



REPORT NO. PC-18-045

DATE ISSUED: July 12, 2018

ATTENTION: Planning Commission, Agenda of July 19, 2018

SUBJECT: EZABELLE - Centre City Development Permit/Site Development Permit
No. 2018-07 – Process Four

**OWNER/
APPLICANT:** NDD on 13th Street, LLC

SUMMARY

Issue(s): Should the Planning Commission (“Commission”) approve Centre City Development Permit/Site Development Permit (CCDP/SDP) No. 2018-07 for Ezabelle, a 7-story (approximately 77-foot tall) residential development (“Project”) located at 454 13th Street in the East Village Neighborhood of the Downtown Community Plan area (“Downtown”)?

Staff Recommendation(s): APPROVE CCDP/SDP No. 2018-07 for the Project.

Community Planning Group Recommendation: On May 16, 2018, the Downtown Community Planning Council voted 15-1 with two recusals to recommend approval of the Project.

Civic San Diego Board Recommendation: On May 23, 2018, the Civic San Diego (“CivicSD”) Board voted 8-1 to recommend that the Commission approve CCDP/SDP No. 2018-07.

Historical Resources Board Recommendation: On June 28, 2018, the City of San Diego (“City”) Historical Resources Board (HRB) voted 8-1 to recommend that the Commission adopt the findings and mitigation measures associated with the Project’s Site Development Permit for the substantial alteration of the designated historical resource (HRB #1278 – John and Mary Wright House) located at 454 13th Street.

Other Recommendations: The East Village Association, Circulate San Diego, and Save

Our Heritage Organization have submitted letters in support of the Project.

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). 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-310595). The Downtown FEIR and CAP FEIR are both “Program EIRs” prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. The information contained in the Downtown FEIR and the CAP FEIR reflects the independent judgement of the City of San Diego as the Lead Agency. The Downtown FEIR and CAP FEIR are located on the CivicSD website (<http://civicsd.com/departments/planning/environmental-documents>) and on the City website ([https://www.sandiego.gov/planning/programs/ceqa#Final CEQA Documents](https://www.sandiego.gov/planning/programs/ceqa#Final%20CEQA%20Documents)). Consistent with best practices suggested by CEQA Guidelines 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 CEQA Guidelines Section 15162 exist. Therefore, no further environmental documentation is required under CEQA. The Evaluation is attached to this staff report for informational purposes only; no action regarding the Evaluation is required by the decision maker.

The Downtown FEIR is available at this link:

<https://civicsd.com/departments/planning/environmental-documents/>

The CAP FEIR is available at this link:

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

Fiscal Impact Statement: None.

Code Enforcement Impact: None.

Housing Impact Statement: The Project consists of 45 units with six units restricted at or below 50% Area Median Income (AMI). The Project complies with the City Inclusionary Housing Ordinance (“Inclusionary Ordinance”).

BACKGROUND

NDD on 13th Street, LLC (“Applicant”) is requesting approval of CCDP/SDP No. 2018-07 for the construction of an seven-story, 77 foot tall mixed-use development comprised of 45 dwelling units (DU), of which six (13%) will be restricted to very low income residents, and approximately 1,722 square feet of ground floor commercial on an approximately 4,200 square-foot (SF) site on the west side of 13th Street between Island Avenue and J Street in the East Village neighborhood of the Downtown Community Plan (DCP) area (“Downtown”). The Project is requesting two incentives under the provisions of the City of San Diego’s (“City”) Affordable Housing Regulations to waive the requirement for 11 parking spaces and to reduce the minimum commercial space depth and height requirements. The property is within the Residential Emphasis Land Use District of the Centre City Planned District.

Neighborhood Context:

The East Village neighborhood is anticipated to be a residential and mixed-use community upon build-out. Ultimately, East Village is projected to contain up to 46,000 residents. The highest residential intensities downtown will be attained in the area, served by the necessary retail, commercial and open space amenities. The Project site is located in the Southeast sub-district of the East Village neighborhood with close proximity to Petco Park, the Central Library, and Fault Line Park. In the southeastern portions of East Village, a mix of residential, office, retail, and convention center growth is envisioned while retaining light industrial uses and support infrastructure.

