan Interest	\$O	0	0	0
Direct Building Construction	\$215,866	6,907,709	6,907,709	6,907,709
Financing Costs	\$100,587	1,011,882	3,218,769	3,218,769
Marketing/General & Administrative	e \$6,259	130,300	200,300	200,300
Developer Fees	\$43,750	600,000	1,400,000	1,400,000
Hard Cost Contingency	\$25,634	820,290	820,290	820,290
Soft Cost Contingency	\$3,985		127,513	127,513
Total Project Uses	<mark>_\$469,080</mark>	\$11,886,070	\$15,010,558	\$15,010,558
SOURCES:				
Tax Credit Equity	190,709	\$610,267	\$6,102,674	\$6,102,674
Perm Loan (NOI Tranche)			0	0
Perm. Loan (Section 8)	17,010	0	544,321	544,321
GP Capital Contribution	0	0		0
Construction Loan	0	7,042,314	0	0
MHSAFunds	65,797	2,105,488	2,105,488	2,105,488
General Partner Equity	0	0	0	0
Land Donation	0	0	0	0
SDHC Loan	70,000	2,128,000	2,240,000	2,240,000
Gap	125,565	0	4,018,074	4,018,074
Total Project Sources	\$469,080	\$11,886,070	\$15,010,558	\$15,010,558

The Beacon (ECS)

CTCAC BASIS CALCULATIONS

		2016		149.00%	**
		TCAC Basis	Basis x	TCAC Basis	Basis >
<u>Unit Size</u>	<u># of Units</u>	Limits w/o Features	<u># of Units</u>	Limits w/ Features	# of Units
BR1/BA1	1	204,266	204,266	304,356	304,356
0BR/1BA	31	177,162	5,492,022	263,971	8,183,113
1BR/1BA	0	204,266	0	304,356	0
2BR/1BA	0	246,400	0	367,136	0
3BR/2BA	0	315,392	0	469,934	0
				Environmental Remediation	0
				Impact Fees	444,864
Totals	32		5,696,288		8,932,333
		-	· ·		40.400.700
Net Project Basis					12,160,732
				High Cost Analysis	136.14%

Γ	1	2	3	4	5	6	7	8	9	10
Cash Flow Available for Debt Service with Section 8	74,174	73,800	73,333	72,768	72,095	71,316	70,415	69,397	68,251	66,967
Debt Service - First Trust Deed	(37,087)	(37,087)	(37,087)	(37,087)	(37,087)	(37,087)	(37,087)	(37,087)	(37,087)	(37,087)
Cash Flow After Debt Service	37,087	36,713	36,246	35,681	35,008	34,228	33,328	32,310	31,163	29,880
MHSA Servicing Fee	8,843	8,843	8,843	8,843	8,843	8,843	8,843	8,843	8,843	8,843
Total Cash Flow After Debt Service	28,244	27,870	27,403	26,838	26,165	25,385	24,485	23,467	22,320	21,037
General Partner Asset Mgt Fee Limited Partner Asset Mgmt. Fee	(20,000) (5,000)	(20,600) (5,150)	(21,218) (5,305)	(21,855) (5,464)	(22,510) (5,628)	(23,185) (5,796)	(23,881) (5,970)	(24,597) (6,149)	(25,335) (6,334)	(26,095) (6,524)
CASH FLOW AVAILABLE FOR DISTRIBUTION & City Repa	3,244	2,120	880	(480)	(1,973)	(3,596)	(5,366)	(7,280)	(9,349)	(0,0 <u>2</u> 1) (11,583)
		= 10	0.07	(10.1)	(500)	(0.07)	(1.000)	(1.070)		(0.005)
Residual Receipts to SDHC	836	546	227	(124)	(509)	(927)	(1,383)	(1,876)	(2,410)	(2,985)
Residual Receipts to MHSA	786	514	213	(116)	(478)	(871)	(1,300)	(1,764)	(2,265)	(2,806)
Residual Receipts to Developer	1,622	1,060	440	(240)	(987)	(1,798)	(2,683)	(3,640)	(4,674)	(5,791)

CORPORATE PROFILE

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KEYSER MARSTON ASSOCIATES. Advisors in public/private real estate development

MEMORANDUM

ADVISORS IN:	То:	Brad Richter, Assistant Vice President - Planning
Real Estate		Civic San Diego
Affordable Housing		civic suit blego
Economic Development		
San Francisco A. Jerry Keyser Timothy C. Kelly	From:	KEYSER MARSTON ASSOCIATES, INC.
KATE EARLE FUNK	Date:	October 28, 2016
Debbie M. Kern	Date.	0000001 20, 2010
REED T. KAWAHARA		
David Doezema	Subject:	The Beacon – 1425 and 1431 C Street
LOS ANGELES		Peer Review of Economic Alternative Analysis
KATHLEEN H. HEAD		
James A. Rabe		
GREGORY D. SOO-HOO		
KEVIN E. ENGSTROM		
Julie L. Romey	I. INTRO	DUCTION
John E. Romen		

San Diego Paul C. Marra

In accordance with your request, Keyser Marston Associates, Inc. (KMA) has undertaken a peer review of the economic feasibility analysis prepared for alternative development scenarios for the 0.19-acre site at 1425 and 1431 C Street (Site).

The Site is restricted by a Declaration of Covenants, Conditions, and Restrictions (CC&Rs) that was recorded against the property in 1996 by its former owner, Episcopal Community Services, in accordance with a loan and grant from the San Diego Housing Commission. These restrictions require any development on the Site to be set aside and reserved as "affordable units" until September 2034.

Civic San Diego (CivicSD) has received a development proposal from the Site's current owner, Wakeland Housing & Development Corporation (Developer). The Developer proposes to demolish two existing multi-family rental properties, known as the W.G. Reinhardt Apartments, to develop 44 permanent supportive housing units on the Site. The existing W.G. Reinhardt Apartments are a locally designated historical resource. San Diego Municipal Code Section 126.0504(i) requires that developers seeking a Site Development Permit for the demolition of historic resources must provide findings that the denial of the Permit would result in an economic hardship for the Developer. To that end, an economic analysis has been prepared by The London Group (London) on behalf of the Developer to demonstrate the comparative economic feasibility of three (3) alternative development scenarios proposed for the Site. CivicSD requested that KMA conduct a peer review of the London analysis to determine:

- (1) If the assumptions and conclusions used in the analyses are acceptable; and
- (2) If any of the alternatives are economically feasible.

II. KEY FINDINGS

Development Alternatives

KMA analyzed three development alternatives for the Site as presented by the Developer and London.

- *Base Project* Clear the Site of all existing improvements and develop a 44-unit permanent supportive housing development.
- *Alternative #1* Retain both buildings and rehabilitate them into 13 permanent supportive housing units.
- *Alternative #2* Retain only the front building and replace the rear building with a new fourstory development for a total of 32 permanent supportive housing units on the Site.

KMA Pro Forma Modifications

For each alternative, KMA reviewed the London assumptions regarding product mix, construction cost estimates, net operating income, proposed funding sources, and estimated financing gap. KMA adjusted selected inputs and assumptions, as more fully discussed below. These KMA adjustments resulted in different conclusions from London with respect to the relative economic feasibility of each development alternative. Table II-1 below presents a comparison of the London vs. KMA conclusions in terms of the financing surplus/(deficit) for each alternative.

Table II-1 – Estimate of Financing Surplus/(Gap)– London vs. KMA Adjustments							
	Base Project	Alternative #1	Alternative #2				
London							
Financing Surplus/(Gap)	\$0	(\$7.6) M	(\$4.0) M				
KMA Adjustments							
Financing Surplus/(Gap)	\$501,000	(\$6.5) M	(\$3.8) M				

The London analysis finds the Base Project to be the only development alternative without a financing gap. As indicated above, the KMA adjustments resulted in a potentially small financing surplus for the Base Project and substantial financing gaps for Alternatives #1 and #2.

Threshold Feasibility Questions

Based on the above financial analysis, KMA provides the following responses to CivicSD's questions for this assignment:

(1) Are the assumptions and conclusions used in the (London) analyses acceptable?

- KMA finds the development cost and operating expense assumptions used by London to be slightly overstated.
- (2) Are any of the alternatives economically feasible?
 - KMA finds only the Base Project to be potentially economically feasible. Alternatives #1 and #2 would require identification of additional funding sources to support development of the Project.

III. METHOD OF ANALYSIS

The KMA peer review of the London analysis involved using the KMA financial pro forma template to evaluate the development costs, net operating income, and proposed funding sources for the three development alternatives under study. As detailed below, KMA reviewed the inputs and assumptions used in the London analysis, as well as third party cost estimates prepared for the Developer. KMA further compared this information with recent KMA experience with comparable projects and industry standards. The Appendix presents the modified pro formas incorporating the KMA adjustments. A detailed comparison of the London vs. KMA pro forma analyses is discussed below.

- *Table 1 Project Description* provides the physical description of the Project. KMA relied on data provided by the site plans to determine the Project's gross building area, Floor Area Ratio, affordability mix, density, and parking count.
- Table 2 Estimated Development Costs presents an estimate of the Project's total development costs. KMA reviewed the costs estimated by the Developer and the Developer's contractor, Allgire General Contractors, Inc. The Developer indicates that the Allgire estimate of construction costs was adjusted to include \$250,000 for photovoltaic costs and a 5% multiplier as a boost to threshold cost limits imposed by the Low Income Housing Tax Credit program. For all three scenarios, KMA modified the Developer estimate of parking and shell construction costs to reflect the Allgire estimate and an additional \$250,000 for photovoltaic costs.

In the case of Alternative #1, KMA also adjusted the Developer's estimate of developer fee to a level more appropriate for a 13-unit development (maximum \$45,000/unit). KMA also removed syndication costs (\$70,000) from the Developer's cost estimate, as Alternative #1 did not include Low Income Housing Tax Credits as a funding source.

All other costs in the Developer pro formas were found to be reasonable given the level of quality anticipated for the Project and the unique aspects of retaining and rehabilitating older buildings.

Table III-1 – Estimate of Development Costs – London vs. KMA Adjustments							
	Base Project	Alternative #1	Alternative #2				
London							
Total Development Costs (1)	\$19.4 M	\$9.3 M	\$15.0 M				
KMA Adjustments							
Total Development Costs (1) \$18.9 M \$8.2 M \$14.7 M							
(1) Excludes land costs. KMA understands that the Site was donated by Episcopal Community Services.							

Based on the foregoing, the KMA estimates of development costs were found to be slightly lower than the London Study.

- Table 3 Stabilized Net Operating Income presents an estimate of the Project's annual net operating income. The following discussion compares the London vs. KMA estimates of net operating income.
 - Gross Scheduled Income The Project will be restricted to households at 30%, 45%, and 50% of Area Median Income. The Developer has also assumed that the Project will receive an annual operating subsidy from Project Based Vouchers for all units. KMA made no adjustments to the Developer's estimate of gross scheduled income.
 - Operating Expenses KMA reviewed operating expense data for other urban affordable housing developments. Based on this review, KMA finds the London estimate of operating expenses and tenant services/amenities to be overstated for Alternatives #1 and #2. As shown in Table III-2, KMA reduced the Developer's estimate of operating expenses on a per-unit basis.

Table III-2 – Estimate of Development Costs – London vs. KMA Adjustments							
	Base Project	Alternative #1	Alternative #2				
London							
Operating Expenses	\$5,793/Unit	\$11,095/Unit	\$6,809/Unit				
Services/Amenities	\$464/Unit	\$1,569/Unit	\$638/Unit				
KMA Adjustments							
Operating Expenses	\$5,793/Unit	\$8,000/Unit	\$6,500/Unit				
Services/Amenities	\$464/Unit	\$464/Unit	\$464/Unit				

As shown in Table III-3, based on the above modifications, the KMA estimates of net operating income were higher than the London Study for both Alternatives #1 and #2.

Table III-3 –Stabilized Net Operating Income– London vs. KMA Adjustments								
	Base ProjectAlternative #1Alternative #2							
London								
Net Operating Income	\$162,000	(\$46,000)	\$74,000					
KMA Adjustments								
Net Operating Income	\$162,000	\$9,000	\$89,000					

• Table 4 – Financing Surplus/(Gap) presents the estimate of financing surplus or gap for each alternative, calculated as the difference between sources of funds available to the Project less development costs. KMA reviewed the funding sources proposed for the Base Project and Alternative #1 and found them to be reasonable.

In the case of Alternative #2, KMA made adjustments to the Developer's estimate of Permanent Loan and Tax Credit Equity as follows:

- Permanent Loan KMA assumed the same loan terms proposed by the Developer for the Alternative #2 Permanent Loan. However, because KMA has assumed lower operating expenses then the Developer, and therefore higher net operating income, the KMA Alternative #2 Permanent Loan is higher than the Developer figure.
- Tax Credit Equity The Developer's estimate of Low Income Housing Tax Credits assumed a 7% boost to the Project's threshold basis limits for parking provided underneath the Alternative #2 Project. Since Alternative #2 does not include any parking, KMA adjusted the Developer's estimate of Low Income Housing Tax Credits to exclude the 7% basis boost.

Tables III-4 and III-5, below, provide a summary of the Project's financing surplus/(gap) calculations by alternative for London and KMA, respectively.

Table III-4 – Financing Surplus / (Gap) – London					
	Base Project	Base Project Alternative #1			
London		1	•		
Funding Sources:					
Permanent Loan	\$1.9 M	\$0	\$0.5 M		
Tax Credit Equity	\$11.5 M	\$0	\$6.1 M		
MHSA Funds	\$2.9 M	\$0.8 M	\$2.1 M		
SDHC Loan	<u>\$3.1</u> M	\$ <u>0.9</u> M	\$ <u>2.2</u> M		
Total Sources of Funds	\$19.4 M	\$1.7 M	\$11.0 M		
(Less) Development Costs	(\$19.4) M	(\$9.3) M	(\$15.0) M		
Financing Gap	\$0	(\$7.6) M	(\$4.0) M		

	Base Project	Alternative #1	Alternative #2
KMA Adjustments			
Funding Sources:			
Permanent Loan	\$1.9 M	\$0	\$0.7 M
Tax Credit Equity	\$11.5 M	\$0	\$5.8 M
MHSA Funds	\$2.9 M	\$0.8 M	\$2.1 M
SDHC Loan	<u>\$3.1</u> M	\$ <u>0.9</u> M	\$ <u>2.2</u> M
Total Sources of Funds	\$19.4 M	\$1.7 M	\$10.8 M
(Less) Development Costs	(\$18.9) M	(\$8.2) M	(\$14.7) M
Financing Surplus/(Gap)	\$0.5 M	(\$6.5) M	(\$3.8) M

IV. LIMITING CONDITIONS

- KMA has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources deemed to be reliable including state and local government, planning agencies, and other third parties. Although KMA believes all information in this study is correct, it does not guarantee the accuracy of such and assumes no responsibility for inaccuracies in the information provided by third parties.
- 2. The findings are based on economic rather than political considerations. Therefore, they should be construed neither as a representation nor opinion that government approvals for development can be secured.
- 3. The analysis, opinions, recommendations, and conclusions of this study are KMA's informed judgment based on market and economic conditions as of the date of this report. Due to the volatility of market conditions and complex dynamics influencing the economic conditions of the building and development industry, conclusions and recommended actions contained herein should not be relied upon as sole input for final business decisions regarding current and future development and planning.
- 4. The analysis assumes that neither the local nor national economy will experience a major recession. If an unforeseen change occurs in the economy, the conclusions contained herein may no longer be valid.

5. Any estimates of development costs, interest rates, income and/or expense projections are based on the best available project-specific data as well as the experiences of similar projects. They are not intended to be projections of the future for the specific project. No warranty or representation is made that any of the estimates or projections will actually materialize.

attachments

APPENDIX

THE BEACON - 1425 AND 1431 C STREET PEER REVIEW OF ECONOMIC ALTERNATIVE ANALYSIS

KMA Adjustments

KMA ADJUSTMENTS

PROJECT DESCRIPTION THE BEACON CIVIC SAN DIEGO

	Bas	e Project	Alte	ernative 1	Alter	native 2
	Demolish Ex	kisting Structures		ilitate Existing Buildings		/ Replace Rear Building
	Develop 44	Affordable Units	Develop 13	Affordable Units	Develop 32 A	ffordable Units
I. Site Area	8,278 SF	0.19 Acres	8,278 SF	0.19 Acres	8,278 SF	0.19 Acres
II. Gross Building Area (GBA) (1)						
A. New Construction						
Net Residential Common Area/Circulation	23,510 SF <u>1,987</u> SF	92.2% <u>7.8%</u>			8,400 SF <u>1,352</u> SF	86.1% <u>13.9%</u>
Total GBA Before Parking	25,497 SF	100.0%			9,752 SF	100.0%
Parking (2)	<u>5,610</u> SF				<u>0</u> SF	
Total GBA After Parking - New Construction	31,107 SF				9,752 SF	
B. Rehabilitaton						
Net Residential Common Area/Circulation			4,660 SF <u>2,043</u> SF	69.5% <u>30.5%</u>	3,000 SF <u>2,177</u> SF	57.9% <u>42.1%</u>
Total GBA - Rehabilitation			6,703 SF	100.0%	5,177 SF	100.0%
C. Total GBA	31,107 SF		6,703 SF		14,929 SF	
III. Approximate Floor Area Ratio (FAR)						
Total FAR	3.76 FAR (3)		0.81 FAR		1.18 FAR	
IV. Market-Rate Units Affordable Units (2) Number of Units	0 Units <u>44</u> Units 44 Units	0.0% <u>100.0%</u> 100.0%	0 Units <u>13</u> Units 13 Units	0.0% <u>100.0%</u> 100.0%	0 Units <u>32</u> Units 32 Units	0.0% <u>100.0%</u> 100.0%
Average Unit Size	534 SF		358 SF		356 SF	
V. Density	231.5 Units/Acre		68.4 Units/Acre		168.4 Units/Acre	
VI. Number of Stories	5 Stories		3 Stories		4 Stories	
VII. Construction Type	т	īype V	-	Гуре V	Ту	pe V
VIII. Parking Type Spaces Ratio	Podium 8 Spaces 0.18 Spaces/Uni	it	0 Spaces 0.00 Spaces/Un	it	0 Spaces 0.00 Spaces/Unit	

Base Project site plans dated June 20, 2016. Alternative 1 and 2 site plans dated February 10, 2016. MW Steele Group, Inc.
Includes parking, bike storage, mechanical, and refuse/storage.

(3) Above grade parking garage included in FAR calculation.

TABLE 2

ESTIMATED DEVELOPMENT COSTS

THE BEACON

CIVIC SAN DIEGO

		Base (Case		Alteri	native 1		Alterna	ative 2	
	Demolish Existing Structures Develop 44 Affordable Units				Retain and Rehabilitate Existing Buildings Develop 13 Affordable Units			Retain Front Building / Replace Rear Building Develop 32 Affordable Units		
	<u>Totals</u>	<u>Per Unit</u>	Comments	<u>Totals</u>	<u>Per Unit</u>	Comments	Totals	<u>Per Unit</u>	Comments	
I. Direct Costs (1)										
Sitework	\$0	\$0	\$0 /SF Site Area	\$0	\$0	\$0 /SF Site Area	\$0	\$0	\$0 /SF Site Area	
Parking	\$773,000	\$17,600	\$138 /SF GBA - Parking (2)	\$0	\$0	No on-site parking	\$0	\$0	No on-site parking	
Shell Construction - New Construction	\$8,747,000	\$198,800	\$343 /SF GBA - New (3)	\$0	\$0	\$0 /SF GBA - New	\$4,662,000	\$145,700	\$478 /SF GBA - New	
Shell Construction - Rehabilitation	\$0	\$0	\$0 /SF GBA - Rehab.	\$3,399,000	\$261,500	\$507 /SF GBA - Rehab.	\$1,900,000	\$59,400	\$367 /SF GBA - Rehab.	
FF&E / Amenities	<u>\$44,000</u>	<u>\$1,000</u>	Allowance	<u>\$13,000</u>	<u>\$1,000</u>	Allowance	<u>\$32,000</u>	<u>\$1,000</u>	Allowance	
Subtotal	\$9,564,000	\$217,400	\$375 /SF GBA (3)	\$3,412,000	\$262,500	\$509 /SF GBA	\$6,594,000	\$206,100	\$442 /SF GBA	
Contingency	<u>\$818,000</u>	<u>\$18,600</u>	8.6% of Above Directs	<u>\$425,000</u>	<u>\$32,700</u>	12.5% of Above Directs	<u>\$820,000</u>	<u>\$25,600</u>	12.4% of Above Directs	
Total Direct Costs	\$10,382,000	\$236,000	\$407 /SF GBA (3)	\$3,837,000	\$295,200	\$572 /SF GBA	\$7,414,000	\$231,700	\$497 /SF GBA	
II. Indirect Costs										
Indirect Costs	\$2,798,000	\$63,600	27.0% of Directs	\$1,941,000	\$149,300	50.6% of Directs	\$2,537,000	\$79,300	34.2% of Directs	
Developer Fee	<u>\$1,400,000</u>	<u>\$31,800</u>	13.5% of Directs	<u>\$585,000</u>	<u>\$45,000</u>	15.2% of Directs	\$1,400,000	<u>\$43,800</u>	18.9% of Directs	
Total Indirect Costs	\$4,198,000	\$95 <i>,</i> 400	40.4% of Directs	\$2,526,000	\$194,300	65.8% of Directs	\$3,937,000	\$123,000	53.1% of Directs	
III. Financing Costs										
Financing Costs	\$1,473,000	\$33,500	14.2% of Directs	\$1,076,000	\$82,800	28.0% of Directs	\$1,290,000	\$40,300	17.4% of Directs	
Services Reserve	<u>\$2,833,000</u>	<u>\$64,400</u>	27.3% of Directs	<u>\$810,000</u>	<u>\$62,300</u>	21.1% of Directs	\$2,024,000	<u>\$63,300</u>	27.3% of Directs	
Total Financing Costs	\$4,306,000	\$97,900	41.5% of Directs	\$1,886,000	\$145,100	49.2% of Directs	\$3,314,000	\$103,600	44.7% of Directs	
IV. Total Development Costs - excluding Land (4)	\$18,886,000	\$429,200	\$741 /SF GBA (3)	\$8,249,000	\$634,500	\$1,231 /SF GBA	\$14,665,000	\$458,300	\$982 /SF GBA	

(1) Includes the payment of prevailing wages.

(2) Includes parking, bike storage, mechanical, and refuse/storage.

(3) Per SF GBA excluding parking.

(4) KMA understands that the Site was donated by Episcopal Community Services.

KMA adjustments to Developer's pro forma appear in bold and italics.

STABILIZED NET OPERATING INCOME THE BEACON

CIVIC SAN DIEGO

TABLE 3

				Base Project					Alternative 1					Alternative 2		
			Demol	ish Existing Str	uctures			Retain and Re	ehabilitate Exis	ting Buildings		R	etain Front Bu	ilding / Replace	e Rear Building	g
			Develo	op 44 Affordab	le Units			Develop 13 Affordable Units			Develop 32 Affordable Units					
		Average <u>Unit Size</u>	# of <u>Units</u>	<u>\$/Month</u>	Section 8 <u>Subsidy</u>	Total <u>Annual</u>	Average <u>Unit Size</u>	# of <u>Units</u>	<u>\$/Month</u>	Section 8 <u>Subsidy</u>	Total <u>Annual</u>	Average <u>Unit Size</u>	# of <u>Units</u>	<u>\$/Month</u>	Section 8 <u>Subsidy</u>	Total <u>Annual</u>
I. Gross Scheduled I	ncome															
Studio	@ 30% AMI	534 SF	22	\$425	\$517	\$248,688	358 SF	6	\$425	\$517	\$67 <i>,</i> 824	356 SF	16	\$425	\$517	\$180,864
Studio	@ 45% AMI	534 SF	10	\$637	\$305	\$113,040	358 SF	3	\$637	\$305	\$33,912	356 SF	8	\$637	\$305	\$90,432
Studio	@ 50% AMI	<u>534</u> SF	<u>11</u>	<u>\$708</u>	<u>\$234</u>	<u>\$124,344</u>	<u>358</u> SF	<u>3</u>	<u>\$708</u>	<u>\$234</u>	<u>\$33,912</u>	<u>356</u> SF	<u>7</u>	<u>\$708</u>	<u>\$234</u>	<u>\$79,128</u>
Subtotal		534 SF	43	\$547	\$395	\$486,072	358 SF	12	\$549	\$393	\$135,648	356 SF	31	\$544	\$398	\$350,424
One Bedroom	Manager		1	\$0	\$0	\$0		1	\$0	\$0	\$0		1	\$0	\$0	\$0
Total			44	\$547	\$395	\$486,072		13	\$549	\$393	\$135,648		32	\$544	\$398	\$350,424
Add: Other In Total Gross Sc	come heduled Income		\$10 /	Unit/Month		<u>\$5,280</u> \$491,352		\$10 /	Unit/Month		<u>\$1,560</u> \$137,208		\$10 /	Unit/Month		<u>\$3,840</u> \$354,264
II. Effective Gross Inc	come															
Vacancy			5.0% c	f GSI		<u>(\$24,568)</u>		5.0% o	of GSI		<u>(\$6,860)</u>		5.0% c	of GSI		<u>(\$17,713)</u>
Total Effective	e Gross Income					\$466,784					\$130,348					\$336,551
III. Operating Expens	es															
(Less) Operati	0 1		\$5,793 /			(\$254,906)		\$8,000 /			(\$104,000)		\$6,500 /			(\$208,000)
(Less) Services				Unit/Year		(\$20,400)			Unit/Year		(\$6,000)			Unit/Year		(\$15,000)
()]	ment Reserves			Unit/Year		(\$13,200)			Unit/Year		(\$3,900)			Unit/Year		(\$9,600)
(Less) Propert				Unit/Year		(\$8,000)			Unit/Year		(\$4,000)			Unit/Year		(\$8,000)
(Less) Monitor Total Expense	•		<u>\$189</u> / \$6,927 /	Unit/Year Unit/Year		<u>(\$8,300)</u> (\$304,806)		<u>\$281</u> / \$9,350 /	Unit/Year Unit/Year		<u>(\$3,650)</u> (\$121,550)			Unit/Year Unit/Year		<u>(\$6,500)</u> (\$247,100)
													••••			
IV. Net Operating Inc	ome					\$161,978					\$8,798					\$89,451

KMA adjustments to Developer's pro forma appear in bold and italics.

TABLE 4

FINANCING SURPLUS/(GAP)

THE BEACON

CIVIC SAN DIEGO

	Base Pro	oject	Alte	ernative 1	Alterna	ntive 2
	Demolish Existing Structures Develop 44 Affordable Units		Retain and Rehabilitate Existing Buildings Develop 13 Affordable Units		Retain Front Building / Develop 32 Aff	
I. Sources of Funds	<u>Total</u>	<u>Per Unit</u>	<u>Total</u>	<u>Per Unit</u>	<u>Total</u>	<u>Per Unit</u>
Permanent Loan	\$1,933,000	\$44,000	\$0	\$0	\$656,000	\$21,000
Low Income Housing Tax Credit Equity	\$11,479,000	\$260,900	\$0	\$0	\$5,830,000	\$182,000
MHSA Funds	\$2,895,000	\$65,800	\$790,000	\$61,000	\$2,105,000	\$66,000
SDHC Loan	<u>\$3,080,000</u>	<u>\$70,000</u>	<u>\$910,000</u>	<u>\$70,000</u>	<u>\$2,240,000</u>	<u>\$70,000</u>
Total Sources of Funds	\$19,387,000	\$441,000	\$1,700,000	\$131,000	\$10,831,000	\$338,000
II. (Less) Development Costs (1)	<u>(\$18,886,000)</u>	<u>(\$429,000)</u>	<u>(\$8,249,000)</u>	<u>(\$635,000)</u>	<u>(\$14,665,000)</u>	<u>(\$458,000)</u>
III. Financing Gap	\$501,000	\$12,000	(\$6,549,000)	(\$504,000)	(\$3,834,000)	(\$120,000)

(1) Excludes land costs. KMA understands that the Site was donated by Episcopal Community Services.

KMA adjustments to Developer's pro forma appear in bold and italics.

DRAFT SITE DEVELOPMENT PERMIT FINDINGS FOR 1425 and 1431 C Street



Prepared by: Marie Burke Lia, Attorney at Law, on behalf of the Project Applicants

October 2016

FINDINGS

Site Development Permit - Section 126.0504

(a) Findings for all Site Development Permits

1. The proposed development will not adversely affect the applicable land use plan.

The proposed project is the demolition of a historic resource, the W.G. Reinhardt Apartments, Historical Resources Board Site #1211, located at 1425 & 1431 C Street, in the East Village Subarea of the Centre City Planned District in order to permit a new Affordable Housing development on the site. The project was initiated by the current property owner, Wakeland Housing & Development, Inc., an affordable housing non-profit corporation, in order to construct a 44 unit Permanent Supportive Housing development. The property is restricted by a Declaration of Covenants, Conditions and Restrictions (hereafter CC&R's) that was recorded against the property by Episcopal Community Services in November of 1996, in accordance with a loan and grant from the San Diego Housing Commission. These CC&R's were amended and recorded against the property in October of 1999 and their term was extended 55 years from that date. Therefore, these restrictions, which require any development on the property to be set aside and reserved as "Affordable Units," will remain in effect until September 2034. Copies of these CC&R's are included as Exhibit A.

The subject property occupies Assessor's Parcel Number 534-210-12, which includes the westerly one-half of the north 40 feet of Lots J, K & L in Block 179 of Horton's Addition with the exception of the southerly 10 feet thereof, a lot area consisting of 8,336 square feet on the block bounded by 14th Street on the West, C Street on the north, 15th Street on the east and Broadway on the south.

Land use and housing issues are addressed in Chapter 3 of the Downtown Community Plan. According to Figure 3-2, the Plan's Downtown Structure, this property is located in the Northeast section of East Village, and is directly south of City College. According to the Plan's Figure 3-4, the Land Use is classified as Employment/Residential Mixed-Use, which is described on Page 3-7 as follows: This classification provides synergies between educational institutions and residential neighborhoods, or transition between the Core and residential neighborhoods and it permits a variety of uses, including office, residential, hotel, research and development, and educational and medical facilities. According to the Plan's Figure 3-7, this site is just east of a Neighborhood Center. The desired development intensity for the area is described on page 3-17 where the Plan establishes intensity standards for various parts of downtown. Intensity is measured as Floor Area Ratio (FAR), obtained by dividing gross floor area by lot area. Figure 3-9 of the Plan shows the allowable minimum and maximum FARs for various sites. "Proposed base development intensities in the Community Plan range from 2.0 to 10.0, modulated to provide diversity of scale, as well as high intensities in selected locations." The minimum FAR for the subject property is 3.5 and the maximum is 6.0. The proposed project will meet those requirements.

Affordable housing is also addressed in Chapter 3 of the Downtown Community Plan. One of the main goals of downtown's redevelopment it to expand and preserve the supply of affordable housing. The goals for such housing are based on the California Community Redevelopment Law. Continued compliance with State and local affordability requirements will help to ensure that affordable housing

will continue to represent a portion of overall housing production. One of the Plan's Affordable Housing Strategies addresses Homelessness. "To address the need for housing for downtown's homeless population, the Community Plan prioritizes development of permanent supportive housing to provide rental apartments linked to supportive services for both families and individuals." The proposed project is designed to provide such services to homeless individuals.

Most of downtown's existing homeless facilities would be classified as transitional housing. But in recent years, the homeless population experts and funding agencies have urged policy-makers to prioritize the expansion of permanent supportive housing. "Rental units with affordability for extremely low income persons and links to services for substance abuse recovery, job placement, and employment training are considered a necessary long-term solution to homelessness." One of the Plan's Affordable Housing Policies, #3.4-P-5, is to secure funding and locations for housing linked to supportive services for homeless and other special needs populations.

Historic Preservation is addressed in Chapter 9 of the Downtown Community Plan. The existing structure on the project site is a locally designated historical resource, the W. G. Reinhardt Apartments, San Diego Historical Landmark #1211. As indicated in Table 9-1 of the Plan, locally designated resources are to be retained on-site whenever possible. "Partial retention, relocation or demolition of a resource shall only be permitted through applicable City procedures." The applicable City procedures are established in San Diego Municipal Code Chapter 14, Article 3, Division 2, entitled "Historical Resources Regulations." §143.0210 (2) (C) requires a Site Development Permit in accordance with Process Four for any development that proposes to deviate from the development regulations for historical resources described in this division. Substantial alteration of a designated resource by demolition or other means is a deviation from the historical resources regulations and therefore a Site Development Permit, as authorized by Chapter 12, Article 6, Division 5, entitled "Site Development Permit Procedures" is required. The decision maker, in this instance the Planning Commission, must make all of the Findings in §126.0504(a) and §126.0504(i) before the demolition of a locally designated historical resource can occur. Therefore, the processing of this Site Development Permit application is in compliance with and will not adversely affect this aspect of the applicable land use plan. The proposed project will comply with Chapter 9 of the Downtown Community Plan.

