

DATE ISSUED: September 15, 2004 REPORT NO. 04-202

ATTENTION: Honorable Mayor and City Council
Docket of September 21, 2004

SUBJECT: Appeal of Creekside Trails, Site Development Permit No. 84104, Project
Number 31925. Council District 8, Process 4

REFERENCE: Planning Commission Report Number PC-04-102 – June 24, 2004.

OWNER/
APPLICANT: Affirmed Housing Partners – Creekside, LLC,
A California Limited Liability Company

SUMMARY

Issue - Should the City Council approve or deny the appeal of the Planning Commission decision to approve the construction of a 50-unit affordable housing project on a 2.78-acre undeveloped site located on the south side of Coronado Avenue between Green Bay Street and Nestor Way, within the Otay Mesa-Nestor Community Planning Area?

Staff's Recommendation:

1. **Deny** the appeal;
2. **Certify** Mitigated Negative Declaration (MND) No. 31925, and Adopt Mitigation, Monitoring, and Reporting Program (MMRP); and
3. **Approve** Site Development Permit No. 84104.

Planning Commission Recommendation – On June 24, 2004 the Planning Commission voted 5-0 to approve the Site Development Permit with two conditions, which have been added to the Draft Permit.

Community Planning Group Recommendation - On April 14, 2004, the Otay Mesa-Nestor Community Planning Committee voted 8 to 5 with 0 abstentions to recommend approval of the project as proposed with three conditions. The three conditions were: to limit the height of the development to 30 feet (condition met); to provide the full Planning Committee an opportunity to review the Mitigated Negative Declaration (condition met); and to increase the number of parking spaces so that the San Diego Municipal Code (SDMC) requirements are met (applicant chose deviation). Please see the Discussion section of the attached Planning Commission Report, Attachment 2, for staff analysis and more detailed responses to Planning Committee conditions.

Other Recommendations – None with this action.

Environmental Review - A Mitigated Negative Declaration was prepared for this project and finalized May 10, 2004 in accordance with the State of California Environmental Quality Act (CEQA) Guidelines. A Mitigation, Monitoring, and Reporting Program (MMRP) will be implemented which would reduce, to below a level of significance, the potential environmental impacts identified from the environmental review process for the following resource areas: biology, water quality, air quality, and noise. The U.S. Department of Housing and Urban Development (HUD) approved the Environmental Assessment and Finding of No Significant Impact (FONSI) pursuant to the National Environmental Policy Act (NEPA) with issuance of the Authority to Use Grant Funds as issued May 27, 2004.

Fiscal Impact - All costs associated with the processing of this project are paid from a deposit account maintained by the applicant.

Code Enforcement Impact - None with this action.

Housing Impact Statement – The project is subject to and exceeds the requirements of the Inclusionary Housing Ordinance. The project has been conditioned to ensure the 50 affordable housing units will be rented at rates affordable to households earning no more than 60% of AMI for a period of no less than 55 years. The applicant has stated that the mix of 16 one-bedroom units, 18 two-bedroom units, and 16 three-bedroom units will be reserved for individuals, small, and large families earning 30% - 60% of AMI.

The proposed project would provide 50 affordable residential dwelling units where none are currently anticipated by the Otay Mesa-Nestor Community Plan. The proposal would help the City address its shortage of affordable housing during a time when the City Council has determined that the City of San Diego is in a Housing State of Emergency.

Water Quality Impact Statement - The proposed project complies with the City of San Diego's Storm Water Standards. A Water Quality Technical Report, Drainage Study, and Stormwater Management Plan were prepared to define Best Management Practices (BMPs) to minimize stormwater runoff pollutant loading to Nestor Creek. As established in consultation with the U.S. Fish and Wildlife Service and the California Department of Fish and Game, the project proposes a 15-foot setback from the creek bank edge. A

similar setback is found with other development along this stretch of the creek. Runoff from the project site would be directed into grass treatment swales and filtered catch basins and detained onsite, so that post-development runoff from the site does not exceed the runoff volumes under pre-development conditions. The post-development runoff will be discharged via underground drains to the existing storm drain system in Coronado Avenue. Construction BMPs will be used to minimize stormwater runoff into Nestor Creek during construction/grading activity.