Development Team:

ROLE	FIRM/CONTACT	OWNERSHIP
Applicant/Property Owner	NDD on 13 th Street, LLC / Soheil Nakhshab	Soheil Nakhshab, Manager and Sole Owner (Privately Owned)
Architect/Project Manager	Nakhshab Development & Design, Inc. / Soheil Nakhshab	Soheil Nakhshab, Manager and Sole Owner (Privately Owned)

Full Ownership Disclosure Statement included as Attachment A.

Permits Required:

- CCDP for new construction.
- SDP for the substantial alteration of a historic resource.

Per San Diego Municipal Code (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 Four review. This decision is appealable to the City Council.

DISCUSSION

Project Description:

The Project consists of a seven-story, 77 foot tall mixed-use development comprised of 45 DU, of which six are affordable to very low-income residents, with incomes and rents restricted to 30-50% of Area Median Income (AMI). All units are studios that range in size from 211 SF to 392 SF. The ground floor consists of leasable commercial space, 564 SF of which is within portions of a designated historic resource proposed to be retained on-site and incorporated into the Project. The ground floor also includes a partly-covered breezeway leading to a second commercial lease space behind the historic resource, as well as the residential lobby at the rear of the site. The breezeway will also serve as an egress court for the building and an outdoor seating area for at potential future retail/dining operation housed in the commercial space. An approximately 3,000 SF rooftop outdoor common space is proposed that includes lounge areas, a communal barbeque, and a pet relief area. Because the Project contains less than 50 units, it is not required to provide outdoor common space, common indoor space, private open space (balconies), pet open space, or storage. The Project does not include off-street parking as discussed later in the report. The Applicant's project description and architectural narrative are included in Attachment B and the Project Data Sheet is included as Attachment M.

The Project exhibits rectangular massing of Type 1 construction, with uniformly-spaced windows and balconies on the upper floors of the street-fronting façade. The building has a simple, geometrical design that utilizes primarily concrete and stucco, along with black aluminum frames on the windows and rooftop deck shade structure. The property includes an existing historically-designated house known as the John and Mary Wright House. The Applicant proposes to retain portions of the historic resource on the site by removing the south, east, and north facades, rehabilitating them off-site, and installing them onto a new Type 1 ground floor structure to replicate its existing exterior appearance. Above the historic resource are six stories of residential units that are described by the Applicant as "micro units," none exceeding 392 SF in size. The rooftop includes an outdoor deck with a barbeque and lounging space, a pet area, and workout equipment for use by the building's residents.

The ground floor is designed to make use of the historic resource as a lease space for a small café or coffee shop. A partially-covered, double-height breezeway runs along the side of the historic resource, exposing its rehabilitated north façade, and serving to provide access to a second commercial lease space behind the historic resource. The floorplate of the upper floors jogs

inward to open the breezeway to the sky and provide sunlight to the courtyard. The breezeway terminates at the rear of the property in the small residential lobby containing the elevator and stairwell.

The upper floors of the Project consist of gray, cast-in-place concrete and black and white smooth stucco. The rooftop deck shade structure frame element, as well as the window frames and balcony railing, are comprised of black aluminum. Balconies are proposed for each of the street-fronting units on floors three through seven. The balconies are proposed to include large, concrete planters which are envisioned to contain plants that drape over the edge and serve to soften the appearance of the building's façade. The second floor street fronting units do not have balconies and the façade is setback approximately 10'-4" from the property line (front of the bay windows) in order to provide a distinction between the existing historic resource and the new construction.

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 of 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 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 of Historic Resources (SDRHR) may inevitably occur to accommodate growth and population goals.

