

RESOLUTION NUMBER R-300741

ADOPTED ON AUGUST 2, 2005

WHEREAS, Friars Mission Hills, LLC, Owner/Paseo De Mission Hills, LLC, Permittee, filed an application with the City of San Diego for a site development permit to demolish three commercial structures, one residential structure, two garages, and one kiosk for the construction of the Paseo de Mission Hills complex, known as the Paseo De Mission Hills project. The project includes the following: (1) the restoration of the "Ace Drugstore" and "Funcheon" buildings in accordance with the Secretary of Interior Standards for Restoration. Once restored, both buildings may be eligible for listing on the National and/or Local Registers; (2) the construction of a 5-story building with retail and residential use, that contains 5,135 square-feet of retail in the form of three condominiums, and 113,380 square-feet of residential space in the form of sixty-one 1-, 2-, and 3-bedroom condominium units that includes a 2-level, 69,667 square-foot subterranean parking garage; (3) the construction of a 2-story, 4,979 square-foot retail and office addition to the "Ace Drugstore" building; (4) the construction of a public pedestrian path or "Paseo" and courtyard through the project site with access from approximately the mid-blocks of West Washington Street, Goldfinch Street, and Falcon Street on portions of a 1.17-acre site. The project is located at on the north side of the 800 Block of West Washington Street, bounded by Goldfinch Street, and Falcon Street, and Fort Stockton Drive, and legally described as Lots 1 through 6, the southerly 10 feet of Lot 10, Lots 11 through 24 in Block 54 of Arnold & Choate's Addition according to Map No. 334, in the Mid City Communities Planned District within the Uptown Community Plan area, in the MR-1000 and CN-2A zones; and

WHEREAS, on January 27, 2005, the Planning Commission of the City of San Diego considered Site Development Permit [SDP] No. 113680, and pursuant to Resolution No. 3648-PC-1 voted to approve the Permit; and

WHEREAS, Mission Hills Heritage and Michael Wells appealed the Planning Commission decision to the Council of the City of San Diego; and

WHEREAS, the matter was set for public hearing on August 2, 2005, testimony having been heard, evidence having been submitted, and the City Council having fully considered the matter and being fully advised concerning the same; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that it adopts the following findings with respect to Site Development Permit No. 113680:

A. SITE DEVELOPMENT PERMIT SAN DIEGO MUNICIPAL CODE [SDMC] SECTION 126.0504

1. Findings for all Site Development Permits:

a. The proposed development will not adversely affect the applicable land use plan. The 1.17-acre site is located on the north side of the 800 Block of West Washington Street in the Planned Urbanized Development Area as cited in the Progress Guide and General Plan. The site is located within the Uptown Community Plan that designates the 0.71-acre portion of the site for mixed-use allowing 44-73 dwelling units per acre [dus/acre] and medium to high density residential development at 29-44 dus/acre on the 0.46-acre north-eastern portion of the site. The proposal to construct sixty-nine residential dwelling units, implements the Plan's Land Use element. The Uptown Community Plan's Urban Design Element provides specific policy direction for the commercial area adjacent to West Washington and Goldfinch Streets. These policies encourage the expansion of neighborhood-serving commercial services and mixed-use development that enhance and improve the appearance of existing commercial structures, the pedestrian atmosphere, as well as promote smooth traffic flow along West Washington Street and reduce auto/pedestrian conflicts. The Conservation, Cultural and Heritage Resources Element of the Plan promotes the preservation of historical structures at their original location as well as in their historic context whenever possible

The project proposes to restore two potentially historical landmarks along West Washington Street, provide pedestrian access to the commercial and residential uses from all sides of the site, significantly improve the public right-of-way through new historically-scored sidewalks, shade-producing street trees and enhanced landscaping as well as the provision of a

public "Paseo" through the center of the site. Neighborhood-serving retail establishments are proposed along West Washington and Goldfinch Streets that incorporate a high degree of transparency as well as awnings to provide shelter and shade from the environment.

The proposed project site is located within the Mid-City Communities Planned District, and is currently zoned MR-1000 and CN-2A. The northeast corner of the project site/block (Lots 17-24), bounded by Fort Stockton Drive and Falcon Street, is zoned MR-1000 (Residential - Multiple Unit; 1 dwelling unit per 1,000 square-feet of lot area). The remaining portion of the site/block (Lots 1-16) is zoned CN-2A (Mixed Use/Residential - Multiple Unit; 1 dwelling unit per 800 square-feet of lot area). The project as zoned, allows for a total of fifty-nine units and the proposal includes an affordable housing density bonus request, which would allow for an additional 25 percent density bonus. However, the project is only requesting a 17 percent increase in density to allow for the development of ten additional units for a total of sixty-nine units. Therefore, the proposed development will not adversely affect the applicable land use plan.

b. The proposed development will not be detrimental to the public health, safety, and welfare. The proposed 69-unit mixed use development has been reviewed in accordance with the California Environmental Quality Act and a Mitigated Negative Declaration was prepared, which address potential impacts to Historical Resources (Archaeological), Paleontological Resources and Transportation/Circulation. A Mitigation, Monitoring and Reporting Program would be implemented with this project to reduce the impacts to a level below significance.

The permit prepared for this development includes various conditions (and referenced exhibits) of approval relevant to achieving project compliance with the regulations and applicable ordinance provisions of the SDMC, Best Management Practices, and building code requirement in effect for this site; and that such conditions have been determined by the decision-maker as necessary to avoid adverse impacts upon the health, safety, and general public welfare. These conditions (and referenced exhibits) include limitations upon the extent and amount of density, floor area ratio, minimum parking, landscaping, site access, and required public improvements.

c. The proposed development will comply with the applicable regulations of the Land Development Code. The proposed project site is located within the Mid-City Communities Planned District, and is currently zoned MR-1000 and CN-2A. The northeast corner of the project site/block (Lots 17-24), bounded by Fort Stockton Drive and Falcon Street, is zoned MR-1000 (Residential - Multiple Unit; 1 dwelling unit per 1,000 square-feet of lot area). The remaining portion of the site/block (Lots 1-16) is zoned CN-2A (Mixed Use/Residential - Multiple Unit; 1 dwelling unit per 800 square-feet of lot area). The project as zoned, allows for a total of fifty-nine units and the proposal includes an affordable housing density bonus request, which would allow for an additional 25 percent density bonus. However, the project is only requesting a 17 percent increase in density to allow for the development of ten additional units for a total of sixty-nine units.