The Mitigation Monitoring and Reporting Program (MMRP) for the Downtown Community Plan requires the implementation of Mitigation Measure *HIST- A.1-3* if a (locally) designated historical resource would be demolished. That Mitigation Measure requires the submission of a Documentation Program that must include Photo Documentation and Measured Drawings of the resource to the Historical Resources Board Staff for review and approval. Implementation of this Mitigation Measure will be required as a Condition of this Permit.

2. The proposed development will not be detrimental to the public health, safety and welfare.

The proposed project would remove the existing improvements on the site and construct a permanent supportive housing development consisting of forty-three studio units, each approximately 350 square feet, equipped with kitchens and baths, classifying as "living units" under SDMC 156.0315(f). These units will be made available to homeless individuals. The project will also include a one-bedroom manager's unit. Supportive services will be provided by Father Joe's Villages and the County of San Diego Behavioral Health Services. Wakeland Housing & Development is the sole developer.

M.W. Steele Architecture and Planning has designed a building of five stories of Type-VA wood construction over one story of Type 1 concrete podium. The building's height will not exceed 60 feet; the gross floor area will be approximately 31,155 square feet, including 5,500 square feet of garage and 25,655 square feet of residential uses. A glassy, street vestibule entrance will lead to a stairwell and elevator, and an adjacent driveway will provide access to a gated garage with eight parking spaces, primarily for use by service providers and property management. No residential parking is required for living units. The building is set back from a one-story commercial improvement to the west, providing adequate space for a tree-landscaped yard that will run the full length of the property. Residential units, connected by an open hallway with generous lightwells that will provide natural illumination and ventilation, will be located on floors two through five. Common areas totaling approximately 1000 square feet, including a community room, counseling office, manager's office, and a laundry room, will be on the fourth and fifth floors. A Plan set for this project is included as Exhibit B.

Access to this building and its grounds will be monitored 24/7 by electronic means and onsite personnel. Key fobs or similar devices will restrict resident and staff access to approved areas. Each floor will have a glass-walled landing at the elevator and main stairwell, creating small, secured lobby spaces.

The project site is 8,336 square feet, which includes the westerly one-half of the north 40 feet of Lots J, K & L in Block 179 of Horton's Addition with the exception of the southerly 10 feet thereof, on the block bounded by 14th Street on the West, C Street on the north, 15th Street on the east and Broadway on the south. The Assessor's Parcel Number is 534-210-12. The construction will be Type 1, V-A wood construction over Type 1-B concrete garage fire rated and sprinklered, meeting occupancy classification R2 and S24 as required by the California Building Code CBC 2010.

The proposed development complies with the Development Regulations of the Centre City Planned District Ordinance (§ 156.0310), including the Residential Development Regulations (§ 156.0310 (g)

The proposed development complies with the Urban Design Regulations of the Planned District Ordinance (§ 156.0311), the Performance Standards of the Planned District Ordinance (§ 156.0312), etc.

The proposed development complies with all of the San Diego Municipal Code and Uniform Building Code provisions intended ensure that the public health, safety and welfare are protected and enhanced by this construction.

3. The proposed development will comply with the applicable regulations of the Land Development Code.

The proposed project will construct a five story permanent supportive housing development consisting of 44 studio units that will be made available for the homeless with services provided by Father Joe's Villages and the County of San Diego Behavioral Health Services. The land use classification for this site is Employment/Residential Mixed Use, which provides synergies between educational institutions and residential neighborhoods or transition between the Core and residential neighborhoods. The

minimum FAR for the subject property is 3.5 and the maximum is 6.0. The proposed project's FAR will be 3.76. It will comply with the PDO's Development Regulations pertaining to lot size, minimum building setbacks, building heights, building bulk, building base, ground floor heights, and residential development regulations. It will also comply with the PDO's Urban Design Regulations pertaining to building orientation, façade articulation, street level design, pedestrian entrances, transparency, blank walls, glass and glazing, rooftops, encroachments into public rights-of-way, building identification, regulations pertaining to historical resources requiring a Site Development Permit, additional standards for residential permanent supportive housing developments, and open space design guidelines.

The proposed project will comply with the applicable provisions of the Centre City Planned District Ordinance in the following manner. It is located within an Employment/Residential Mixed-area that calls for this type of property use. As discussed above, Chapter 3 of the Downtown Community Plan calls for affordable housing. One of the main goals of downtown's redevelopment it to expand and preserve the supply of affordable housing. The proposed project will help address the need for housing for downtown's homeless population and, specifically, will prioritizes development of permanent supportive housing to provide rental apartments linked to supportive services for both families and individuals.

The relevant Land Development Code's Planning and Development Regulations for topics not addressed in the Centre City Planned District Ordinance are contained in that Code's Chapter 14 and include: Grading Regulations, Draining Regulations, Landscape Regulations, Parking Regulations, Refuse and Recyclable Materials Storage, Mechanical and Utility Equipment Storage Regulations, Loading Regulations, Building Regulations, Electrical Regulations and Plumbing Regulations. The proposed development will comply with all of these regulations, since a building permit would not be issued without such compliance. Therefore, the proposed development will comply with all applicable regulations of the Land Development Code.

(i) Supplemental Findings – Historical Resources Deviation for Substantial Alteration of a Designated Historical Resource

Supplemental Finding (1) There are no feasible measures, including a less environmentally damaging alternative that can further minimize the potential adverse effects to the designated historical resource.

The subject property consists of two multi-family rental properties on a single lot of 8,336 square feet. The front building dating from 1908 is a two-story plus basement Prairie style wood-framed building with a concrete foundation and a low pitched hip roof. The building is almost a perfect square measuring 45' x 43' with wood covered porches at the front and rear. The rear building, dating from 1912, is a one story wood-framed duplex with design feature similar to the front building that occupies a smaller footprint than the front building. Both buildings were converted from apartment use to hostel use by modifications made between 1997 and 1999 by the then owner Episcopal Community Services.

Base Project

The proposed project will construct a new building to provide permanent supportive housing in forty-three studio units in a four story building fully occupying the 8,336 square foot parcel. These units will be equipped with kitchens and baths and will be made available for homeless individuals. The building will consist of four stories of Type-VA wood construction over a one story Type 1 concrete podium. The height will not exceed 60 feet, the gross building floor area will be 31,107 square feet, including 5,610 square feet of garage and 25,497 square feet of residential uses. Common areas totaling approximately 1000 square feet will include a community room, counseling office, manager's office and a laundry room. The project is more extensively described in Finding 2 above and in the Plan set for this project included as Exhibit B.

As discussed above in Finding 1, the subject property is restricted by CC&R's that were recorded against the property by the Episcopal Community Services in November of 1996, in accordance with a loan and grant from the San Diego Housing Commission. An Amendment to those CC&R's was recorded against the property in October of 1999. Copies of these CC&R's are included as Exhibit A. These restrictions require any development on the property to be set aside and reserved as "Affordable Units." The remaining term of these CC&R's is 38 years. The proposed development will be consistent with these requirements in terms of use and in terms of financing as will be discussed in the Economic Feasibility Analysis described below.

A Preservation Analysis of the existing floor plans and the proposed floor plans to serve Alternative 1 and Alternative 2 were prepared by the M.W. Steele Group, the project architects. This Analysis consists of three sets of floor plans that are included as Exhibit C to these Findings.

Alternative 1

An investigation was undertaken by the M.W. Steele Group for the purpose of converting both buildings into the proposed use by constructing 350 square foot units for permanent supportive housing within the two existing building in accordance with the use restrictions on the property from the recorded CC&R's. It was determined that a total of 13 units of this nature could be constructed within the two existing structures, 9 units in the front building and 4 units in the rear building. Two tandem off-street parking spaces could also be constructed. This option is hereinafter referred to as Alternative 1.

Alternative 2

The second investigation undertaken by the M.W. Steele Group proposed to remove the rear building, construct 8 units in the front building and construct 24 units in a new building at the rear of the lot. Two tandem off-street parking spaces could also be constructed with this option. This option is hereinafter referred to as Alternative 2.

Relocation Alternative

The proposed project will require a Site Development Permit for the Substantial Alteration of a Designated Historical Resource under SDMC Section 126.0504 (i). In many instances, a Site Development for Relocation of a Designated Historical Resource under SDMC Section 126,0504 (h) can provide an option that can further minimize the potential adverse effects on the historical resource.

The CC&R's recorded against this property require that any development on this property must be set aside and reserved as "Affordable Units." These Restrictions would not permit Wakeland or any other non-profit owner to use this property as a financing source to acquire another property as a relocation site for these two designated structures with the intent of subsequently rehabilitating them on the new site and later selling the improved relocation site to generate funds for the construction of future affordable housing on the project site. Therefore, a Relocation Alternative is not feasible for this designated resource. It is also the case, as will be explained in the Economic Feasibility Analysis below, that the only way that these Restrictions can be complied with is by using the existing and time sensitive funding sources that will permit the construction of these needed permanent supportive housing units within the near future on the project site.

Economic Feasibility Analysis of the Base Project and the Two Alternatives

The Economic Feasibility Analysis was based on the following information provided by various members of the project team as follows:

The restrictions in the CC&R's, found in Exhibit A. The Architectural Plans for the Base Project found in Exhibit B The proposed Floor Plans for the two Alternatives found in Exhibit C The HABS documentation of the existing buildings found in Exhibit D The construction cost estimates for all three options found in Exhibit E Information on affordable housing funding sources provided by Wakeland

The Economic Feasibility Analysis for the Base Project and the two alternatives was prepared by The London Group and was based upon information provided by the above listed parties and is included as Exhibit F. Such information included feedback on the scope, costs, schedule, financing sources and budget for purposes of the economic feasibility analysis.

Economic Analysis of the Base Project by the London Group

The Base Project assumes the entire site is cleared and a new permanent supportive housing complex is developed on the site consisting of 44 studio housing units and related common areas. As explained the "<u>Conclusions of Economic Alternatives</u>," for affordable housing projects, the ultimate threshold that determines economic feasibility is not the total profit generated for investors and developers. Affordable housing projects do not generate a significant profit and developers are generally "fee builders." Affordable housing developers do not achieve a significant profit "upside" as with market rate housing.

Therefore, the London Group's approach had to focus on whether the Base Project and the two Alternatives are financeable, whether they can feasibly be built and repay the funds used to build the projects. The metrics that they used to establish economic feasibility were as follows:

- Is the project sufficiently capitalized to build the project with agency funds, tax credit equity or permanent loans? Or does a funding gap or shortage exist?
- Does the project meet the Tax Credit Allocation Committee (TCAC) threshold requirements

for awarding credits?

• Does the project generate sufficient cash flow after it is built to service the debt and repay the agencies that contributed funds to construct the project?

The Base Project is economically feasible

The London Group determined that the Base Project of 44 affordable units is economically feasible. While it will cost \$440,626 per unit to construct, the project is able to be completely funded with no gaps in financing. Most importantly, it is able to achieve investor equity financing via tax credits. The Tax Credit Authority Committee has a cost basis threshold maximum of approximately 130% that projects cannot exceed. The Base Project is just under this benchmark at 127.17%. Also, most importantly, the forecasted cash flow of the Base Project results in a positive income stream that can afford to repay the funds contributed by the San Diego Housing Commission (SDHC) and the Mental Health Services Agency (MHSA).

Alternative 1 is not economically feasible

This Alternative includes only 13 affordable units but incurs the highest cost of construction, Total construction costs are estimated at \$716,394 per unit -63% higher than the Base Project. This results in several problems for this option, the most glaring of which is that its high cost threshold is 213.35%, much higher than the TCAC maximum of 130%. In addition, there is a significant shortfall in cash flow and the project would not be able to repay the funds contributed by the SDHC and the MHSA. In fact, the project would need to be subsidized to afford the annual operating costs.

Alternative 2 is not economically feasible

This Alternative includes 32 affordable units and increases the project costs by \$28,454 per unit. As the result the project represents a high cost threshold of 136.14% making it ineligible for tax credits. There is also a funding gap of \$4 million. This inability to achieve financing for the entire project precludes development. This negative cash flow means that the project would not be able to repay the funds contributed by the SDHC and the MHSA.

Conclusions

Supplemental Finding (1) There are no feasible measures, including a less environmentally damaging alternative that can further minimize the potential adverse effects to the designated historical resources.

The Two Alternatives to the Base Project have been evaluated and determined to be economically infeasible in varying degrees. Therefore, Supplemental Finding (1) can be made.

Supplemental Finding (2) This deviation (from standard protective historical resource regulations) is the minimum necessary to afford relief and accommodate the development and all feasible measures to mitigate for the loss of any portion of the historical resource have been

provided by the applicant.

This deviation from the standard protective historical resource regulations is the minimum necessary to afford relief and accommodate the development of the site in accordance with the restrictions imposed by the CC&R's and the above described provisions of the Land Use Plan, the public health, safety and welfare and the Land Development Code. The two Alternatives are economically infeasible and the mitigation measures required by the Centre City Mitigation, Monitoring and Reporting Program (MMRP) will be implemented as a condition of this Site Development Permit. Therefore, Supplemental Finding (2) can be made.

Supplemental Finding (3) The denial of the proposed development would result in economic hardship to the owner. For the purpose of this finding, "economic hardship" means there is no reasonable beneficial use of a property and it is not feasible to derive a reasonable economic return from the property.

The subject property was acquired in November of 1996 by the Episcopal Community Services for the purpose of providing Affordable Housing for San Diego residents in need of such housing. At the same time, a Declaration of Covenants, Conditions and Restrictions was recorded against the property by Episcopal Community Services in accordance with the provisions of a loan and grant obtained from the San Diego Housing Commission. These CC&R restrictions were renewed in 1999 and are still in effect.

Those loan and grant funds were used to improve the property for use as Affordable Housing and support the Episcopal Community Services program at this site for the past twenty years. These Restrictions will remain in effect for the next 38 years. Denial of the proposed development would prevent a reasonable beneficial use of this property, in light of the fact that the use of this property is restricted to affordable housing and the proposed project will provide services to a greater number of persons in need than could be provided in the existing structures. Therefore, Supplemental Finding (3) can be made.

Current photographs of the subject property are included as Exhibit G..

EXHIBIT A

Recording Requested By:

DETISCH & CHRISTENSEN 444 W. "C" Street, Suite 200 San Diego, CA 92101

And When Recorded Mail To:

Attn.: Dan Cady SAN DIEGO HOUSING COMMISSION 1625 Newton Avenue San Diego, CA 92113

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (TENANT RESTRICTIONS)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereafter "Declaration") is made as of this 7^{++} day of October Nov., 1996, by EPISCOPAL COMMUNITY SERVICES, a California nonprofit public benefit corporation (hereinafter "DECLARANT") in connection with that certain parcel of real property ("PROPERTY") located in the City of San Diego, County of San Diego, California, described in Exhibit "A" attached hereto and incorporated herein by reference.

RECITALS

DECLARANT has obtained a loan and grant from the San Diego Housing Commission (hereafter "SDHC" or "Commission"), and intends to operate a seventeen (17) unit SRO Project (sixteen (16) units of which shall be affordable in accordance with the provisions of this Declaration) (the "Project") sometimes referred to as SAFE HAVENS which is to be acquired, rehabilitated and operated as low and very low income housing for homeless mentally ill persons.

Concurrently with the recordation of this Declaration, the SDHC is funding by grant and loan secured by a deed of trust on the Property the acquisition, rehabilitation of the Project described in the Acquisition and Rehabilitation Loan and Revocable Grant Agreement of October 1, 1996. This loan and grant is to assist DECLARANT in acquiring and rehabilitating the Project. The Acquisition and Rehabilitation Loan and Revocable Grant Agreement, the SHP Revocable Note and the HTF-HOME Note, and Project Trust Deed by the SDHC was conditioned in part upon the recordation of a document setting forth certain restrictions upon the use and sale of the Property.

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FOR RECORDER'S USE ONLY

NOW, THEREFORE, DECLARANT hereby declares that the Property shall be subject to the covenants, conditions and restrictions set forth below:

1. <u>Restrictive Covenants</u>. DECLARANT agrees and covenants on behalf of itself and its successors and assigns, and each successor in interest to the PROPERTY, that at all times during the term of this Declaration set forth herein sixteen (16) units of the PROJECT shall be set aside and reserved as "Affordable Units". As used herein the term "Affordable Units" shall refer to those residential units in the PROJECT which are owned or held available strictly in accordance with the terms and conditions set forth below.

a. <u>Affordable Unit Restrictions</u>. The following restrictions shall apply to the sixteen (16) units. The restrictions set forth in the Table below shall establish the rental rate, prior to the required reduction for utilities, and tenant income calculation criteria as follows: Maximum rents (Column 1); Unit Size and Type (Column 2); Number of Affordable Units (Column 3); Limit in Income of Eligible Tenants based upon percentage of the Median Area Income (Column 4); Years of Program Restriction (Column 5); Maximum Number of Occupants Per Unit (Column 6):

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(i) TABLES OF RENT RESTRICTION CRITERIA UNDER THE SUPPORTIVE HOUSING PROGRAM

YEARS 1 - 20

1	2	3	4	5	6
MAXIMUM RENTS PER THE HUD SUPPORTIVE HOUSING PROGRAM	UNIT SIZE UNIT TYPE	NUMBER OF AFFORDARLE UNITS	ELICORELE TEMANTS WHOSE INCOME DOES NOT EXCEED 3 MEDIAN AREA INCOME RELOW	YEARS OF PROGRAM RESTRICTION	HURBER OF FERSONS PER HOUSEHOLD
30% of actual adjusted gross income	single room occupancy	16	35%	20	1

YEARS 20 - 55

1	2	3	4	5	6
HAXDODA RENTS SET FORTH IN EXHIBIT E-1	UNIT SIZE UNIT TYPE	NUMBER OF AFFORDABLE UNITS	ELIGIBLE TENANTS WHOSE INCOME DOES NOT SUCCED & MEDIAN ABEA INCOME BELOW	YEARS OF PROGRAM RESTRICTION	NUJARER OF PERSONS PER HOUMPRICED
30% of 35% of area median income (currently \$285)	single room occupancy	16	35%	35	1

MAXIMUM INCOME TABLE

FAMILY INCOME	FAMILY	ANNUAL	MONTHLY
LIMIT	SIZE	INCOME	INCOME
35% of mation, income for the San Dirgo Mesropolitan Statinical Area (HUD Notice CPD 96-007 February 24, 1996)	1	\$11,400	\$950

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"Eligible Tenants" are those tenants who are mentally ill and whose aggregate gross annual income does not exceed the respective percentages set forth in the table above of annual median income. These units shall be the "Affordable Units." For purposes of this Declaration, the current annual median income shall be the median income defined by the Department of Housing and Urban Development (HUD) as the then current median income for the San Diego Standard Metropolitan Statistical Area, established periodically by HUD and published in the Federal Register, as adjusted for family size, and as shown on the Maximum Income/ Affordable Rent Table attached hereto as Exhibit M-1. DECLARANT shall pay utilities for each unit. This exhibit shall be deemed adjusted, from time to time, in accordance with any adjustments that are authorized by HUD or any successor agency. In the event HUD ceases to publish an established median income as aforesaid, the COMMISSION may, in its sole discretion, use any other reasonably comparable method of computing adjustments in median income. The definition of Eligible Tenant may be changed only with the express written consent of the COMMISSION.

(ii) The eligibility of each prospective tenant under the restrictions set forth in (i) above shall be certified by DECLARANT which shall submit such certification and all supporting documentation on forms acceptable to the COMMISSION, in its sole discretion, for a determination of tenant eligibility, prior to tenant occupancy. Any failure by the COMMISSION to approve or disapprove the application of an eligible tenant submitted by DECLARANT within five (5) business days after submission thereof by DECLARANT shall be deemed to be a waiver by the COMMISSION of its right to approve or disapprove any eligible tenant; provided, however, that no such waiver shall affect, limit or relieve DECLARANT of its obligations to rent only to Eligible Tenants and to comply with the annual reporting and recertification procedures provided elsewhere in this Declaration. No Affordable Unit may be rented to a prospective tenant or occupied by any person unless and until the COMMISSION has determined or deemed to have been determined that the prospective tenant or occupant is an eligible tenant (defined above) as determined in accordance with the provisions set forth below:

(1) <u>Affirmative Marketing Plan Compliance</u>. Eligible Tenants shall be described in DECLARANT's approved Affirmative Marketing Plan and DECLARANT shall comply with the terms of its approved Affirmative Marketing Plan, renting to those person(s) referenced in said approved plan, as may be amended from time to time.

(2) <u>Determination: Annual Requalification</u>. The COMMISSION's determination of eligibility shall be based upon an application completed by the prospective tenant (including backup documentation such as employment and income verification documents) in accordance with the COMMISSION's normal procedures then in effect, and submitted by DECLARANT to the COMMISSION for review and determination of eligibility. Further, tenants shall be requalified as Eligible Tenants according to the above-described process annually. Such requalification process shall be performed by DECLARANT as part of the annual certification of DECLARANT's compliance as set forth in subparagraph 1.a.(ii)(3) below. Failure by DECLARANT to timely comply with the tenant qualification and

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requalification process described in this subparagraph 1.a(ii)(2) and 1.a(ii)(3) shall constitute a material default under this Agreement.

(3) <u>DECLARANT Certification</u>: <u>Annual Recertification</u>. Upon the completion of the PROJECT, the occurrence of which shall be determined by the COMMISSION, in its sole discretion, and on the anniversary date thereof in each year of the term of this Declaration, DECLARANT shall certify to the COMMISSION under penalty of perjury, utilizing such forms and providing such backup documentation as the COMMISSION may require, that DECLARANT is complying with all provisions of this Agreement. Failure to timely complete the annual certification process described in this subparagraph 1.a.(ii)(3) shall constitute a material default under this Agreement. The COMMISSION may resort to the remedies set forth in Paragraphs 4 and 11 below upon such material default, as well as any and all other remedies available at law or in equity and/or contained in the Acquisition and Rehabilitation Loan and Revocable Grant Agreement dated <u>November 7</u>, 1996, between DECLARANT and the COMMISSION.

(4) <u>Relationship with DECLARANT</u>. The term "Eligible Tenant" shall not include DECLARANT or any individuals who are partners or shareholders in DECLARANT or in any entity having an interest in DECLARANT or in the PROPERTY.

(5) <u>No Student Dependents</u>. The term "Eligible Tenant" shall not include any student dependent as defined in the U.S. Internal Revenue Code, unless the taxpayer (upon whom the student in question is dependent) resides in the same dwelling unit.

(6) <u>Income of Co-tenants, etc.</u> The income of all co-tenants and/or nondependent occupants shall be taken into account in determining whether a household is an Eligible Tenant hereunder.

(7) <u>Over Income Tenants</u>. In the event that a tenant who was properly certified as An Eligible Tenant at the commencement of such tenant's occupancy ceases to be eligible, for whatever other reason for an Affordable Unit, then DECLARANT shall give sixty (60) days written notice to such Tenant of an increase in rent in accordance with Paragraph 1.17(c)(1) of the Acquisition and Rehabilitation Loan and Revocable Grant Agreement dated <u>November 7</u>, 1996.

(8) <u>Physical Condition of Affordable Units</u>. After completion of the PROJECT, DECLARANT shall continually maintain the Affordable Units in a condition which satisfies the Housing Quality Standards promulgated by HUD under its Section 8 Program, as such standards and interpreted and enforced by the COMMISSION under its normal policies and procedures. The COMMISSION shall have the right to inspect the Affordable Units from time to time, on reasonable notice and at reasonable times, in order to verify compliance with the foregoing maintenance covenant. Further, each Affordable Unit shall be requalified annually, as to the foregoing maintenance covenant, as part of the annual tenant requalification process described in subparagraph 1.a.(ii)(3) above. Any deficiencies in the physical condition of an

/sdhc/Safe.Havens/CC&Rs.002.4 11-06-96 Affordable Unit shall be corrected by DECLARANT at DECLARANT's expense within thirty (30) days of the identification of such deficiency by the COMMISSION.

(9) Commission Monitoring Functions. It is contemplated that, during the term of this Agreement, the COMMISSION will perform the following monitoring functions: (A) preparing and making available to DECLARANT any general information that the COMMISSION possesses regarding income limitations and restrictions which are applicable to the Affordable Units; (B) reviewing the applications of prospective occupants of the Affordable Units, and determining eligibility of such persons as Eligible Tenants; (C) reviewing the documentation submitted by DECLARANT in connection with the annual certification process for Eligible Tenants described in subparagraphs 1.a(ii), 1.a.(ii)(2) and 1.a(ii)(3) above; and (D) inspecting the Affordable Units to verify that they are being maintained in accordance with subparagraph 1.a.(ii)(8) above. Notwithstanding the foregoing description of the COMMISSION's functions. DECLARANT shall have no claim or right of action against the COMMISSION based on any alleged failure to perform such function. except that DECLARANT may reasonably rely upon the COMMISSION's tenant eligibility determination and shall not be liable to the COMMISSION for any damages, as set forth in Paragraph 1.20 of the Agreement, and Paragraphs 4 and 11 of this Declaration, attributable to the COMMISSION's sole negligence or willful misconduct in conducting any such tenant eligibility determinations.

(10) <u>Compliance with Regulations</u>. DECLARANT shall comply with all regulations, policies and procedures promulgated by H.U.D. and/or the COMMISSION in connection with the SHP Regulations, HOME Program Regulations and Housing Trust Fund Regulations, under which the COMMISSION Loan and Grant is being made to DECLARANT. DECLARANT'S failure to so comply shall constitute a material default hereunder, entitling COMMISSION to the remedies set forth in Paragraph 4 and 11 below.

(11) Option to Extend Affordability. Not less than two (2) years prior to the expiration of the original term of the affordability provided for in this agreement, the DECLARANT shall notify the San Diego Housing Commission, in writing, of the date of the prospective termination of the affordability. The notice of termination shall include a listing of the total number units for which affordability has been restricted, the current restricted rents for each unit located in the project, the level of existing occupancy (that is the percentage of occupancy of the restricted units) and whether or not there is any waiting list for any available units within the project.

On or before one and a half (1 1/2) years before the expiration of the original term of affordability, the San Diego Housing Commission may, at its sole option, enter into negotiations with the BORROWER/DECLARANT to extend the affordability term, on such terms and conditions as the parties may agree.

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GENERAL PROVISIONS

2. <u>Binding Effect</u>. DECLARANT covenants, for itself and its successors and assigns, not to sell, transfer, assign or otherwise dispose of ownership of the PROPERTY, unless the COMMISSION expressly consents to such transfer in writing, which consent will not unreasonably with withheld, and the prospective purchaser, transferee or assignee expressly promises in writing to be bound by all of the provisions hereof, including the covenant in this Paragraph 2 to require successors to expressly assume the obligations herein.

It is expressly acknowledged that the covenants and restrictions set forth herein shall survive any repayment of the Loan or Grants referenced in that certain Loan and Revocable Grant Agreement entered into between the SAN DIEGO HOUSING COMMISSION and DECLARANT on or about <u>November 7</u>, 1996. Further, the obligations of Declarant hereunder shall be deemed independent of Declarant's obligations under the Promissory Note evidencing the COMMISSION Loan and Grant.

3. <u>Term</u>. This Declaration and the covenants and restrictions contained herein shall expire fifty-five (55) years from the Acquisition and Rehabilitation Loan and Revocable Grant Agreement.

4. Enforcement. DECLARANT expressly agrees and declares that the COMMISSION or any successor public agency is a proper party and shall have standing to initiate and pursue any and all actions or proceedings, at law or in equity to enforce the provisions hereof and/or to recover damages for any default hereunder, notwithstanding the fact that such damages or the detriment arising from such default may have actually been suffered by some other person or the public at large; provided, however, that no action undertaken by or on behalf of the COMMISSION pursuant to this Section shall increase the liability or burdens of BORROWER, or give the COMMISSION standing to sue if the other persons actually aggrieved have commenced an action for the same cause of action. Further, the COMMISSION or any successor public agency shall be the proper party to waive, relinquish, release or modify the rights, covenants, obligations or restrictions contained in or arising under this Declaration.

a. COMMISSION, their respective successors and assigns, shall have the right to monitor and enforce the covenants and restrictions contained herein. Declarant covenants that it shall comply with any monitoring program set up by COMMISSION to enforce said covenants. In complying with such monitoring program, Declarant or its agent shall prepare and submit the eligibility of each prospective tenant to the COMMISSION for a determination of tenant eligibility, prior to occupancy. Declarant shall submit for each prospective tenant, income verification documents and supporting documentation on monitoring program forms provided by COMMISSION as set forth in Section 1.a.(ii) of this Declaration. On an annual basis Declarant or its agent shall, in addition, submit to COMMISSION evidence of each Qualified Tenant's continuing eligibility for the units. COMMISSION shall review such reports within fourteen (14) days of receipt for certification of continuing affordability of units and eligibility of tenants.

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b. COMMISSION shall have the reasonable rights of access to PROPERTY for purposes of monitoring compliance with the requirements of COMMISSION regarding the provision of affordable housing.

5. <u>Attorney's Fees</u>. In the event that any litigation for the enforcement or interpretation of this Declaration, whether an action at law or arbitration or any manner of non-judicial dispute resolution to this Declaration by reason of the breach of any condition or covenant, representation or warranty in this Declaration, or otherwise arising out of this Declaration, the prevailing party in such action shall be entitled to recover from the other reasonable attorneys' fees to be fixed by the court which shall render a judgment, as well as the costs of suit.

6. <u>Severability</u>. In the event that any provision or covenant of this Declaration is held by a court of competent jurisdiction to be invalid or unenforceable, then it shall be severed from the remaining portions of this Declaration which shall remain in full force and effect.

7. <u>Covenants to Run With the Land</u>. Subject to being extinguished upon the foreclosure by a senior deed of trust lien holder, the covenants contained herein shall constitute "covenants running with the land", and shall bind the PROPERTY and every person having an interest therein during the term of this Declaration. Declarant agrees for itself and its successors that, in the event that, for any reason whatsoever, a court of competent jurisdiction determines that the foregoing covenants do not run with the land, such covenants shall be enforced as equitable servitudes against the PROPERTY.

8. <u>Recordation</u>. This Declaration shall be recorded in the Office of County Recorder of San Diego, California.

9. Mortgagee Protection. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Agreement shall defeat or render invalid or in any way impair the senior lien or charge of any permitted deed of trust recorded on the PROPERTY provided, however, that any subsequent owner of the PROPERTY after foreclosure of a junior deed of trust, shall be bound by the covenants, conditions, restrictions, limitations and provisions of this Agreement, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

10. <u>Covenant Against Discrimination</u>. DECLARANT covenants on behalf of itself and its successors and assigns, and each successor in interest to the PROPERTY, not to discriminate against any tenant or prospective tenant of the PROJECT on the basis of race, religion, sex, national origin, age, disability and/or family status.

11. Remedies.

(a) <u>Contract governed by law of state of California</u>. This Declaration, its performance, and all suits and special proceedings under this Declaration, shall be constituted in accordance with the laws of the State of California and Federal law, to the extent applicable.

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Page 8 of 12

In any action, special proceeding, or other proceeding that may be brought arising out of, under or because of this Declaration, the laws of the State of California and the United States, to the extent applicable, shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which the action or special proceeding may be instituted.

(b) <u>Standing. equitable remedies; cumulative remedies.</u> DECLARANT expressly agrees and declares that the COMMISSION or any successor or public agency shall be the proper party and shall have standing to initiate and pursue any and all actions or proceedings, at law or in equity, to enforce the provisions hereof and/or to recover damages for any default hereunder, notwithstanding the fact that such damages or the detriment arising from such a default may have actually been suffered by some other person or by the public at large. Further, DECLARANT expressly agrees that receivership, injunctive relief and specific performance are proper pre-trial and/or post-trial remedies hereunder, and that, upon any default, and to assure compliance with this DECLARATION. Nothing in this subparagraph, and no recovery to the COMMISSION, against DECLARANT in connection with the same or related acts by DECLARANT. The remedies set forth in this Section are cumulative and not mutually exclusive, except the extent that their award is specifically determined to be duplicative by final order of a court of competent jurisdiction.