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.
- 3.3-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-1 Increase the supply of rental housing affordable to low income persons.
- 3.5-G-2 Foster a rich mix of uses in all neighborhoods, while allowing differences in emphasis on uses to distinguish between them.
- 6.5-G-3 Foster redevelopment of Southeast with an urban mix of new residents and a variety of housing types, employees, artists, and conventioners, while preserving light industrial

commercial service functions that serve downtown.

- 9.1-G-1 Protect historical resources to communicate Downtown's heritage.
- 9.1-G-2 Encourage the rehabilitation and reuse of historical resources.
- 9.2-G-1 Integrate historical resources into the Downtown fabric while achieving policies for significant development and population intensification.
- 9.2-P-1 Incorporate elements of historical buildings in new projects to impart heritage.
- 9.2-P-3 Promote the adaptive reuse of intact buildings (designated or not) and/or significant elements, as a cultural and suitability goal.

Affordable Housing Regulations:

Pursuant to implementing the State of California Density Bonus Law provisions, the San Diego Municipal Code (SDMC) provides for the following when a project includes affordable housing:

- 1. Floor Area Ratio (FAR) Bonus.
- 2. Reduced Parking Requirements.
- 3. Development Incentives.

The Applicant is proposing to restrict six (13%) of the residential units to persons qualifying as very-low income residents, or those earning less than or equal to 50% of the AMI. Based on the provision of affordable housing, the Project is entitled to the following:

- 1. A 50% FAR Bonus.
- 2. A reduction in parking requirements from the 1.0 parking space/unit plus guest parking to a rate of 0.5 parking spaces/bedroom.
- 3. Three incentives from development standards.

The purpose of the Affordable Housing Regulations is to incentivize developers to provide affordable housing and reduce the burden of providing costly parking in areas served by transit.

Per SDMC Section 143.0740, the applicant is requesting that two incentives be used for two deviations requested by the Project. The section states that an incentive can mean a deviation to a development regulation. The Section further states that:

“Upon an applicant’s request, development that meets the applicable requirements of Section 143.0720 shall be entitled to incentives pursuant to Section 143.0740 unless the City makes a written finding of denial based on substantial evidence, of any of the following:

- (A) The incentive is not required in order to provide for affordable housing costs, as defined in California Health and Safety Code Sections 50052.5 and 50053;*
- (B) The incentive would have a specific adverse impact upon public health and safety as defined in Government Code section 65589.5, the physical environment, including environmentally sensitive lands, or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low income and moderate income households;*

(C) The incentive would be contrary to state or federal law. Requested incentives shall be analyzed in compliance with the California Environmental Quality Act as set forth in Chapter 12, Article 8, and no incentive shall be granted without such compliance."

Thus, if the findings for applicable sections A-C above cannot be made, the incentives must be granted. The two incentives are requested for the following deviations:

1. CCPDO Section 156.0310(f)(1) Commercial Space Depth. The Applicant is requesting to reduce the minimum depth of the ground-floor commercial space from 25 to 23.5 feet.
2. CCDPO Section 156.0313(d), SDMC Section 143.0744(b) Parking Requirement. The Applicant is requesting to waive the 11 required parking spaces, which is at a rate of 0.5 spaces per bedroom and further reduced by 50% for lots of 5,000 SF or less under the CCPDO.

Incentive #1: Commercial Space Depth

Per the CCPDO, the required minimum depth of commercial, ground-floor spaces shall be no less than 25 feet along at least 75% of the commercial space frontage along a public street. The remaining 25% of commercial frontage shall be no less than 15 feet in depth if needed to accommodate other internal functions of the building. The historic resource, portions of which are to be retained on-site and operated as a retail or dining establishment, occupies approximately 76% (32 feet) of the 42-foot ground floor street frontage. Because the majority of the ground-floor street frontage consists of the facades of an existing historic resource and the Project proposes maintaining the existing characteristics of the building where feasible, the incentive to deviate from the 25-foot minimum commercial space depth by two feet to accommodate the historic resource is reasonable.

