



DATE ISSUED: March 15, 2006 REPORT NO. CCDC-06-14

ATTENTION Honorable Chair and Members of the Redevelopment Agency
Docket of March 28, 2006

SUBJECT: 16TH AND MARKET - Design Review and Approval of Centre City Development Permit 2006-01 - Northwest Corner of 16th and Market Streets Intersection - East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project

REFERENCE: Centre City Development Permit No. 2006-01
Basic Concept/Schematic Drawings
High Density Affordable Housing Report
Environmental Secondary Study

REQUESTED ACTION:

Redevelopment Agency approval of the project’s design and Centre City Development Permit No. 2006-01.

STAFF RECOMMENDATION:

That the Redevelopment Agency approve the design of the proposed affordable family housing development at 16th & Market and the Centre City Development Permit No. 2006-01.

SUMMARY:

PROJECT DESCRIPTION

Type of housing (condo / rental)	Rental
Total number of units / total square feet	136 / 160,000 sq. ft.
Land Area	23,524 square feet
Project density (in units / acre)	252 units/acre
Number of units demolished	0
Number of bedrooms / unit (and unit size)	40 one-bedrooms (553 sq.ft.) 51 two-bedrooms (900-1,017 sq. ft.) 45 three-bedrooms (1,028-1,300 sq.ft.)
Commercial Retail	4,700 square feet
Parking	114 spaces (0.8/unit; 0.4/br)
Stories / Height	12 stories / 125 feet
Floor Area Ratio / Permitted	6.0 / 7.1 (utilizes State Density program for affordable housing)
Projected Rental Rates / Target Market	See Discussion Section
Inclusionary Housing Compliance	Project meets Ordinance and satisfies portion of Ballpark Village Master Plan’s obligations

BACKGROUND

The Owner Participation Agreement (“OPA”) between the Redevelopment Agency and Ballpark Village LLC, including the Master Plan and Affordable Housing Agreement, was approved in a public hearing on October 18, 2005. The OPA and Affordable Housing Agreement required that, within the Ballpark Village Site, the Developer provide no less than 35,000 gross square feet of for-sale dwelling units, affordable to either households earning no more than 100% Area Median Income (“AMI”) as defined by the City’s Inclusionary Housing Program, or to “persons and families of moderate income” as defined in the California Community Redevelopment Law, whichever standard were more restrictive. The OPA also required that the Developer enter into a second Affordable Housing Agreement with the San Diego Housing Commission to provide off-site for-rent housing within the Centre City Community Planning Area, affordable to households earning no more than 65% of AMI, with the anticipation that a certain percentage of dwelling units would be significantly below 65% AMI in order to compete for state and federal financing sources. The total number of units provided by the Developer on-site and off-site shall not be less than 10% of the total number of units developed on the Ballpark Village Site or 150 units (whichever is greater). The OPA prohibits the Developer from seeking locally controlled affordable housing funds.

St. Vincent de Paul/Father Joe’s Village has become a financial partner with the Developer in submitting an off-site for-rent affordable housing development to meet a portion of the affordable housing requirements of the Ballpark Village OPA.

DISCUSSION

The 16th and Market affordable housing project is proposed for the 23,524 square-foot site located at the northwest corner of the intersection of 16th and Market streets in the East Village neighborhood. The site currently contains warehouse structures and surface parking. The site is surrounded by older warehouse and commercial structures, although new construction in the area includes the eight-story Element condominium project at the southwest corner of 15th and Market streets and the six-story Market Street Village (grocery store/apartments) project at the northeast corner of 14th and Market streets. The current Planned District Ordinance (“PDO”) designates the site as being in the Mixed-Use Residential Emphasis District, which requires a minimum of 80% residential land uses. Under the proposed Community Plan and PDO, the site remains in a Residential Emphasis District with similar land use restrictions. The site is well situated for this type of housing, with a new grocery store under construction two blocks to the west and future East Village park sites a block to the northwest and two blocks to the southwest.