(c) Remedies at law for breach of tenant restrictions. In the event of any material default under Paragraphs 1 and 2 hereof regarding restrictions on the operation and the transfer of the Property, the COMMISSION shall be entitled to, in addition to any and all other remedies available at law or in equity: (i) declare the Loan Agreement to be all due and repayable; and (ii) recover compensatory damages. If the default in question involves the violation of Paragraphs 1 and 2, above, the amount of such compensatory damages shall be the product of multiplying: (A) the number of months that the default in question has continued until the time of trial by (B) the result of subtracting (i) the rents properly chargeable hereunder for the Affordable Unit(s) in question from the amount actually charged. DECLARANT and the COMMISSION agree that it would be extremely difficult or impracticable to ascertain the precise amount of actual damages accruing to the COMMISSION as a result of such a default and that the foregoing formula is a fair and reasonable method of approximating such damages. The COMMISSION shall be entitled to seek and to recover damages in separate actions for successive and separate breaches which may occur. Further, interest shall accrue on the amount of such damages from the date of the breach in question at the rate of ten percent (10%) per annum or the maximum rate than allowed by law, whichever is less. Nothing in this section shall preclude the award of exemplary damages as allowed by law.

(d) <u>Expert witness, attorney's fees, and costs.</u> The parties agree that the prevailing party in litigation for the breach and/or interpretation and/or enforcement of the terms of this Declaration shall be entitled to their expert witness fees, if any, as part of their costs of suit, and reasonable attorneys' fees as may be awarded by the court.

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. .
12. <u>COMMISSION's Approval of Property Manager</u>. At all times that these Restrictions are in force and effect, and the COMMISSION has served a written notice of deficiencies in the Property management for the project, which deficiencies have not been rectified by the DECLARANT, within thirty (30) days after the giving of a specific and detailed written notice of the deficiencies (provided, however, that such thirty (30) day period shall be extended for any additional period necessary to effectuate a cure of such deficiencies so long as BORROWER is diligently pursuing a cure during such additional period), then, the COMMISSION shall have the right, in its sole discretion, and upon thirty (30) days written notice: (i) to require the retention of a professional property management firm to manage the Property; (ii) to approve, in advance and in writing, the retention; and (iii) to require DECLARANT to terminate any such property management firm, provided that such termination shall comply with the termination provisions of the management contract in question. DECLARANT shall cooperate with the COMMISSION to effectuate the COMMISSION's rights.

13. <u>Lease Provisions</u>. Declarant agrees that it will include in all of its leases and cause its successors in interest to include in all of their leases the following provisions:

(a) Additional Lease Provisions/Annual Income Verification. LESSEE agrees to, upon written request from the Landlord or the COMMISSION, certify under penalty of perjury the accuracy of all information provided in connection with the examination or reexamination of annual income of the tenant's household. Further, tenant agrees that the annual income and other eligibility requirements are substantial and material obligations of the tenancy and that the tenant will comply promptly with all requests for information with respect to the tenancy from the landlord and/or the COMMISSION. Further, tenant acknowledges that tenant's failure to provide accurate information regarding such requirements (regardless of whether such inaccuracy is intentional or unintentional) or the refusal to comply with the request for information with respect thereto, shall be deemed a violation of this lease provision, and a material breach of the tenancy and shall constitute cause for immediate termination of the tenancy.

14. <u>Maximum Rent To Be Collected by BORROWER</u>. In no event, shall the "Total Rent", including the portion paid by the Resident Tenant and any other person or entity, collected by DECLARANT for any rent restricted unit exceed the amount of rent set forth in the Table referenced in Section 1.a(i). Total Rent includes all payments made by the Resident Tenant and all subsidies received by the DECLARANT. In the case of persons receiving Section 8 benefits, who are Resident Tenants, the DECLARANT acknowledges that it shall not accept any subsidy or payment that would cause the Total Rent received for any restricted unit to exceed the maximum rents allowed in the above-referenced Table, for any rent restricted unit. Should the DECLARANT agrees to immediately notify the COMMISSION and reimburse the COMMISSION for any such overpayment. Acceptance by DECLARANT or its successors in

/sdhc/Safe.Havens/CC&Rs.002.4 11-06-96

Page 10 of 12

interest, of Total Rent in excess of the maximum rent set forth in the Table shall constitute a material breach of the Declaration and this AGREEMENT.

BORROWER:

EPISCOPAL COMMUNITY SERVICES, a California nonprofit corporation

By Its: 142

Approved as to Form and Content:

SAN DIEGO HOUSING COMMISSION

By

Elizabeth Morris Executive Director

DETISCH & CHRISTENSEN

U By:

General Counsel for the SAN DIEGO HOUSING COMMISSION

/SDHC/SAFE_HAVENS/CC&RS.002.4 11-06-96

Page 11 of 12



AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (TENANT RESTRICTIONS) "AMENDMENT"

THIS AMENDMENT to the Declaration of Covenants, Conditions and Restrictions, recorded in the County of San Diego as Document No. 1996-0594454 on November 25, 1996, ("DECLARATION") is made as of <u>September 30</u> 1999, by EPISCOPAL COMMUNITY SERVICES, a California nonprofit public benefit corporation, ("DECLARANT") in connection with that certain parcel of real property (the "PROPERTY") located at 1425 C Street, San Diego, CA 92101, and more fully described in Exhibit "A" attached hereto and incorporated herein by reference.

RECITALS

A. DECLARANT has acquired title to the PROPERTY with the aid of a Loan and Grant obtained from the San Diego Housing Commission (hereafter the "COMMISSION"), and intends to operate a transitional housing program for low income or very low income homeless mentally ill persons ("SAFE HAVENS" or "the PROJECT").

B. The COMMISSION previously on November 6, 1996, approved a TWO HUNDRED TWENTY SIX THOUSAND ONE HUNDRED FIFTY DOLLAR (\$226,150) loan and grant to DECLARANT. The COMMISSION subsequently on February 11, 1999, approved an additional grant in the amount of ONE HUNDRED FORTY EIGHT THOUSAND TWO HUNDRED DOLLARS (\$148,200).

C. Concurrently with the recordation of this AMENDMENT, the COMMISSION is funding by grant, secured by a deed of trust on the PROPERTY, funds in the amount of TWENTY FIVE THOUSAND DOLLARS (\$25,000), to assist with the rehabilitation of the PROJECT. The Revocable Grant Agreement by the COMMISSION was conditioned in part upon the recordation of a document setting forth certain restrictions upon the use and sale of the PROPERTY.

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D. The Revocable Grant is comprised of Supportive Housing Program ("SHP") Funds. As as consideration for the funds provided under the Revocable Grant, Grantee has agreed to continue the Tenant and Affordability Restrictions on the Project and to increase the number of units to eighteen from sixteen, and increase the number of beds to twenty five from twenty two, until fifty five (55) years from the date of this AMENDMENT.

NOW, THEREFORE, DECLARANT hereby declares that the PROPERTY shall be subject to the covenants, conditions and restrictions set forth below:

1. <u>Restrictive Covenants</u>. DECLARANT agrees and covenants on behalf of itself and its successors and assigns, and each successor in interest to the PROPERTY, that at all times during the term of this AMENDMENT, that the units designated as Affordable Units in the DECLARATION shall remain designated as Affordable Units until fifty five (55) years from the date of this AMENDMENT.

2. Nothing in this AMENDMENT shall be deemed to supercede or replace the terms of the DECLARATION, except the term of affordability as described above.

DECLARANT:

EPISCOPAL COMMUNITY SERVICES A California nonprofit public benefit corporation

By: Amanda G.R. May (the Rev.) Executive Director and CEX

Approved as to form:

DETISCH & CHRISTENSEN

By:

CHARLES B. CHRISTENSEN, ESQ. General Counsel San Diego Housing Commission

EXHIBIT "A"

REAL PROPERTY DESCRIPTION

THE WESTERLY ONE-HALF OF LOTS J, K AND L IN BLOCK 179 OF HORTON'S ADDITION, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP MADE BY L.L. LOCKLING, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY.

EXCEPTING THEREFROM THE SOUTHERLY 10 FEET THEREOF.

9385

STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

On the <u>30th</u> day of <u>September</u> 19<u>99</u> before me, a Notary Public, personally appeared <u>Amanda GR Mary</u>, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



of Notary Signatur

EXHIBIT B



The Beacon 1425 C St San Diego, CA 92101 June 20, 2016

Property Owner & Developer:

Wakeland Housing & Development Corp. 1230 Columbia St, Suite 950 San Diego, CA 92101 Contact: Jonathan Taylor Tel: 619.326.6212

Architect:

M.W. Steele Group 1805 Newton Ave, Suite A San Diego, CA 92113 Contact: Diego Velasco Tel: 619.230.0325 x4237





General Notes

 Refer to Topographic Survey for all existing R.O.W. withins, property line definitions, carb to property line distances, aldereal and determine widths. 2. No two stop subling or proposed at about humage of pro

M.W. STEELE GROUP ARCHITECTURE | PLANNING 1805 NEWTON AVE | SUITE A SAN DIEGO | CA | 92113 TELEPHONE 619 210 0125 www.mwsteele.com

Property Owner & Developer: Wakeland Housing and Development Corp. 1230 Columbia St

The Beacon

1523 April 01, 2016

Fest Circ 50 Submittel Christophie Second Circ 50 Submittel - 0670/2018

NOT FOR CONSTRUCTION SHEET SIZE 24 35 DO NOT SCALE DRAWINGS

Architect: M.W. Steele Group 1805 Newton Ave Suite A San Diego, CA 92113 Contact: Diego Velasco Phone: 619 230,0325 x4237

Phone: 619.326 6212

1425 C St San Diego, CA 92101

Suite 950 San Diego, CA 92101 Contact: Jonathan Taylor



NORTH

Site Plan

The Asternation Print

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SITE PLAN







Garage Plan

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Notes	General Notes				
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M.W. STEELE GROUP ARCHITECTURE PLANNING 1805 NEWTON AVE SUITE A SAN DIEGO CA 92113 TELEPHONE 619 236 0225	, Press Names 15 State Tana - Ages Dr. X				

1425 C St San Diego, CA 92101

Property Owner & Developer: Wakeland Housing and Development Corp. 1230 Columbia St Suite 950 San Diego, CA 92101 Contact: Jonathan Taylor Phone: 619 326 6212

Architect: M.W. Steele Group 1805 Newton Ave

 (\mathbf{I}) NORTH

Second Floor Plan

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Suite A San Diego, CA 92113 Contact: Diego Velasco Phone: 619,230,0325 x4237

Name of Column 2 and Posts

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First Civic SD Submittal - 05/02/2016 Second Civic SD Submittal - 06/02/2016

NOT FOR CONSTRUCTION SHEET SIZE 24" x 36" DO NOT SCALE DRAWINGS

FLOOR PLANS





1425 C St San Diego, CA 92101

San Diego, CA 92101

Contact: Jonathan Taylor Phone: 619.326.6212

Final Date 10 Submitted - 06/20/2016 Second Civic 5D Submitted - 06/20/2016

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FLOOR PLANS

Architect: M.W. Steele Group 1805 Newton Ave

Suite 950

Suite A San Diego, CA 92113 Contact: Diego Velasco Phone: 619.230.0325 x4237

Property Owner & Developer: Wakeland Housing and Development Corp. 1230 Columbia St

NORTH

Third Floor Plan

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1425 C St San Diego, CA 92101

Final Civic SD Submittel - 05/02/2016 Second Civic SD Submittel - 06/02/2016

Property Owner & Developer: Wakeland Housing and Development Corp. 1230 Columbia St Suite 950 San Diego, CA 92101 Contact: Jonathan Taylor Phone: 619.326.6212

NOT FOR CONSTRUCTION SHEET SIZE 24" × 36" DO NOT SCALE DRAWINGS

FLOOR PLANS

Architect; M.W. Steele Group 1805 Newton Ave Suite A

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NORTH

San Diego, CA 92113 Contact: Diego Velasco Phone: 619.230.0325 x4237

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Fourth Floor Plan . . .

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ARCHITECTURE | PLANNING 1805 NEWTON AVE | SUITE A SAN DIEGO | CA | 92113 TELEPHONE 615 230 2335

Property Owner & Developer: Wakstand Housing and Development Corp. 1230 Columbia St

The Beacon

1425 C Sl San Diego, CA 92101

1523 April 01, 2016

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NOT FOR CONSTRUCTION SHEET SIZE 24" * 36" DO NOT SCALE DRAWINGS

FLOOR PLANS

Sale in Section in Free

Architect: M.W. Steele Group 1805 Newton Ave

Suite 950 San Diego, CA 92101 Contact: Jonathan Taylor Phone: 619.326 6212

Suite A

San Diego, CA 92113 Contact: Diego Velasco Phone: 619 230.0325 x4237

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Fifth Floor Plan 5

NORTH





1425 C St San Diego, CA 92101

Property Owner & Developer: Wakeland Housing and Development Corp. 1230 Columbia St Suite 950 San Diego, CA 92101 Contact Jonathan Taylor Phone: 619.326.6212

NOT FOR CONSTRUCTION SHEET SIZE: 24" x 36" DO NOT SCALE DRAWINGS

ROOF PLAN

Architect: M.W. Steele Group 1805 Newton Ave

Suite A

Sume A San Diego, CA 92113 Contact: Diego Velasco Phone: 619.230.0325 x4237

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Roof Plan 'n

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North Elevation

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1425 C St San Diego, CA 92101

Property Owner & Developer: Wakeland Housing and Development Corp. 1230 Columbia St Sufte 950 San Diago, CA 92101 Contact: Jonathan Taylor Phone: 619.326.6212

NOT FOR CONSTRUCTION SHEET SIZE 24" x 36" DO NOT SCALE DRAWINGS

Pint Calls SD Submittal - 05/02/2016 Second Civit: SD Submittal - 06/20/2016

Archiliect: M.W. Steele Group 1805 Newton Ave Suite A

WEST ELEVATION

Sunia A San Diego, CA 92113 Contact: Diego Velasco Phone: 619.230.0325 x4237

Name of Street on Party

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West Elevation

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EXHIBIT C

C Street Project

Preservation Analysis

M.W. STEELE GROUP, ING. HAIS NUMER AND NE I BUTEA SAN DIFEO I CA I BATES TELEPHORE BID 238 0235 ACCUMEE BID 238 0235 WWW. MWS LECELE.COM ARCHITECTURE | PLANNING



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	С	S 1	R	ΕE	Т				M.W. STEELE
									101 NEW ON AVENUE SUITE A
Basement Level - Existing Buildings							1	Scale: 3/32" = 1'-0"	Tabletick (se and any Not of a sign
C Street Project								Dec 30 2015	Anchilliunt ; Planainu



M.W. STEELE 370 UP 190 191 Not 2 Procession 191 Not 2 Processio

Ground Level - Existing Buildings C Street Project



Scale: 3/32ⁿ = 1¹-0ⁿ Scale: 3/32ⁿ = 1¹-0ⁿ Dec 30 2015

M.W. STEELE 540419 INC 1004097043404115012 140401600 (24 3111 1404004 619 710 613) 140404 1405 710 613) 140404 1405 710 613)

Second Floor - Existing Buildings

Alternate 1 Preservation

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13 total units within the existing buildings 350 sf average per unit 2 tandem parking spots

M.W. STEELE GROUP, INC. 1885 NUMON ANTAN I DUTT A SAN DIEGO (& 1 19313) TEELING (1 1 200 0333 NUMON M WS (2 0 1 0 033) NUMON M WS (2 0 1 0 001)



C Street Project

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C Street Project

Scale: 3/32" = 1'-0" Dec 30 2015

M.W. STEELE GROUP, ING, HAN HENTON AVENUE I BUTTE A SAN ORIGO (CA | 53115 THLEFTORE 414 236 6335 MANNE AVENUE | PLANNING



M.W. STEELE GROUP, INC. 1955 NINTON ANDAL | BATTA 15A DIGO | CA | 55115 TELPHORE 410 210 5135 ACCHITECTURE | PLANNING Scale: 3/32" = 1'-0" Dec 30 2015

Second Level - Alternate 1 Preservation (350 sf Units) C Street Project

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Alternate 2 Partial Preservation

2

32 total units within the front existing building & a new building in the back 350 sf average per unit 2 tandem parking spots

> M.W. STEELE GROUP, INC. 1985 NEWTOIR AVENUE (SUITEA SAN DIEGO | CA | 92113 TELEPOINE 415 328 4213 FACSIMULE 419 328 4213 ARCHITECTURE | PLANNING





M.W. STEELE GROUP, INC. HARE NEWTON AVENUE | DUFTCA SAN DIEGO | CA | 92113 TELEPHONE ASS 330 0325 FACSWELE ASS 330 0325 FACSWELE ASS 330 0325 ARCHITECTURE | PLANNING

C Street Project

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Scale: 3/32" = 1'-0" Dec 30 2015

M.W. STEELE GROUP, INC. ANN DIRECTOR AND ADDRESS ANN DIRECTOR AND ADDRESS AND ADDRESS ADDRESS

 $\frac{\text{Second Floor - Alternate 2 Partial Preservation (350 sf Units)}}{C Street Project}$

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EXHIBIT D












DETAIL: BALLUSTR	ADE AT ENTRY			WEST ELEVATION	1/4" = 1'-0" 0' 2'	4' 8'	
1x10 (3) LAP ROUND EDGE DROP SIDING CONCRETE PERIMETER STEM WALL 4 2x10 FLOOR FRAMING WILL BUILDONAL SHEATHING the BACEBOARD, ROUNDEED TOP G. BWOOD BLANCH, ROUNDEED TOP G. BWOOD BLANCH, ROUNDEED TOP S. BUILDON ON 4x4 WOOD POSTS ON WOOD PLANTHS BUILDON CHANNEY CONCRETE PAD (NON-ORIGINAL)	CONCRETE SLAB FLOOR VERICAL PLYWOOD SIDING (NON-ORIG.) FIREPLACE MANTLE Sos WO. NEWELL POST 42 HGT. WO. PAULING W/ 1x4 WD. CAP Ac WO. POST (NON-ORIGNAL) 44 WD. POST (NON-ORIGNAL) GAG WO. POST (NON-ORIGNAL) Sectors The PEOSTAINE DENTLS	20 BRICK FIREPLACE 21 WOOD BALLISTRADE 22 10° DEEP WD. BEAM ABOVE 23 CARPET FLOORING (NON-ORIG.) 24 VIMT_ FLOORING (NON-ORIG.) 25 THE FLOORING (NON-ORIG.) 26 THE FLOORING (NON-ORIG.) 27 THE FLOORING (NON-ORIG.) 28 THE FLOORING (NON-ORIG.) 29 THE FLOORING (NON-ORIG.) 29 THE FLOORING (NON-ORIG.) 29 THE FLOORING (NON-ORIG.) 29 THE FLOORING (NON-ORIG.) 20 CARPOSED NOLITIEST AND BASE 20 CARPOSETE ROCINES THE THE AT 2'-5' OLC. 20 CARPOSETE ROCINES AT 2'-5' OLC. 20 CARPOSETE ROCINES		I12*x32* PLOOR MOUNT REGISTER III III 12*x32* PLOOR MOUNT REGISTER IIII IIII 3"-6*x4-6" DOUBLE HUNG WOOD WINDOW IIII IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII		DIVIDED LIGHTS AT TRANSOM S2 3'-6"x4'-6" (3) HORIZ, DIV. LIGHT WOOD WINDOW	TO ELECTRICAL WETER TO WATER HEATER TALMINUM DOWNSPOUT TO TO METAL HANDRAIL (NON-ORIG.) TAL VENT FIRES TO CRAWL SPACE VENT
ARCHITECT: UNION ARC 1530 BROOKES JOHNH, EISENH	AVE, SAN DIEGO, CA,	9 2 1 0 3 OWNER & WAKELA	EINHARDT MULTI-FAMILY RESIDENC STREET SAN DIEGO. C NDHOUSING & DEVELOPMENT CO NMHA STREET STE, 950 SAN DEEGO, CA 9210	A DRPORATION	TTTLE: HISTORIC AMER DATE: MARCH 31, 201 REV.: OCTOBER 14, 201		HA 7 Sheet 7 of 9















ARCHITECT:	UNION ARCHITECTURE, INC. 1530 BROOKES AVE. SANDIEGO, CA. 92103	PROJECT: W.G. REINHARDT MULTI-FAMILY RESIDENCE	TTLE: HISTORIC AMERICAN BUILDINGS SURVEY (HABS) DATE MARCH 31, 2016 RRY: OCTORER 15, 2016	HA 2
	JOHN H. EISENHART ARCHITECT	OWNER : WAKELAND HOUSING & DEVELOPMENT CORPORATION 1230 COLUMBIA STREET STE 950 SAN DECO, CA 92101		SHEET 2 OF 4



ARCHITECT:	UNION ARCHITECTURE, INC. 1530 BROOKES AVE. SANDIEGO, CA. 92103	PROJECT : W.G. REINHARDT MULTI-FAMILY RESIDENCE 1431 "C" STREET SAN DIEGO, CA	TTLE: HISTORIC AMERICAN BUILDINGS SURVEY (HABS)	HA 3
	JOHN H. EISENHART ARCHITECT	OWNER : WAKELAND HOUSING & DEVELOPMENT CORPORATION 1230 COLUMBA STREET STE 950 SAN DIECO, CA. 92101		SHEET 3 OF 4



EXHIBIT E



The Beacon Base Bid **Prevailing Wage Budget 1** 3/15/2016

Preliminary Budget

COST CODE	SCOPE	BUDGET
015-500	Traffic Control	120,000
017-100	Construction Surveying	22,000
024-100	Demolition	131,801
033-100	Structural Concrete	569,118
035-400	Gypsum Cement Underlayment	43,611
042-200	Concrete Unit Masonry	97,710
051-200	Structural Steel Framing	231,500
061-000	Rough Carpentry	1,013,421
062-000	Finish Carpentry	123,200
064-000	Cabinets	123,200
071-000	Dampproofing and Waterproofing	58,000
072-100	Thermal Insulation	49,568
075-400	Roofing	49,027
076-200	Sheet Metal Flashing and Trim	185,800
078-400	Firestopping	15,400
079-200	Joint Sealants	14,460
083-100	Access Doors and Panels	45,000
084-100	Entrances and Storefronts	86,040
085-000	Windows	64,100
088-300	Mirrors	3,850
092-000	Cement Stucco	443,014
092-900	Gypsum Board	540,601
096-000	Flooring	90,006
099-100	Painting	123,920
101-400	Signage	17,600
105-500	Mail Boxes	5,280
113-200	Appliances	74,800
122-000	Window Treatments	11,000
123-600	Countertops	66,000
129-000	Site Furnishings	12,000
142-000	Elevators	137,500
211-300	Fire-Suppression Sprinkler Systems	148,704
220-000	Plumbing	726,000
230-100	HVAC	446,000
260-000	Electrical	584,320
270-500	Low Voltage	77,800



The Beacon Base Bid **Prevailing Wage Budget 1** 3/15/2016

Preliminary Budget

COST CODE	SCOPE	BUDGET
312-200	Grading	69,795
312-500	Erosion and Sedimentation Controls	37,000
313-100	Termite Control	3,000
321-200	Paving	6,380
321-600	Site Concrete	90,998
328-400	Landscaping	167,000
333-000	Wet Utilities	125,000
337-000	Dry Utilities	90,000
		7,140,523

SUMMARY

	Subcontractor Costs	7,140,523
	Contingency	856,863
	General Conditions	714,011
	General Liability Insurance	65,335
	Contractor's Fee	438,837
	Bond Cost	78,332
·		£0.202.002

\$9,293,902



The Beacon Alternate 1 Prevailing Wage Budget 1 3/15/2016

Preliminary Budget

COST CODE	SCOPE	BUDGET
015-500	Traffic Control	120,000
017-100	Construction Surveying	3,500
024-100	Demolition	177,030
033-100	Structural Concrete	75,000
035-400	Gypsum Cement Underlayment	12,850
051-200	Structural Steel Framing	16,500
061-000	Rough Carpentry	186,278
062-000	Finish Carpentry	45,500
064-000	Cabinets	123,200
071-000	Dampproofing and Waterproofing	11,050
072-100	Thermal Insulation	10,725
075-400	Roofing	46,875
076-200	Sheet Metal Flashing and Trim	19,500
078-400	Firestopping	7,150
079-200	Joint Sealants	7,795
083-100	Access Doors and Panels	6,500
085-000	Windows	187,500
088-300	Mirrors	910
092-900	Gypsum Board	157,521
096-000	Flooring	75,438
099-100	Painting	26,812
101-400	Signage	5,200
105-500	Mail Boxes	1,560
113-200	Appliances	22,100
122-000	Window Treatments	3,250
123-600	Countertops	24,000
129-000	Site Furnishings	3,500
220-000	Plumbing	214,500
230-100	HVAC	117,000
260-000	Electrical	172,640
270-500	Low Voltage	28,100



The Beacon Alternate 1 **Prevailing Wage Budget 1** 3/15/2016

Preliminary Budget

COST CODE	SCOPE	BUDGET
312-500	Erosion and Sedimentation Controls	7,500
313-100	Termite Control	3,000
321-600	Site Concrete	67,332
328-400	Landscaping	21,200
333-000	Wet Utilities	30,000
337-000	Dry Utilities	35,000
		2 072 545

2,073,515

SUMMARY

Subcontractor Costs	2,073,515
 Contingency	311,027
General Conditions	451,307
General Liability Insurance	21,269
Contractor's Fee	214,284
Bond Cost	26,107
	\$3 097 509

\$3,097,509



The Beacon Alternate 2 **Prevailing Wage Budget 1** 3/15/2016

Preliminary Budget

COST CODE	SCOPE	BUDGET
015-500	Traffic Control	120,000
017-100	Construction Surveying	15,500
024-100	Demolition	192,790
033-100	Structural Concrete	135,000
035-400	Gypsum Cement Underlayment	45,740
051-200	Structural Steel Framing	46,200
061-000	Rough Carpentry	502,676
062-000	Finish Carpentry	112,000
064-000	Cabinets	89,600
071-000	Dampproofing and Waterproofing	65,500
072-100	Thermal Insulation	29,642
075-400	Roofing	44,688
076-200	Sheet Metal Flashing and Trim	48,000
078-400	Firestopping	17,600
079-200	Joint Sealants	11,880
083-100	Access Doors and Panels	16,000
085-000	Windows	249,000
088-300	Mirrors	2,240
092-000	Cement Stucco	153,960
092-900	Gypsum Board	370,520
096-000	Flooring	114,848
099-100	Painting	74,104
101-400	Signage	12,800
105-500	Mail Boxes	3,840
113-200	Appliances	54,400
122-000	Window Treatments	8,000
123-600	Countertops	48,000
129-000	Site Furnishings	10,500
142-000	Elevators	150,000
211-300	Fire-Suppression Sprinkler Systems	92,630
220-000	Plumbing	528,000
230-100	HVAC	288,000
260-000	Electrical	424,960
270-500	Low Voltage	50,900



The Beacon Alternate 2 **Prevailing Wage Budget 1** 3/15/2016

Preliminary Budget

COST CODE	SCOPE	BUDGET
312-200	Grading	65,000
312-500	Erosion and Sedimentation Controls	15,000
313-100	Termite Control	3,000
321-600	Site Concrete	61,172
328-400	Landscaping	21,200
333-000	Wet Utilities	30,000
337-000	Dry Utilities	35,000
		4 250 000

4,359,889

SUMMARY

 Subcontractor Costs	4,359,889
Contingency	915,577
General Conditions	572,555
General Liability Insurance	43,860
Contractor's Fee	324,053
Bond Cost	52,835
	\$6,268,770

EXHIBIT G

Front Building



1425 C Street December 2015 Photograph #1 View Southeast of the front façade



1425 C Street December 2015 Photograph #2 View Southeast of front façade



1425 C Street December 2015 Photograph #3 View South of four entrance doors



1425 C Street December 2015 Photograph #4 View of South of front building east end



1425 C Street December 2015 Photograph #5 View South of front East corner of front facade



1425 C Street December 2015 Photograph #6 View east of projecting bay on front building



1425 C Street December 2015 Photograph #7 View East of first floor porch



1425 C Street December 2015 Photograph #8 View Southwest of porch column



1425 C Street December 2015 Photograph #9 View North of porch column



1425 C Street December 2015 Photograph #10 View South of front building west end



1425 C Street December 2015 Photograph #11 View North of windows front facade West end



1425 C StreetDecember 2015Photograph #12View Southeast second floor balcony, front building



1425 C Street December 2015 Photograph #13 View South of windows and sill detail on second floor balcony, front building



1425 C Street December 2015 Photograph #14 View of balcony detail



1425 C Street December 2015 Photograph #15 View East of second floor balcony detail



1425 C Street December 2015 Photograph #16 View West of bay from second floor balcony



1425 C Street December 2015 Photograph #17 View of dormer above second floor balcony



1425 C Street December 2015 Photograph #18 View West from second floor balcony



1425 C Street December 2015 Photograph #19 View South of East facade of front building



1425 C Street December 2015 Photograph #20 View North of East facade of the front building



1425 C Street December 2015 Photograph #21 View North of East facade of the front building



1425 C Street December 2015 Photograph #22 View South of West facade of front building



1425 C StreetDecember 2015Photograph #23View North of rear facade of front building, west end



1425 C Street December 2015 Photograph #24 View Northeast of upper floor front building



1425 C Street December 2015 Photograph #25 View Northeast of stairs accessing rear of front building



1425 C StreetDecember 2015Photograph #26View West of porch on upper floor at the rear of front building



1425 C Street December 2015 Photograph #27 View North of ground level rear of the front building



1425 C Street December 2015 Photograph #28 View East under porch rear of front building

Rear Building



1425 C Street December 2015 Photograph #29 View South of North facade of rear



1425 C Street December 2015 Photograph #30 View West on North facade of rear building



1425 C Street December 2015 Photograph #31 View South of North facade of rear building



1425 C Street December 2015 Photograph #32 View South along East facade of rear building



1425 C Street December 2015 Photograph #33 View North along East facade of rear building



1425 C Street December 2015 Photograph #34 View Northwest of rear facade of rear building



1425 C Street December 2015 Photograph #35 View North of rear facade of rear building



1425 C Street December 2015 Photograph #36 View Northeast of rear facade of rear building


THE CITY OF SAN DIEGO

Report to the Historical Resources Board

DATE ISSUED:	November 3, 2016	REPORT NO. HRB-16-071
ATTENTION:	Historical Resources Board Agenda of November 17, 2016	
SUBJECT:	ITEM 7 – 1425 AND 1431 C STREET (HRB 121 APARTMENTS) – Centre City Planned Devel Development Permit No. 2016-19	
APPLICANT:	Wakeland Beacon Apartments LP represented	l by Marie Burke Lia
LOCATION:	1425 and 1431 C Street, 92101, Downtown Cor	nmunity, Council District 3
DESCRIPTION:	Recommend to the Planning Commission add measures and findings associated with the sit presented or recommend inclusion of additio a designated historical resource.	e development permit as

STAFF RECOMMENDATION

Recommend to the Planning Commission adoption of the permit findings and mitigation measures associated with the Site Development Permit for the demolition of the designated historical resource located at 1425 and 1431 C STREET (HRB 1211- W.G. Reinhardt Apartments) as presented.

BACKGROUND

The City's Land Development Code Section 126.0503(b)(2) requires a recommendation from the Historical Resources Board prior to the Planning Commission decision on a Site Development Permit when a historical district or designated historical resource is present. The HRB has adopted the following procedure for making recommendations to decision-makers (Historical Resources Board Procedures, Section II.B):

When the Historical Resources Board is taking action on a recommendation to a decisionmaker, the Board shall make a recommendation on only those aspects of the matter that relate to the historical aspects of the project. The Board's recommendation action(s) shall relate to the cultural resources section, recommendations, findings and mitigation measures of the final environmental document, the Site Development Permit findings for historical purposes, and/or the project's compliance with the Secretary of the Interior's Standards for Treatment of Historic Properties. If the Board desires to recommend the inclusion of additional conditions, the motion should include a request for staff to incorporate permit conditions to capture the Board's recommendations when the project moves forward to the decision maker.

The W.G. Reinhardt Apartments is located at 1425 and 1431 C Street in the Downtown Community Planning area. The front building was originally constructed in 1908 and the rear building was constructed in 1912. Both buildings were constructed in the Prairie style. On March 24, 2016, the property was designated by the Historical Resources Board under HRB Criterion C as a good example of Prairie style apartment buildings.

In 1996, the owner, Episcopal Community Services, recorded Covenants, conditions, and Restrictions (CC&Rs) on the property in accordance with a loan and grant from the San Diego Housing Commission. An amendment to the CC&Rs was recorded against the property in 1999. The restrictions placed on the property require any development to be set aside and reserved as "Affordable Units."