Incentive #2: Parking Requirement

The Project proposes a total of 45 residential units, six of which (13%) will be restricted to persons qualifying as very-low income residents, or those earning less than or equal to 50% of the AMI. Per the Affordable Housing Regulations of the SDMC, the inclusion of the six affordable units entitles the Project to a reduction in parking from a rate of one space per unit plus guest parking to a rate of 0.5 spaces per bedroom. Since all 45 units in the Project are studio units, this amounts to 22.5 parking spaces. Additionally, the CCPDO includes a parking provision for small lots of 5,000 square feet or less to further reduce the required parking by 50%. Since this lot is 4,200 SF, the 22.5 required parking spaces can be reduced by 50% resulting in a total of 11.25 required parking spaces for the Project. The Applicant is requesting to utilize one of the three incentives earned from the provision of the affordable units to waive the requirement for the 11 parking spaces.

Due to the potential adverse impacts from the elimination of all parking in the Project, the Applicant submitted an economic feasibility report (Attachment C) that evaluated four alternatives to the elimination of parking. The study assessed each alternative's margin on revenue in relation to that of the Base Project, described herein:

- Base Project – No parking is provided in the Project.
- Parking Alternative 1 – Two levels of below-grade parking are constructed.
- Parking Alternative 2 – One level of below-grade parking is constructed that utilizes tandem parking stalls.
- Parking Alternative 3 – On-grade parking is constructed at the expense of all ground floor commercial lease space.
- Parking Alternative 4 – Two levels of above-grade parking is constructed on levels two and three, resulting in less residential units and the elimination of the affordable units.

The Applicant's analysis (Attachments C and D) concluded that due to the small lot size and the retention of the historic resource on-site, the strict application of the provisions of the parking requirement to incorporate the 11 spaces into the design of the Project would result in the loss of the affordable units in order to compensate for the increased construction costs. The provision of both the affordable units and the required parking would make the Project as a whole economically infeasible. Table 1 below summarizes the financial findings of the economic feasibility study and demonstrates the Applicants conclusion that only the Base Project produces a financially feasible project with affordable housing units.

Table 1:

ALTERNATIVE	CAPITALIZED VALUE	DEVELOPMENT COST	DIFFERENTIAL
Base Project	\$9,848,448	\$8,497,894	\$1,350,514
1 – Two below-grade parking levels	\$9,848,448	\$10,737,934	-\$889,486
2 – One below-grade parking level	\$9,848,448	\$10,692,934	-\$844,486
3 – On-grade parking	\$9,848,448	\$10,459,134	-\$610,686
4 – Two above-grade parking levels	\$9,848,448	\$15,134,600	-\$5,286,152

One of the primary concerns expressed by public speakers is the lack of on-site parking in the Project. Residents stated that there already isn't enough parking in the neighborhood and the Project would make the parking conditions worse, especially with the conversion of the former Hotel Metro SRO buildings with 193 SRO units on the block into 86 market-rate studio apartments. The former Hotel Metro project consists of a building on either side of 13th Street and is undergoing a conversion of 136 Single Room Occupancy (SRO) units to 84 market-rate studio units. Hotel Metro was originally constructed in 1990 and was not required to provide any on-site parking. The property was fully developed, so when the building was converted to market-rate units, there was no ability to provide the required parking. The developer was therefore granted a Neighborhood Use Permit in 2016 to eliminate the parking requirement.

At this time, the parking on 13th Street is open with no restrictions. CivicSD is currently conducting an assessment of on-street parking in East Village, as well as an update to the Downtown Comprehensive Parking Plan, and the block will likely have two-hour, metered parking in the future. Further, due to the elimination of an existing driveway on the subject

property, two additional on-street spaces would be added as a result of the Project.