As a component of the application, the proposed project will set aside eight existing rental units (seven studios and one 1-bedroom) for households with an income at or

below 50 percent Area Median Income [AMI] for a period of not less than fifty-five years. SANDAG Data Warehouse shows there are approximately 17,815 existing housing units in the 92103 Zip Code Area, which includes the community of Mission Hills. The Housing Commission has restricted approximately eighty-three units (1/2 percent of the total housing units) in this area. The proposal includes deviations to the Affordable Housing and development regulations; however, it has been determined that this development with the proposed deviations are appropriate for this location and with the requested deviations will result in a more desirable project than would be achieved if designed in strict conformance with the development regulations of the applicable zone. The proposal would assist the City in addressing its shortage of affordable housing rental units during a time when the City Council has determined that the City of San Diego is in a Housing State of Emergency.

2. Supplemental Findings--Deviations for Affordable/In-Fill Housing Projects

a. The proposed development will materially assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the City. The proposed project will set aside eight existing rental units (seven studios and one 1-bedroom) for households with an income at or below 50 percent AMI for a period of not less than fifty-five years. Currently the Affordable Housing rental rate of 50 percent AMI for a household of one (studio) is an annual income of \$24,000 and for a household of two (1-bedroom) is an annual income of \$27,400. The project is located in an area with few affordable housing units. SANDAG Data Warehouse shows there are approximately 17,815 existing housing units in the 92103 Zip Code Area, which includes the community of Mission Hills. The Housing Commission has restricted approximately eighty-three units (1/2 percent of the total housing units) in this area. The proposal includes deviations to the Affordable Housing and development regulations; however, it has been determined that this development with the proposed deviations are appropriate for this location and with the requested deviations will result in a more desirable project than would be achieved if designed in strict conformance with the development regulations of the applicable zone. The proposal would help the City address its shortage of affordable housing rental units during a time when the City Council has determined that the City of San Diego is in a Housing State of Emergency.

b. The development will not be inconsistent with the purpose or the underlying zone. The 1.17-acre site is located on the north side of the 800 Block of West Washington Street and is located within the Planned Urbanized Development Area as cited in the Progress Guide and General Plan. The site is located within the Uptown Community Plan that designates the 0.71-acre portion of the site for mixed-use allowing 44-73 dus/acre and medium to high density residential development at 29-44 dus/acre on the 0.46-acre north-eastern portion of the site. According to the Land Use Element of the Uptown Community Plan, the proposed project, occupying 1.17 acres, could accommodate between forty-five and seventy-two dwelling units. The proposal to construct sixty-nine residential dwelling units, implements the Plan's Land Use element.

Recommendations in the Uptown Community Plan specifically focus on the commercial area adjacent to West Washington and Goldfinch Streets and encourage the development of neighborhood-serving mixed use projects that improve the appearance of

existing commercial structures, enhance the pedestrian atmosphere, promote smooth traffic flow along West Washington Street and reduce auto/pedestrian conflicts.

The proposed project site is located within the Mid-City Communities Planned District, and is currently zoned MR-1000 and CN-2A. The northeast corner of the project site/block (Lots 17-24), bounded by Fort Stockton Drive and Falcon Street, is zoned MR-1000 (Residential - Multiple Unit; 1 dwelling unit per 1,000 square-feet of lot area). The remaining portion of the site/block (Lots 1-16) is zoned CN-2A (Mixed Use/Residential - Multiple Unit; 1 dwelling unit per 800 square-feet of lot area). The project as zoned, allows for a total of fifty-nine units and the proposal includes an affordable housing density bonus request, which would allow for an additional 25 percent density bonus. However, the project is only requesting a 17 percent increase in density to allow for the development of ten additional units for a total of sixty-nine units. Therefore, the proposed development will not be inconsistent with the purpose of the underlying zone.

c. Any proposed deviations are appropriate for this location and will result in a more desirable project than would be achieved if designed in strict conformance with the development regulations of the applicable zone. The project proposes to restore two potentially historical landmarks along West Washington Street, provide pedestrian access to the commercial and residential uses from all sides of the site, significantly improve the public right-of-way through new historically-scored sidewalks, shade-producing street trees and enhanced landscaping as well as the provision of a public "Paseo" through the center of the site. Neighborhood-serving retail establishments are proposed along West Washington and Goldfinch Streets that incorporate a high degree of transparency as well as awnings to provide shelter and shade from the environment.

The proposal implements the Uptown Community Plan's Land Use element by falling within the allowable density range. The Uptown Community Plan's Urban Design Element provides specific policy direction for the commercial area adjacent to West Washington and Goldfinch Streets. These policies include encouraging the expansion of neighborhood-serving commercial services and mixed-use development that enhance and improve the appearance of existing commercial structures, the pedestrian atmosphere, as well as to promote smooth traffic flow along West Washington Street and reduce auto/pedestrian conflicts. To achieve these goals would require deviations to the regulations of the underlying zone for setbacks, street yard, height, diagonal plan dimension, floor area ratio, visibility area, loading area, and turn-around area.

The proposed project will set aside eight existing rental units (seven studios and one 1-bedroom) for households with an income at or below 50 percent AMI for a period of not less than fifty-five years. The project is located in an area with few affordable housing units. SANDAG Data Warehouse shows there are approximately 17,815 existing housing units in the 92103 Zip Code Area, which includes the community of Mission Hills. The Housing Commission has restricted approximately eighty-three units (1/2 percent of the total housing units) in this area. The proposal includes deviations to the Affordable Housing and development regulations; however, it has been determined that this development with the proposed deviations are appropriate for this location and with the requested deviations will result in a more desirable project than would be achieved if designed in strict conformance with the development

regulations of the applicable zone. The proposal would help the City address its shortage of affordable housing rental units during a time when the City Council has determined that the City of San Diego is in a Housing State of Emergency.