In an effort to provide more supportive housing units, the applicant is proposing a 5-story (60 feet tall) residential development consisting of 43 living units (all 350 SF) and one 1-bedroom unit (770 SF) designated for the building manager. The 43 living units are to be affordable for individuals below 40 percent of the area median income (AMI) while the one bedroom unit is provided rent-free as part of the building manager's compensation package. Parking is not required for living units at this income threshold; however, eight spaces are provided in the ground floor garage, with one spot designated for the manager's unit. The other spaces will be used by supportive program managers and visitors. Father Joe's Villages will provide services to 21 of the 43 tenants and the County of San Diego Behavioral Health Services Division will provide mental health focused services to the remaining 22 tenants (Attachments 1, 3 and 6). As part of the project the applicant is proposing to demolish both structures on the site.

<u>ANALYSIS</u>

The proposed demolition of the designated building is by definition a substantial alteration requiring a site development permit, consistent with Municipal Code Section 143.0251. Impacts related to the proposed demolition would be reduced through implementation of the required mitigation measures found in the Downtown Final Environmental Impact Report (Downtown FEIR) Draft Consistency Evaluation for the Beacon project (Attachment 2). Findings for the demolition of a designated historical resource are required for approval of the permit, consistent with Municipal Code Section 126.0504(i).

The three required Supplemental Findings and supporting information are provided in Attachment 5 and are summarized below.

1. There are no feasible measures, including a less environmentally damaging alternative, that can further minimize the potential adverse effects on the designated historical resource or historical district

The project proposes demolition of the two designated historic structures and construction of five story building for affordable housing units. As part of the analysis, the applicant developed and evaluated four scenarios. The first scenario named the Base Project is the proposed project that would demolish both buildings and construct the new first story building on the lot. The second scenario named Alternative 1 would be to maintain both of the historic buildings and convert them into the 350SF studio units. The third scenario would be to maintain the historic building at the front, convert it to the affordable units, and demolish the rear building. Removal of the rear building would allow for construction of a new building that would house 24 units. The last alternative that was investigated was the relocation of the buildings to another parcel.

The Base Project and each Alternative were evaluated by the London Group to determine their economic feasibility. For affordable housing projects the ultimate threshold that determines economic feasibility is not the total profit generated for investors and developers. Affordable housing projects do not generate a significant profit and developers are generally "fee builders." Affordable housing developers do not achieve a significant profit as with market rate housing. The London Group's evaluation on the property focused on the whether the Base Project and the alternatives are financeable. It was determined that the Base Project was economically feasible. While it was \$440,626 per unit to construct, the project could be constructed with no funding gap. The project would also achieve investor equity financing via tax credits. The Tax Credit Authority Committee (TCAC) has a cost basis threshold maximum of approximately 130% that projects cannot exceed. The Base Project is just under the benchmark at 127.17%. The project would allow for adequate cash flow and the repayment of the San Diego Housing Commission and Mental Health Services Agency funds.

Alternative 1 would allow for 13 units and would cost \$716,394 per unit. The high cost threshold is 213.5% which is higher than what is allowed by the TCAC and does not allow for an adequate cash flow resulting in an inability to repay the Housing Commission funds. Alternative 1 is considered not economically feasible.

Alternative 2 would allow for 32 affordable units and increase the costs per unit by \$28,454. This would result in a high cost threshold of 136.14% and the project would be ineligible for tax credits. The alternative would also have a funding gap of 4 million dollars and a negative cash flow which result in an inability to repay any funds. Alternative 2 is considered not economically feasible.

The relocation alternative was also evaluated to minimize adverse impacts. The CC&R restrictions would not allow the applicant to use this property as a financing source to acquire another property as a relocation site. Therefore, relocation was deemed not economically feasible.

In an effort to ensure that the analysis by the London Group was adequate Civic San Diego requested a peer review from Keyser Marston Associates (Attachment 4). As part of the peer review, Keyser Marston Associates (KMA) adjusted selected inputs and assumptions that resulted in different conclusions from the London Group with respect to the relative economic feasibility of each development alternative. KMA found that the Base Project would provide for a financing surplus. Ultimately, the KMA results concurred with the London Group in that only the Base Project would be economically feasible. Both Alternative 1 and 2 would require the identification of additional funding sources to support development.

In conclusion, based on the information provided and the analysis completed, the applicant has made Supplemental Finding 1.

2. The deviation is the minimum necessary to afford relief and accommodate the development and all feasible measures to mitigate for the loss of any portion of the historical resource have been provided by the applicant.

The deviation proposed is the minimum necessary to afford relief and accommodate the development of the site in accordance with the restrictions imposed by the CC&Rs. The applicant has agreed to implement measures identified in the FEIR Mitigation, Monitoring and Reporting Program (MMRP) pertaining to the demolition of the W.G Reinhardt Apartments. They have provided HABS documentation of the existing property which includes a photo survey of the property and measured drawings of the exterior features. Therefore, the Supplemental Finding 2 can be made.

3. The denial of the proposed development would result in economic hardship to the owner. For purposes of this finding, "economic hardship" means there is no reasonable beneficial use of a property and it is not feasible to derive a reasonable economic return from the property.

The property was acquired in 1996 by the Episcopal Community Services for the purpose of providing Affordable Housing for San Diego residents. At the time of purchase, CC&Rs were placed on the property in accordance with the provisions of a loan and grant obtained from the San Diego Housing Commission. The restrictions were renewed in 1999 and are still in effect. These restrictions will remain in effect for the next 38 years. Denial of the proposed development would prevent reasonable beneficial use of this property. The proposed project would provide services for a greater number of San Diego residents in need. Therefore, the Supplemental Finding 3 can be made.

CONCLUSION

Staff concurs that the proposed mitigation measures and permit conditions provided to the HRB are sufficient to reduce the identified impacts to the W.G Reinhardt Apartments. Therefore, staff recommends that the Historical Resources Board recommend to the Planning Commission adoption of the findings and mitigation measures associated with Planned Development/Site Development Permit No. 2016-19 for the demolition of the designated historical resource located at 1425 and 1431 C Street (HRB Site #1211- W.G. Reinhardt Apartments) as presented.

Jodle Brown, AICP Senior Planner

Kelley Stanco Senior Planner/HRB Liaison

JB/ks

Attachments:

- 1. Civic San Diego's Staff Report dated July 8, 2016 (under separate cover)
- 2. Downtown Final Environmental Impact Report (Downtown FEIR) Draft Consistency Evaluation for the Beacon Project dated October 27, 2016 (under separate cover)
- 3. Draft Centre City Development Permit/Neighborhood Use Permit/Site Development Permit 2016-19 (under separate cover)
- 4. Keyser Marston Associates Memo dated October 28, 2016 (under separate cover)
- 5. Findings (under separate cover)
- 6. Beacon Project Plans (under separate cover)

East Village Business Improvement District



September 26, 2016

Reese Jarrett, President Civic San Diego 401 B St. 4th Floor – sent electronically San Diego, CA 92101

Re: EVA support for The Beacon

Dear Reese:

The East Village Association, Inc. (EVA) is the nonprofit organization that manages the East Village Business Improvement District, representing more than 700 members and more than 13,000 residents.

During the September 2016 EVA monthly meeting, the EVA board voted to support the Beacon Project conceptually and to voice concern that this type of project/development be located outside of East Village in the future.

If you have questions, please contact Lisa Lem, EVA Executive Director via email at <u>board@eastvillagesandiego.com</u> or call 619.546.5636.

Sincerely,

David Hazan, President East Village Association, Jrc.

cc: Brad Richter, Assistant Vice President, Planning, Civic San Diego Rebecca Louie and Diego Velasco



August 16th 2016

Civic San Diego 401 B Street Suite 400 San Diego, Ca. 92101 Attention: Brad Richter

Re: Support for **Beacon**

Dear Civic San Diego:

The East Village Residents Group (EVRG) represents over ten thousand (10,000) residents who live in the East Village District of Downtown San Diego. EVRG's mission is to promote a better quality of life and family environment for every resident in our district. We know that new development provides more housing opportunities for residents creating more variety and options as well as creates the density needed to sustain local retail and populate public spaces. Often times public amenities and improvements come with new development, these, along with the further build-out of East Village, help to provide a sense of place and defines a unique character for our neighborhood.

The **Beacon** project located at 16th and Market, as presented will add additional housing to the mentally ill in East Village. (the location has a restricted use and must be used to provide housing for mentally ill. It's located on 16th and Market and will included 8 parking spaces) *a motion to support the project conceptually, would like another location considered for the next project (outside of East Village). Motion passed.*

As representatives of the residents in East Village, the East Village Residents Group's Projects Committee received a project presentation from the applicant/design team and, subsequently the EVRG Board of Directors voted to support the proposed development. EVRG encourages all decision-making bodies to make the needed findings to grant design review and approve this project.

Sincerely,

Robert Weichelt

East Village Residents Group / Pre-Design Chair

Robert@RobertWeichelt.com



December 1, 2016

City of San Diego Planning Commission 1222 First Ave., 5th Floor San Diego, CA 92101

Re: Support for The Beacon Apartments permanent supportive housing community at 1425 C St.

Dear Chairperson Stephen Haase, Vice-Chairperson Susan Peerson and Commissioners:

I am writing today to express my support for The Beacon Apartments, a new community of permanent supportive housing proposed for downtown San Diego's East Village. As a neighbor and long standing board member at Union Square at Broadway Homeowner Association, which shares property lines on C Street, we have had an opportunity to review the purpose, position and safety with the developer and multiple civic groups. As a result of the reviews I fully support the increased permanent housing opportunity for targeted groups provided by The Beacon development. I have also had second, third and fourth opportunities to consider the project as board member on East Village Residents Group, Downtown Residents Group and Downtown Community Planning Council. As an immediate neighbor and an active community member, I feel this proposed development would be a welcome addition to East Village North because it provides a number of benefits to both residents and the wider community:

- It will improve the safety of the neighborhood and help property values by providing 44 homes with services to stabilize people who currently live in the streets and are high users of emergency services.
- It ensures this location which is currently restricted to use as affordable housing for the formerly homeless – will not become a neglected and vacant property once the current operators leave in March.
- It will help solve our current homeless crisis by replacing a transitional housing facility for homeless that is planning to shut its doors with a high-quality new building designed to serve the needs of the formerly homeless.

The increased density provided by The Beacon also addresses severe housing shortages being addressed by RCCC/Opening Doors Landlord Engagement Committee during my term of membership as well as several non-profits for which I serve and volunteer including Downtown Fellowship, UPLIFT, M&J Helping Hands and others.

I urge you to approve The Beacon Apartments when it comes before your Commission later this month.

UK Robert B. Link

Union Square at Broadway HOA Board Active community member including EVRG, DRG, DCPC board member Board member and volunteer on multiple nonprofits serving homelessness



December 2, 2016

San Diego Planning Commission 1222 First Ave., Fifth Fl. San Diego, CA 92101

Re: Please Approve the Beacon Apartments Permanent Supportive Housing Development

Attn: Planning Commissioners

I'm writing to you to strongly urge you to support the Beacon Apartments Housing Development on behalf of the Corporation for Supportive Housing (CSH). CSH is a national non-profit dedicated to the creation of high quality permanent supportive housing. At CSH, it is our mission to advance housing solutions that deliver three powerful outcomes: 1) improved lives for the most vulnerable people 2) maximized public resources and 3) strong, healthy communities across the country.

On December 15, you will consider approval for the Beacon Apartments, a new community of permanent supportive housing in downtown San Diego. The Beacon Apartments will help alleviate San Diego's growing homeless crisis by providing 44 permanent, stable homes coupled with supportive services to our residents who currently live on the streets.

Research shows permanent supportive housing is a proven solution to homelessness. Projects like the Beacon Apartments have helped eliminate homelessness in communities across the country. Permanent supportive housing is needed more than ever here in the City of San Diego, where an estimated 5,000+ people are homeless on any given night.

The proposed location for the project is ideal since this site is currently restricted for use solely as housing for the homeless. Right now, it is home to a transitional shelter that will close in March. That facility can house 28 individuals on a temporary basis. The Beacon Apartments will almost double the number of people we can serve but – perhaps more importantly – give them a permanent place to live and end the revolving door of homelessness. Funding for transitional housing facilities is diminishing at the federal level and programs such as the one that's currently operating at the site are converting to permanent supportive housing as communities have firmly adopted "Housing First" programs that place individuals directly into permanent housing.

Beyond this, the Beacon Apartments will benefit neighboring residents by providing a high-quality new building designed to serve the unique needs of the homeless, which in turn increases safety and property values.

Please approve this project so we can help our homeless San Diegans move off the streets for good.

Please feel free to contact me at 619-232-3194 ext. 4292 should you require any further assistance or additional information.

Simone R

Simonne Ruff Director



December 1, 2016

Rebecca Louie Chief Operating Officer Wakeland Housing and Development Corporation 1230 Columbia Street, Ste. 950 San Diego, CA 92101

Dear Rebecca:

As you requested, following is information regarding Episcopal Community Services' (ECS') decision to discontinue operations at our Downtown Safe Haven (DTSH) at 1425 C Street, San Diego, CA 92101-5717.

- 1. The funders of ECS' DTSH program, the US Department of Housing and Urban Development (HUD), the San Diego Housing Commission (SDHC), the Department of Veterans Affairs (VA), and the San Diego Regional Continuum of Care (RCC), have identified the development of Permanent Supportive Housing (PSH) for very low income homeless people with mental illness as a top priority for project funding. Permanent Supportive Housing is a desperately needed resource in the San Diego community, allowing homeless people to move directly from the streets and into permanent housing with the services they need to remain housed. DTSH's funders have implemented strong incentives to encourage the housing and homeless services providers in San Diego to convert existing transitional housing programs like ECS' DTSH to Permanent Supportive Housing. Those incentives include "freezing" HUD funding for Safe Haven programs at 2012 funding levels, making it increasingly difficult to cover the rising costs of program operations and building repairs and maintenance.
- 2. The current DTSH structures are 108-years old and many of their critical structural elements and building systems are obsolete and not suited to their current use, or for conversion to Permanent Supportive Housing. Such a conversion would require converting the existing double occupancy bedroom units into single occupancy units with in-unit plumbing for cooking areas and bathrooms. Moreover, such a conversion of the existing structures would reduce the number of housing units available to homeless clients and would be counterproductive to the City of San Diego's goal of housing all of our homeless citizens.
- 3. ECS has notified our funders of our plans to discontinue our Downtown Safe Haven program so that the property can be redeveloped into high-priority Permanent Supportive Housing. Our funders have endorsed the redevelopment. ECS has not applied for renewed funding for DTSH. Consequently, the San Diego Regional Continuum of Care has reallocated the program's federal HUD funding to other projects, including new Permanent Supportive Housing units. As of January 31, 2017, the current DTSH program will no longer receive HUD funding, the primary source of operational funding for the program. In addition, as of March 31, 2017, the Department of Veterans Affairs funding for the program will also

401 Mile of Cars Way, Suite 350 National City, CA 91950 (619) 228-2800 *Main* (619) 228-2801 *Fax* www.ecscalifornia.org

Inspiring children. Empowering adults. Transforming communities.

expire. As of April 1, 2017, there will be no funding available to support Downtown Safe Haven's program operations or building repairs and maintenance. The San Diego Housing Commission has acknowledged the need and value of the project by fully endorsing the conversion of the property into a Permanent Supportive Housing program and allowing the transfer of the property's existing use restrictions and debts to Wakeland Housing and Development Corporation for the new project.

This is part of the rationale for the discontinuance of the current program. The decision was reached after years of study and discussion by the staff, the Board of Directors and our program partners. Paramount to our decision was determining how the property can best be used to serve the San Diego community and the population of very low income people with mental illnesses who live on the street. We believe this solution accomplishes this goal for the community.

Should you have any questions, or need any additional information, please do not hesitate to contact me directly at 619-228-2800.

Sincerely,

Lesslie Keller Executive Director/CEO



Deacon Jim F. Vargas, OFS President & CEO

p. 619.446.2151 f. 619.446.2129 DeaconJim@neighbor.org

December 1, 2016

City of San Diego Planning Commission 1222 First Ave., Floor 5 San Diego, CA 92101

Re: Approval for the Beacon Apartments/East Village San Diego

Attn: Chairperson Stephen Haase

St. Vincent de Paul Village (dba Father Joe's Villages) is pleased to support the Beacon Apartments project, a new community of permanent supportive housing proposed for downtown San Diego's East Village. Father Joe's Villages has a 66-year long history of providing services and support to individuals and families experiencing homelessness and poverty in San Diego. Our organization operates a range of housing and support services programs including Project 25, a highly successful program for San Diego's highest utilizers of publicly-funded emergency services and more than 330 units of permanent supportive housing. The Beacon Apartments project aims to help solve San Diego's downtown homeless crisis by providing 44 permanent, stable homes coupled with supportive services to people who currently live on the streets.

On any given night, there are an estimated 5,093 homeless individuals in the City of San Diego. Of that, over 50% (2,745) are unsheltered. Permanent supportive housing developments like this one have eliminated homelessness in several communities across the country, and they are greatly needed here in San Diego. It costs the same or less to provide supportive housing to a homeless person than it does to keep them on the streets where they incur high costs to taxpayers by using emergency services. Permanent supportive housing is a best-practice model for housing chronically homeless people because the programs provide more than just housing; they also provide critical support that people need to achieve housing stability and regain quality of life.

The Beacon Apartments will provide several benefits to the community by:

- Revitalizing the area by replacing a deteriorating transitional housing facility with a modern community of homes coupled with robust support services for formerly homeless residents;
- Helping to make sure this site which is restricted for use as homeless affordable housing will not deteriorate and attract vandals once the current facility closes in a few months;
- And reducing taxpayer costs by providing homes and services that will house and stabilize people who otherwise would continue to live their lives on the streets of the community.

I urge you to approve The Beacon Apartments when it comes before your Commission.

Vers TSSUE Street San Diego, CA 92102 neighbor.org



Regional Task Force

"OUR COMMUNITY, OUR HOMELESS, OUR ISSUES"

December 1, 2016

San Diego Planning Commission 1222 First Ave., Fifth Fl. San Diego, CA 92101

Re: Please Approve the Beacon Apartments Permanent Supportive Housing Development

Attn: Planning Commissioners

As the Executive Director of the Regional Task Force on the Homeless (RTFH) we are a non-profit organization committed to enhancing the services provided by homeless-dedicated agencies through the collection and dissemination of accurate, non-biased data.

On December 15, you will consider approval for the Beacon Apartments, a new community of permanent supportive housing in downtown San Diego. The Beacon Apartments will help alleviate San Diego's growing homeless crisis by providing 44 permanent, stable homes coupled with supportive services to our residents who currently live on the streets.

Research shows permanent supportive housing is a proven solution to homelessness. Projects like the Beacon Apartments have helped eliminate homelessness in communities across the country. Permanent supportive housing is needed more than ever here in the City of San Diego, where an estimated 5,000+ people are homeless on any given night.

The proposed location for the project is ideal since this site is currently restricted for use solely as housing for the homeless. Right now, it is home to a transitional shelter that will close in March. That facility can house 28 individuals on a temporary basis. The Beacon Apartments will almost double the number of people we can serve but – perhaps more importantly – give them a permanent place to live and end the revolving door of homelessness.

Beyond this, the Beacon Apartments will benefit neighboring residents by providing a high-quality new building designed to serve the unique needs of the homeless, which in turn increases safety and property values.

Please approve this project so we can help our homeless San Diegans move off the streets for good.

Dolores Diaz Executive Director Regional Task Force on the Homeless

PROJECT D	ATA SHEET
PROJECT NAME	The Beacon
Site Area	8,278 SF
Base Minimum FAR	3.5
Base Maximum FAR	6.0
Maximum FAR with Amenity Bonuses	10.0
Maximum FAR with Affordable Housing Bonus	12.1
Proposed FAR	3.76
FAR Bonuses Proposed	0
Above Grade Gross Floor Area	31,107 SF
Density	232 DU per acre
Stories / Height	5 stories / 60 feet
Amount of Commercial Space	0
Amount of Office Space	0
Housing Unit and Bedroom Count /Average Size	<u># Range Average</u>
Total Number of Housing Units Lofts	44 0
Studios	43 350-350 SF 350 SF
1 Bedroom	1 770 SF N/A
2 Bedroom	0
3 Bedroom	0
Number of Units to be Demolished	17
Number of Buildings over 45 Years Old	2
Inclusionary Affordable Housing Compliance	Construction of the Affordable Housing Project
Automobile Parking	
Residential (Required / Proposed)	1 (1 per 1 DU) / 8
Commercial (Required / Proposed)	0/0
Motorcycle Parking (Required / Proposed)	0 (not required / 0 0 (not required) / 14
Bicycle Parking (Required / Proposed)	0 (not required) / 14
Common Indoor Space Required	215 SF
Proposed	555 SF
Common Outdoor Open Space	
Required	0 SF
Proposed	1384 SF
Private Open Space (Balconies and Decks)	
Required	0% of DU
Proposed	0% of DU
Pet Open Space	
Required	0 SF 0 SF
Proposed Programming Storage	
Residential Storage	N/A
Assessor's Parcel Nos.	534-210-12
Sustainability	None.

M.W. STEELE GROUP ARCHITECTURE | PLANNING

The propose project is near the F.A.R. minimum for several reasons:

- The Beacon is designed as a community of permanent supportive housing for homeless individuals with mental disabilities. As such, there are support services (such as counseling) that must be provided along with the housing to ensure the success of the residents and community. Because of this, there is a critical maximum number of residents that can be served by one housing development. A range of no more than 40 to 50 units is appropriate to serve this population.
- There are deed restrictions on the property that require it be developed for the proposed use and restrict alternative uses (such as office, condos or market rate apartments).
- The Beacon is designed on a site with tight physical constraints. The lot size is small (8,278 SF) and narrow (less than 60 feet of frontage). In addition, the property is wedged between two properties with only one street frontage. These physical constraints make constructing a high-rise nearly impossible if not impractical and expensive.
- The Beacon is designed as Type-V wood construction over a Type II concrete podium garage. The project maximizes the gross floor area possible for the site and per the allowable envelope of this construction type. An increase in floor area would require a different construction type, adding a significant cost to the project.
- The proposed design is compatible in scale and massing to its surrounding neighborhood, and specifically, to the adjacent condominium building (which is unlikely to redevelop in our lifetime).

Christian, it has been a pleasure working with you as we prepared this application. We are excited about this project, as we see it serves a growing need in our downtown community and we believe it will significantly improve the neighborhood. If any of the above is not clear or there are other items you wish to review with me, please do not hesitate to contact me.

Diego Velasco, AICP, LEED AP Principal | M.W. Steele Group 619.230.0325 x4237

ATTACHMENT J

DOWNTOWN FINAL ENVIRONMENTAL IMPACT REPORT (DOWNTOWN FEIR) CONSISTENCY EVALUATION FOR THE BEACON PROJECT

October 27, 2016

Prepared for:Jonathan Taylor
Wakeland Housing & Development Corporation
1230 Columbia Street, Suite 950
San Diego, CA 92101Prepared by:Civic San Diego
401 B Street, Suite 400

San Diego, CA 92101

DOWNTOWN FEIR CONSISTENCY EVALUATION

1. PROJECT TITLE: The Beacon ("Project")

2. DEVELOPER: Wakeland Housing & Development Corporation

3. PROJECT LOCATION: The Project site is an approximately 8,278 square-foot (SF) site within the block bounded by C Street, Broadway and 14th and 15th streets and in the East Village neighborhood of the Downtown Community Plan (DCP) area ("Downtown").

The DCP Area includes approximately 1,500 acres within the metropolitan core of the City of San Diego, bounded by Laurel Street and Interstate 5 on the north; Interstate 5, Commercial Street, 16th Street, Sigsbee Street, Newton Avenue, Harbor Drive, and the extension of Beardsley Street on the east and southeast; and San Diego Bay on the south and west and southwest. The major north-south access routes to downtown are Interstate 5, State Route 163, and Pacific Highway. The major east-west access route to downtown is State Route 94. Surrounding areas include the community of Uptown and Balboa Park to the north, Golden Hill and Sherman Heights to the east, Barrio Logan and Logan Heights to the South and the City of Coronado to the west across San Diego Bay.

4. PROJECT SETTING: The Final Environmental Impact Report (Downtown FEIR) for the San Diego Downtown Community Plan, Centre City Planned District Ordinance (CCPDO), and 10th Amendment to the Centre City Redevelopment Plan, certified by the Redevelopment Agency ("Former Agency") and City Council ("Council") on March 14, 2006 (Resolutions R-04001 and R-301265, respectively) and subsequent addenda to the Downtown FEIR certified by the Former Agency on August 3, 2007 (Former Agency Resolution R-04193), April 21, 2010 (Former Agency Resolutions R-04510), August 3, 2010 (Former Agency Resolution R-04544) and certified by City Council on February 12, 2014 (Resolution R-308724) and July 14, 2014 (Resolution R-309115) describes the setting of the DCP area including East Village. This description is hereby incorporated by reference.

The site currently contains the locally designated historical resource, the W.G. Reinhardt Apartments (HRB SR #1211). The project site is in the Employment Residential (ER) land use district as designated in the Centre City Planned District Ordinance (CCPDO). The Project site is subject to the following overlay zones: the Large Floorplate Area Overlay.

5. PROJECT DESCRIPTION: The Project is located on an 8,278 SF lot in the East Village neighborhood and consists of a 5-story, 60-foot tall residential building containing 43 living units and a 1-bedrom manager's unit. The 43 living units are to be affordable for individuals below 40 percent of the area median income (AMI) while the one bedroom unit is provided rent-free as part of the building manager's compensation package. Parking is not required for living units at this income threshold; however, eight spaces are provided in the ground floor garage, with one spot designated for the managers unit.

The Base Maximum Floor Area Ratio (FAR) is 6.0, with a maximum allowable FAR with Bonuses of 10.0. With affordable housing the maximum allowable is 13.0. The project has an FAR of 3.76.

6. CEQA COMPLIANCE: The DCP, CCPDO, Redevelopment Plan for the Centre City Redevelopment Project and related activities have been addressed by the following environmental documents, which were prepared prior to this Consistency Evaluation and are hereby incorporated by reference:

FEIR for the DCP, CCPDO, and 10th Amendment to the Redevelopment Plan for the Centre City Project (State Clearinghouse Number 2003041001, certified by the Redevelopment Agency (Resolution No. R-04001) and the San Diego City Council (City Council) (Resolution No. R-301265), with date of final passage on March 14, 2006.

Addendum to the Downtown FEIR for the 11th Amendment to the Redevelopment Plan for the Centre City Redevelopment Project, Amendments to the DCP, CCPDO, Marina Planned District Ordinance, and Mitigation, Monitoring and Reporting Program of the Downtown FEIR for the DCP, CCPDO, and the Redevelopment Plan for the Centre City Redevelopment Project certified by the Redevelopment Agency (Resolution No. R-04193) and by the City Council (Resolution No. R-302932), with date of final passage on July 31, 2007.

Second Addendum to the Downtown FEIR for the proposed amendments to the DCP, CCPDO, Marina Planned District Ordinance, and Mitigation, Monitoring and Reporting Program (MMRP) certified by the Redevelopment Agency (Resolution No. R-04508), with date of final passage on April 21, 2010.

Third Addendum to the Downtown FEIR for the RE District Amendments to the CCPDO certified by the Redevelopment Agency (Resolution No. R-04510), with date of final passage on April 21, 2010.

Fourth Addendum to the Downtown FEIR for the San Diego Civic Center Complex Project certified by the Redevelopment Agency (Resolution No. R-04544) with date of final passage on August 3, 2010.

Fifth Addendum to the Downtown FEIR for the Industrial Buffer Overlay Zone Amendments to the CCPDO certified by the City Council (Resolution No. R-308724) with a date of final passage on February 12, 2014.

Sixth Addendum to the Downtown FEIR for the India and Date Project certified by the City Council (Resolution No. R-309115) with a date of final passage on July 14, 2014.

The Final Supplemental Environmental Impact Report for the Downtown San Diego Mobility Plan certified by the City Council on June 21, 2016 (Resolution R-310561).

The City of San Diego FEIR for the Climate Action Plan ("CAP FEIR") certified by the City Council on December 15, 2015, (City Council Resolution R-310176) which includes the Addendum to the CAP FEIR certified by the City Council on July 12, 2016.

The Downtown FEIR and the CAP FEIR are "Program EIRs" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. The aforementioned environmental documents are the most recent and comprehensive environmental documents pertaining to the proposed Project. The Downtown FEIR and subsequent addenda are available for review at the offices of the Civic San Diego ("CivicSD") located at 401 B Street, Suite 400, San Diego, CA 92101. The CAP FEIR is available at the offices of the City of San Diego Planning Department located at 1010 Second Avenue, Suite 1200, San Diego, CA 92101.

This Downtown FEIR Consistency Evaluation ("Evaluation") has been prepared for the Project in compliance with State CEQA and Local Guidelines. Under these Guidelines, environmental review for subsequent proposed actions is accomplished using the Evaluation process, as allowed by Sections 15168 and 15180 of the State CEQA Guidelines. The Evaluation includes the evaluation criteria as defined in Section 15063 of the State CEQA Guidelines.

Under this process, an Evaluation is prepared for each subsequent proposed action to determine whether the potential impacts were anticipated in the Downtown FEIR and the CAP FEIR. No additional documentation is required for subsequent proposed actions if the Evaluation determines that the potential impacts have been adequately addressed in the CAP FEIR and the Downtown FEIR and subsequent proposed actions implement appropriate mitigation measures identified in the MMRP that accompanies the FEIR.

If the Evaluation identifies new impacts or a substantial change in circumstances, additional environmental documentation is required. The form of this documentation depends upon the nature of the impacts of the subsequent proposed action being proposed. Should a proposed action result in: a) new or substantially more severe significant impacts that are not adequately addressed in the Downtown FEIR or CAP FEIR, or b) there is a substantial change in circumstances that would require major revision to the Downtown FEIR or the CAP FEIR, or c) that any mitigation measures or alternatives previously found not to be feasible or not previously considered would substantially reduce or lessen any significant effects of the Project on the environment, a Subsequent or Supplemental Environmental Impact Report (EIR) would be prepared in accordance with Sections 15162 or 15163 of the State CEQA Guidelines (CEQA Statutes Section 21166).

If the lead agency under CEQA finds that pursuant to Sections 15162 and 15163, no new significant impacts will occur or no new mitigation will be required, the lead agency can approve the subsequent proposed action to be within the scope of the Project covered by the Downtown FEIR and CAP FEIR, and no new environmental document is required.

7. PROJECT-SPECIFIC ENVIRONMENTAL ANALYSIS: See attached Environmental Checklist and Section 10 *Evaluation of Environmental Impacts*.

8. MITIGATION, MONITORING AND REPORTING PROGRAM: As described in the Environmental Checklist and summarized in **Attachment A**, the following mitigation measures included in the MMRP, found in Volume 1.B.2 of the Downtown FEIR, will be implemented by the proposed Project:

AQ-B.1-1; HIST-A.1.1-3; HIST-B.1-1; NOI-B.1-1; NOI-C.1-1; NOI-D.1-1; PAL-A.1-1

9. DETERMINATION: In accordance with Sections 15168 and 15180 of the CEQA

Guidelines, the potential impacts associated with future development within the DCP area are addressed in the Downtown FEIR prepared for the DCP, CCPDO, and the six subsequent addenda to the Downtown FEIR listed in Section 6 above, as well as the Final Supplemental EIR for the Downtown San Diego Mobility Plan and the CAP FEIR. These documents address the potential environmental effects of future development within the Centre City Redevelopment Project based on build out forecasts projected from the land use designations, density bonus, and other policies and regulations governing development intensity and density. Based on this analysis, the Downtown FEIR and its subsequent addenda and the CAP FEIR, as listed in Section 6 above, concluded that development would result in significant impacts related to the following issues (mitigation and type of impact shown in parentheses):

Significant but Mitigated Impacts

- Air Quality: Construction Emissions (AQ-B.1) (D)
- Paleontology: Impacts to Significant Paleontological Resources (PAL-A.1) (D/C)
- Noise: Interior Traffic Level Increase on Grid Streets (NOI-B.1) (D/C)

Significant and Not Mitigated Impacts

- Air Quality: Mobile Source Emissions (AQ-A.1) (C)
- Historical Resources: Archeological (HIST-B.1) (D/C)
- Water Quality: Urban Runoff (WQ-A.1) (C)
- Land Use: Physical Changes Related to Transient Activity (LU-B.6) (C)
- Noise: Exterior Traffic Level Increase on Grid Streets (NOI-A.1) (C)
- Noise: Exterior Traffic Noise in Residential Development (NOI-C.1) (D/C)
- Traffic: Impact on Surrounding Streets (TRF-A.1) (C)
- Traffic: Impact on Freeway Ramps and Segments (TRF-A.2) (C)

In certifying the Downtown FEIR and approving the DCP, CCPDO, and 10th Amendment to the Redevelopment Plan, the City Council and Redevelopment Agency adopted a Statement of Overriding Considerations which determined that the unmitigated impacts were acceptable in light of economic, legal, social, technological or other factors including the following.