The site currently is allowed a Floor Area Ratio of 6.0, but under the State’s Density Bonus Law for Affordable Housing and the City’s regulations enacted pursuant thereto, the site is entitled to up to a 35% density bonus. Although the PDO does not regulate density in units/acre, the City Attorney’s office has opined that equivalent

bonuses to the FAR limits shall be utilized to meet the intent of the State Law. This is the first project in Centre City to take advantage of the State Law, although Centre City Development Corporation (CCDC) staff is processing two other projects that will be entitled to similar bonuses, and the proposed new PDO codifies the bonuses and includes additional incentives for affordable housing. In addition, the project is entitled to relief from development standards if necessary to make the project economically feasible. The applicants have requested, and are being granted, a relief from the Sun Access Criteria's height limits, which typically require building setbacks above 50 feet. Numerous projects in East Village have been granted variances from this criteria in order to comply with Fire Department access requirements, and the proposed PDO deletes these height limits in the East Village.

The project consists of a 12-story L-shaped building that contains approximately 4,700 square feet of retail along Market Street (with an appropriately tall floor-to-floor height of approximately 20 feet), offices and common facilities on the remainder of the first floor, and 136 apartments to be reserved for residents earning between 30-60% of the region's Area Median Income. Open space is provided in a courtyard on the second level, a community room and roof deck on the 12th floor, and private balconies on each unit.

The project provides 114 parking spaces for the 136 apartment units, which exceeds the minimum PDO requirement of 68 spaces (0.5 spaces/unit) but is less than typical market-rate rental projects, which typically provide one space/unit. In order to alleviate any potential shortfall, the developer is researching the possibility of utilizing one or two shared vehicles, similar to the commercial "Flex-Car" concept.

Affordable Housing

The project contains 70% of the units in two- and three-bedroom sizes to allow for family housing. The following will be the approximate ranges of incomes and rents for the units, depending on the type of financing which is obtained, the size of the unit, the family, and the respective income level:

<u>Unit Size</u>	<u>Maximum Income</u>	<u>Maximum Rent</u>
One-Bedroom	\$16,550 - \$33,100	\$414 - \$776
Two-Bedrooms	\$18,650 - \$37,250	\$466 - \$931
Three-Bedrooms	\$20,700 - \$41,400	\$518 - \$1,035

With strong CCDC staff encouragement, the project team has conducted extensive research on design aspects that ensure successful family-emphasis affordable housing, including interviews and site visits to similar high-rise developments in Los Angeles and the San Francisco Bay area. A valuable comparable is 201 Turk /111 Jones Street, San Francisco, a nine-story concrete high-rise completed in 1994. This project contains 283 low and very-low income restricted units on a 56,700 square foot urban site where 118, or 42%, of the units are two or three bedrooms, with a sizable child population. The project is managed by Mercy Charities. Besides specialized and diligent management policies, key design lessons learned from this and other

developments have been incorporated into the proposed design, and are described below.

The provision and configuration of generous and safe on-site play space is critical to a family-emphasis project. This proposal includes a 6,900 square foot, southwest facing courtyard at the second level, which provides a secure play area for children plus seating, trees and planters for all tenants. A 65 x 55 foot square area provides a large, flexible play zone, and a 30 x 112 foot portion provides more intimate sub areas. A multi-use community room, laundry and three units face directly onto this court affording parental supervision. Thirty-one (31) of the 45 three-bedroom family units (and 12 of the two-bedroom units) are clustered on the second through fifth floors, and connect directly to the courtyard via an open air corridor and large open stair. This design is consistent with expert recommendations to maximize direct connections to the play court. The 14 other three-bedroom units are distributed on floors 6-12, as are the remaining two-bedroom units.

This project also includes a community room and large 2,250 square foot outdoor roof deck on the 12th floor (at the southeast corner of the building) with a tall (six-foot) windscreen railing, affording a second play space for families located on the upper floors. Every unit also has a sizable private balcony. These outdoor spaces total 9,980 square feet, or just over 100 square feet per each two- or three-bedroom unit, which compares very favorably with the Turk/Jones development. Besides the retail space fronting Market Street, the remainder of the ground floor is occupied by a spacious residential lobby, generous bike storage, and various offices, classrooms and facilities to support the residents; this type of on-site programming is consistent with expert advice. The pedestrian character of 16th Street contains transparent storefronts enclosing multi-purpose rooms for tenant use.