B. SUPPLEMENTAL FINDINGS MID-CITY PDO SDMC SECTION 103.1501

1. The proposed use and project design meet the purpose and intent of the Mid-City Communities Planned District (SDMC section 103.1501), and the following documents, as may be applicable to the project site: the Mid-City Community Plan, the Greater North Park Community Plan, the State University Community Plan, the Uptown Community Plan, the Mid-City Design Plan, design manual for the Normal Heights Demonstration area and the City Heights Demonstration area, the design study for the Commercial Revitalization of El Cajon Boulevard, the North Park Design Study, Volume 1, Design Concept and Volume 2, Design Manual, Sears Site Development Program; and will not adversely affect the Mid-City Community Plan, the Greater North Park Community Plan, the State University Community Plan, the Uptown Community Plan or the City's Progress Guide and General Plan. The 1.17-acre site is located on the north side of the 800 Block of West Washington Street and is located in the Planned Urbanized Development Area as cited in the Progress Guide and General Plan. The site is located within the Uptown Community Plan that designates the 0.71-acre portion of the site for mixed-use allowing 44-73 dus/acre and medium to high density residential development at 29-44 dus/acre on the 0.46-acre north-eastern portion of the site. According to the plan, the proposed project, occupying 1.17 acres, could accommodate between forty-five and seventy-two dwelling units. The proposal to construct sixty-nine residential dwelling units, implements the Plan's Land Use element.

The proposed project site is located within the Mid-City Communities Planned District, and is currently zoned MR-1000 and CN-2A. The northeast corner of the project site/block (Lots 17-24), bounded by Fort Stockton Drive and Falcon Street, is zoned MR-1000 (Residential - Multiple Unit; 1 dwelling unit per 1,000 square-feet of lot area). The remaining portion of the site/block (Lots 1-16) is zoned CN-2A (Mixed Use/Residential - Multiple Unit; 1 dwelling unit per 800 square-feet of lot area). The project as zoned, allows for a total of fifty-nine units and the proposal includes an affordable housing density bonus request, which would allow for an additional 25 percent density bonus. However, the project is only requesting a 17 percent increase in density to allow for the development of ten additional units for a total of sixty-nine units. Therefore, the proposed development will not adversely affect the applicable land use plan.

2. The proposed development will be compatible with existing and planned land uses on adjoining properties and will not constitute a disruptive element to the surrounding neighborhood and community. Architectural harmony with the surrounding neighborhood and community will be achieved as far as practicable. The Mission Hills Commercial District, where the project is being proposed, is characterized by a varied mixture of development styles dating from the 1920's through 2000. Structures range from 1-story bungalows to 4- and 5-story residential condominium projects.

On the West Washington street portion of the project, two stories of commercial with a portion of residential on the south/east corner are proposed. These uses are existing and reflect the same type of use and scale as what is currently developed on the south side of West

Washington Street. Along approximately 60 percent of Goldfinch Street, the development is existing and two stories tall and the remaining approximately 40 percent of the site is proposed to be five stories high with commercial on the ground floor. This reflects the existing commercial development on the west side of Goldfinch Street and also reflects the adopted land use designation if the west side is to ever redevelop, as they are designated similarly.

Along Fort Stockton Drive, the development is proposed to be five stories of residential condominiums along with the townhouses that would front the street. The design incorporates front entrances and patios along the street in order to enhance the opportunity for pedestrian/resident interaction. This would reflect the Community Plan's Medium to High Density Residential designation that is allowed on the north side of Fort Stockton Drive and also reflects the existing multiple story multi-family residential development that is located on the north-eastern corners of Falcon Street and Fort Stockton Drive.

Along Falcon Street, approximately 25 percent of the development would be two stories of commercial use with residential above, and the remaining street frontage would consist of a 5-story high residential structure with townhouse front doors and patios facing the street. To the east of the project site is the recently constructed Mission Hills Commons project that is comprised of 4-stories of housing and the parking garage which comprises a partial story aboveground, thus making the structure close to 5-stories high.

Architectural harmony with the surrounding neighborhood and community is achieved by providing a number of elements including: ground floor townhouse entry and patio features, enhanced façade articulation and increased retail transparencies, wider historically-scored sidewalks, new shade-producing street trees to line the parkways of all street frontages, and by enlisting a variety of building materials that can also be found in the neighborhood such as brick, stone and stucco. The restoration of the two West Washington Street structures help to further achieve the plan's recommendations for integrating and restoring historical structures into project proposals. Further, the provision of ground-floor retail along Goldfinch Street that is in harmony with the existing structures that are proposed to remain enhances the pedestrian atmosphere and promotes economic prosperity within the Mission Hills Commercial District.

3. The proposed use, because of conditions hat have been applied to it, will not be detrimental to the health, safety and general welfare of persons residing or working in the area, and will not adversely affect other property in the vicinity of the project site. The proposed 69-unit mixed use development has been reviewed in accordance with the California Environmental Quality Act and a Mitigated Negative Declaration was prepared, which address potential impacts to Historical Resources (Archaeological), Paleontological Resources and Transportation/Circulation. A Mitigation, Monitoring and Reporting Program would be implemented with this project to reduce the impacts to a level below significance.

The permit prepared for this development includes various conditions (and referenced exhibits) of approval relevant to achieving project compliance with the regulations and applicable ordinance provisions of the SDMC, Best Management Practices, and building code requirement in effect for this site; and that such conditions have been determined by the decision-maker as necessary to avoid adverse impacts upon the health, safety, and general public welfare. These conditions (and referenced exhibits) include limitations upon the extent and

amount of density, floor area ratio, minimum parking, landscaping, site access, and required public improvements.

4. The proposed use will comply with the relevant regulations of the San Diego Municipal Code in effect for this site. The proposed project site is located within the Mid-City Communities Planned District, and is currently zoned MR-1000 and CN-2A. The northeast corner of the project site/block (Lots 17-24), bounded by Fort Stockton Drive and Falcon Street, is zoned MR-1000 (Residential - Multiple Unit; 1 dwelling unit per 1,000 square-feet of lot area). The remaining portion of the site/block (Lots 1-16) is zoned CN-2A (Mixed Use/Residential - Multiple Unit; 1 dwelling unit per 800 square-feet of lot area). The project as zoned, allows for a total of fifty-nine units and the proposal includes an affordable housing density bonus request, which would allow for an additional 25 percent density bonus. However, the project is only requesting a 17 percent increase in density to allow for the development of ten additional units for a total of sixty-nine units.