Overriding Considerations

- 1. Develop downtown as the primary urban center for the region.
- 2. Maximize employment opportunities within the downtown area.
- 3. Develop full-service, walkable neighborhoods linked to the assets downtown offers.
- 4. Increase and improve park and public resources.
- 5. Maximize the advantages of downtown's climate and waterfront setting.
- 6. Implement a coordinated, efficient system of vehicular, transit, bicycle, and pedestrian traffic.
- 7. Integrate historical resources into the new downtown plan.
- 8. Facilitate and improve the development of business and economic opportunities located in the downtown area.
- 9. Integrate health and human services into neighborhoods within downtown.
- 10. Encourage a regular process of review to ensure the Plan and related activities are best meeting the vision and goals of the Plan.

The proposed activity detailed and analyzed in this Evaluation are adequately addressed in the environmental documents noted above and there is no change in circumstance, substantial additional information, or substantial Project changes to warrant additional environmental review. Because the prior environmental documents adequately covered this activity as part of the previously approved Project, this activity is not a separate Project for purposes of review under CEQA pursuant to CEQA Guidelines Sections 15060(c)(3), 15180, and 15378(c).

SUMMARY OF FINDINGS: In accordance with Public Resources Code Sections 21166, 21083.3, and CEQA Guidelines Sections 15168 and 15183, the following findings are derived from the environmental review documented by this Evaluation and the Downtown FEIR and CAP FEIR as amended:

- 1. No substantial changes are proposed in the Centre City Redevelopment Project, or with respect to the circumstances under which the Centre City Redevelopment Project is to be undertaken as a result of the development of the proposed Project, which will require important or major revisions in the Downtown FEIR and the six subsequent addenda to the FEIR or with the CAP FEIR;
- 2. No new information of substantial importance to the Centre City Redevelopment Project has become available that shows the Project will have any significant effects not discussed previously in the Downtown FEIR or subsequent addenda to the Downtown FEIR or CAP FEIR; or that any significant effects previously examined will be substantially more severe than shown in the CAP FEIR and the Downtown FEIR or subsequent addenda to the FEIR; or that any mitigation measures or alternatives previously found not to be feasible or not previously considered would substantially reduce or lessen any significant effects of the Project on the environment;
- 3. No Negative Declaration, Subsequent EIR, or Supplement or Addendum to the CAP EIR and the Downtown FEIR, as amended, is necessary or required;
- 4. The proposed actions will have no significant effect on the environment, except as identified and considered in the CAP FEIR and the Downtown FEIR and subsequent addenda to the Downtown FEIR for the Centre City Redevelopment Project. No new or additional project-specific mitigation measures are required for this Project; and
- 5. The proposed actions would not have any new effects that were not adequately covered in the CAP FEIR and Downtown FEIR or addenda to the Downtown FEIR, and therefore, the proposed Project is within the scope of the program approved under the CAP FEIR and Downtown FEIR and subsequent addenda listed in Section 6 above.

CivicSD, the implementing body for the City of San Diego, administered the preparation of this Evaluation.

Christin K frenk

Christian Svensk, Senior Planner, CivicSD Lead Agency Representative/Preparer

<u>10/27/2016</u> Date

ENVIRONMENTAL CHECKLIST

10. EVALUATION OF ENVIRONMENTAL IMPACTS

This environmental checklist evaluates the potential environmental effects of the proposed Project consistent with the significance thresholds and analysis methods contained in the CAP FEIR and the Downtown FEIR for the DCP, CCPDO, and Redevelopment Plan for the Centre City Project Area. Based on the assumption that the proposed activity is adequately addressed in the Downtown FEIR and CAP FEIR, the following table indicates how the impacts of the proposed activity relate to the conclusions of the Downtown FEIR and CAP FEIR. As a result, the impacts are classified into one of the following categories:

- Significant and Not Mitigated (SNM)
- Significant but Mitigated (SM)
- Not Significant (NS)

The checklist identifies each potential environmental effect and provides information supporting the conclusion drawn as to the degree of impact associated with the proposed Project. As applicable, mitigation measures from the Downtown FEIR and CAP FEIR are identified and are summarized in **Attachment A** to this Evaluation. Some of the mitigation measures are plan-wide and not within the control of the proposed Project. Other measures, however, are to be specifically implemented by the proposed Project. Consistent with the Downtown FEIR and CAP FEIR analysis, the following issue areas have been identified as Significant and Not Mitigated even with inclusion of the proposed mitigation measures, where feasible:

- Air Quality: Mobile Source Emissions (AQ-A.1) (C)
- Historical Resources: Archeological (HIST-B.1) (D/C)
- Water Quality: Urban Runoff (WQ-A.1) (C)
- Land Use: Physical Changes Related to Transient Activity (LU-B.6) (C)
- Noise: Exterior Traffic Level Increase on Grid Streets (NOI-A.1) (C)
- Noise: Exterior Traffic Noise in Residential Development (NOI-C.1) (D/C)
- Traffic: Impact on Surrounding Streets (TRF-A.1) (C)
- Traffic: Impact on Freeway Ramps and Segments (TRF-A.2) (C).

The following Overriding Considerations apply directly to the proposed Project:

- Develop downtown as the primary urban center for the region.
- Develop full-service, walkable neighborhoods linked to the assets downtown offers.
- Implement a coordinated, efficient system of vehicular, transit, bicycle, and pedestrian traffic.

	Significant And Not Mitigated (SNM)		And NotButMitigatedMitigated			Not Signif (NS)	icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	
1. AESTHETICS/VISUAL QUALITY:							
 (a) Substantially disturb a scenic resource, vista or view from a public viewing area, including a State scenic highway or view corridor designated by the DCP? Views of scenic resources including San Diego Bay, San Diego-Coronado Bay Bridge, Point Loma, Coronado, Petco Park, and the downtown skyline are afforded by the public viewing areas within and around the downtown and along view corridor streets within the planning area. The CCPDO includes several requirements that reduce a project's impact on scenic vistas. These include view corridor setbacks on specific streets to maintain views and controls building bulk by setting limits on minimum tower spacing, street wall design, maximum lot coverage, and building dimensions. The project proposes the construction of a 5-story residential development on a mid-block infill site along C Street in the East Village neighborhood. 					X	X	
scenic resources that could be impacted by the proposed Project therefore impacts to on-site scenic resources are not significant. Impacts associated with scenic vistas would be similar to the Downtown FEIR and would not be significant.							
 (b) Substantially incompatible with the bulk, scale, color and/or design of surrounding development? The bulk, scale, and design of the Project would be compatible with existing and planned developments in the East Village neighborhood. Development of the site would improve the area by providing a new, 					X	X	

	Significant And Not Mitigated (SNM)		Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
modern building on a currently underutilized site. The Project would utilize high quality materials and contemporary design sensitive to the character of the surrounding neighborhood. Additionally, a variety of mid, low and high-rise buildings are located within the vicinity of the Project site and the scale of the proposed Project would be consistent with that of surrounding buildings. Therefore, project-level and cumulative impacts associated with this issue would not occur.						
 (c) Substantially affect daytime or nighttime views in the area due to lighting? The proposed project would not involve a substantial amount of exterior lighting or include materials that would generate substantial glare. Furthermore, outdoor lighting that would be incorporated into the proposed project would be shielded or directed away so that direct light or glare does not adversely impact adjacent land uses. The City's Light Pollution Law (Municipal Code Section 101.1300 et seq.) also protects nighttime views (e.g., astronomical activities) and light-sensitive land uses from excessive light generated by development in the downtown area. The proposed project's conformance with these requirements would ensure that direct and cumulative impacts associated with this issue are not significant. 					X	X
2. AGRICULTURAL RESOURCES:						
 (a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) to non-agricultural use? The DCP Area is an urban downtown environment that does not contain land designated as prime agricultural soil by the Soils Conservation Service. In addition, it does not contain prime farmland designated by the California Department of 					X	X

	Significant And Not Mitigated (SNM)		Significant But Mitigated (SM)		Not Significan (NS)	
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
Conservation. Therefore, no impact to agricultural resources would occur.						
 (b) Conflict with existing zoning for agricultural use, or a Williamson Act contract? The DCP Area does not contain, nor is it near, land zoned for agricultural use or land subject to a Williamson Act Contract pursuant to Section 512101 of the California Government Code. Therefore, impacts resulting from conflicts with existing zoning for agricultural use or a Williamson Act Contract would not occur. 					X	X

		Significant And Not Mitigated (SNM)		And NotButMitigatedMitigated			Not Signif (NS)	icant
	ies and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	
3. (a)	AIR QUALITY: Conflict with or obstruct implementation of an							
	 applicable air quality plan, including the County's Regional Air Quality Strategies (RFS) or the State Implementation Plan? The proposed Project site is located within the San Diego Air Basin, which is under the jurisdiction of the San Diego Air Pollution Control District (SDAPCD). The San Diego Air Basin is designated by state and federal air quality standards as nonattainment for ozone and particulate matter (PM) less than 10 microns (PM10) and less than 2.5 microns (PM 2.5) in equivalent diameter. The SDAPCD has developed a Regional Air Quality Strategy (RAQS) to attain the state air quality standards for ozone. The Project is consistent with the land use and transit-supportive policies and regulations of the DCP and CCPDO; which are in accordance with those of the RAQs. Therefore, the proposed Project would not conflict with, but would help implement, the RAQS with its' compact, high intensity land use and transit-supportive design. Therefore, no impact to the applicable air quality plan would occur. 					X	X	
(b)	 Expose sensitive receptors to substantial air contaminants including, but not limited to, criteria pollutants, smoke, soot, grime, toxic fumes and substances, particulate matter, or any other emissions that may endanger human health? The Project could involve the exposure of sensitive receptors to substantial air contaminants during short-term construction activities and over the long-term operation of the Project could result in potentially significant impacts related to the exposure of sensitive receptors to substantial emissions of particulate 			X			X	

	Significant And Not Mitigated (SNM)		And NotButMitigatedMitigated		And NotButMitigatedMitigated			Not Signif (NS)	icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)			
matter. The potential for impacts to sensitive receptors during construction activities would be mitigated to below a level of significance through compliance with the City's mandatory standard dust control measures and the dust control and construction equipment emission reduction measures required by FEIR Mitigation Measure AQ-B.1-1 (Attachment A). The Project could also involve the exposure of sensitive receptors to air contaminants over the long- term operation of the Project, such as carbon monoxide exposure (commonly referred to as CO "hot spots") due to traffic congestion near the Project site. However, the FEIR concludes that development within the DCP Area would not expose sensitive receptors to significant levels of any of the substantial air contaminants. Since the land use designation of the proposed development does not differ from the land use designation assumed in the FEIR analysis, the Project would not expose sensitive receptors to substantial air contaminants beyond the levels assumed in the FEIR. Additionally, the Project is not located close enough to any industrial activities to be impacted by any emissions potentially associated with this issue would not be significant. Project impacts associated with the generation of substantial air contaminants are discussed below in Section 3.c.									
(c) Generate substantial air contaminants including, but not limited to, criteria pollutants, smoke, soot, grime, toxic fumes and substances, particulate matter, or any other emissions that may endanger human health?		X	X						
Implementation of the Project could result in potentially adverse air quality impacts related to the following air emission generators: construction and mobile-sources. Site preparation activities and construction of the Project would involve short-term, potentially adverse impacts									

	Significant And Not Mitigated (SNM)		Significant But Mitigated (SM)		Not Signifi (NS)	icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
associated with the creation of dust and the generation of construction equipment emissions. The clearing, grading, excavation, and other construction activities associated with the Project would result in dust and equipment emissions that, when considered together, could endanger human health. Implementation of FEIR Mitigation Measure AQ-B.1-1 (Attachment A) would reduce dust and construction equipment emissions generated during construction of the Project to a level below significance.						
The air emissions generated by automobile trips associated with the Project would not exceed air quality significance standards established by the San Diego Air Pollution Control District. However, the Project's mobile source emissions, in combination with dust generated during the construction of the Project, would contribute to the significant and unmitigated cumulative impact to air quality identified in the FEIR. No uses are proposed that would significantly increase stationary- source emissions in the DCP Area; therefore, impacts from stationary sources would be not significant.						
4. BIOLOGICAL RESOURCES:						
 (a) Substantially effect, either directly or through habitat modifications, any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by local, state or federal agencies? 					X	X
Due to the highly urbanized nature of the DCP Area, there are no sensitive plants or animal species, habitats, or wildlife migration corridors. In addition, the ornamental trees and landscaping included in the Project are considered of no significant value to the native wildlife in their proposed location. Therefore, no impact associated with this issue could occur.						

	Significant And Not Mitigated (SNM)		And NotButMitigatedMitigated		And Not But Mitigated Mitig		And Not But Mitigated Mitigated			icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)				
 (b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations by local, state or federal agencies? As identified in the FEIR, the DCP Area is not within a sub-region of the San Diego County Multiple Species Conservation Program (MSCP). Therefore, impacts associated with substantial adverse effects on riparian habitat or other sensitive natural communities identified in local or regional plans, policies, and regulations by local, state or federal agencies would not occur. 					X	X				
5. GEOLOGY AND SOILS:										
 (a) Substantial health and safety risk associated with seismic or geologic hazards? The proposed Project site is located within a State of California Earthquake Fault Zone as well as within a City of San Diego Geologic Hazards category identified as "Active, Alquist-Priolo Earthquake Fault Zone" which indicates that traces of active fault have been identified in close proximity to the subject property. 					X	X				
EEI prepared a Geotechnical Evaluation ("EEI Evaluation") for the Project in 2016 which states, "no active faults traces were identified crossing the property." Moreover, the EEI Evaluation concludes, "it is our opinion that the subject property is suitable for the proposed residential development from a geotechnical engineering and geological viewpoint; however, there are existing geotechnical conditions associated with the property that will warrant mitigation and/or consideration during planning stages."										

	Significant And Not Mitigated (SNM)		And NotButMitigatedMitigated		And Not But Mitigated Mitigated		And Not But Mitigated Mitigated				Signific		
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)							
(landslides, liquefaction, slope failure, and seismically-induced settlement) is considered low due to the site's location such hazards could nevertheless occur. Conformance with, and implementation of, all seismic-safety development requirements, including all applicable requirements of the Alquist-Priolo Zone Act, the seismic design requirements of the International Building Code (IBC), the City of San Diego Notification of Geologic Hazard procedures, and all other applicable requirements would ensure that the potential impacts associated with seismic and geologic hazards are not significant.													
6. GREENHOUSE GAS EMISSIONS:													
 (a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? The Downtown Community Plan provides for the growth and buildout of Downtown Community Plan area ("Downtown"). The City's Climate Action Plan ("CAP") EIR analyzed greenhouse gas ("GHG") emissions on a citywide basis – inclusive of the anticipated assumptions for the growth and buildout of Downtown. The City's CAP outlines measures that would support substantial progress towards the City's 2035 GHG emissions reduction targets, which are intended to the keep the City in-line to achieve its share of 2050 GHG reductions. The CAP Consistency Checklist was adopted on July 12, 2016 to uniformly implement the CAP for project-specific analyses of GHG emission impacts. The Project has been analyzed against the CAP Consistency Checklist and based this analysis, it has been determined that the Project would be consistent with the CAP and would not contribute to cumulative GHG emissions that would be inconsistent with the CAP. As such, the Project would be consistent with 					X	X							

		Significant And Not Mitigated (SNM)		Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues	and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	e anticipated growth and buildout assumptions of th the Downtown Community Plan and the CAP.						
Th	herefore, this impact is considered not significant.						
(b)	Conflict with any applicable plan, policy, or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gas? As stated above in Section 6.a., construction and operation of the proposed Project would not result in a significant impact related to GHG emissions on the environment. The Project is consistent with the City's CAP and growth assumptions under the DCP as stated in Section 6.a. Additionally, the Project would be consistent with the recommendations within Policy CE-A.2 of the City of San Diego's General Plan Conservation Element. Therefore, the Project does not conflict with any applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases. This impact is considered not significant.					X	X
7. H	AZARDS AND HAZARDOUS MATERIALS:						
(a)	Substantial health and safety risk related to onsite hazardous materials? The FEIR states that contact with, or exposure to, hazardous building materials, soil and ground water contaminated with hazardous materials, or other hazardous materials could adversely affect human health and safety during short-term construction or long term operation of a development. The Project is subject to federal, state, and local agency regulations for the handling of hazardous building materials and waste. Compliance with all applicable					X	X

	Significant And Not Mitigated (SNM)		Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
requirements of the County of San Diego Department of Environmental Health and federal, state, and local regulations for the handling of hazardous building materials and waste would ensure that potential health and safety impacts caused by exposure to on-site hazardous materials are not significant during short term, construction activities. In addition, herbicides and fertilizers associated with the landscaping of the Project could pose a significant health risk over the long term operation of the Project. However, the Project's adherence to existing mandatory federal, state, and local regulations controlling these materials would ensure that long-term health and safety impacts associated with on-site hazardous materials over the long term operation of the Project are not significant.						
 (b) Be located on or within 2,000 feet of a site that is included on a list of hazardous materials sites compiled pursuant to Government Code §65962.5 and, as a result, would it create a significant hazard to the public or the environment? The Project is not located on or within 2,000 feet of a site on the State of California Hazardous Waste and Substances Sites List; however, there are sites within 2,000 feet of the Project site that are listed on the County of San Diego's Site Assessment Mitigation (SAM) Case Listing. The FEIR states that significant impacts to human health and the environment regarding hazardous waste sites would be avoided through compliance with mandatory federal, state, and local regulations as described in Section 7.a above. Therefore, the FEIR states that no mitigation measures would be required. 					X	X

		Significant And Not Mitigated (SNM)		Signif But Mitig (SM)		Not Signif (NS)	icant
Issues	s and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
(c)	Substantial safety risk to operations at San Diego International Airport?					X	X
	According to the Airport Land Use Compatibility Plan for San Diego International Airport (SDIA), the entire downtown planning area is located within the SDIA Airport Influence Area. The FEIR identifies policies that regulate development within areas affected by Lindbergh Field including building heights, use and intensity limitations, and noise sensitive uses. The Project does not exceed the intensity of development assumed under the FEIR, nor does it include components that would in any way violate or impede adherence to these policies, impacts related to the creation of substantial safety risks at San Diego International Airport would not be significant, consistent with the analysis in the FEIR. Therefore, there are no potential direct or cumulative impacts related to this issue.						
(<i>d</i>)	Substantially impair implementation of an adopted emergency response plan or emergency evacuation plan?					X	X
	The Project does not propose any features that would affect an emergency response or evacuation plan. Therefore, no impact associated with this issue is anticipated.						
8. H	ISTORICAL RESOURCES:						
(a)	Substantially impact a significant historical resource, as defined in § 15064.5? The proposed project includes the construction of a 5-story, 43 living unit, apartment building with a 1-bedroom manager's unit include on the premises. This building would replace the W.G. Reinhardt Apartments (HRB SR #1211), that			X	X		

	Significant And Not Mitigated (SNM)		Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
would be demolished as part of the project. The Reinhardt Apartments are a locally designated historical resource per Table 5.3-2 <i>Inventoried</i> <i>Historic Resources with the Downtown</i> <i>Community Plan Area</i> (Downtown FEIR, p. 5.3- 10).						
As part of this Project, a Historical Research Report was completed to determine if the Reinhardt Apartments are eligible for listing in the National Register of Historic Properties and the California Register of Historical Resources. The results of the analysis concluded that the Reinhardt Apartments are not eligible for either the State or Federal registers.						
Per the San Diego Municipal Code (SDMC) Section 126.0502(d)(1) the demolition of a locally designated historical resource, in this case the Reinhardt Apartments, is reviewed under a Process Four for a Site Development Permit with approval to be decided by the Planning Commission based on the Site Development findings outlined in SDMC Section 112.0504(a)&(i).						
Downtown FEIR Mitigation Measure Hist-A.1-3 (Attachment A) reduces the impact of demolishing a locally designated historical resource. Implementation of Mitigation Measure Hist-A.1-3 requires compliance with SDMC Section 143.02: <i>Historical Resources Regulations</i> . Mitigation Measure Hist-A.1-3 specifically requires the applicant to submit a Documentation Program prior to the issuance of a Demolition Permit as well as comply with any other conditions contained in the Site Development Permit.						
The City Council adopted a Statement of Overriding Considerations for the potential						

		Significant And Not Mitigated (SNM)		Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues	and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	significant impacts that were identified in the Downtown FEIR, thereby finding that the impacts associated with implementing the DCP are acceptable in light of the benefits.						
	If the Planning Commission makes the required findings and approves the Project's SDP for the substantial alteration to an historic resource, no further environmental review would be required due to the adoption of Overriding Considerations.						
(b)	Substantially impact a significant archaeological resource pursuant to § 15064.5, including the disturbance of human remains interred outside of formal cemeteries?	X	X				
	According to the Downtown FEIR, the likelihood of encountering archaeological resources is greatest for Projects that include grading and/or excavation of areas on which past grading and/or excavation activities have been minimal (e.g., surface parking lots). Since archaeological resources have been found within inches of the ground surface in the DCP Area, even minimal grading activities can impact these resources. In addition, the likelihood of encountering subsurface human remains during construction and excavation activities, although considered low, is possible. Thus, the excavation and surface clearance activities associated with development of the Project and the two levels of subterranean parking could have potentially adverse impacts to archaeological resources, including buried human remains.						
	Implementation of FEIR Mitigation Measure HIST-B.1-1 , (Attachment A) would minimize, but not fully mitigate, these potential impacts. Since the potential for archaeological resources and human remains on the Project site cannot be						

		Significant And Not Mitigated (SNM)		Signif But Mitiga (SM)		Not Signif (NS)	ïcant	
Issues	and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	
	confirmed until grading is conducted, the exact nature and extent of impacts associated with the proposed Project cannot be predicted. Consequently, the required mitigation may or may not be sufficient to reduce these direct project- level impacts to below a level of significance. Therefore, project-level impacts associated with this issue remain potentially significant and not fully mitigated, and consistent with the analysis of the FEIR. Furthermore, project-level significant impacts to important archaeological resources would contribute to the potentially significant and unmitigated cumulative impacts identified in the FEIR.							
(c)	Substantially impact a unique paleontological resource or site or unique geologic feature? The Project site is underlain by the San Diego Formation and Bay Point Formation, which has high paleontological resource potential. The FEIR concludes that development would have potentially adverse impacts to paleontological resources if grading and/or excavation activities are conducted beyond a depth of 1-3 feet. The Project's proposal for two levels of subterranean parking would involve excavation beyond the FEIR standard, resulting in potentially significant impacts to paleontological resources. Implementation of FEIR Mitigation Measure PAL-A.1-1 (Attachment A) would ensure that the Project's potentially direct impacts to paleontological resources are not significant. Furthermore, the Project would not impact any resources outside of the Project site. The mitigation measures for direct impacts fully mitigate for paleontological impacts, therefore, the Project's contribution to cumulative impacts to paleontological resources would be significant but			X	X			
		Signifi And N Mitiga (SNM)	lot nted	Signif But Mitiga (SM)		Not Signif (NS)	icant	
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Issues a	and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	
	mitigated because the same measures that mitigate direct impacts would also mitigate for any cumulative impacts.							
9. HY	DROLOGY AND WATER QUALITY:							
(a)	Substantially degrade groundwater or surface water quality? The Project's construction and grading activities		Х			X		
	may involve soil excavation at a depth that could surpass known groundwater levels, which would indicate that groundwater dewatering might be required. Compliance with the requirements of either (1) the San Diego Regional Water Quality Control Board under a National Pollution Discharge Elimination system general permit for construction dewatering (if dewatering is discharged to surface waters), or (2) the City of San Diego Metropolitan Wastewater Department (if dewatering is discharged into the City's sanitary sewer system under the Industrial Waste Pretreatment Program), and (3) the mandatory requirements controlling the treatment and disposal of contaminated dewatered groundwater would ensure that potential impacts associated with construction dewatering and the handling of contaminated groundwater are not significant. In addition, Best Management Practices (BMPs) required as part of the local Storm Water Pollution Prevention Plan (SWPPP) would ensure that short-term water quality impacts during construction are not significant. The proposed Project would result in hard structure areas and other impervious surfaces that would generate urban runoff with the potential to degrade groundwater or surface water quality. However, implementation of BMPs required by the local Standard Urban Storm water Mitigation Program (SUSMP) and Storm water Standards would							

		Signifi And N Mitiga (SNM)	lot nted	Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues	and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	reduce the Project's long-term impacts.						
	Thus, adherence to the state and local water quality controls would ensure that direct impacts to groundwater and surface water quality would not be significant.						
	Despite not resulting in direct impacts to water quality, the FEIR found that the urban runoff generated by the cumulative development in the downtown would contribute to the existing significant cumulative impact to the water quality of San Diego Bay. No mitigation other than adherence to existing regulations has been identified in the FEIR to feasibly reduce this cumulative impact to below a level of significance.						
	Consistent with the FEIR, the Project's contribution to the cumulative water quality impact would remain significant and unmitigated.						
<i>(b)</i>	Substantially increase impervious surfaces and associated runoff flow rates or volumes?					X	X
	The project site is currently developed and covered with impervious surfaces. Implementation of the Project would not substantially increase the runoff volume entering the storm drain system. The FEIR found that implementation of the DCP would not result in a substantial increase in impervious surfaces within the downtown planning area because the area is a highly urbanized area paved with pervious surfaces and very little vacant land (approximately 3 percent of the planning area). Redevelopment of downtown is therefore anticipated to replace impervious surfaces that already exist and development of the small number of undeveloped sites would not result in a substantial increase in						

		Signifi And N Mitiga (SNM)	lot ated	Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues	and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	 impermeable surface area or a significant impact on the existing storm drain system. The Project is also required to comply with the City of San Diego Best Management Practices (BMPs) required as part of the local Storm Water Pollution Prevention Plan (SWPPP). Therefore, impacts associated within this issue are not significant. (Impacts associated with the quality of 						
(c)	urban runoff are analyzed in Section 9a.) Substantially impede or redirect flows within a 100-year flood hazard area? The Project site is not located within a 100-year floodplain. Similarly, the Project would not affect off-site flood hazard areas, as no 100-year floodplains are located downstream. Therefore, impacts associated with these issues are not significant.					X	X
(d)	Substantially increase erosion and sedimentation? The potential for erosion and sedimentation could increase during the short-term during site preparation and other construction activities. As discussed in the FEIR, the proposed Project's compliance with regulations mandating the preparation and implementation of a SWPPP would ensure that impacts associated with erosion and sedimentation are not significant.					X	X

		Signifi And N Mitiga (SNM)	lot nted	Signif But Mitig (SM)		Not Signif (NS)	ïcant
	s and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	AND USE AND PLANNING:						
(a)	Physically divide an established community? The Project does not propose any features or structures that would physically divide an established community. Impacts associated with this issue would not occur.					X	X
(b)	 Substantially conflict with the City's General Plan and Progress Guide, Downtown Community Plan or other applicable land use plan, policy, or regulation? The Land Use District for the site is Residential Emphasis (RE), which accommodates primarily residential development. Small-scale businesses, offices, services, and ground-floor active commercial uses are allowed, subject to size and area limitations. The Project would not conflict with other applicable land use plans, policies, or regulations. The Project complies with the goals and policies of the DCP and the approval of the requested PDP the Project will meet all applicable development standards of the CCPDO and San Diego Municipal Code. Therefore, no significant direct or cumulative impacts associated with an adopted land use plan would occur. 					X	X
(b)	 Substantial incompatibility with surrounding land uses? Sources of land use incompatibility include lighting, industrial activities, shading, and noise. The Project would not result in or be subject to, adverse impacts due to substantially incompatible land uses. Compliance with the City's Light Pollution Ordinance would ensure that land use 					X	X

		Signifi And N Mitiga (SNM	lot ated	Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues	and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	incompatibility impacts related to the Project's emission of, and exposure to, lighting are not significant. In addition, the FEIR concludes that existing mandatory regulations addressing land use compatibility with industrial activities would ensure that residents of, and visitors to, the Project are not subject to potential land use incompatibilities (potential land use incompatibilities resulting from hazardous materials and air emissions are evaluated elsewhere in this evaluation). Potentially significant impacts associated with the Project's incompatibility with traffic noise on adjacent grid streets are discussed in Sections 12.b and 12.c. No impacts associated with incompatibility with surrounding land use would occur.						
(c)	Substantially impact surrounding communities due to sanitation and litter problems generated by transients displaced by downtown development? Although not expected to be a substantial direct impact of the Project because substantial numbers of transients are not known to congregate on-site, the Project, in tandem with other downtown development activities, would have a significant cumulative impact on surrounding communities resulting from sanitation problems and litter generation by transients who are displaced from downtown into surrounding canyons and vacant land as discussed in the FEIR. Continued support of Homeless Outreach Teams (HOTs) and similar transient outreach efforts would reduce, but not fully mitigate, the adverse impacts to surrounding neighborhoods caused by the transient relocation. Therefore, the proposed Project would result in cumulatively significant and not fully mitigated		X			X	

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Issues	s and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	impacts to surrounding neighborhoods.						
11. M	IINERAL RESOURCES:						
<i>(a)</i>	Substantially reduce the availability of important mineral resources?					X	X
	The FEIR states that the viable extraction of mineral resources is limited in the DCP Area due to its urban nature and the fact that the area is not recognized for having high mineral resource potential. Therefore, no impact associated with this issue would occur.						
12. N	OISE:						
<i>(a)</i>	Substantial noise generation? The Project would not result in substantial noise generation from any stationary sources over the long-term. Short-term construction noise impacts would be avoided by adherence to construction noise limitations imposed by the City's Noise Abatement and Control Ordinance. The FEIR defines a significant long-term traffic noise increase as an increase of at least 3.0 dB (A) CNEL for street. The FEIR identified nine street segments in the downtown area that would be significantly impacted as a result of traffic generation; however, none of these identified segments are in the direct vicinity of the Project site. Nevertheless, automobile trips generated by the project, would, in combination with other development in downtown significantly increase noise on several street segments resulting in cumulatively significant noise impacts.		X			X	
	The FEIR concludes that there are no feasible mitigation measures available to reduce the significant noise increase in noise on affected roadways and this impact remains significant and						

		Signifi And N Mitiga (SNM)	lot nted	Signif But Mitiga (SM)		Not Signifi (NS)	icant
Issues	s and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	unavoidable.						
(b)	Substantial exposure of required outdoor residential open spaces or public parks and plazas to noise levels (e.g. exposure to levels exceeding 65 dBA CNEL)?					X	X
	The Project is a residential development with approximately 44 residential units. Under the CCPDO, developments of this size are not required to contain a common outdoor open space.						
(c)	Substantial interior noise within habitable rooms (e.g. levels in excess of 45 dBA CNEL)?			X			X
	Traffic noise levels could exceed 65 dB (A) CNEL in the Project area and interior noise levels within habitable rooms facing adjacent streets could experience interior noise levels in excess of 45 dB (A) CNEL (the standard set forth in the Downtown FEIR). However, adherence to Title 24 of the California Building Code and implementation of Mitigation Measure NOI- B.1-1 would reduce interior noise levels to below 45 dB (A).						
	Therefore, direct project-level impacts associated with this issue would be mitigated to a level less than significant.						
13. P	OPULATION AND HOUSING:						
<i>(a)</i>	Substantially induce population growth in an area? The FEIR concludes that build-out of the DCP					X	X
	would not induce substantial population growth that results in adverse physical changes. The Project is consistent with the DCP and CCPDO and does not exceed those analyzed throughout						