The Applicant also referenced his intent to attract residents that seek an urban lifestyle and utilize the transit options available in a dense urban environment. The Downtown area is considered a transit-oriented district with many mobility options, in the immediate area of the Project site. The map shown in Attachment E shows the current and future transit network for the Downtown area, including trolley stations and corridors and bus routes. This network is in addition to the ride shares, bike shares, and the Free Ride Everywhere Downtown (FRED) service. Also, many services, amenities, and jobs are within walking distance of the Project site. If parking is needed by one of the Project's residents, the 1,000-space Padres Parkade parking garage is located two blocks to the west and a future 180-space public parking garage will be constructed at the East Village Green park site two blocks to the north in the next several years. However, the Project's parking requirement is for 11 parking spaces and the Project is entitled to an incentive to waive the parking requirement under state law and the SDMC in order to make the provision of the six affordable units financially feasible.

Staff did not find any substantial evidence that the incentives would (1) not be required to provide for affordable costs; (2) adversely affect public health or safety; or (3) would be contrary to State or Federal law. Therefore, Staff is recommending approval of the two incentives.

SDP for Substantial Alteration of Historic Resource:

The historic resource is currently vacant and consists of a one-story residential building constructed in 1881 in the Italianate architectural style. The building was designated as historic by the City of San Diego Historic Resources Board (HRB) on November 16, 2017 as HRB No. 1278. A primary reason for the designation was the building's conveyance of the historic significance of the Italianate style by embodying the characteristics associated with the style, such as its one-story form sheathed with wood siding, the bay windows with pediments, and the recessed front porch with an entablature. A rear addition to the house was constructed in 1942, which the historic designation excludes.

The Project proposes a substantial alteration of the historic resource by removing three facades, relocating them onto a new concrete structure at the front of the property, and constructing six levels of residential units directly above the building. The Treatment and Monitoring Plan is included as Attachment J. Under the SDMC, a substantial alteration to a designated historical resource requires the approval of an SDP, a Process 4 decision by the Planning Commission after a recommendation by the HRB. Specific findings are required for an SDP, including findings that require analysis of alternatives that could minimize the potential adverse effects on the designated historical resource. The Applicant submitted draft SDP findings which are included as Attachment H.

Chapter 9 of the DCP establishes the strategy for preservation of historical resources as part of Downtown's continued development. Historic buildings are identified under a three-tiered system based on their classification:

1. The 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. Listing on the 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 Historic Resources (SDRHR), includes properties deemed to have contributed significantly to regional history and culture.

The Wright House is a locally listed property as outlined in the third tier above and has not been found to be eligible for either the NRHP or the CRHR. 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 San Diego Register of Historic Resources:

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.

The Applicant submitted an economic feasibility report (Attachment D) that evaluated potentially less impactful project alternatives, described herein:

- Base Project – The historic resource will be repositioned to the front property line with the new building constructed above and the second level setback 2’-5½” from the front façade of the historic resource’s bay windows (Note: the revised Project now provides a 10’-4” setback from the front façade of the historic resource’s bay windows).
- Project Alternative 1 – The historic resource would remain in its exact location with a new building constructed in the remaining lot area behind the historic resource.
- Project Alternative 2 – The historic resource would be repositioned to the front property line with a new building constructed in the remaining lot area behind the historic resource.
- Project Alternative 3 – The historic resource would be repositioned to the front property line with a new building constructed behind and cantilevered over the historic resource.
- Project Alternative 4 – The historic resource would be relocated off-site and a new building constructed on the full lot.

The SDP contains further findings that stipulate that 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.