As a component of the application, the proposed project will set aside eight existing rental units (seven studios and one 1-bedroom) for households with an income at or below 50 percent AMI for a period of not less than fifty-five years. SANDAG Data Warehouse shows there are approximately 17,815 existing housing units in the 92103 Zip Code Area, which includes the community of Mission Hills. The Housing Commission has restricted approximately eighty-three units (1/2 percent of the total housing units) in this area. The proposal includes deviations to the Affordable Housing and development regulations; however, it has been determined that this development with the proposed deviations are appropriate for this location and with the requested deviations will result in a more desirable project than would be achieved if designed in strict conformance with the development regulations of the applicable zone. The proposal would assist the City in addressing its shortage of affordable housing rental units during a time when the City Council has determined that the City of San Diego is in a Housing State of Emergency.

The proposed use meets the purpose and intent of the Mid-City Communities Planned District by implementing the goals and objectives of the Uptown Community Plan, providing new construction compatible with the existing architectural detail and overall appearance in the surrounding neighborhood, articulation, underground parking, and minimal curb cuts. Accordingly, the proposed development is consistent with the applicable land use plans and would not be detrimental to the Progress Guide and General Plan of the City of San Diego.

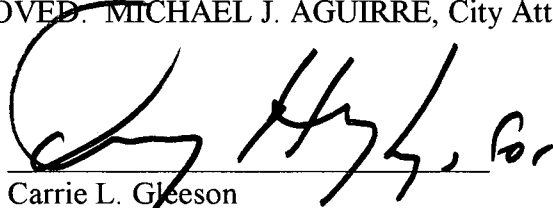
The above findings are supported by the minutes, maps and exhibits, all of which are herein incorporated by reference.

BE IT FURTHER RESOLVED, that the appeal of Mission Hills Heritage and Michael Wells is denied; the decision of the Planning Commission is sustained; and Site Development Permit No. 113680 is granted to Friars Mission Hills, LLC, Owner/Paseo De Mission Hills,

LLC, Permittee, under the terms and conditions set forth in the attached permit which is made a part of this resolution.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By


Carrie L. Gleeson
Chief Deputy City Attorney

CLG:pev

08/26/05

Or.Dept:Clerk

R-2006-159

MMS #1725

PERMIT - Permit Resolution 11-01-04

RECORDING REQUESTED BY
CITY OF SAN DIEGO
DEVELOPMENT SERVICES DEPARTMENT
PERMIT INTAKE, MAIL STATION 501

WHEN RECORDED MAIL TO
CITY CLERK
MAIL STATION 2A

SPACE ABOVE THIS LINE FOR RECORDER'S USE

JOB ORDER NUMBER 42-2951

SITE DEVELOPMENT PERMIT NO. 113680
PASEO DE MISSION HILLS – PROJECT NO. 40292 MMRP
CITY COUNCIL

This Permit is granted by the Council of the City of San Diego to Friars Mission Hills, LLC, Owner, and Paseo De Mission Hills, LLC, Permittee, pursuant to San Diego Municipal Code [SDMC] section 126.0504. The 1.17-acre site is located on the north side of the 800 Block of West Washington Street, bounded by Goldfinch Street, Falcon Street, and Fort Stockton Drive in the MR-1000 and CN-2A zone(s) of the Mid-City Communities Planned District within the Uptown Community Plan. The project site is legally described as Lots 1 through 6, the southerly 10 feet of Lot 10, Lots 11 through 24 in Block 54 of Arnold & Choate's Addition according to Map No. 334.

Subject to the terms and conditions set forth in this Permit, permission is granted to Owner/Permittee to construct a 61-unit residential condominium and three commercial condominium complexes, which includes the restoration of two existing buildings with eight residential rental units which will be converted into affordable housing rental units and a 2-story, retail and office addition, described and identified by size, dimension, quantity, type, and location on the approved exhibits [Exhibit "A"] dated August 2, 2005, on file in the Development Services Department.

The project or facility shall include:

- a. The demolition of three commercial structures, one residential structure, two garages, and one kiosk for the construction of the Paseo de Mission Hills mixed-use development. The project includes the following: (1) the restoration of the "Ace Drugstore" and "Funcheon" buildings in accordance with the Secretary of Interior Standards for Restoration. Once restored, both buildings may be eligible for listing on the National and/or Local Registers; (2) the construction of a 5-story building for retail and residential use, that contains 5,135 square-feet of retail in the form of three commercial condominiums, and 113,380 square-feet of residential space in the form of sixty-one 1-, 2-, and 3-bedroom condominium units that includes a 2-level, 69,667 square-foot subterranean parking garage; (3) the

construction of a 2-story, 4,979 square-foot retail and office addition to the "Ace Drugstore" building; (4) the construction of a public pedestrian path or "Paseo" and courtyard through the project site with access from approximately the mid-blocks of West Washington Street, Goldfinch Street, and Falcon Street;

- b. The project will set aside eight existing rental units (seven studios and one 1-bedroom) for households with an annual income at or below 50 percent Area Median Income [AMI] for a period of not less than fifty-five years;
- c. Landscaping (planting, irrigation and landscape related improvements);
- d. Off-street parking facilities; and
- e. Accessory improvements determined by the City Manager to be consistent with the land use and development standards in effect for this site per the adopted community plan, California Environmental Quality Act Guidelines, public and private improvement requirements of the City Engineer, the underlying zone(s), conditions of this Permit, and any other applicable regulations of the SDMC in effect for this site.