		Signifi And N Mitiga (SNM)	lot ated	Signif But Mitiga (SM)		Not Signif (NS)	ïcant
Issue	s and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	the FEIR.						
	Therefore, project-level and cumulative impacts associated with this issue are not significant.						
<i>(b)</i>	Substantial displacement of existing housing units or people?					X	X
	The Project site is currently occupied by the Reinhardt Apartments that will be demolished as part of the Project. The Reinhardt Apartments are currently used as part of the Downtown Safe Haven program run by Episcopal Community Services that provides 28 beds to homeless people and houses five offices. The Project proposes to replace the bedrooms with 44 residential units.						
	Therefore, no direct or cumulative impacts associated with this issue would occur as there is no substantial displacement of existing housing units or persons.						
14. P	PUBLIC SERVICES AND UTILITIES:						
<i>(a)</i>	Substantial adverse physical impacts associated with the provision of new schools?					X	X
	The population of school-aged children attending public schools is dependent on current and future residential development. In and of itself, the Project would not generate a sufficient number of students to warrant construction of a new school facility. However, the FEIR concludes that the additional student population anticipated at build out of the DCP Area would require the construction of at least one additional school, and that additional capacity could potentially be accommodated in existing facilities. The specific future location of new facilities is unknown at the						

	Signifi And N Mitiga (SNM)	lot nted	Significant But Mitigated (SM)		Not Signif (NS)	icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
present time.						
Pursuant to Section 15145 of CEQA, analysis of the physical changes in the DCP Area, which may occur from future construction of these public facilities, would be speculative and no further analysis of their impacts is required. Construction of any additional schools would be subject to CEQA. Environmental documentation prepared pursuant to CEQA would identify potentially significant impacts and project specific mitigation measures.						
Therefore, implementation of the Project would not result in direct or cumulative impacts associated with this issue.						
(b) Substantial adverse physical impacts associated with the provision of new libraries?					X	X
The Downtown FEIR concludes that, cumulatively, development in downtown would generate the need for a new Main Library and possibly several smaller libraries in downtown. In and of itself, the proposed Project would not generate additional demand necessitating the construction of new library facilities. However, according to the analysis in the FEIR, future development projects are considered to contribute to the cumulative need for new library facilities downtown identified in the FEIR. Nevertheless, the specific future location of these facilities (except for the Main Library) is unknown at present. Pursuant to Section 15145 of CEQA, analysis of the physical changes in the downtown planning area, which may occur from future construction of these public facilities, would be speculative and no further analysis of their impacts is required. (The environmental impacts of the Main Library were analyzed in a Secondary Study prepared by Civic SD (formerly CCDC) in 2001.) Construction of any						

		Signifi And N Mitiga (SNM)	lot nted	Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues	and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	additional library facilities would be subject to CEQA. Environmental documentation prepared pursuant to CEQA would identify potentially significant impacts and appropriate mitigation measures.						
	in direct or cumulative impacts associated with this issue.						
(c)	Substantial adverse physical impacts associated with the provision of new fire protection/ emergency facilities? The Project would not generate a level of demand					X	X
	for fire protection/emergency facilities beyond the level assumed by the FEIR. However, the FEIR reports that the San Diego Fire Department is in the process of securing sites for two new fire stations in the downtown area. Pursuant to Section 15145 of the California Environmental Quality Act (CEQA), analysis of the physical changes in the downtown planning area that may occur from future construction of this fire station facility would be speculative and no further analysis of the impact is required. However, construction of the second new fire protection facility would be subject to CEQA. Environmental documentation prepared pursuant to CEQA would identify significant impacts and appropriate mitigation measures.						
(<i>d</i>)	Substantial adverse physical impacts associated with the provision of new law enforcement facilities?					X	X
	The Downtown FEIR analyzes impacts to law enforcement service resulting from the cumulative development of the downtown and concludes the construction of new law enforcement facilities						

	Signifi And N Mitiga (SNM)	lot nted	Signif But Mitiga (SM)		Not Signif (NS)	ïcant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
would not be required. Since the land use designation of the proposed development is consistent with the land use designation assumed in the FEIR analysis, the Project would not generate a level of demand for law enforcement facilities beyond the level assumed by the FEIR. However, the need for a new facility could be identified in the future. Pursuant to Section 15145 of the California Environmental Quality Act (CEQA), analysis of the physical changes in the downtown planning area that may occur from the future construction of law enforcement facilities would be speculative and no future analysis of their impacts would be required. However, construction of new law enforcement facilities would be subject to CEQA. Environmental documentation prepared pursuant to CEQA would identify potentially significant impacts and appropriate mitigation measures.						
 (e) Substantial adverse physical impacts associated with the provision of new water transmission or treatment facilities? The Public Utilities Department provides water service to the downtown and delivers more than 200,000 million acre-feet annually to over 1.3 million residents. During an average year the Department's water supply is made up of 10 to 20 percent of local rainfall, with the remaining amount imported from regional water suppliers including the San Diego County Water Authority (SDWA) and the Metropolitan Water District (MWD). Potable water pipelines are located underneath the majority of downtown's streets mimicking the above-ground street grid pattern. According to the Downtown FEIR, in the short term, planned water supplies and transmission or treatment facilities are adequate for development 					X	X

		Signifi And N Mitiga (SNM)	lot nted	Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues a	and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	of the DCP. Water transmission infrastructure necessary to transport water supply to the downtown area is already in place. Build out of the 2006 DCP, however, would generate more water demand than planned for in the adopted 2010 UWMP. This additional demand was not considered in SDCWA's Urban Water Management Plan (UWMP). To supplement this and meet the additional need, SDCWA indicates in the Downtown FEIR that it will increase local water supply (from surface water, water recycling, groundwater, and seawater desalination) to meet the additional demand resulting from build out of the DCP.						
	California Water Code Section 10910 requires projects analyzed under CEQA to assess water demand and compare that finding to the jurisdiction's projected water supply. Since the proposed project does not meet the requirements of SB 610 and is consistent with the DCP, direct and cumulative impacts related to water supply would be considered not significant.						
(f)	Substantial adverse physical impacts associated with the provision of new storm water facilities? The FEIR concludes that the cumulative development of the downtown would not impact the existing downtown storm drain system. Since implementation of the Project would not result in a significant increase of impervious surfaces, the amount of runoff volume entering the storm drain system would not create demand for new storm water facilities. Direct and cumulative impacts associated with this issue are considered not significant.					X	X

		Significant And Not Mitigated (SNM)		And Not Mitigated		Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues	and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)		
(g)	Substantial adverse physical impacts associated with the provision of new wastewater transmission or treatment facilities?					X	X		
	The FEIR concludes that new wastewater treatment facilities would not be required to address the cumulative development of the downtown. In addition, sewer improvements that may be needed to serve the Project are categorically exempt from environmental review under CEQA as stated in the FEIR.								
	Therefore, impacts associated with this issue would not be significant.								
(h)	Substantial adverse physical impacts associated with the provision of new landfill facilities? The FEIR concludes that cumulative development within the downtown would increase the amount of solid waste to the Miramar Landfill and contribute to the eventual need for an alternative landfill. Although the proposed Project would generate a higher level of solid waste than the existing use of the site, implementation of a mandatory Waste Management Plan and compliance with the applicable provisions of the San Diego Municipal Code would ensure that both short-term and long-term project-level impacts are not significant.					X	X		
	However, the Project would contribute, in combination with other development activities in downtown, to the cumulative increase in the generation of solid waste sent to Miramar Landfill and the eventual need for a new landfill as identified in the FEIR. The location and size of a new landfill is unknown at this time. Pursuant to Section 15145 of CEQA, analysis from the physical changes that may occur from future								

	Significant And Not Mitigated (SNM)		Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
construction of landfills would be speculative and no further analysis of their impacts is required. However, construction or expansion of a landfill would be subject to CEQA. Environmental documentation prepared pursuant to CEQA would identify potentially significant impacts of the proposed Project and appropriate mitigation measures. Therefore, cumulative impacts of the proposed Project are also considered not significant.						
15. PARKS AND RECREATIONAL FACILITIES:						
 (a) Substantial increase in the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? The FEIR discusses impacts to parks and other recreational facilities and the maintenance thereof and concludes that build out of the DCP would not result in significant impacts associated with this issue. Since the land use designation of the proposed development does not differ from the land use designation assumed in the FEIR analysis, the Project would not generate a level of demand for parks and recreational facilities beyond the level assumed by the FEIR. Therefore, substantial deterioration of existing neighborhood or regional parks would not occur or be substantially accelerated as a result of the Project. 					X	X
No significant impacts with this issue would occur.						
16. TRANSPORTATION/TRAFFIC:						

	Significant And Not Mitigated (SNM)		And Not Mitigated		Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)		
Issues and Supporting Information(a)Cause the LOS on a roadway segment or intersection to drop below LOS E?Based on Centre City Cumulative Traffic Generation Rates for residential projects contained in the May 2003 SDMC Trip Generation Manual, the worst-case scenario for automobile trips by the Project is 176 Average Daily Trips (ADT) based on a trip generation rate of four ADT per unit. Since this does not exceed the 2,400 ADT threshold for significance the Project's impacts on roadway segments and intersections would not be significant.Traffic generated by the proposed project in combination with traffic generated by other downtown development would contribute to the significant cumulative impacts projected in the Downtown FEIR to occur on a number of downtown roadway segments and intersections as well as streets within neighborhoods surrounding the DCP. However, the project's direct impacts on downtown roadway segments or intersections would not be significant.The Downtown FEIR includes mitigation measures to address impacts associated with buildout of the DCP, but the Downtown FEIR acknowledges that the identified measures may or may not be able to fully mitigate these cumulative impacts due to constraints imposed by bicycle and pedestrian		X		0	X	0		
activities and the land uses adjacent to affected roadways. Pursuant to Mitigation Measure TRAF-A.1.1-2 , the applicant will also be required to pay development impact fees to fund a fair share fee towards transportation improvements for the DCP Area. As required by Mitigation Measure TRAF- A.1.1-3 , the City adopted the Downtown								

	Significant And Not Mitigated (SNM)		And Not Mitigated		And Not Mitigated		Signif But Mitiga (SM)		Not Signif (NS)	icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)				
Community Public Facilities Financing Plan 2015 that established a transportation fee. The transportation fee is intended to fund street, transit, bicycle, pedestrian improvements, promenades, and below grade parking structures, as further set forth in the Downtown Community PFFP.										
 (b) Cause the LOS on a freeway segment to drop below LOS E or cause a ramp delay in excess of 15 minutes? The Downtown FEIR concludes that development within downtown will result in significant cumulative impacts to freeway segments and ramps serving the downtown planning area. Since the land use designation of the Project is consistent with the land use designation assumed in the FEIR analysis, the Project would contribute on a cumulative-level to the substandard LOS F identified in the FEIR on all freeway segments in the downtown area and several ramps serving the downtown. Downtown FEIR Mitigation Measure TRF-A.2.1-1 would reduce these impacts to the extent feasible, but not to below the level of significance. The Downtown FEIR concludes that the uncertainty of implementing freeway improvements as well as increasing ramp capacities limits the ability to fully mitigate 		X			X					
 impacts. Thus, the Project's cumulative-level impacts to freeways would remain significant and unavoidable, consistent with the analysis of the Downtown FEIR. The Project would not have a direct impact on freeway segments and ramps. (c) Substantially discourage the use of alternative 					X	v				
modes of transportation or cause transit service					Λ	X				

	And N Mitiga	Significant And Not Mitigated (SNM)		icant ated	Not Signif (NS)	icant
Issues and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
capacity to be exceeded?						
The proposed Project, in and of itself, does not include any features that would discourage the use of alternative modes of transportation. The Project's proximity to several other community serving uses, including nearby shopping and recreational activities also encourage walking. Additionally, visitors of the proposed Project would be encouraged to use alternative transportation means as there are several bus lines within a five-minute walk. Therefore, the Project will cause no significant impacts related to alternative modes of transportation or cause transit service capacity to be exceeded.						
17. MANDATORY FINDINGS OF SIGNIFICANCE:						
 (a) Does the Project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? As indicated in the Downtown FEIR, due to the highly urbanized nature of the downtown area no 					X	X
highly urbanized nature of the downtown area, no sensitive plant or animal species, habitats, or wildlife migration corridors are located in the DCP area. Additionally, the Project does not have the potential to eliminate important examples of major periods of California history or pre-history at the Project level.						
No other aspects of the Project would substantially degrade the environment. Cumulative impacts are described in Section 17(b)						

		Significant And Not Mitigated (SNM)		Signif But Mitiga (SM)		Not Signif (NS)	ïcant
Issue	s and Supporting Information	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
	below.						
(b)	Does the Project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a Project are considerable when viewed in connection with the effects of past Projects, the effects of other current Projects, and the effects of probable future Projects)?		X				
	As acknowledged in the Downtown FEIR, implementation of the DCP, CCPDO, and Redevelopment Plan would result in cumulative impacts associated with: air quality, historical resources, paleontological resources, physical changes associated with transient activities, noise, parking, traffic, and water quality. This Project would contribute to those impacts. Implementation of the mitigation measures identified in the Downtown FEIR would reduce some significant impacts; however, the impacts would remain significant and immitigable as identified in the Downtown FEIR and the Statement of Overriding Considerations adopted by the City. This Project's contribution would not be greater than anticipated by the FEIR and therefore no further analysis is required.						
(c)	Does the Project have environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly?	X	X				
	As acknowledged in the Downtown FEIR, implementation of the DCP, CCPDO, and Redevelopment Plan would result in cumulative impacts associated with: air quality, historical resources, paleontological resources, physical changes associated with transient activities, noise, parking, traffic, and water quality. This Project						

	And N Mitiga	SignificantSignificantAnd NotButMitigatedMitigated(SNM)(SM)		Not Significant (NS)		
Issues and Supporting Information	Direct (D) Cumulative (C)		Direct (D)	Cumulative (C)	Direct (D)	Cumulative (C)
would contribute to those impacts. However, the impacts associated with this Project would be no greater than those assumed in the Downtown FEIR and therefore no further environmental review is required under CEQA.						

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	Downtown FEIR/SEIR					
	Mitigation Monitoring and Reporting Program	Implementation				
Significant Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Verification Responsibility		
AIR QUALIT Impact AQ-B.1	Y (AQ) Dust and construction equipment engine emissions generated during grading and demolition would impact local and regional air quality. (Direct and Cumulative)					
	 Mitigation Measure AQ-B.1-1: Prior to approval of a Grading or Demolition Permit, the City shall confirm that the following conditions have been applied, as appropriate: 1. Exposed soil areas shall be watered twice per day. On windy days or when fugitive dust can be observed leaving the development site, additional applications of water shall be applied as necessary to prevent visible dust plumes from leaving the development site. When wind velocities are forecast to exceed 25 mph, all ground disturbing activities shall be halted until winds that are forecast to abate below this threshold. 2. Dust suppression techniques shall be implemented including, but not limited to, the following: a. Portions of the construction site to remain inactive longer than a period of three months shall be seeded and watered until grass cover is grown or otherwise stabilized in a manner acceptable to Civic San Diego. b. On-site access points shall be paved as soon as feasible or watered periodically or otherwise stabilized. c. Material transported off-site shall be either sufficiently watered or securely covered to prevent excessive amounts of dust. d. The area disturbed by clearing, grading, earthmoving, or excavation operations shall be minimized at all times. 3. Vehicles on the construction site shall travel at speeds less than 15 mph. 4. Material stockpiles subject to wind erosion during construction activities, which will not be utilized within three days, shall be covered with plastic, an alternative cover deemed equivalent to plastic, or sprayed with a nontoxic chemical stabilizer. 5. Where vehicles leave the construction site and enter adjacent public streets, the streets shall be swept daily or washed down at the end of the work day to remove soil tracked onto the paved surface. Any visible track-out extending for more than fifty (50) feet from the access point shall be swept or washed within thrity (30) minutes of deposit	Prior to Demolition or Grading Permit (Design)	Developer	City		

	Downtown FEIR/SEIR				
	Mitigation Monitoring and Reporting Program	Implementation			
Significant		m. E	D	Verification	
Impact(s)	Mitigation Measure(s) 6. All diesel-powered vehicles and equipment shall be properly operated and maintained.	Time Frame	Responsibility	Responsibility	
	 All diesel-powered vehicles and gasoline-powered equipment shall be turned off when not in use for more than five minutes, as required by state law. 				
	8. The construction contractor shall utilize electric or natural gas-powered equipment in lieu of gasoline or diesel-powered engines, where feasible.				
	9. As much as possible, the construction contractor shall time the construction activities so as not to interfere with peak hour traffic. In order to minimize obstruction of through traffic lanes adjacent to the site, a flag-person shall be retained to maintain safety adjacent to existing roadways, if necessary.				
	10. The construction contractor shall support and encourage ridesharing and transit incentives for the construction crew.				
	11. Low VOC coatings shall be used as required by SDAPCD Rule 67. Spray equipment with high transfer efficiency, such as the high volume-low pressure spray method, or manual coatings application such as paint brush hand roller, trowel, spatula, dauber, rag, or sponge, shall be used to reduce VOC emissions, where feasible.				
	12. If construction equipment powered by alternative fuel sources (liquefied natural gas/compressed natural gas) is available at comparable cost, the developer shall specify that such equipment be used during all construction activities on the development site.				
	13. The developer shall require the use of particulate filters on diesel construction equipment if use of such filters is demonstrated to be cost-competitive for use on this development.				
	14. During demolition activities, safety measures as required by City/County/State for removal of toxic or hazardous materials shall be utilized.				
	15. Rubble piles shall be maintained in a damp state to minimize dust generation.				
	16. During finish work, low-VOC paints and efficient transfer systems shall be utilized, to the extent possible.				
	17. If alternative-fueled and/or particulate filter-equipped construction equipment is not feasible, construction equipment shall use the newest, least-polluting equipment, whenever possible. During finish work, low-VOC paints and efficient transfer systems shall be utilized, to the extent possible.				

	Downtown FEIR/SEIR Mitigation Monitoring and Reporting Program								
		In	nplementation						
Significant				Verification					
Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Responsibility					
HISTORICA	L RESOURCES (HIST)								
Impact	Future development in Downtown could impact significant architectural structures. (Direct								
HIST-A.1	and Cumulative)								

		Downtown FEIR/SEIR			
		Mitigation Monitoring and Reporting Program	In		
Significant				nplementation	Verification
Impact(s)		Mitigation Measure(s)	Time Frame	Responsibility	Responsibility
	resource") as	Leasure HIST-A.1-3: If a designated or potential historical resource ("historical defined in the LDC would be demolished, the following measure shall be in accordance with Chapter 14, Article 3, Division 2, Historical Resources the LDC.		Developer	City
	I. Prior to Iss	suance of a Demolition Permit			
		hall be submitted to City Staff to the HRB ("City Staff") for review and approval ll include the following:			
	1. Pho	to Documentation			
	(a)	Documentation shall include professional quality photo documentation of the structure prior to demolition with 35 millimeter black and white photographs, 4x6 inch standard format, taken of all four elevations and close-ups of select architectural elements, such as, but not limited to, roof/wall junctions, window treatments, decorative hardware. Photographs shall be of archival quality and easily reproducible.			
	(b)	Xerox copies or CD of the photographs shall be submitted for archival storage with the City of San Diego HRB and the Civic San Diego Project file. One set of original photographs and negatives shall be submitted for archival storage with the California Room of the City of San Diego Public Library, the San Diego Historical Society and/or other relative historical society or group(s).			
	2. Req	uired drawings			
	(a)	Measured drawings of the building's exterior elevations depicting existing conditions or other relevant features shall be produced from recorded, accurate measurements. If portions of the building are not accessible for measurement, or cannot be reproduced from historic sources, they should not be drawn, but clearly labeled as not accessible. Drawings produced in ink on translucent material or archivally stable material (blueline drawings are acceptable). Standard drawing sizes are 19 by 24 inches or 24 by 36 inches, standard scale is 1/4 inch = 1 foot.			
	(b)	One set of measured drawings shall be submitted for archival storage with the City of San Diego HRB, the Civic San Diego Project file, the South Coastal Information Center, the California Room of the City of San Diego Public			

	Downtown FEIR/SEIR			
	Mitigation Monitoring and Reporting Program	Ir	nplementation	
Significant Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Verification Responsibility
	Library, the San Diego Historical Society and/or other historical society or group(s).			
	B. Prior to the first Precon Meeting City Staff shall verify that the DP has been approved.			
	C. In addition to the Documentation Program, the Applicant shall comply with any other conditions contained in the Site Development Permit pursuant to Chapter 14, Article 3, Division 2, Historical Resources Regulations of the LDC.			
Impact HIST-B.1	Development in Downtown could impact significant buried archaeological resources. (Direct and Cumulative)			
	Mitigation Measure HIST-B.1-1: If the potential exists for direct and/or indirect impacts to significant buried archaeological resources, the following measures shall be implemented in coordination with a Development Services Department designee and/or City Staff to the HRB ("City Staff") in accordance with Chapter 14, Article 3, Division 2, Historical Resources Regulations of the LDC. Prior to issuance of any permit that could directly affect an archaeological resource, City Staff shall assure that all elements of the MMRP are performed in accordance with all applicable City regulations and guidelines by an Archaeologist meeting the qualifications specified in Appendix B of the San Diego LDC, Historical Resources Guidelines. City Staff shall also require that the following steps be taken to determine: (1) the presence of archaeological resources and (2) the appropriate mitigation for any significant resources which may be impacted by a development activity. Sites may include residential and commercial properties, privies, trash pits, building foundations, and industrial features representing the contributions of people from diverse socio-economic and ethnic backgrounds. Sites may also include resources associated with pre-historic laresources or unique archaeological resources under CEQA or the SDMC shall be treated in accordance with the following evaluation procedures and applicable mitigation program: Step 1–Initial Evaluation An initial evaluation for the potential of significant subsurface archaeological resources shall be guided by an appropriate level research design in accordance with the City's LDC, Historical Resources Guidelines. The person completing the initial review shall meet the qualification requirements as set forth in the Historical Resources Guidelines and shall be approved by City	Prior to Demolition or Grading Permit (Design) Prior to Certificate of Occupancy (Implementation)	Developer	City Staff

	Downtown FEIR/SEIR			
	Mitigation Monitoring and Reporting Program	Ta	nplementation	
Significant		11	Verification	
Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Responsibility
	Staff. The initial evaluation shall consist, at a minimum, of a review of the following historical sources: The 1876 Bird's Eye View of San Diego, all Sanborn Fire Insurance Company maps, appropriate City directories and maps that identify historical properties or archaeological sites, and a records search at the South Coastal Information Center for archaeological resources located within the property boundaries. Historical and existing land uses shall also be reviewed to assess the potential presence of significant prehistoric and historic archaeological resources. The person completing the initial review shall also consult with and consider input from local individuals and groups with expertise in the historical resources of the San Diego area. These experts may include the University of California, San Diego State University, San Diego Museum of Man, Save Our Heritage Organization, local historical and archaeological groups, the Native American Heritage Commission (NAHC), designated community planning groups, and other individuals or groups that may have specific knowledge of the area. Consultation with these or other individuals and groups shall occur as early as possible in the evaluation process.			
	When the initial evaluation indicates that important archaeological sites may be present on a project site but their presence cannot be confirmed prior to construction or demolition due to obstructions or spatially limited testing and data recovery, the applicant shall prepare and implement an archaeological monitoring program as a condition of development approval to the satisfaction of City Staff. If the NAHC Sacred Lands File search is positive for Native American resources within the project site, then additional evaluation must include participation of a local Native American consultant in accordance with CEQA Sections 15064.5(d), 15126.4(b)(3) and Public Resources Code Section 21083.2.			
	No further action is required if the initial evaluation demonstrates there is no potential for subsurface resources. The results of this research shall be summarized in the Secondary Study.			
	Step 2–Testing			
	A testing program is required if the initial evaluation demonstrates that there is a potential for subsurface resources. The testing program shall be conducted during the hazardous materials remediation or following the removal of any structure or surface covering which may be underlain by potential resources. The removal of these structures shall be conducted in a manner which minimizes disturbance of underlying soil. This shall entail a separate phase of investigations from any mitigation monitoring during construction.			
	The testing program shall be performed by a qualified Historical Archaeologist meeting the qualifications specified in Appendix B of the San Diego LDC, HRG. The Historical			

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	Mitigation Monitoring and Reporting Program	Ta	nplementation	
Significant			Verification	
Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Responsibility
	Archaeologist must be approved by City Staff prior to commencement. Before commencing the testing, a treatment plan shall be submitted for City Staff approval that reviews the initial evaluation results and includes a research design. The research design shall be prepared in accordance with the City's HRG and include a discussion of field methods, research questions against which discoveries shall be evaluated for significance, collection strategy, laboratory and analytical approaches, and curation arrangements. All tasks shall be in conformity with best practices in the field of historic urban archaeology.			
	A recommended approach for historic urban sites is at a minimum fills and debris along interior lot lines or other areas indicated on Sanborn maps.			
	Security measures such as a locked fence or surveillance shall be taken to prevent looting or vandalism of archaeological resources as soon as demolition is complete or paved surfaces are removed. These measures shall be maintained during archaeological field investigations. It is recommended that exposed features be covered with steel plates or fill dirt when not being investigated.			
	The results of the testing phase shall be submitted in writing to City Staff and shall include the research design, testing results, significance evaluation, and recommendations for further treatment. Final determination of significance shall be made in consultation with City Staff , and with the Native American community, if the finds are prehistoric. If no significant resources are found and site conditions are such that there is no potential for further discoveries, then no further action is required. If no significant resources are found but results of the initial evaluation and testing phase indicates there is still a potential for resources to be present in portions of the property that could not be tested, then mitigation monitoring is required and shall be conducted in accordance with the provisions set forth in Step 4 - Monitoring. If significant resources are discovered during the testing program, then data recovery in accordance with Step 3 shall be undertaken prior to construction. If the existence or probable likelihood of Native American human remains or associated grave goods area discovered through the testing program, the Qualified Archaeologist shall stop work in the area, notify the City Building Inspector, City staff, and immediately implement the procedures set forth in CEQA Guidelines Section 15064.5 and the California PRC Section 5097.98 for discovery of human remains. This procedure is further detailed in the Mitigation, Monitoring and Reporting Program (Step 4). City Staff must concur with evaluation results before the next steps can proceed. Step 3–Data Recovery			

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	Mitigation Monitoring and Reporting Program	Ir	nplementation	
Significant		*		Verification
Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Responsibility
	For any site determined to be significant, a Research Design and Data Recovery Program shall be prepared in accordance with the City's Historical Resources Guidelines, approved by City Staff, and carried out to mitigate impacts before any activity is conducted which could potentially disturb significant resources. The archaeologist shall notify City Staff of the date upon which data recovery will commence ten (10) working days in advance.			
	All cultural materials collected shall be cleaned, catalogued and permanently curated with an appropriate institution. Native American burial resources shall be treated in the manner agreed to by the Native American representative or be reinterred on the site in an area not subject to further disturbance in accordance with CEQA section 15164.5 and the Public Resources Code section 5097.98. All artifacts shall be analyzed to identify function and chronology as they relate to the history of the area. Faunal material shall be identified as to species and specialty studies shall be completed, as appropriate. All newly discovered archaeological sites shall be recorded with the South Coastal Information Center at San Diego State University. Any human bones and associated grave goods of Native American origin encountered during Step 2-Testing, shall, upon consultation, be turned over to the appropriate Native American representative(s) for treatment in accordance with state regulations as further outlined under Step 4-Monitoring (Section IV. Discovery of Human Remains).			
	A draft Data Recovery Report shall be submitted to City Staff within twelve months of the commencement of the data recovery. Data Recovery Reports shall describe the research design or questions, historic context of the finds, field results, analysis of artifacts, and conclusions. Appropriate figures, maps and tables shall accompany the text. The report shall also include a catalogue of all finds and a description of curation arrangements at an approved facility, and a general statement indicating the disposition of any human remains encountered during the data recovery effort (please note that the location of reinternment and/or repatriation is confidential and not subject to public disclosure in accordance with state law). Finalization of draft reports shall be subject to City Staff review.			
	Step 4 – Monitoring			
	If no significant resources are encountered, but results of the initial evaluation and testing phase indicates there is still a potential for resources to be present in portions of the property that could not be tested, then mitigation monitoring is required and shall be conducted in accordance with the following provisions and components:			
	I. Prior to Permit Issuance			

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	Mitigation Monitoring and Reporting Program	Iı		
Significant Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Verification Responsibility
	A. Construction Plan Check			
	1. Prior to NTP for any construction permits, including but not limited to, the first Grading Permit, Demolition Permits and Building Permits, but prior to the first Precon Meeting, whichever is applicable, City Staff shall verify that the requirements for Archaeological Monitoring and Native American monitoring, where the project may impact Native American resources, have been noted on the appropriate construction documents.			
	B. Letters of Qualification have been submitted to City Staff			
	1. The applicant shall submit a letter of verification to City Staff identifying the PI for the project and the names of all persons involved in the archaeological monitoring program, as defined in the City of San Diego HRG. If applicable, individuals involved in the archaeological monitoring program must have completed the 40-hour Hazardous Waste Operations and Emergency Response training with certification documentation.			
	2. City Staff will provide a letter to the applicant confirming that the qualifications of the PI and all persons involved in the archaeological monitoring of the project meet the qualifications established in the HRG.			
	3. Prior to the start of work, the applicant must obtain written approval from City Staff for any personnel changes associated with the monitoring program.			
	II. Prior to Start of Construction			
	A. Verification of Records Search			
	1. The PI shall provide verification to City Staff that a site-specific records search (1/4 mile radius) has been completed. Verification includes, but is not limited to a copy of a confirmation letter from South Coastal Information Center, or, if the search was in-house, a letter of verification from the PI stating that the search was completed.			
	2. The letter shall introduce any pertinent information concerning expectations and probabilities of discovery during trenching and/or grading activities.			
	3. The PI may submit a detailed letter to City Staff requesting a reduction to the 1/4 mile radius.			