The building will consist of Type 1 concrete construction with large windows and a mix of architectural concrete, metal siding, and plaster finishes. While the project is 12 stories tall and the building runs for over 200 feet along 16th Street, the building has been designed to avoid a stark or monotonous appearance through the use of varying facades that provide for building stepbacks and recesses along 16th Street, a tall commercial storefront at street level, a strong corner tower with an accent element of the community room and canopy roof, and a mix of materials within well-composed facades. CCDC staff has worked with the project architects over the last month to expedite the design and review in order to meet deadlines for applications for the use of tax credits as funding sources.

Consistency with Plans- The Community Plan and East Village Focus Plan encourage a diversity of uses and residential housing types that support a diverse and vibrant community. The project provides a large stock of affordable housing in a well-designed project. The proposed project complies with the goals of the Community Plan and meets all applicable standards of the PDO.

Streetscape Design - The project will install the specialized Market Street paving, with standard paving along 16th Street. Liquidambar trees will be planted along Market Street, with Evergreen Elms placed along 16th Street.

Environmental Impact- Under the Final Environmental Impact Report for the San Diego Downtown Community Plan, Centre City Planned District Ordinance, and Tenth Amendment to the Redevelopment Plan for the Centre City Redevelopment Project (EIR), an Environmental Secondary Study is prepared for all developments in the Centre City area in order to evaluate the project's compliance with the Community Plan and PDO and, therefore, the findings and conclusions of the EIR. Unless the project is found to be out of compliance with those planning documents, no further environmental review is required. An Agency resolution has been prepared stating for the record that the Agency has previously reviewed and considered information contained in the EIR and it is determined that no substantial changes or new information of substantial importance within the meaning of the California Environmental Quality Act warrant additional environmental review in connection with the approval of the design and Centre City Development Permit No. 2006-01 for the development of affordable housing at 16th and Market streets.

FISCAL CONSIDERATIONS:

The project is a requirement of the Ballpark Village Owner Participation Agreement and the Developer is prohibited from seeking locally controlled affordable housing funds. State and federal financing sources are being pursued by the Developer.

CENTRE CITY DEVELOPMENT CORPORATION ACTION:

On February 22, 2006, the Centre City Development Corporation Board of Directors approved with a 4-0 vote to recommend that the Redevelopment Agency approve the design and Centre City Development Permit for the subject residential development.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On February 15, 2006, the Centre City Advisory Committee and the Project Area Committee each voted 19 in favor and 2 recused to support staff's recommendation. Several members cited a concern that the project provides less than one parking space per unit. The Developer was encouraged to consider additional parking either on- or off-site. On February 2, 2006, the East Village Association reviewed the project, and generally supported the project subject to continuing design improvements and assurances over the long-term management of the residential development.

KEY STAKEHOLDERS:

ROLE/FIRM	CONTACT	OWNED BY
Property Owner S.V.D.P. Management, Inc.	Mathew Packard	Father Joe's Villages, LLC
Developer S.V.D.P. Management, Inc. Ballpark Village LLC	Mathew Packard Charles Black	Father Joe's Villages, LLC JMIR-Ballpark Village LLC (JMIR-BPV) and Lennar Homes of California, Inc. (Lennar) JMIR-BPV is owned by JMIR Investments LLC, which is owned by John J. Moores, Sr. Lennar is a wholly-owned subsidiary of Lennar Corporation which is a publicly held company.
Project Manager Sullivan and Associates, Inc.	Tom Sullivan	Tom Sullivan (Privately Owned)
Architect Joseph Wong Associates	Joseph Wong	Joseph Wong (Privately Owned)
Landscape Architect Garbini and Garbini	Rick Garbini	Rick and Gail Garbini (Privately Owned)

PROJECTED IMPACTS:

Approval of the Centre City Development Permit will facilitate the development of 136 affordable family housing units anticipated to satisfy the off-site rental affordable housing requirements of the Ballpark Village Owner Participation Agreement.

Respectfully submitted,

 Pamela M. Hamilton
 Senior Vice President

 Nancy C. Graham
 President

 Brad Richter, Principal Planner

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