STANDARD REQUIREMENTS:

1. Construction, grading or demolition must commence and be pursued in a diligent manner within thirty-six months after the effective date of final approval by the City, following all appeals. Failure to utilize the permit within thirty-six months will automatically void the permit unless an Extension of Time has been granted. Any such Extension of Time must meet all the SDMC requirements and applicable guidelines in effect at the time the extension is considered by the appropriate decision maker.
2. No permit for the construction, occupancy or operation of any facility or improvement described herein shall be granted, nor shall any activity authorized by this Permit be conducted on the premises until:
 - a. The Permittee signs and returns the Permit to the Development Services Department; and
 - b. The Permit is recorded in the Office of the San Diego County Recorder.
3. Unless this Permit has been revoked by the City of San Diego the property included by reference within this Permit shall be used only for the purposes and under the terms and conditions set forth in this Permit unless otherwise authorized by the City Manager.
4. This Permit is a covenant running with the subject property and shall be binding upon the Permittee and any successor or successors, and the interests of any successor shall be subject to each and every condition set out in this Permit and all referenced documents.

5. The utilization and continued use of this Permit shall be subject to the regulations of this and any other applicable governmental agency.

6. Issuance of this Permit by the City of San Diego does not authorize the Permittee for this permit to violate any Federal, State or City laws, ordinances, regulations or policies including, but not limited to, the Endangered Species Act of 1973 [ESA] and any amendments thereto (16 U.S.C. § 1531 et seq.).

7. The Owner/Permittee shall secure all necessary building permits. The applicant is informed that to secure these permits, substantial modifications to the building and site improvements to comply with applicable building, fire, mechanical and plumbing codes and State law requiring access for disabled people may be required.

8. Before issuance of any building or grading permits, complete grading and working drawings shall be submitted to the City Manager for approval. Plans shall be in substantial conformity to Exhibit "A." No changes, modifications or alterations shall be made unless appropriate application(s) or amendment(s) to this Permit have been granted.

9. All of the conditions contained in this Permit have been considered and have been determined to be necessary in order to make the findings required for this Permit. It is the intent of the City that the holder of this Permit be required to comply with each and every condition in order to be afforded the special rights which the holder of the Permit is entitled as a result of obtaining this Permit.

In the event that any condition of this Permit, on a legal challenge by the Owner/Permittee of this Permit, is found or held by a court of competent jurisdiction to be invalid, unenforceable, or unreasonable, this Permit shall be void. However, in such an event, the Owner/Permittee shall have the right, by paying applicable processing fees, to bring a request for a new permit without the "invalid" conditions(s) back to the discretionary body which approved the Permit for a determination by that body as to whether all of the findings necessary for the issuance of the proposed permit can still be made in the absence of the "invalid" condition(s). Such hearing shall be a hearing de novo and the discretionary body shall have the absolute right to approve, disapprove, or modify the proposed permit and the condition(s) contained therein.

RESTORATION PROGRAM REQUIREMENTS:

10. Prior to preconstruction (precon) meeting:

a. Prior to the issuance of a Notice to Proceed [NTP] or any permits, including but not limited to, the first Grading Permit, Demolition Plans/Permits and Building Plans/Permits, the applicant shall submit a construction phasing plan and the Assistant Deputy Director [ADD] shall verify that the requirement for restoration during construction and/or demolition has been noted on the Grading/Demolition /Building Plans.

b. Prior to the issuance of a NTP or any permits, including but not limited to, the first Grading Permit, Demolition Plans/Permits and Building Plans/Permits, the

applicant shall submit a Treatment Plan to the ADD that includes measures to be implemented for protecting the two buildings during construction related activities (e.g. removal of non-historic features, demolition of adjacent structures, subsurface structural support, etc.). The Treatment Plan should be shown as notes on all construction plans (i.e. Grading/Demolition/Building Plans).

c. Prior to the issuance of a NTP or any permits, including but not limited to, the first Grading Permit, Demolition Plans/Permits and Building Plans/Permits, the applicant shall provide a letter of verification to the Mitigation Monitoring Coordination [MMC] stating that a qualified Historian and/or Architectural Historian, as defined in the City of San Diego Historical Resources Guidelines, has been retained to implement the restoration program, and shall include the names of all persons involved in the restoration of this project.

d. Prior to the issuance of any certificate of occupancy, the applicant shall remove all non-historic building materials covering the exterior facades of the "Ace Drugstore" and "Funcheon" buildings on Washington Street at the corners of Goldfinch and Falcon Streets respectively, and shall restore the exterior facades of these two buildings to their original appearance in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Properties.

e. The Restoration Program can be implemented prior to the first Preconstruction Meeting. However, monitoring cannot begin until a Precon Meeting has been held at least one week prior to issuance of appropriate permits. The qualified Historian and/or Architectural Historian shall: (1) attend the precon meeting to make comments and/or suggestions concerning the restoration program with the construction manager and/or grading contractor; (2) submit to MMC a copy of the site/grading plan (reduced to 11x17) that identifies the areas involved in the restoration program as noted above; and (3) submit a construction schedule indicating the start date for removal of the existing exterior facade.

11. During construction:

a. The Historian and/or Architectural Historian shall attend weekly jobsite meetings, be available as needed to monitor the removal of existing exterior façade, and shall document activity via the Consultant Site Visit Record. This record shall be sent to the Resident Engineer [RE] or Building Inspector [BI], upon completion of removal of the facade. RE or BI will forward copies to MMC.

b. The Historian and/or Architectural Historian shall photo document the removal of non-historic materials with 35mm black and white photographs (4x6 standard format), including close-ups of select architectural elements, such as, not limited to, roof/wall junctions, window treatments, decorative hardware. Photographs shall be of archival quality and easily reproducible.

c. Measured drawings shall be produced for the exterior elevations for both buildings depicting post-restoration conditions. If portions of the buildings are not

accessible for measurement, or cannot be reproduced from historic sources, they should not be drawn, but clearly labeled as not accessible. Relevant features that must be reconstructed shall be drawn based on recorded, accurate measurements. Drawings produced in ink on translucent material or archival stable material (blue line drawings are acceptable). Standard drawing sizes are 19" x 24" or 24" x 36"; standard scale is 1/4" = 1 foot.