To address this finding, the Applicant retained the Xpera Group to evaluate the four Project Alternatives against the Base Project. The Xpera Group found that only the Base Project and

Alternative 4 were economically feasible. Alternative 4 entails the relocation of the historic resource off-site. After consultation with local preservationists, the Applicant concluded that Alternative 4 is not desirable because it did not keep the historic resource in the Downtown area. There are advantages and disadvantages to both maintaining the historic resource on-site and relocating it off-site, as outlined in Table 2 below:

Table 2:

RETENTION KEEP ON-SITE		RELOCATION OFF-SITE	
ADVANTAGES	DISADVANTAGES	ADVANTAGES	DISADVANTAGES
Will remain in Downtown, preserve character/history	Loss of some historical integrity with new construction directly above	Historic resource is kept fully intact	New site is outside Downtown, loses context
Maintains public views of two facades		Avoids demolition	Location not readily visible from public views on isolated street
Avoids demolition			

In order to retain the historic resource in Downtown, only the Base Project is economically feasible, as the three alternatives exhibit higher costs and lower returns resulting in economically infeasible alternatives according to the Xpera report. CivicSD staff, including financial analysts, did review the Xpera report and found no issues with its analysis and conclusions. Therefore, denial of the proposed development would result in economic hardship to the owner. Accordingly, the findings provided by the Applicant supporting the SDP request have been included as Attachment H.

Historic Resources Board (HRB) – Before consideration of an SDP by the Commission, a recommendation is made by the HRB. The Project was presented to the HRB on June 28, 2018. The HRB voted 8-1 to approve the Historic Staff’s recommendation that the Commission adopt the mitigation measures and findings associated with the SDP. CivicSD Staff’s responses to the six required SDP findings (as well as for the CCDP), are included in the attached resolution (Attachment L). The responses conclude that the findings for the SDP can be made because the alternatives result in non-financeable returns and therefore denial of the proposed development would result in economic hardship.

Project-Related Issues:

Blank Walls - The narrow 42-foot wide lot presents development challenges that, in order to maximize development of the site consistent with the 6.0 FAR, results in several blank wall conditions abutting adjacent properties. The Project’s south elevation is adjacent to the existing northern blank wall of the Park Boulevard East (PBE) building, developed in 2005. The Project’s west elevation, which is less than 50 feet in width, faces windows and balconies of PBE’s east facing units, which are setback approximately 20 feet from the common property line. This west facing elevation is a blank wall with minimal articulation and primarily comprised of cast-in-place concrete. A similar blank wall condition is proposed for the north elevation at the street

frontage and faces Island Avenue and a potentially-historic two-story structure (currently used as an office). Further west, the northern façade jogs inward, breaking up the building massing and providing sunlight not only to the ground floor breezeway, but also to the building's interior residential units. The Downtown Design Guidelines (DDG), included as Attachment F, state that blank walls should be limited and that unavoidable blank walls, "should be enhanced with architectural detailing, material texture, ornamentation, landscape treatment, and/or artwork" (DDG Sec. 4.5.10.B). Similar blank wall conditions can be observed elsewhere in East Village, including the walls facing the Project on the adjacent PBE.

The blank walls of the north, south, and west elevations were discussed and the CivicSD Design Review Committee (DRC) members, as well as the members of the Downtown Community Planning Council (DCPC) asked that the design of the blank walls be further evaluated by the Applicant. In response, the Applicant revised the plans to add two fire-rated, frosted windows on floors three through seven of the north elevation, as well as a "piano-key" pattern consisting of black recessed color panels. These panels have been utilized on the south and west elevations. Also on the south elevation, the white stucco material was extended farther to the west to brighten the façade for the portion of the wall visible from PBE.

Incorporation of Historic Resource - A major design issue is the incorporation of portions of the historic resource into the Project. The Applicant originally proposed to relocate the historic resource to Mission Hills, but after discussion with local preservation groups, now proposes to retain portions (three facades) of the historic resource on-site. The key question in retaining portions of the historic resource on-site is whether the proposal retains the character, integrity, and historic significance with the construction of the Project above it, or would the alternative relocation outside of Downtown prove to be more beneficial for its historic integrity? The eastern and northern facades will be exposed and publicly visible (the southern façade will be minimally visible due to the small gap between the Project and PBE).