	Downtown FEIR/SEIR			
	Mitigation Monitoring and Reporting Program	Ir	nplementation	
Significant				Verification
Impact(s)	Mitigation Measure(s) B. PI Shall Attend Precon Meetings	Time Frame	Responsibility	Responsibility
	 Prior to beginning any work that requires monitoring, the Applicant shall arrange a Precon Meeting that shall include the PI, Native American consultant/monitor (where Native American resources may be impacted), CM and/or Grading Contractor, RE, the Native American representative(s) (where Native American resources may be impacted), BI, if appropriate, and City Staff. The qualified Archaeologist and the Native American consultant/monitor shall attend any grading/excavation related Precon Meetings to make comments and/or suggestions concerning the Archaeological Monitoring program with the Construction Manager and/or Grading Contractor. 			
	(a) If the PI is unable to attend the Precon Meeting, the Applicant shall schedule a focused Precon Meeting with City Staff, the PI, RE, CM or BI, if appropriate, prior to the start of any work that requires monitoring.			
	2. Archaeological Monitoring Plan (AMP)			
	 (a) Prior to the start of any work that requires monitoring, the PI shall submit an Archaeological Monitoring Plan (with verification that the AMP has been reviewed and approved by the Native American consultant/monitor when Native American resources may be impacted) which describes how the monitoring would be accomplished for approval by City Staff and the Native American monitor. The AMP shall include an Archaeological Monitoring Exhibit (AME) based on the appropriate construction documents (reduced to 11 by 17 inches) to City Staff identifying the areas to be monitored including the delineation of grading/excavation limits. 			
	(b) The AME shall be based on the results of a site-specific records search as well as information regarding existing known soil conditions (native or formation).			
	(c) Prior to the start of any work, the PI shall also submit a construction schedule to City Staff through the RE indicating when and where monitoring will occur.			
	(d) The PI may submit a detailed letter to City Staff prior to the start of work or during construction requesting a modification to the monitoring program. This request shall be based on relevant information such as review of final construction documents which indicate site conditions such as depth of excavation and/or site graded to bedrock, etc., which may reduce or increase			

			Downtown FEIR/SEIR			
			Mitigation Monitoring and Reporting Program	Ir	nplementation	
Significant				11		Verification
Impact(s)			Mitigation Measure(s)	Time Frame	Responsibility	Responsibility
			the potential for resources to be present.			
	III.	Durin	g Construction			
		A. Mo	onitor(s) Shall be Present During Grading/Excavation/Trenching			
		1.	The Archaeological monitor shall be present full-time during all soil disturbing and grading/excavation /trenching activities which could result in impacts to archaeological resources as identified on the AME. The Construction Manager is responsible for notifying the RE, PI, and City Staff of changes to any construction activities.			
		2.	The Native American consultant/monitor shall determine the extent of their presence during soil disturbing and grading/excavation/trenching activities based on the AME, and provide that information to the PI and City Staff. If prehistoric resources are encountered during the Native American consultant/ monitor's absence, work shall stop and the Discovery Notification Processes detailed in Sections III.B-C, and IVA-D shall commence.			
		3.	The archeological and Native American consultant/monitor shall document field activity via the CSVR. The CSVR's shall be faxed by the CM to the RE the first day of monitoring, the last day of monitoring, monthly (Notification of Monitoring Completion), and in the case of ANY discoveries. The RE shall forward copies to City Staff.			
		4.	The PI may submit a detailed letter to City Staff during construction requesting a modification to the monitoring program when a field condition such as modern disturbance post-dating the previous grading/trenching activities, presence of fossil formations, or when native soils are encountered that may reduce or increase the potential for resources to be present.			
	В.	Discove	ry Notification Process			
		to dig the	the event of a discovery, the Archaeological Monitor shall direct the contractor temporarily divert all soil disturbing activities, including but not limited to, ging, trenching, excavating, or grading activities in the area of discovery and in a area reasonably suspected to overlay adjacent resources and immediately tify the RE or BI, as appropriate.			
		2. Th	e Monitor shall immediately notify the PI (unless Monitor is the PI) of the			

	Downtown FEIR/SEIR Mitigation Monitoring and Reporting Program			
	Mitigation Monitoring and Reporting Program	I		
Significant Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Verification Responsibility
	discovery.			
	3. The PI shall immediately notify City Staff by phone of the discovery, and shall also submit written documentation to City Staff within 24 hours by fax or email with photos of the resource in context, if possible.			
	4. No soil shall be exported off-site until a determination can be made regarding the significance of the resource specifically if Native American resources are encountered.			
	C. Determination of Significance			
	1. The PI and Native American consultant/monitor, where Native American resources are discovered, shall evaluate the significance of the resource.			
	If Human Remains are involved, follow protocol in Section IV below.			
	(a) The PI shall immediately notify City Staff by phone to discuss significance determination and shall also submit a letter to City Staff indicating whether additional mitigation is required.			
	(b) If the resource is significant, the PI shall submit an Archaeological Data Recovery Program which has been reviewed by the Native American consultant/monitor when applicable, and obtain written approval from City Staff and the Native American representative(s), if applicable. Impacts to significant resources must be mitigated before ground disturbing activities in the area of discovery will be allowed to resume.			
	(c) If the resource is not significant, the PI shall submit a letter to City Staff indicating that artifacts will be collected, curated, and documented in the Final Monitoring Report. The letter shall also indicate that that no further work is required.			
	IV. Discovery of Human Remains			
	If human remains are discovered, work shall halt in that area and no soil shall be exported off-site until a determination can be made regarding the provenance of the human remains; and the following procedures set forth in CEQA Section 15064.5(e), the California Public Resources Code (Sec. 5097.98) and State Health and Safety Code (Sec. 7050.5) shall be undertaken:			

	Downtown FEIR/SEIR			
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Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Responsibility
	A. Notification			
	1. Archaeological Monitor shall notify the RE or BI as appropriate, City Staff, and the PI, if the Monitor is not qualified as a PI. City Staff will notify the appropriate Senior Planner in the Environmental Analysis Section of the Development Services Department to assist with the discovery process.			
	2. The PI shall notify the Medical Examiner after consultation with the RE, either in person or via telephone.			
	B. Isolate discovery site			
	1. Work shall be directed away from the location of the discovery and any nearby area reasonably suspected to overlay adjacent human remains until a determination can be made by the Medical Examiner in consultation with the PI concerning the provenance of the remains.			
	2. The Medical Examiner, in consultation with the PI, will determine the need for a field examination to determine the provenance.			
	3. If a field examination is not warranted, the Medical Examiner will determine with input from the PI, if the remains are or are most likely to be of Native American origin.			
	C. If Human Remains are determined to be Native American			
	1. The Medical Examiner will notify the NAHC within 24 hours. By law, ONLY the Medical Examiner can make this call.			
	2. NAHC will immediately identify the person or persons determined to be the Most Likely Descendent (MLD) and provide contact information.			
	3. The MLD will contact the PI within 24 hours or sooner after the Medical Examiner has completed coordination, to begin the consultation process in accordance with CEQA Section 15064.5(e) and the California Public Resources and Health & Safety Codes.			
	4. The MLD will have 48 hours to make recommendations to the property owner or representative, for the treatment or disposition with proper dignity, of the human remains and associated grave goods.			

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	Mitigation Monitoring and Reporting Program	T.	mplementation	
Significant				Verification
Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Responsibility
	5. Disposition of Native American Human Remains will be determined between the MLD and the PI, and if:			
	(a) The NAHC is unable to identify the MLD, OR the MLD failed to make a recommendation within 48 hours after being notified by the Commission; OR;			
	(b) The landowner or authorized representative rejects the recommendation of the MLD and mediation in accordance with PRC 5097.94 (k) by the NAHC fails to provide measures acceptable to the landowner, THEN,			
	(c) In order to protect these sites, the Landowner shall do one or more of the following:			
	(1) Record the site with the NAHC;			
	(2) Record an open space or conservation easement on the site;			
	(3) Record a document with the County.			
	6. Upon the discovery of multiple Native American human remains during a ground disturbing land development activity, the landowner may agree that additional conferral with descendants is necessary to consider culturally appropriate treatment of multiple Native American human remains. Culturally appropriate treatment of such a discovery may be ascertained from review of the site utilizing cultural and archaeological standards. Where the parties are unable to agree on the appropriate treatment measures the human remains and buried with Native American human remains shall be reinterred with appropriate dignity, pursuant to Section 5.c., above.			
	D. If Human Remains are not Native American			
	1. The PI shall contact the Medical Examiner and notify them of the historic era context of the burial.			
	2. The Medical Examiner will determine the appropriate course of action with the PI and City staff (PRC 5097.98).			
	3. If the remains are of historic origin, they shall be appropriately removed and conveyed to the San Diego Museum of Man for analysis. The decision for internment of the human remains shall be made in consultation with City Staff, the			

	Downtown FEIR/SEIR			
	Mitigation Monitoring and Reporting Program	Ir	nplementation	
Significant Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Verification Responsibility
	applicant/landowner and the San Diego Museum of Man.			
	V. Night and/or Weekend Work			
	A. If night and/or work is included in the contract			
	1. When night and/or weekend work is included in the contract package, the extent and timing shall be presented and discussed at the Precon Meeting.			
	2. The following procedures shall be followed.			
	(a) No Discoveries			
	In the event that no discoveries were encountered during night and/or weekend work, the PI shall record the information on the CSVR and submit to City Staff via fax by 8 am of the next business day.			
	(b) Discoveries			
	All discoveries shall be processed and documented using the existing procedures detailed in Sections III - During Construction, and IV – Discovery of Human Remains. Discovery of human remains shall always be treated as a significant discovery.			
	(c) Potentially Significant Discoveries			
	If the PI determines that a potentially significant discovery has been made, the procedures detailed under Section III - During Construction and IV- Discovery of Human Remains shall be followed.			
	(d) The PI shall immediately contact City Staff, or by 8 am of the next business day to report and discuss the findings as indicated in Section III-B, unless other specific arrangements have been made.			
	B. If night and/or weekend work becomes necessary during the course of construction			
	1. The Construction Manager shall notify the RE, or BI, as appropriate, a minimum of 24 hours before the work is to begin.			
	2. The RE, or BI, as appropriate, shall notify City Staff immediately.			

	Downtown FEIR/SEIR Mitigation Monitoring and Reporting Program			
	Mitigation Monitoring and Reporting Program	Ir	nplementation	
Significant		(II): II	D 1111	Verification
Impact(s)	Mitigation Measure(s) C. All other procedures described above shall apply, as appropriate.	Time Frame	Responsibility	Responsibility
	VI. Post Construction			
	A. Submittal of Draft Monitoring Report			
	1. The PI shall submit two copies of the Draft Monitoring Report (even if negative) prepared in accordance with the HRG and Appendices which describes the results, analysis, and conclusions of all phases of the Archaeological Monitoring Program (with appropriate graphics) to City Staff, for review and approval within 90 days following the completion of monitoring,			
	(a) For significant archaeological resources encountered during monitoring, the Archaeological Data Recovery Program shall be included in the Draft Monitoring Report.			
	(b) Recording sites with State of California Department of Parks and Recreation			
	The PI shall be responsible for recording (on the appropriate State of California Department of Park and Recreation forms-DPR 523 A/B) any significant or potentially significant resources encountered during the Archaeological Monitoring Program in accordance with the City's Historical Resources Guidelines, and submittal of such forms to the South Coastal Information Center with the Final Monitoring Report.			
	2. City Staff shall return the Draft Monitoring Report to the PI for revision or, for preparation of the Final Report.			
	3. The PI shall submit revised Draft Monitoring Report to City Staff for approval.			
	4. City Staff shall provide written verification to the PI of the approved report.			
	5. City Staff shall notify the RE or BI, as appropriate, of receipt of all Draft Monitoring Report submittals and approvals.			
	B. Handling of Artifacts and Submittal of Collections Management Plan, if applicable			
	1. The PI shall be responsible for ensuring that all cultural remains collected are cleaned and catalogued.			
	2. The PI shall be responsible for ensuring that all artifacts are analyzed to identify			

	Downtown FEIR/SEIR Mitigation Monitoring and Reporting Program					
		Ir	nplementation			
Significant				Verification		
Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Responsibility		
	function and chronology as they relate to the history of the area; that faunal material is identified as to species; and that specialty studies are completed, as appropriate.					
	3. The PI shall submit a Collections Management Plan to City Staff for review and approval for any project which results in a substantial collection of historical artifacts.					
	C. Curation of artifacts: Accession Agreement and Acceptance Verification					
	1. The PI shall be responsible for ensuring that all artifacts associated with the survey, testing and/or data recovery for this project are permanently curated with an appropriate institution. This shall be completed in consultation with City Staff and the Native American representative, as applicable.					
	2. The PI shall include the Acceptance Verification from the curation institution in the Final Monitoring Report submitted to the RE or BI and City Staff.					
	3. When applicable to the situation, the PI shall include written verification from the Native American consultant/monitor indicating that Native American resources were treated in accordance with state law and/or applicable agreements. If the resources were reinterred, verification shall be provided to show what protective measures were taken to ensure no further disturbance in accordance with section IV – Discovery of Human Remains, subsection 5.(d).					
	D. Final Monitoring Report(s)					
	1. The PI shall submit one copy of the approved Final Monitoring Report to the RE or BI as appropriate, and one copy to City Staff (even if negative), within 90 days after notification from City Staff that the draft report has been approved.					
	2. The RE shall, in no case, issue the Notice of Completion until receiving a copy of the approved Final Monitoring Report from—City Staff which includes the Acceptance Verification from the curation institution.					
	Downtown FEIR/SEIR Mitigation Monitoring and Reporting Program					
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		In	nplementation			
Significant			D 1111	Verification		
Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Responsibility		
NOISE (NO	I)					
Impact NOI-B.1	Noise generated by I-5 and highly traveled grid streets could cause interior noise levels in noise-sensitive uses (exclusive of residential and hotel uses) to exceed 45 dB(A). (Direct)					
	Mitigation Measure NOI-B.1-1: Prior to approval of a Building Permit for any residential, hospital, or hotel within 475 feet of the centerline of Interstate 5 or adjacent to a roadway carrying more than 7,000 ADT, an acoustical analysis shall be performed to confirm that architectural or other design features are included which would assure that noise levels within habitable rooms would not exceed 45 dB(A) CNEL.	Prior to Building Permit (Design) Prior to Certificate of Occupancy (Implementation)	Developer	Civic San Diego/City		

	Downtown FEIR/SEIR			
	Mitigation Monitoring and Reporting Program	I	mplementation	
Significant	Miting time Manager (a)	Time English	D: 1:1:1:	Verification
Impact(s) PALEONTOI	Mitigation Measure(s) OGICAL RESOURCES (PAL)	Time Frame	Responsibility	Responsibility
Impact PAL-A.1	Excavation in geologic formations with a moderate to high potential for paleontological resources could have an significant impact on these resources, if present. (Direct)			
	<i>Mitigation Measure</i> PAL-A.1-1: In the event the Secondary Study indicates the potential for significant paleontological resources, the following measures shall be implemented as determined appropriate by Civic San Diego.			
	I. Prior to Permit Issuance			
	A. Construction Plan Check			
	1. Prior to NTP for any construction permits, including but not limited to, the first Grading Permit, Demolition Permits and Building Permits, but prior to the first preconstruction meeting, whichever is applicable. Centre City Development Corporation Civic San Diego shall verify that the requirements for paleontological monitoring have been noted on the appropriate construction documents.			
	B. Letters of Qualification have been submitted to Civic San Diego			
	1. The applicant shall submit a letter of verification to Civic San Diego identifying the PI for the project and the names of all persons involved in the paleontological monitoring program, as defined in the City of San Diego Paleontology Guidelines.			
	2. Civic San Diego will provide a letter to the applicant confirming the qualifications of the PI and all persons involved in the paleontological monitoring of the project.			
	3. Prior to the start of work, the applicant shall obtain approval from Civic San Diego for any personnel changes associated with the monitoring program.			
	II. Prior to Start of Construction			
	A. Verification of Records Search			
	1. The PI shall provide verification to Civic San Diego that a site-specific records search has been completed. Verification includes, but is not limited to a copy of a confirmation letter from San Diego Natural History Museum, other institution or, if the search was in-house, a letter of verification from the PI stating that the search was completed.			

				Downtown FEIR/SEIR			
				Mitigation Monitoring and Reporting Program	T,	mplementation	
Significant					1		Verification
Impact(s)				Mitigation Measure(s)	Time Frame	Responsibility	Responsibility
		2.		letter shall introduce any pertinent information concerning expectations and abilities of discovery during trenching and/or grading activities.			
	В.	PI	Shall	Attend Precon Meetings			
		1.	a Pro if ap grad conce	r to beginning any work that requires monitoring, the Applicant shall arrange econ Meeting that shall include the PI, CM and/or Grading Contractor, RE, BI, propriate, and Civic San Diego. The qualified paleontologist shall attend any ling/excavation related Precon Meetings to make comments and/or suggestions erning the paleontological monitoring program with the Construction Manager for Grading Contractor.			
			f	If the PI is unable to attend the Precon Meeting, the Applicant shall schedule a focused Precon Meeting with Civic San Diego, the PI, RE, CM or BI, if appropriate, prior to the start of any work that requires monitoring.			
		2.	Iden	tify Areas to be Monitored			
] (i () () () () () () () () ()	Prior to the start of any work that requires monitoring, the PI shall submit a Paleontological Monitoring Exhibit (PME) based on the appropriate construction documents (reduced to 11 by 17 inches) to Civic San Diego identifying the areas to be monitored including the delineation of grading/excavation limits. The PME shall be based on the results of a site specific records search as well as information regarding existing known soil conditions (native or formation).			
		3.	Whe	en Monitoring Will Occur			
			t	Prior to the start of any work, the PI shall also submit a construction schedule to Civic San Diego through the RE indicating when and where monitoring will occur.			
			1 1 0	The PI may submit a detailed letter to Civic San Diego prior to the start of work or during construction requesting a modification to the monitoring program. This request shall be based on relevant information such as review of final construction documents which indicate conditions such as depth of excavation and/or site graded to bedrock, presence or absence of fossil resources, etc., which may reduce or increase the potential for resources to be present.			

		Downtown FEIR/SEIR Mitigation Monitoring and Reporting Program			
		Mitigation Monitoring and Reporting Program	In	nplementation	
Significant			<i>(</i> 1). 13	D 1111	Verification
Impact(s)	III. Dı	Mitigation Measure(s) uring Construction	Time Frame	Responsibility	Responsibility
	A.	Monitor Shall be Present During Grading/Excavation/Trenching			
		 The monitor shall be present full-time during grading/excavation/trenching activities as identified on the PME that could result in impacts to formations with high and moderate resource sensitivity. The Construction Manager is responsible for notifying the RE, PI, and Civic San Diego of changes to any construction activities. 			
		2. The monitor shall document field activity via the CSVR. The CSVR's shall be faxed by the CM to the RE the first day of monitoring, the last day of monitoring, monthly (Notification of Monitoring Completion), and in the case of any discoveries. The RE shall forward copies to Civic San Diego.			
		3. The PI may submit a detailed letter to Civic San Diego during construction requesting a modification to the monitoring program when a field condition such as trenching activities that do not encounter formational soils as previously assumed, and/or when unique/unusual fossils are encountered, which may reduce or increase the potential for resources to be present.			
	В.	Discovery Notification Process			
		1. In the event of a discovery, the Paleontological Monitor shall direct the contractor to temporarily divert trenching activities in the area of discovery and immediately notify the RE or BI, as appropriate.			
		2. The Monitor shall immediately notify the PI (unless Monitor is the PI) of the discovery.			
		3. The PI shall immediately notify Civic San Diego by phone of the discovery, and shall also submit written documentation to Civic San Diego within 24 hours by fax or email with photos of the resource in context, if possible.			
	С.	Determination of Significance			
		1. The PI shall evaluate the significance of the resource.			
		a. The PI shall immediately notify Civic San Diego by phone to discuss significance determination and shall also submit a letter to Civic San Diego			

				Downtown FEIR/SEIR			
				Mitigation Monitoring and Reporting Program	T	1	
Significant				-	1	nplementation	Verification
Impact(s)				Mitigation Measure(s)	Time Frame	Responsibility	Responsibility
I (7)				indicating whether additional mitigation is required. The determination of significance for fossil discoveries shall be at the discretion of the PI.			
			b.	If the resource is significant, the PI shall submit a Paleontological Recovery Program and obtain written approval from Civic San Diego. Impacts to significant resources must be mitigated before ground disturbing activities in the area of discovery will be allowed to resume.			
			c.	If resource is not significant (e.g., small pieces of broken common shell fragments or other scattered common fossils) the PI shall notify the RE, or BI as appropriate, that a non-significant discovery has been made. The Paleontologist shall continue to monitor the area without notification to Civic San Diego unless a significant resource is encountered.			
			d.	The PI shall submit a letter to Civic San Diego indicating that fossil resources will be collected, curated, and documented in the Final Monitoring Report. The letter shall also indicate that no further work is required.			
	IV. N	light	Wo	ork			
	А.	If n	igh	t work is included in the contract			
		1.		hen night work is included in the contract package, the extent and timing shall presented and discussed at the precon meeting.			
		2.	Th	e following procedures shall be followed.			
			a.	No Discoveries			
				(1)In the event that no discoveries were encountered during night work, The PI shall record the information on the CSVR and submit to Civic San Diego via fax by 9 a.m. the following morning, if possible.			
			b.	Discoveries			
				(1)All discoveries shall be processed and documented using the existing procedures detailed in Sections III - During Construction.			
			c.	Potentially Significant Discoveries			
				(1)If the PI determines that a potentially significant discovery has been made,			

	Downtown FEIR				
	Mitigation Monitoring and R	eporting Program	In	nplementation	
Significant		-			Verification
Impact(s)	Mitigation Measure(s)		Time Frame	Responsibility	Responsibility
	the procedures detailed under Section III - During (followed.	Construction shall be			
	d. The PI shall immediately contact Civic San Diego, or by morning to report and discuss the findings as indicated ir other specific arrangements have been made.				
	B. If night work becomes necessary during the course of construction				
	1. The Construction Manager shall notify the RE, or BI, as app of 24 hours before the work is to begin.	ropriate, a minimum			
	2. The RE, or BI, as appropriate, shall notify Civic San Diego im	mediately.			
	C. All other procedures described above shall apply, as appropriate.				
	V. Post Construction				
	A. Submittal of Draft Monitoring Report				
	1. The PI shall submit two copies of the Draft Monitoring Rep which describes the results, analysis, and conclusions of Paleontological Monitoring Program (with appropriate graphi for review and approval within 90 days following the completi	f all phases of the cs) to Civic San Diego			
	a. For significant paleontological resources encountered du Paleontological Recovery Program shall be included in Report.				
	b. Recording Sites with the San Diego Natural History Muse	um			
	(1) The PI shall be responsible for recording (on the ap significant or potentially significant fossil resources en Paleontological Monitoring Program in accordance Paleontological Guidelines, and submittal of such for Natural History Museum with the Final Monitoring Rep	countered during the e with the City's ns to the San Diego			
	2. Civic San Diego shall return the Draft Monitoring Report to for preparation of the Final Report.	the PI for revision or,			
	3. The PI shall submit revised Draft Monitoring Report to	Civic San Diego for			

	Downtown FEIR/SEIR			
	Mitigation Monitoring and Reporting Program	I	mplementation	
Significant Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Verification Responsibility
	approval.			
	4. Civic San Diego shall provide written verification to the PI of the approved report.			
	5. Civic San Diego shall notify the RE or BI, as appropriate, of receipt of all Draft Monitoring Report submittals and approvals.			
	B. Handling of Fossil Remains			
	1. The PI shall be responsible for ensuring that all fossil remains collected are cleaned and catalogued.			
	2. The PI shall be responsible for ensuring that all fossil remains are analyzed to identify function and chronology as they relate to the geologic history of the area; that faunal material is identified as to species; and that specialty studies are completed, as appropriate			
	C. Curation of fossil remains: Deed of Gift and Acceptance Verification			
	1. The PI shall be responsible for ensuring that all fossil remains associated with the monitoring for this project are permanently curated with an appropriate institution.			
	2. The PI shall include the Acceptance Verification from the curation institution in the Final Monitoring Report submitted to the RE or BI and Civic San Diego.			
	D. Final Monitoring Report(s)			
	1. The PI shall submit two copies of the Final Monitoring Report to Civic San Diego (even if negative), within 90 days after notification from Civic San Diego that the draft report has been approved.			
	2. The RE shall, in no case, issue the Notice of Completion until receiving a copy of the approved Final Monitoring Report from Civic San Diego which includes the Acceptance Verification from the curation institution.			
TRAFFIC AN	D CIRCULATION (TRF)		1	
Impact TRF-A.1.1	Increased traffic on grid streets from Downtown development would result in unacceptable levels of service on specific roadway intersections and/or segments within downtown. (Direct)			
	Mitigation Measure TRF-A.1.1-1: At five-year intervals, commencing upon adoption of the	Every five years	Civic San	Civic San

	Downtown FEIR/SEIR			
	Mitigation Monitoring and Reporting Program		1	
Significant		Ir	nplementation	Verification
Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Responsibility
	Downtown Community Plan, Civic San Diego shall conduct a downtown-wide evaluation of the ability of the grid street system to accommodate traffic within Downtown. In addition to identifying roadway intersections or segments which may need immediate attention, the evaluation shall identify roadways which may warrant interim observation prior to the next 5-year evaluation. The need for roadway improvements shall be based upon deterioration to LOS F, policies in the Mobility Plan, and/or other standards established by Civic San Diego, in cooperation with the City Engineer. In completing these studies, the potential improvements identified in Section 6.0 of the traffic study for the Downtown San Diego Mobility Plan and Section 4.2.3.3 of the SEIR will be reviewed to determine whether these or other actions are required to improve traffic flow along affected roadway corridors. Specific improvements from Section 4.2.3.3 include:		Diego/City	Diego/City
	Mitigation Measures that Fully Reduces Impact			
	I-5 northbound off-ramp/Brant Street and Hawthorn Street – Signalization would be required at this intersection to mitigate direct project impacts. A traffic signal warrant was conducted. Based upon the MUTCD, this intersection would meet the "Peak Hour" warrant.			
	Second Avenue and Cedar Street – Signalization would be required at this intersection to mitigate direct project impacts. A traffic signal warrant was conducted. Based upon the MUTCD, this intersection would meet the "Peak Hour" warrant.			
	Fourth Avenue and Beech Street – Convert on-street parking to a travel lane on Fourth Avenue between Cedar Street and Ash Street during the AM peak hour.			
	First Avenue and A Street – Remove on-street parking on the north side of A Street between First and Front avenues as necessary to provide an east bound left turn lane.			
	17th Street and B Street – Signalization would be required at this intersection to mitigate direct project impacts. A traffic signal warrant was conducted. Based upon the MUTCD, this intersection would meet the "Peak Hour" warrant.			
	16th Street and E Street – Remove on-street parking on the east side of 16th Street south of E Street as necessary to provide a northbound right-turn lane.			
	Eleventh Avenue and G Street – Convert on-street parking to a travel lane on G Street between 11th Avenue and 17th Street during the PM peak hour.			
	Park Boulevard and G Street – Convert on-street parking to a travel lane on G Street between 11th Avenue and 17th Street during the PM peak hour.			

	Downtown FEIR/SEIR			
	Mitigation Monitoring and Reporting Program	T	mplementation	
Significant		1		Verification
Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Responsibility
	16th Street and Island Avenue – Signalization would be required at this intersection to mitigate direct project impacts. A traffic signal warrant was conducted. Based upon the MUTCD, this intersection would meet the "Peak Hour" warrant.			
	19th Street and J Street – Restripe the northbound left-turn lane into a northbound left-turn and through shared lane.			
	Logan Avenue and I-5 southbound off-ramp – Signalization would be required at this intersection to mitigate direct project impacts. A traffic signal warrant was conducted. Based upon the MUTCD, this intersection would meet the "Peak Hour" warrant.			
	Mitigation Measures that Partially Reduces Impact			
	Front Street and Beech Street - Convert on-street parking to a travel lane on Front Street between Cedar Street and Ash Street during the PM peak hour.			
	15th Street and F Street - Signalization would be required at this intersection to mitigate direct project impacts. A traffic signal warrant was conducted. Based upon the MUTCD, this intersection would meet the "Peak Hour" warrant.			
	13th Street and G Street - Convert on-street parking to a travel lane on G Street between 11th Avenue and 17th Street during the PM peak hour.			
	14th Street and G Street - Convert on-street parking to a travel lane on G Street between 11th Avenue and 17th Street during the PM peak hour.			
	16th Street and G Street - Convert on-street parking to a travel lane on G Street between 11th Avenue and 17th Street during the PM peak hour.			
	17th Street and G Street - Signalization and convert on-street parking to a travel lane on G Street between 11th Avenue and 17th Street during the PM peak hour. A traffic signal warrant was conducted. Based upon the MUTCD, this intersection would meet the "Peak Hour" warrant.			
	Following the completion of each five-year monitoring event, Civic San Diego shall incorporate needed roadway improvements into the City of San Diego CIP or identify another implementation strategy.			
	In order to determine if the roadway improvements included in the current five-year CIP, or the equivalent, are sufficient to accommodate developments, a traffic study would be required for large projects. The threshold to be used for determining the need for a traffic study shall reflect the traffic volume threshold used in the Congestion Management Program. The Congestion Management Program stipulates that any activity forecasted to generate 2,400 or			

	Downtown FEIR/SEIR Mitigation Monitoring and Reporting Program			
		Iı	mplementation	
Significant Impact(s)	Mitigation Measure(s)	Time Frame	Responsibility	Verification Responsibility
	more daily trips (200 or more equivalent peak hour trips).			
	Mitigation Measure TRF-A.1.1-2: Prior to approval of any development which would generate a sufficient number of trips to qualify as a large project under the Congestion Management Program (i.e. more than 2,400 daily trips, or 200 trips during a peak hour period), a traffic study shall be completed. The traffic study shall be prepared in accordance with City's Traffic Impact Study Manual. If the traffic study indicates that roadways substantially affected by the project would operate at LOS F with the addition of project traffic, the traffic study shall identify improvements to grid street segments and/or intersections consistent with the Downtown San Diego Mobility Plan which would be required within the next five years to achieve an acceptable LOS or reduce congestion, to the extent feasible. If the needed improvements are already included in the City of San Diego's CIP, or the equivalent, no further action shall be required. If any of the required improvements are not included in the CIP, within one year of project approval, to include the required improvements and assure that they will be implemented within five years of project completion. At Civic San Diego's discretion, the developer may be assessed a pro-rated share of the cost of improvements as a condition of project approval.	Prior to Development Permit (Design)	Developer	Civic San Diego/City
Impact TRF-A.1.2	Increased traffic from Downtown development on certain streets surrounding Downtown would result in an unacceptable level of service. (Direct and Cumulative)			
	Implementation of Mitigation Measure TRF-A.1.1-1 would also reduce impacts on surrounding roadways but not necessarily below a level of significance.	Every five years	Civic San Diego/City	Civic San Diego/City

PLANNING COMMISSION RESOLUTION NO. 2016-XX CENTRE CITY DEVELOPMENT PERMIT SITE DEVELOPMENT PERMIT THE BEACON PROJECT NO. 2016-19

WHEREAS, WAKELAND HOUSING & DEVELOPMENT, Owner/Permittee, filed an application with Civic San Diego (CivicSD) for a Centre City Development Permit/Site Development Permit (CCDP/SDP) No. 2016-19 to allow 1) for the construction of a 5-story (approximately 60-foot tall) residential development comprised of 44 residential units and 8 parking spaces in at-grade parking; and, 2) for the substantial alteration of a designated historical resource (as described in and by reference to the approved Exhibit "A" and corresponding conditions of approval for the associated CCDP/SDP No. 2016-19;

WHEREAS, the project site is located on an 8,278 square foot lot located on the south side of C Street between 14th and 15th avenues in the East Village neighborhood of the Downtown Community Plan area ("Downtown");

WHEREAS, the project site is legally described as the westerly one-half of Lots J, K and L in Block 179 of Horton's Addition according to the map made by L. L. Lockling filed in the Office of the County Recorder of San Diego County, excepting therefrom the southerly 10 feet thereof;

WHEREAS, on December 15, 2016, the Planning Commission of the City of San Diego considered a Centre City Development Permit/Site Development Permit No. 2016-19 pursuant to the Land Development Code of the City of San Diego;

WHEREAS, development within the Downtown Community Planning area is covered under the following documents, all referred to as the "Downtown FEIR": Final Environmental Impact Report (FEIR) for the San Diego Downtown Community Plan, Centre City Planned District Ordinance, and 10th Amendment to the Centre City Redevelopment Plan, certified by the former Redevelopment Agency ("Former Agency") and the City Council on March 14, 2006 (Resolutions R-04001 and R-301265, respectively); subsequent addenda to the FEIR certified by the Former Agency on August 3, 2007 (Former Agency Resolution R-04193), April 21, 2010 (Former Agency Resolution R-04510), and August 3, 2010 (Former Agency Resolution R-04544), and certified by the City Council on February 12, 2014 (City Council Resolution R-308724) and July 14, 2014 (City Council Resolution R-309115); and, the Final Supplemental Environmental Impact Report for the Downtown San Diego Mobility Plan certified by the City Council on June 21, 2016 (Resolution R-310561). The Downtown FEIR was adopted prior to the requirement for documents prepared under the California Environmental Quality Act (CEQA) to consider a project's impacts related to greenhouse gas emissions. The effect of greenhouse gas emissions on climate change, and the subsequent adoption of guidelines for analyzing and evaluating the significance of data, is not considered "new information" under State CEQA Guidelines Section 15162 triggering further environmental review because such information was available and known before approval of the Downtown FEIR. Nonetheless, development within the Downtown Community Planning area is also covered under the following documents, all referred to as the "CAP FEIR": FEIR for the City of San Diego Climate Action Plan (CAP), certified by the City Council on December 15, 2015 (City Council Resolution R-310176), and the Addendum to the CAP, certified by the City Council on July 12, 2016 (City Council Resolution R-310596). The Downtown FEIR and CAP FEIR are both "Program

EIRs" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. Consistent with best practices suggested by Section 15168, a Downtown 15168 Consistency Evaluation ("Evaluation") has been completed for the project. The Evaluation concluded that the environmental impacts of the project were adequately addressed in the Downtown FEIR and CAP FEIR; that the project is within the scope of the development program described in the Downtown FEIR and CAP FEIR and CAP FEIR and is adequately described within both documents for the purposes of CEQA; and, that none of the conditions listed in Section 15162 exist. Therefore, no further environmental documentation is required under CEQA.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of San Diego as follows:

That the Planning Commission adopts the following written Findings, dated December 15, 2016.

CENTRE CITY DEVELOPMENT PERMIT FINDINGS

1. The proposed development is consistent with the DCP, CCPDO, Land Development Code (LDC), and all other adopted plans and policies of the City of San Diego pertaining to the Centre City Planned District.

The proposed development is consistent with the DCP, CCPDO, LDC, and all other adopted plans and policies of the City of San Diego pertaining to the CCDP as the development advances the goals and objectives of the DCP and CCPDO by:

- Providing for an overall balance of uses;
- Adding to the range of Downtown housing opportunities suitable for urban environments and accommodating a diverse population.
- Increasing the Downtown residential population;
- Providing the production of affordable housing.

In addition, with approval of CCDP/SDP No. 2016-19, this Project will be consistent with the requirements of the LDC and CCPDO.