12. Post construction- Draft and Final Results Report:

a. Within ninety days after completion of the Restoration Program, a Draft Historical Report, including historical analysis, photo documentation and measured drawings shall be submitted to MMC for review by Historical Resources Board [HRB] Staff.

b. Prior to issuance of any Certificate of Occupancy, the applicant shall submit the Final Historical Report for the "Ace Drugstore" and "Funcheon" buildings to the HRB for historic designation consideration.

ENVIRONMENTAL/MITIGATION REQUIREMENTS:

13. Mitigation requirements are tied to the environmental document, specifically the Mitigation, Monitoring, and Reporting Program [MMRP]. These MMRP conditions are incorporated into the permit by reference or authorization for the project.

14. As conditions of Site Development Permit No. 113680, the mitigation measures specified in the MMRP, and outlined in Mitigated Negative Declaration No. 40292 shall be noted on the construction plans and specifications under the heading ENVIRONMENTAL/MITIGATION REQUIREMENTS.

15. The Owner/Permittee shall comply with the MMRP as specified in Mitigated Negative Declaration No. 40292 satisfactory to the City Manager and City Engineer. Prior to issuance of the first grading permit, all conditions of the MMRP shall be adhered to the satisfaction of the City Engineer. All mitigation measures as specifically outlined in the MMRP shall be implemented for the following issue areas:

Historical Resources (Archaeological)
Paleontological Resources
Transportation Circulation

AFFORDABLE HOUSING REQUIREMENTS:

16. Prior to receiving the first residential building permit, the applicant shall comply with the Affordable Housing Requirements of the City's Inclusionary Housing Ordinance (Chapter 14, Article 2, Division 13 of the Land Development Code and the Density Bonus Affordable Housing Requirements pursuant to California Government Code Sections 65915-65918 and San Diego Municipal Code Chapter 14, Article 3, Division 7). The applicant has elected to meet these requirements by restricting eight residential units for occupancy by, and at rents affordable to, households earning no more than 50 percent

of the AMI. The units must be restricted at 50 percent AMI for at least thirty years. For the following twenty-five years, the units must be restricted at 65 percent AMI. Prior to receiving the first residential building permit, the applicant must enter into an agreement with the San Diego Housing Commission to assure that the restricted units are provided and occupied by the appropriate households.

ENGINEERING REQUIREMENTS:

17. Development of this project shall comply with all requirements of State Water Resources Control Board [SWRCB] Order No. 99-08 DWQ and the Municipal Storm Water Permit, Order No. 2001-01(NPDES General Permit No. CAS000002 and CAS0108758), Waste Discharge Requirements for Discharges of Storm Water Runoff Associated With Construction Activity. In accordance with said permit, a Storm Water Pollution Prevention Plan [SWPPP] and a Monitoring Program Plan shall be implemented concurrently with the commencement of grading activities, and a Notice of Intent [NOI] shall be filed with the SWRC.

18. A copy of the acknowledgment from the SWRCB that an NOI has been received for this project shall be filed with the City of San Diego when received; further, a copy of the completed NOI from the SWRCB showing the permit number for this project shall be filed with the City of San Diego when received. In addition, the owner(s) and subsequent owner(s) of any portion of the property covered by this grading permit and by SWRCB Order No. 99-08 DWQ, and any subsequent amendments thereto, shall comply with special provisions as set forth in SWRCB Order No. 99-08 DWQ.

19. Prior to the issuance of any construction permit, the Owner/Permitee shall assure by permit and bond, the replacement of curb with City standard curb and gutter, adjacent to the project site on West Washington Street, Goldfinch Street, and Falcon Street and Fort Stockton Drive.

20. Prior to the issuance of any construction permit, the Owner/Permitee shall assure by permit and bond, the replacement of sidewalk, adjacent to the site on West Washington Street, Goldfinch Street, and Falcon Street and Fort Stockton Drive, maintaining the existing sidewalk scoring pattern and preserving any contractor's stamp to the satisfaction of the City Engineer.

21. All driveways and curb openings shall comply with City Standard Drawings G-14A, G-16 and SDG-100 to the satisfaction of the City Engineer.

22. Prior to the issuance of any construction permit, the Owner/Permitee shall enter into a Maintenance Agreement for the ongoing permanent Best Management Practices [BMP's] maintenance.

23. Prior to the issuance of any construction permit, the Owner/Permitee shall incorporate any construction BMP's necessary to comply with Chapter 14, Article 2, Division 1 (Grading Regulations) of the San Diego Municipal Code, into the construction plans or specifications.

24. Prior to the issuance of any construction permit, the Owner/Permitee shall incorporate and show the type and location of all post-construction BMP's on the final construction drawings, in accordance with the approved Water Quality Technical Report.
25. Prior to the issuance of any construction permit, the Owner/Permitee shall assure by permit and bond the construction of popouts at the southeast corner of Fort Stockton Drive and Goldfinch Street and at the southwest corner of Fort Stockton Drive and Falcon Street, to the satisfaction of the City Engineer..
26. The Owner/Permitee shall obtain an Encroachment Maintenance Agreement, for the subsurface encroachment of the parking structure in the public right-of-way.
27. The Owner/Permitee shall obtain an Encroachment Maintenance Removal Agreement, for the off-site structural treatment BMP proposed to be located in the cub inlet near the intersection of Fort Stockton Drive and Eagle Street.
28. Prior to the issuance of any construction permit, the Owner/Permitee shall assure by permit and bond the closure of all non-utilized curb cuts with standard curb, gutter and sidewalk to the satisfaction of the City Engineer.
29. This project proposes to export 30,000 cubic yards of material from the project site. All export material shall be discharged into a legal disposal site. The approval of this project does not allow the processing and sale of the export material. All such activities require a separate Conditional Use Permit.
30. Prior to the issuance of any construction permit, the Owner/Permitee shall assure by permit and bond, the reconstruction of curb ramps abutting the project site in accordance with Standard Drawing SDG-136, to the satisfaction of the City Engineer.