Developers typically struggle with attempting to incorporate historic resources into new construction, and sometimes the result is a tactic commonly known as a "facadectomy," which occurs when the front façade of a building is preserved and new construction occurs immediately behind, or with minimal setbacks behind, the façade. Two of these examples can be found at the Hilton Bridgeworks project at the south end of Fifth Avenue in the Gaslamp Quarter or Hotel Solamar project on Fifth Avenue north of Broadway. Other projects set back new construction from 10-15 feet to retain more of the true volume of the historic structure, although this does impact the historic integrity of those structures. The Project's retention of multiple facades of the historic resource is helpful with the provision of the passageway in that two full facades of the historic resource are fully visible and results in a unique solution. However, the construction of six floors of the apartment building immediately above the historic structure could impact the integrity of the historic resource. Therefore, and as a result of the comments received throughout the review process, the Applicant's final design incorporated a 10'-4" setback for the second level of the building from the façade face of the historic structure at the property line. The larger second level setback creates a patio space for the adjacent unit and provides more distinction between the historic resource and the new construction. Staff believes this unique design is far better than a "facadectomy" or demolition and retains a sense of history in the neighborhood, as

the relocation outside of Downtown results in a complete loss of history within the community.

Proximity to Adjacent Development – Neighbors who attended the public meetings commented on the close proximity of the Project to their residential units in PBE, which can be seen in the aerial views in Attachment G. They expressed opposition to the Project due to loss of views, sunlight, and privacy, and the shadows that would be cast on their balconies. Committee members acknowledged that views and sunlight are not guaranteed in a growing urbanized core. The portions of the PBE building containing residential units with windows and/or balconies facing the Project are setback about 20 feet from the interior property lines. Concerns over the loss of privacy were also expressed; however, the Project's walls facing PBE are solid with no windows. The Applicant has improved the blank wall conditions that face PBE in order to soften its relationship to the adjacent building. Windows are not being proposed on the south or west walls so the Project does not impose on the privacy of units in PBE.

Lack of Parking - One of the primary concerns expressed by members of the public is the lack of on-site parking in the Project. Residents of nearby developments stated that there already isn't enough parking in the neighborhood and the Project would make the parking conditions worse. As stated earlier in the report, the Project's parking requirement is for 11 parking spaces and the Project is entitled to an incentive to waive the parking requirement under state law and the SDMC in order to make the provision of the six affordable units financially feasible. Further, the Applicant references his intent to attract residents that seek an urban lifestyle and utilize the many mobility options already available Downtown.


Staff received public correspondence from community organizations, property owners, and residents who live near the Project site. Circulate San Diego, Save Our Heritage Organization, and the East Village Association expressed support, while the East Village Residents Group described some key concerns they have with the Project in their letter. Staff received four letters from nearby property owners expressing support for the Project and 17 letters from individuals, including homeowners in PBE, in opposition of the Project. All public correspondence is included as Attachment I.

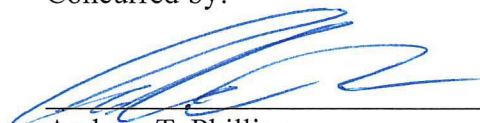
Conclusion:

Staff recommends that the Commission grants CCDP/SDP No. 2018-07 for the Project.

Respectfully submitted,

Concurred by:


James Alexander
Associate Planner


Andrew T. Phillips
Interim President


Brad Richter
Vice President, Planning

Attachments: A – Ownership Disclosure Statement
B – Architectural Narrative and Project Description (provided by Applicant)
C – Economic Feasibility Report for Parking Incentive
D – Economic Feasibility Report for Historic Alternatives
E – Mobility Options Map
F – Downtown Design Guidelines
G – Aerial Views
H – Applicant’s SDP Findings dated June 30, 2018
I – Public Correspondence
J – Treatment & Monitoring Plan dated May 23, 2018
K – Draft Permit CCDP/SDP No. 2018-07
L – Draft Planning Commission Resolution for CCDP/SDP 2018-07
M – Project Data Sheet
N - Downtown FEIR Consistency Evaluation & MMRP
Basic Concept/Schematic Drawings dated July 9, 2018