SITE DEVELOPMENT PERMIT FINDINGS

General Findings – SDMC § 126.0504 (a):

1. The proposed development will not adversely affect the applicable land use plan;

The proposed development is a 5-story, 44-unit building to be used for permanent supportive housing ("Project"). The Project will require the demolition of a locally designated historical resource, the W.G. Reinhardt Apartments, Historical Resources Board (HRB) Site #1211.

The Project's land use designation is Employment/Residential Mixed-Use (ER), which provides "synergies between educational institutions and residential neighborhoods, or transition between the Core and residential neighborhoods and it permits a variety of uses, including office, residential, hotel, research and development, and educational and medical facilities." The proposed project's FAR of 3.76 falls within the required FAR for the subject property which is a 3.5 minimum to a base maximum of 6.0.

A primary goal of the DCP is to increase the supply of affordable housing. The DCP's Affordable Housing Strategies also addresses homelessness: "To address the need for housing for downtown's homeless population, the Community Plan prioritizes development of permanent supportive housing to provide rental apartments linked to supportive services for both families and individuals." The proposed project is designed to provide such services to homeless individuals.

The DCP's Chapter 9 *Historic Preservation* explicitly sets the goals for locally designated resources in Table 9-1: *Historical Designations and Preservation Goals* stating "Whenever possible, retain resource on-sit. Partial retention, relocation or demolition of a resource shall only be permitted through applicable City procedures." The applicable City procedures are established in §143.02: *Historical Resources Regulations*, and call for a Site Development Permit in Accordance with Process Four for the Substantial Alteration of a designated resource by demolition. The Planning Commission must make all of the Findings in §126.0504(a) and §126.0504(i) for such a demolition.

As such, this SDP Permit application is in compliance with, and will not adversely affect the DCP. Mitigation Measure *HIST- A.1-3* of the Downtown FEIR Mitigation Monitoring and Reporting Program (MMRP) would be a SDP Condition of Approval for the demolition of an historical resource and it requires a Documentation Program that includes Photo Documentation and Measured Drawings.

2. The proposed development will not be detrimental to the public health, safety, and welfare; and,

The proposed development, including the demolition of the W.G. Reinhardt Apartments, will not be detrimental to public health, safety and welfare. The proposed Project will comply with the DCP and CCPDO with the approval of the CCDP/SDP. The Project will be compatible with the nearby residential and commercial buildings as well as other new developments in the East Village neighborhood without harming the public health, safety and welfare. The construction of a new permanent supportive housing facility will provide for the public health, safety, and welfare through compliance with all of the San Diego Municipal Code and Uniform Building Code provisions.

3. The proposed development will comply with the applicable provisions of the LDC.

The proposed development will comply with the regulations of the CCPDO and LDC with approval of the CCDP/SDP and other applicable permits required by the City of San Diego Development Services Department. The Project's has no deviations to development standards and the proposed parking of 8 spaces exceeds the requirement for projects consisting of living units rented at or below 40% area median income (AMI). Therefore, the proposed development will comply with all applicable regulations of the LDC.

Supplemental Findings – Historical Resources Deviation for Substantial Alteration of a Designated Historical Resource – SDMC § 126.0504(i):

1. There are no feasible measures, including a less environmentally damaging alternative, that can further minimize the potential adverse effects to the designated historical resource or historical district.

The subject property was acquired in November of 1996 by the Episcopal Community Services (ECS) for the purpose of providing affordable housing. At this time, Declaration of Covenants, Conditions and

Restrictions (CC&Rs) were recorded against the property by ECS in accordance with the loan and grant funds obtained from the San Diego Housing Commission (SDHC). The CC&Rs restricted the property's use to that of affordable housing and were renewed in 1999 to be in effect until 2054. The loan and grant funds were used to improve the property for its use as affordable housing and support the ECS program (i.e. Downtown Safe Haven). In accordance with the CC&Rs, the property is currently being used as affordable, transitional housing. However, as operating costs have increased and federal subsidies have declined, ECS has been forced to resort to uncertain stop-gap funding measures including fundraising and donations as well as grants from the County and Veteran Affairs that are subject to yearly procurement and not guaranteed. For these reasons, the ECS can no longer afford to operate their program with certainty and therefore sold the property to Wakeland Housing & Development (an affordable, non-profit housing developer) in the fall of 2016. The placement of CC&Rs on the property is the primary factor driving the need for the demolition of the historic resources in order to construct an economically viable affordable housing project. For example, the option of relocating the resource was not evaluated because the CC&Rs do not allow the development of the property to fund the acquisition of a new site for the resources.

Thus, the following alternatives were evaluated based on their ability to "repay the funds used to build the project" for affordable housing as opposed to their ability to achieve a reasonable rate of return that would be typical for a market-rate residential development:

- Alternative 1: Retain both buildings and rehabilitate them to serve as permanent supportive housing achieving 13 affordable units.
- Alternative 2: Retain the front building only and replace the rear building with a new four-story wood frame structure achieving a total of 32 affordable units.

The London Group Study provided by the Applicant concluded that neither of the two alternatives are economically feasible. The retention and rehabilitation of the resource would not provide a financial return which would allow any of the alternatives to viably "repay the funds" for construction. A peer review by Keyser Marston Associates (KMA) confirmed the London Group's findings and found that the base project is the only alternative that would allow the applicant to "repay the funds used to build the project" for affordable housing and would not result in economic hardship.

2. This deviation is the minimum necessary to afford relief and accommodate the development and all feasible measures to mitigate for the loss of any portion of the historical resource have been provided by the applicant.

This deviation from the historical resource regulations to demolish a locally designated historical resource is the minimum necessary to afford relief and accommodate the development of the site in light of the restrictions imposed by the CC&Rs. The London Group Report found that only the base project is economically feasible which was confirmed by an independent third party real estate analysis firm, KMA. Mitigation Measure HIST A.1-3 as adopted under the Downtown FEIR MMRP in 2006 specifically addresses the demolition of locally designated historic resources and will be implemented as a condition of this SDP. Therefore, Supplemental Finding #2 can be made.

3. The denial of the proposed development would result in economic hardship to the owner. For the purpose of this finding, "economic hardship" means there is no reasonable beneficial use of a property and it is not feasible to derive a reasonable economic return from the property.

Denial of the Project would prevent a reasonable beneficial use of this property, in light of the fact that the CC&Rs restrict the use of this property to affordable housing until 2054 and all of the alternatives analyzed (and vetted) have been found not financially viable for repayment of the cost of development (see table below). Per the London Group Study, only the proposed Base Project will not generate a shortfall, while the KMA Review estimates a small surplus of \$501,000. The two Alternatives would result in the following shortfalls broken out by each study:

PROJECTED FINANCING	SURPL	SURPLUS/(GAP)		
ALTERNATIVE	London Group	KMA		
Base Project	\$ 0.00	\$ 501,000		
1 - retain and rehab both structures - build 13 DU	\$ (7,600,000)	\$ (6,500,000)		
2 - retain front building, replace rear - build 32 DU	\$ (4,000,000)	\$ (3,800,000)		

The proposed development will provide for the reasonable beneficial use of the property as it will provide needed, supportive services and affordable housing to a greater number of persons than the existing structures.

BE IT FURTHER RESOLVED that, based on the findings hereinbefore adopted by the Planning Commission, CCDP/SDP No. 2016-19 is hereby GRANTED by the Planning Commission to the referenced Owner/Permittee, in the form, exhibits, terms and conditions as set forth in CCDP/SDP No. 2016-19, a copy of which is attached hereto and made a part hereof.

Christian Svensk Senior Planner Civic San Diego

Adopted on: December 15, 2016

RECORDING REQUESTED BY:

Civic San Diego Planning Department 401 B Street, Suite 400 San Diego, CA 92101

AND WHEN RECORDED MAIL TO:

Civic San Diego Planning Department 401 B Street, Suite 400 San Diego, CA 92101

THIS SPACE FOR RECORDER'S USE ONLY

NOTE: COUNTY RECORDER, PLEASE RECORD AS RESTRICTION ON USE OR DEVELOPMENT OF REAL PROPERTY AFFECTING THE TITLE TO OR POSSESSION THEREOF

DRAFT CENTRE CITY PLANNED DISTRICT CENTRE CITY DEVELOPMENT PERMIT SITE DEVELOPMENT PERMIT NO. 2016-19

THE BEACON ASSESSOR PARCEL NUMBER 534-210-12

CENTRE CITY PLANNED DISTRICT DRAFT CENTRE CITY DEVELOPMENT PERMIT SITE DEVELOPMENT PERMIT NO. 2016-19

THE BEACON ASSESSOR PARCEL NUMBERS 534-210-12

This Centre City Development Permit / Site Development Permit (CCDP/SDP) Permit No. 2016-15 is granted by the City of San Diego Planning Commission to Wakeland Housing & Development Corporation, Permittee, to allow: 1) the substantial alteration (i.e. demolition) of Historical Resources Board (HRB) Site No. 1211, the W.G. Reinhardt Apartments, and, 2) the construction of a residential development known as The Beacon ("Project") on the 8,278 square foot ("sq.ft.") premises located on the south side of C Street between 14th and 15th avenues in the East Village neighborhood of the Downtown Community Plan (DCP) area and within the Centre City Planned District (CCPD); and more particularly described as the westerly one-half of Lots J, K and L in Block 179 of Horton's Addition according to the map made by L. L. Lockling filed in the Office of the County Recorder of San Diego County excepting therefrom the southerly 10 feet thereof.

Subject to the terms and conditions set forth in this Permit, permission is granted to the Owner and/or Permittee to construct and operate a development and uses as described and identified by size, dimension, quantity, type and location as follows and on the approved Basic Concept/Schematic Drawings and associated Color and Materials Boards dated October 26, 2016 on file at Civic San Diego ("CivicSD").

1. <u>General</u>

The Owner and/or Permittee shall construct, or cause to be constructed on the site, a development consisting of a 5-story (approximately 60-foot tall), residential development located on a 8,278 sq.ft premises located on the south side of C Street between 14th and 15th avenues in the East Village neighborhood. The Project is comprised of approximately 44 residential dwelling units ("d.u.") and eight automobile parking spaces on grade. The Project involves the demolition of a Designated Historic Resource. The total Floor Area Ratio (FAR) of the development for all uses above ground shall not exceed 3.76 (including all FAR Bonuses). The development shall not exceed a height of 60 feet above grade level, measured to the top of the parapet of the uppermost floor, with roof equipment enclosures, elevator penthouses, mechanical screening and architectural elements above this height permitted per the CCPDO.

2. <u>Site Development Permit</u>

The City of San Diego Planning Commission ("Planning Commission") hereby grants a SDP allowing the Substantial Alteration of a Designated Historical Resources as follows:

The City of San Diego HRB Site No. 1211, the W.G. Reinhardt Apartments ("Reinhardt Apartments") located at 1425-1431 C Street will be demolished per the Planning Commission having made the SDP findings in San Diego Municipal Code (SDMC) Section 126.0504(a) & (i) and in compliance with the 2006 Final Environmental Impact Report (FEIR) Mitigation, Monitoring, and Reporting Program (MMRP) Measures HIST A.1-3. Mitigation Measure HIST A.1-3 requires an approved Documentation Program that must include Photo Documentation and Measured Drawings of the resource.

3. Parking

The development includes 8 parking spaces. A minimum of 1 space shall be dedicated to the development's manager's unit and shall be designed to meet City Standards.

PLANNING AND DESIGN REQUIREMENTS

4. <u>Residential Amenities and Facilities</u>

The development includes the following residential amenities and facilities as illustrated on the approved Basic Concept/Schematic Drawings on file at CivicSD, which shall be required to be maintained within the development in perpetuity:

a. <u>Common Indoor Space</u> – A minimum of 215 SF of common indoor amenity space shall be provided. The space(s) shall be maintained for use by residents of the development and must be accessible through a common corridor. The area may contain active or passive recreational facilities, meeting space, computer terminals, or other activity space.

5. <u>Urban Design Standards</u>

The proposed development, including its architectural design concepts and off-site improvements, shall be consistent with the CCPDO and Centre City Streetscape Manual (CCSM). These standards, together with the following specific conditions, will be used as a basis for evaluating the development through all stages of the development process.

- a. <u>Architectural Standards</u> The architecture of the development shall establish a high quality of design and complement the design and character of the East Village neighborhood as shown in the approved Basic Concept/Schematic Drawings on file with CivicSD. The development shall utilize a coordinated color scheme consistent with the approved Basic Concept/Schematic Drawings.
- b. <u>Form and Scale</u> The 5-story residential development contains 44 residential units and is approximately 60 feet tall measured to the top of the roofline and/or parapet, with roof equipment enclosures, elevator penthouses, and mechanical screening above this height permitted per the CCPDO and the Federal Aviation Administration (FAA).

c. <u>Building Materials</u> – All building materials shall be of a high quality as shown in the Basic Concept/Schematic Drawings and approved materials board. All materials and installation shall exhibit high-quality design, detailing, and construction execution to create a durable and high quality finish. The base of the buildings shall be clad in upgraded materials and carry down to within one inch of finish sidewalk grade, as illustrated in the approved Basic Concept/Schematic Drawings. Any plaster materials shall consist of a hard troweled, or equivalent, smooth finish. Any stone materials shall employ larger modules and full-corner profiles to create a substantial and non-veneer appearance. Any graffiti coatings shall be extended the full height of the upgraded base materials or up to a natural design break such a cornice line. All downspouts, exhaust caps, and other additive elements shall be superior grade for urban locations, carefully composed to reinforce the architectural design. Reflectivity of the glass shall be the minimum reflectivity required by Title 24.

All construction details shall be of the highest standard and executed to minimize weathering, eliminate staining, and not cause deterioration of materials on adjacent properties or the public right of way. No substitutions of materials or colors shall be permitted without the prior written consent of the CivicSD. A final materials board which illustrates the location, color, quality, and texture of proposed exterior materials shall be submitted with 100% Construction Drawings and shall be consistent with the materials board approved with the Basic Concept/Schematic Drawings.

d. <u>Street Level Design</u> – Architectural features such as awnings and other design features which add human scale to the streetscape are encouraged where they are consistent with the design theme of the structure. Exit corridors including garage/motor-court entrances shall provide a finished appearance to the street with street level exterior finishes wrapping into the openings a minimum of ten feet.

All exhaust caps, lighting, sprinkler heads, and other elements on the undersides of all balconies and surfaces shall be logically composed and placed to minimize their visibility, while meeting code requirements. All soffit materials shall be high quality and consistent with adjacent elevation materials (no stucco or other inconsistent material), and incorporate drip edges and other details to minimize staining and ensure long-term durability.

- e. <u>Utilitarian Areas</u> Areas housing trash, storage, or other utility services shall be located in the garage or otherwise completely concealed from view of the ROW and adjoining developments, except for utilities required to be exposed by the City or utility company. The development shall provide trash and recyclable material storage areas per San Diego Municipal Code (SDMC) sections 142.0810 and 142.0820. Such areas shall be provided within an enclosed building/garage area and shall be kept clean and orderly at all times. The development shall implement a recycling program to provide for the separation of recyclable materials from the non-recyclable trash materials.
- f. <u>Mail and Delivery Locations</u> It is the Owner's and/or Permittee's responsibility to coordinate mail service and mailbox locations with the United States Postal Service and

to minimize curb spaces devoted to postal/loading use. The Owner and/or Permittee shall locate all mailboxes and parcel lockers outside of the ROW, either within the building or recessed into a building wall. A single, centralized interior mail area in a common lobby area is encouraged for all residential units within a development, including associated townhouses with individual street entrances. Individual commercial spaces shall utilize a centralized delivery stations within the building or recessed into a building wall, which may be shared with residential uses sharing a common street frontage address.

- g. <u>Access</u> Vehicular access to the development's parking shall be limited to one driveway on C Street with a curb cut not to exceed 14 feet in width.
- h. <u>Circulation and Parking</u> The Owner and/or Permittee shall prepare a plan which identifies the location of curbside parking control zones, parking meters, fire hydrants, trees, and street lights. Such plan shall be submitted in conjunction with <u>100%</u> <u>Construction Drawings</u>.

All on-site parking shall meet the requirements of the City Building Official, Fire Department, and Engineer.

- i. <u>Open Space and Development Amenities</u> A landscape plan that illustrates the relationship of the proposed on and off-site improvements and the location of water, and electrical hookups shall be submitted with <u>100% Construction Drawings</u>.
- j. <u>Roof Tops</u> A rooftop equipment and appurtenance location and screening plan shall be prepared and submitted with <u>100% Construction Drawings</u>. Any roof-top mechanical equipment must be grouped, enclosed, and screened from surrounding views (including views from above); except where exempted by this Permit.
- k. <u>Signage</u> All signs shall comply with the City Sign Regulations and the CCPDO.
- Lighting A lighting plan which highlights the architectural qualities of the proposed development and also enhances the lighting of the ROW shall be submitted with <u>100%</u> <u>Construction Drawings</u>. All lighting shall be designed to avoid illumination of adjoining properties.
- m. <u>Noise Control</u> All mechanical equipment, including but not limited to, air conditioning, heating and exhaust systems, shall comply with the City of San Diego Noise Ordinance and California Noise Insulation Standards as set forth in Title 24. All mechanical equipment shall be located to mitigate noise and exhaust impacts on adjoining development, particularly residential. Owner and/or Permittee shall provide evidence of compliance at <u>100% Construction Drawings.</u>
- n. <u>Energy Considerations</u> The design of the improvements shall include, where feasible, energy conservation construction techniques and design, including cogeneration facilities, and active and passive solar energy design. The Owner and/or Permittee shall

demonstrate consideration of such energy features during the review of the <u>100%</u> <u>Construction Drawings</u>.

- o. <u>Street Address</u> Building address numbers shall be provided that are visible and legible from the ROW.
- 6. <u>On-Site Improvements</u>

All off-site and on-site improvements shall be designed as part of an integral site development. An on-site improvement plan shall be submitted with the 100% Construction Drawings. Any on-site landscaping shall establish a high quality of design and be sensitive to landscape materials and design planned for the adjoining ROW.

PUBLIC IMPROVEMENTS, LANDSCAPING AND UTILITY REQUIREMENTS

7. <u>Off-Site Improvements</u>

The following public improvements shall be installed in accordance with the Centre City Streetscape Manual (CCSM). The CCSM is currently being updated and the Owner and/or Permittee shall install the appropriate improvements according to the latest requirements at the time of Building Permit issuance:

	C Street
Street Trees	Chinese Evergreen Elm
Sidewalk Paving	CDCC Standard
Street Lights	Standard Streetlight

a. <u>Street Trees</u> – Street tree selections shall be made according to the CCSM. All trees shall be planted at a minimum 36-inch box size with tree grates provided as specified in the CCSM, and shall meet the requirements of Title 24. Tree spacing shall be accommodated after street lights have been sited, and generally spaced 20 to 25 feet on center. All landscaping shall be irrigated with private water service from the subject development.

The Owner and/or Permittee will be responsible for evaluating, with consultation with the CivicSD, whether any existing trees within the ROW shall be maintained and preserved. No trees shall be removed prior to obtaining a Tree Removal Permit from the City's Development Services Department (DSD) per City Council Policy 200-05.

b. <u>Street Lights</u> – All existing lights shall be evaluated to determine if they meet current CivicSD and City requirements, and shall be modified or replaced if necessary. All street lights shall be painted "CCDC Blue" PLS6 1008F blue by Sherwin Williams.

- c. <u>Sidewalk Paving</u> Any specialized paving materials shall be approved through the execution of an Encroachment Removal and Maintenance Agreement (EMRA) with the City.
- d. <u>Landscaping</u> All required landscaping shall be maintained in a disease, weed and litter free condition at all times. If any required landscaping (including existing or new plantings, hardscape, landscape features, etc.) indicated on the approved construction documents is damaged or removed during demolition or construction, it shall be repaired and/or replaced in kind and equivalent in size per the approved documents and to the satisfaction of the CivicSD within 30 days of damage or Certificate of Occupancy.
- e. <u>Planters</u> Planters shall be permitted to encroach into the ROW a maximum of two feet for sidewalk areas measuring at least twelve feet and less than fourteen feet in width. For sidewalk areas fourteen feet or wider, the maximum permitted planter encroachment shall be three feet. The planter encroachment shall be measured from the property line to the face of the curb to the wall surrounding the planter. A minimum five foot clear path shall be maintained between the face of the planter and the edge of any tree grate or other obstruction in the ROW.
- f. <u>On-Street Parking</u> The Owner and/or Permittee shall maximize the on-street parking wherever feasible.
- g. <u>Public Utilities</u> The Owner and/or Permittee shall be responsible for the connection of on-site sewer, water and storm drain systems from the development to the City utilities located in the ROW. Sewer, water, and roof drain laterals shall be connected to the appropriate utility mains within the street and beneath the sidewalk. The Owner and/or Permittee may use existing laterals if acceptable to the City, and if not, Owner and/or Permittee shall cut and plug existing laterals at such places and in the manner required by the City, and install new laterals. Private sewer laterals require an EMA.

If it is determined that existing water and sewer services are not of adequate size to serve the proposed development, the Owner and/or Permittee will be required to abandon any unused water and sewer services and install new services and meters. Service abandonments require an engineering permit and must be shown on a public improvement plan. All proposed public water and sewer facilities, including services and meters, must be designed and constructed in accordance with established criteria in the most current edition of City's Water and Sewer Facility Design Guidelines and City regulations standards and practices pertaining thereto.

Proposed private underground sewer facilities located within a single lot shall be designed to meet the requirements of the California Uniform Plumbing Code and shall be reviewed as part of the Building Permit plan check. If and when the Owner and/or Permittee submits for a tentative map or tentative map waiver, the Water Department will require Covenants, Conditions, and Restrictions ("CC&Rs") to address the operation and maintenance of the private on-site water system serving the development. No structures or landscaping of any kind shall be installed within ten feet of water facilities.

All roof drainage and sump drainage, if any, shall be connected to the storm drain system in the public street, or if no system exists, to the street gutters through sidewalk underdrains. Such underdrains shall be approved through an Encroachment Removal Agreement with the City. The Owner and/or Permittee shall comply with the City's Storm Water Management and Discharge Control Ordinance and the storm water pollution prevention requirements of Chapter 14, Article 2, Division 1 and Chapter 14, Article 2, Division 2 of the SDMC.

- h. <u>Franchise Public Utilities</u> The Owner and/or Permittee shall be responsible for the installation or relocation of franchise utility connections including, but not limited to, gas, electric, telephone and cable, to the development and all extensions of those utilities in public streets. Existing franchise utilities located above grade serving the property and in the sidewalk ROW shall be removed and incorporated into the adjoining development where feasible. All franchise utilities shall be installed as identified in the Basic Concept Drawings. Any above grade devices shall be screened from view from the ROW.
- i. <u>Fire Hydrants</u> If required, the Owner and/or Permittee shall install fire hydrants at locations satisfactory to the City's Fire Department and DSD.
- j. <u>Water Meters and Backflow Preventers</u> The Owner and/or Permittee shall locate all water meters and backflow preventers in locations satisfactory to the Public Utilities Department and CivicSD. Backflow preventers shall be located outside of the ROW adjacent to the development's water meters, either within the building, a recessed alcove area, or within a plaza or landscaping area. The devices shall be screened from view from the ROW. All items of improvement shall be performed in accordance with the technical specifications, standards, and practices of the City's Engineering, Public Utilities, and Building Inspection Departments and shall be subject to their review and approval. Improvements shall meet the requirements of Title 24.

8. <u>Storm Water Compliance</u>

- a. Prior to issuance of any construction permit, the Owner and/or Permittee shall enter into a Maintenance Agreement for the on-going permanent Best Management Practices (BMP) maintenance, satisfactory to the City Engineer.
- b. Prior to the issuance of any Construction Permit, the Owner and/or Permittee shall incorporate any construction BMP necessary to comply with Chapter 14, Article 2, Division 1 (Grading Regulations) of the SDMC, into the construction plans or specifications.
- c. Prior to issuance of any construction permits, the Owner and/or Permittee shall submit a Water Pollution Control Plan (WPCP). The WPCP shall be prepared in accordance with the guidelines in Appendix E of the City's Storm Water Standards.

d. Prior to the issuance of any construction permit, the Water Quality Technical Report will be subject to final review and approval by the City Engineer.

9. <u>Removal and/or Remedy of Soil and/or Water Contamination</u>

The Owner and/or Permittee shall (at its own cost and expense) remove and/or otherwise remedy as provided by law and implementing rules and regulations, and as required by appropriate governmental authorities, any contaminated or hazardous soil and/or water conditions on the Site. Such work may include without limitation the following:

- a. Remove (and dispose of) and/or treat any contaminated soil and/or water on the site (and encountered during installation of improvements in the adjacent ROW which the Owner and/or Permittee is to install) as necessary to comply with applicable governmental standards and requirements.
- b. Design construct all improvements on the site in a manner which will assure protection of occupants and all improvements from any contamination, whether in vapor or other form, and/or from the direct and indirect effects thereof.
- c. Prepare a site safety plan and submit it to the appropriate governmental agency, CivicSD, and other authorities for approval in connection with obtaining a building permit for the construction of improvements on the site. Such site safety plan shall assure workers and other visitors to the site of protection from any health and safety hazards during development and construction of the improvements. Such site safety plan shall include monitoring and appropriate protective action against vapors and/or the effect thereof.
- d. Obtain from the County of San Diego and/or California Regional Water Quality Control Board and/or any other authorities required by law any permits or other approvals required in connection with the removal and/or remedy of soil and/or water contamination, in connection with the development and construction on the site.
- e. If required due to the presence of contamination, an impermeable membrane or other acceptable construction alternative shall be installed beneath the foundation of the building. Drawings and specifications for such vapor barrier system shall be submitted for review and approval by the appropriate governmental authorities.

SUSTAINABILITY

- 10. Cool/green roofs must be utilized in the development including:
 - a. Roofing materials with a minimum three-year aged solar reflection and thermal emittance or solar reflection index equal to or greater than the values specified in the voluntary measures under the California Green Building Standards Code must be implemented.

Compliance with this measure must be demonstrated prior to the issuance of the building permit.

- 11. The development must include, at a minimum, the following fixtures:
 - a. Residential Buildings
 - Kitchen faucets: maximum flow rate not to exceed 1.5 gallons per minute at 60 psi;
 - Standard dishwashers: 4.25 gallons per cycle;
 - Compact dishwashers: 3.5 gallons per cycle; and,
 - Clothes washers: water factor of 6 gallons per cubic feet of drum capacity.

Compliance with this measure must be demonstrated prior to the issuance of the building permit.

- 12. The development must be designed to have an energy budget that meets or exceeds a 10% improvement with both indoor lighting and mechanical systems when compared to the Title 24, Part 6 Energy Budget for the proposed design building as calculated by Compliance Software certified by the California Energy Commission (percent improvement over current code). The demand reduction may be provided through on-site renewable energy generation, such as solar, or by designing the project to have an energy budget that meets the above-mentioned performance standards, when compared to the Title 24, Part 6 Energy Budget for the Proposed Design Building (percent improvement over current code). Compliance with this measure must be demonstrated prior to the issuance of the building permit.
- 13. A minimum of 3% of the total required parking spaces must be provided with a listed cabinet, box or enclosure connected to a conduit linking the parking spaces with the electrical service, in a manner approved by the building and safety official. Of the total listed cabinets, boxes or enclosures provided, at least 50% must have the necessary electric vehicle supply equipment installed to provide active electric vehicle charging stations ready for use by residents. Compliance with this measure must be demonstrated prior to the issuance of the building permit.
- 14. The development must contain more short- and long-term bicycle parking spaces than required in SDMC Chapter 14, Article 2, Division 5 at all times. Compliance with this measure must be demonstrated prior to the issuance of the building permit.

STANDARD REQUIREMENTS

15. Environmental Impact Mitigation Monitoring and Reporting Program

As required by CCPDO Section 156.0304(h), the development shall comply with all applicable Mitigation Monitoring and Reporting Program (MMRP) measures from the 2006 Downtown Final Environmental Impact Report (Downton FEIR) for the DCP.

16. <u>Development Impact Fees</u>

The development will be subject to Centre City Development Impact Fees. For developments containing commercial space(s) the Owner and/or Permittee shall provide to the City's Facilities Financing Department the following information at the time of application for building permit plan check: 1) total square footage for commercial lease spaces and all areas within the building dedicated to support those commercial spaces including, but not limited to: loading areas, service areas and corridors, utility rooms, and commercial parking areas; and 2) applicable floor plans showing those areas outlined for verification. In addition, it shall be responsibility of the Owner and/or Permittee to provide all necessary documentation for receiving any "credit" for existing buildings to be removed.

17. Inclusionary Affordable Housing Ordinance

Prior to receiving the first construction permit for a residential building, Owner/Permittee shall comply with the provisions of Chapter 14, Article 2, Division 13 of the San Diego Municipal Code ("Inclusionary Affordable Housing Regulations") by entering into a written "Exemption Agreement" and "Public Entity Agreement" as set forth in the Inclusionary Affordable Housing Implementation and Monitoring Procedures Manual, which are acceptable to the San Diego Housing Commission, and which are secured by a deed of trust.

18. <u>Construction Fence</u>

Owner and/or Permittee shall install a construction fence pursuant to specifications of, and a permit from, the City Engineer. The fence shall be solid plywood with wood framing, painted a consistent color with the development's design, and shall contain a pedestrian passageway, signs, and lighting as required by the City Engineer. The fencing shall be maintained in good condition and free of graffiti at all times.

19. <u>Development Identification Signs</u>

Prior to commencement of construction on the site, the Owner and/or Permittee shall prepare and install, at its cost and expense, one sign on the barricade around the site which identifies the development. The sign shall be at least four feet by six feet and be visible to passing pedestrian and vehicular traffic. The signs shall at a minimum include:

- Color rendering of the development
- Development name
- Developer
- Completion Date
- For information call ______

Additional development signs may be provided around the perimeter of the site. All signs shall be limited to a maximum of 160 SF per street frontage. Graphics may also be painted on any barricades surrounding the site. All signs and graphics shall be submitted to the CivicSD for approval prior to installation.

20. <u>Tentative Map</u>

The Owner and/or Permittee shall be responsible for obtaining all map approvals required by the City prior to any future conversion of the residential units and/or commercial spaces to condominium units for individual sale.

- 21. This Permit must be utilized within thirty-six (36) months after the date on which all rights of appeal have expired. If this Permit is not utilized in accordance with Section 126.0108 of the SDMC within the 36 month period, this permit shall be void unless an Extension of Time (EOT) has been granted pursuant to Section 126.0111 of the SDMC.
- 22. Issuance of this Permit by CivicSD does not authorize the Owner and/or Permittee for this Permit to violate any Federal, State or City laws, ordinances, regulations or policies.
- 23. This Permit is a covenant running with the subject property and all of the requirements and conditions of this Permit and related documents shall be binding upon the Owner and/or Permittee and any successor(s) in interest.
- 24. This development shall comply with the standards, policies, and requirements in effect at the time of approval of this development, including any successor(s) or new policies, financing mechanisms, phasing schedules, plans and ordinances adopted by the City.
- 25. No permit for construction, operation, or occupancy of any facility or improvement described herein shall be granted, nor shall any activity authorized by this Permit be conducted on the premises until this Permit is recorded in the Office of the San Diego County Recorder.
- The Owner and/or Permittee shall defend, indemnify, and hold harmless the CivicSD and 26. the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The CivicSD will promptly notify the Owner and/or Permittee of any claim, action, or proceeding and, if CivicSD should fail to cooperate fully in the defense, the Owner and/or Permittee shall not thereafter be responsible to defend, indemnify, and hold harmless the City or its agents, officers, and employees. CivicSD may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, the Owner and/or Permittee shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between CivicSD and the Owner and/or Permittee regarding litigation issues, the CivicSD shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Owner and/or Permittee shall not be required to pay or perform any settlement unless such settlement is approved by Owner and/or Permittee.

27. <u>Geology</u>

A Notice of Geologic and Geotechnical Conditions, prepared by the City of San Diego Development Services Geology Section, shall be recorded for the subject site, prior to or concurrent with the recordation of the Civic San Diego development permit. A confirmed copy of the recorded Notice of Geologic and Geotechnical Conditions shall be submitted to the City of San Diego Development Services Geology Section prior to issuance of construction permits. The date of recordation and document number shall be shown on the proposed construction plans prior to issuance of construction permits.

This CCDP/SDP No. 2016-19 is granted by City of San Diego Planning Commission on December 15, 2016.

CIVIC SAN DIEGO:

OWNER/PERMITEE:

Christian Svensk Senior Planner Date

Kenneth L. Sauder Date Wakeland Beacon Apartments LP/ Wakeland Housing & Development

Note: Notary acknowledgment must be attached per Civil Code Section 1189 et seq