LANDSCAPE REQUIREMENTS:

31. No change, modification or alteration shall be made to the project unless appropriate application or amendment of this Permit shall have been granted by the City Manager.
32. Prior to issuance of any engineering permits for right-of-way improvements landscape construction documents for right-of-way improvements shall be submitted to the City Manager for approval. Improvement plans shall take into account the approved planting area around each street tree which is unencumbered by utilities. Driveways, utilities, drains, water and sewer laterals shall be designed so as not to prohibit the placement of street trees.
33. Prior to issuance of any grading permits, landscape construction documents for temporary erosion control, including hydroseeding of all disturbed areas shall be submitted to the City Manager for approval. The plans shall be in substantial conformance to Exhibit "A."

34. Prior to issuance of any building permits, complete landscape construction documents, including plans, details and specifications (including a permanent automatic irrigation system unless otherwise approved), shall be submitted to the City Manager for approval. The construction documents shall be in substantial conformance with Exhibit "A."

35. Prior to issuance of any construction permits for structures (including shell), complete landscape and irrigation construction documents consistent with the Landscape Standards (including planting and irrigation plans, details and specifications) shall be submitted to the City Manager for approval. The construction documents shall be in substantial conformance with Exhibit "A," Landscape Development Plan.

36. In the event that a foundation only permit is requested by the Permittee or subsequent Owner, a site plan or staking layout plan shall be submitted identifying all landscape areas consistent with Exhibit "A," Landscape Development Plan. These landscape areas shall be clearly identified with a distinct symbol, noted with dimensions and labeled as landscaping area.

37. If any required landscape (including, but not limited to, existing or new plantings, hardscape, landscape features) indicated on the approved plans is damaged or removed during demolition, it shall be repaired or replaced in kind and equivalent size per the approved plans within thirty days of completion of construction by the Permittee. The replacement size of plant material after three years shall be the equivalent size of that plant at the time of removal (the largest size commercially available or an increased number) to the satisfaction of the City Manager.

38. The property owners and/or property owners association shall be responsible for the maintenance of all landscape improvements and site amenities, including street trees; all landscape shall be maintained in a disease, weed and litter free condition at all times. Severe pruning or "topping" of trees is not permitted. The trees shall be maintained in a safe manner to allow each tree to grow to its mature height and spread.

39. Prior to issuance of any Certificate of Occupancy or final inspection, it shall be the responsibility of the Permittee or subsequent Owner to install all required landscape and obtain all required landscape inspections. A No Fee Street Tree Permit shall be obtained for the installation, establishment and on-going maintenance of all street trees.

TRANSPORTATION REQUIREMENTS:

40. No fewer than 177 off-street parking spaces shall be maintained on the property at all times in the approximate locations shown on the approved Exhibit "A." Parking spaces shall comply at all times with the SDMC and shall not be converted for any other use unless otherwise authorized by the City Manager.

41. Prior to the issuance of any building permits, the Owner/Permittee shall dedicate 3-feet of right-of-way along property frontage on Fort Stockton Drive to provide a total right-of-way of 53 feet, satisfactory to the City Engineer.

42. Prior to the issuance of any building permits, the Owner/Permitee shall assure, by permit and bond, narrowing of street by 2 feet through relocation of existing curbline along property frontage on Fort Stockton Drive to provide an 18 feet wide centerline to curbline distance, satisfactory to the City Engineer.

43. Prior to the issuance of any building permits, the Owner/Permitee shall assure by permit and bond the re-stripping of the southbound and northbound approaches at West Washington Street/Falcon Street intersection for a separate left-turn and shared through-right turn lanes.

PLANNING/DESIGN REQUIREMENTS:

44. The Owner/Permitee shall comply with the modifications approved by City Council on August 2, 2005, as follows:

a. The height of the new building shall not exceed 53 feet measured from the high point of the Fort Stockton Drive side of the project, except for protrusions for mechanical spaces, elevator tower overrides, roof access stairs, and HVAC equipment. Screening for the HVAC mechanical equipment required by the SDMC will not exceed 5 feet. There shall be no mezzanines above the fifth level.

b. Windows facing streets shall be recessed, rather than flush mounted.

c. Copper siding shall be replaced by brick and/or stucco. Glass shall be reduced and eliminated above the fifth floor.

d. Projecting roofs shall be eliminated.

e. Belt course and cornice details shall be added.

f. The walking "paseo" shall remain open to the public during usual daytime and evening business hours, seven days a week. This requirement shall also be added as a condition to the community's CC&R's.

g. The Developer shall make the Craftsman house on Falcon Street available free of charge to a party of the Developer's choice so long as the party intends to preserve the house in another location within the greater San Diego area and so long as the party shows the Developer that it has the resources to situate the house. The Developer shall pay, if necessary, to move the house to the new site. If no party steps forward to move the house by the time a grading or foundation permit is issued by the City, the house may be demolished.

h. The rear wing of the Funcheon Building and the other buildings to be demolished (including the Craftsman house, if nobody takes the building) shall be made available for salvage efforts by local architectural salvage companies.

i. The Developer shall incorporate the neon Funcheon sign located on Falcon Street into the project, preferably in the "paseo" area.

j. Prior to salvaging and demolition, the Developer shall allow the Mission Hills Heritage representatives to access the buildings for the purpose of photographic documentation.

k. The buildings shall incorporate the design features identified in the architectural drawings presented to the City Council on August 2, 2005, within the approved Exhibit "A."

45. No fewer than 177 off-street parking spaces shall be maintained on the property at all times in the approximate locations shown on the approved Exhibit "A." Parking spaces shall comply at all times with the SDMC and shall not be converted for any other use unless otherwise authorized by the City Manager.

46. There shall be compliance with the regulations of the underlying zone(s) unless a deviation or variance to a specific regulation(s) is approved or granted as a condition of approval of this Permit. Where there is a conflict between a condition (including exhibits) of this Permit and a regulation of the underlying zone, the regulation shall prevail unless the condition provides for a deviation or variance from the regulations. Where a condition (including exhibits) of this Permit establishes a provision which is more restrictive than the corresponding regulation of the underlying zone, then the condition shall prevail.

47. The height(s) of the building(s) or structure(s) shall not exceed those heights set forth in the conditions and the exhibits (including, but not limited to, elevations and cross sections) or the maximum permitted building height of the underlying zone, whichever is lower, unless a deviation or variance to the height limit has been granted as a specific condition of this Permit.

48. A topographical survey conforming to the provisions of the SDMC may be required if it is determined, during construction, that there may be a conflict between the building(s) under construction and a condition of this Permit or a regulation of the underlying zone. The cost of any such survey shall be borne by the Permittee.

49. Any future requested amendment to this Permit shall be reviewed for compliance with the regulations of the underlying zone(s) which are in effect on the date of the submittal of the requested amendment.

50. All signs associated with this development shall be consistent with sign criteria established by either of the following:

- a. Approved project sign plan (Exhibit "A;" or
- b. Citywide sign regulations.

51. No building additions, including patio covers, shall be permitted unless approved by the homeowners association and the City Manager. Patio covers may be permitted only if they are consistent with the architecture of the dwelling unit.

52. All private outdoor lighting shall be shaded and adjusted to fall on the same premises where such lights are located.
53. The applicant shall post a copy of the approved discretionary permit or Tentative Map in the sales office for consideration by each prospective buyer.
54. Prior to the issuance of any building permits, complete outdoor lighting information shall be submitted to the Development Services Department, Land Development Review Division, for review and approval. Complete lighting information shall include a plan view photometric analysis indicating an isofoot candle plot and a point by point plot to include all areas within the private property and to extend a minimum of 50 feet beyond the property line, construction details as necessary to direct installation of the outdoor lighting system, manufacturers name, visors, prisms, lenses and reflectors and a lighting plan locating each fixture in plan view and a legend. The outdoor lighting system shall be designed, manufactured and installed to allow shading, adjusting, and shielding of the light source so all outdoor lighting is directed to fall only onto the same premises as light sources are located.
55. Prior to the issuance of any occupancy permit, a night inspection shall be required to verify compliance of the outdoor lighting system. No light shall be directed to fall outside the property line. Light levels along the perimeter of the property shall be measured no higher than three footcandles. Light levels throughout the development shall be the least practical level necessary to effectively illuminate the operation. Sky glow or light halo shall be reduced to the greatest extent practical and in no case shall initial light levels be measured exceeding eight footcandles anywhere within the site. The Owner/Permittee, or an authorized representative, shall provide an illuminance meter to measure light levels as required to establish conformance with the conditions of this Permit during the night inspection. Night inspections may be required additional fees as determined by the City Manager.
56. The use of textured or enhanced paving shall meet applicable City standards as to location, noise and friction values.
57. The subject property and associated common areas on site shall be maintained in a neat and orderly fashion at all times.
58. All uses, except storage and loading, shall be conducted entirely within an enclosed building. Outdoor storage of merchandise, material and equipment is permitted in any required interior side or rear yard, provided the storage area is completely enclosed by walls, fences, or a combination thereof. Walls or fences shall be solid and not less than six feet in height and, provided further, that no merchandise, material or equipment stored not higher than any adjacent wall.
59. No mechanical equipment, tank, duct, elevator enclosure, cooling tower, mechanical ventilator, or air conditioner shall be erected, constructed, converted, established, altered, or enlarged on the roof of any building, unless all such equipment

and appurtenances are contained within a completely enclosed, architecturally integrated structure whose top and sides may include grillwork, louvers, and latticework.

60. Prior to the issuance of building permits, construction documents shall fully illustrate compliance with the Citywide Storage Standards for Trash and Recyclable Materials (SDMC) to the satisfaction of the City Manager. All exterior storage enclosures for trash and recyclable materials shall be located in a manner that is convenient and accessible to all occupants of and service providers to the project, in substantial conformance with the conceptual site plan marked Exhibit "A."

WASTEWATER REQUIREMENTS:

61. Prior to the issuance of any engineering or building permits, the Owner/Permittee shall provide evidence, satisfactory to the Director of the Metropolitan Wastewater Department, indicating that each unit will have its own sewer lateral or provide CC&R's for the operation and maintenance of on site private sewer mains that serve more than one ownership.

62. The Owner/Permittee shall design and construct all proposed public sewer facilities to the most current edition of the City of San Diego's Sewer Design Guide.

63. 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.

WATER REQUIREMENTS:

64. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the design and construction of new water service(s) outside of any driveway, and the disconnection at the water main of all existing unused services adjacent to the site, in a manner satisfactory to the Director of the Water Department and the City Engineer.

65. The Owner/Permittee shall install fire hydrants at locations satisfactory to the Fire Department, the Director of the Water Department and the City Engineer.

66. Prior to the issuance of any building permits, the Owner/Permittee shall apply for a plumbing permit for the installation of appropriate private back flow prevention device(s) on each water service (domestic, fire, and irrigation), in a manner satisfactory to the Director of the Water Department and the City Engineer.

67. Prior to the issuance of any certificates of occupancy, public water facilities necessary to serve the development, including services, shall be complete and operational in a manner satisfactory to the Director of the Water Department and the City Engineer.

68. The Owner/Permittee agrees to design and construct all proposed public water facilities in accordance with established criteria in the most current edition of the City of San Diego Water Facility Design Guidelines and City regulations, standards and practices

pertaining thereto. Public water facilities shall be modified at final engineering to comply with standards.

PARK DEVELOPMENT REQUIREMENTS:

69. The park requirements for this proposed development will be satisfied through payment of the established per unit Development Impact Fees [DIF] at time of building permit issuance.

INFORMATION ONLY:

Any party on whom fees, dedications, reservations, or other exactions have been imposed as conditions of approval of this development permit, may protest the imposition within ninety days of the approval of this development permit by filing a written protest with the City Clerk pursuant to California Government Code section 66020.

APPROVED by the Council of the City of San Diego on August 2, 2005 by Resolution No. R-300741.

AUTHENTICATED BY THE CITY MANAGER

By _____

The undersigned Permittee, by execution hereof, agrees to each and every condition of this Permit and promises to perform each and every obligation of Permittee hereunder.

FRIARS MISSION HILLS, LLC
Owner

By _____

PASEO DE MISSION HILLS, LLC
Permittee

By _____

**NOTE: Notary acknowledgments
must be attached per Civil Code
section 1180 et seq.**

PERMIT/OTHER – Permit Shell 11-01-04