BACKGROUND

The 2.78 acre site is located on the south side of Coronado Avenue, between Green Bay Street and Nestor Way, in the RM-1-1 Zone, and the Coastal Height Limit and Transit Overlay Zones, within the Otay Mesa-Nestor Community Planning Area. Interstate 5 is approximately 800 feet to the east of the project site. The project site is located in the Nestor Town Center of the Otay Mesa-Nestor Community Planning Area. The site has a land use designation of Park in the Community Plan, adopted in May of 1997.

The project site is bounded by Coronado Avenue to the north, the Nestor Methodist Church to the east, and Nestor Creek to the south and west. Beyond Nestor Creek lay single family homes. An elementary school, drive-in movie theater, and senior mobile home park exist north of the project site.

Past uses of the project site included a single-family house from the 1920s until about 1950. The site has remained undeveloped since removal of the former house in the 1950s. In the mid to late 1970s, the site was elevated with placement of fill material to prevent flooding from Nestor Creek.

Because the project proposes the development of 50 affordable rental units at, or below, 65% of the Area Median Income (AMI), the land use approvals have been processed through the “Affordable/In-Fill Housing and Sustainable Buildings Expedite Program.”

DISCUSSION

Project Description

The applicant has requested a Site Development Permit to reduce the required parking and front yard setback, to allow the structure height to exceed the height of the building envelope at the front setback, and for Environmentally Sensitive Lands adjacency for the construction of 50 affordable (Low and Very Low Income) housing rental units (43,980 square feet of space) on a vacant 2.78 acre site. The 50 affordable rental units would be housed in six 2- and 3-story buildings, and would consist of 16 one-bedroom, 18 two-bedroom, and 16 three-bedroom units. In support of the 50 affordable rental units, the project includes a 1,275 square foot community building housing a computer lab, homework center, laundry room, and on-site property management, which would be restricted for use by residents only. All structures, including all roof equipment, would not exceed the 30-foot Coastal Height Limit Overlay Zone requirement.

The residential buildings are comprised of 2-story flats and 2-story townhomes over flats. Single loaded units allow for good cross ventilation in residential units. Each unit has its own private balcony or on-grade terrace in addition to common open space. The project uses simple offsetting masses planned around a landscape network. The color palette uses warm earth tone colors to bring softness to the built environment.

The proposal includes 77 off-street vehicle parking spaces (73 standard and four accessible), five motorcycle spaces and 24 bicycle spaces. The site would also include a Tot Lot and passive recreation facilities, including a play lawn and the development of a bicycle/pedestrian trail along Nestor Creek.

The project proposes to grade 1.77 acres (65% of the site) resulting in 4,000 cubic feet of cut and 4,000 cubic feet of fill at a maximum depth of 6 feet. A 253 linear foot retaining wall is proposed along the east side of the project site, with a maximum height of 6 feet.

The project is expected to generate approximately 400 Average Daily Trips (ADT) with 32 trips in the AM peak hour and 40 trips in the PM peak hour. The project is proposing two 24-foot wide vehicular access points on Coronado Avenue, near to the west and east ends of the approximately 540 foot property frontage, to access the proposed 77 off-street parking spaces provided on-site. The project would also modify the striping on Coronado Avenue to extend the existing two-way left turn lane to serve the project driveway.

The buildings would occupy a total footprint of 20,853 square feet (0.48 acres) with parking and drives occupying a total of 25,348 square feet (0.58 acres), for a total of 46,201 square feet of hardscape (or about 38% of the lot total), and 74,896 square feet (1.7 acres) of landscape (or about 62% of the site total). The project scope includes establishment of a 15-foot wide buffer from the top of slope along Nestor Creek, a five-foot wide bicycle/pedestrian path adjacent to the buffer, removal of invasive/non-native plant species currently growing in the creek bed, and replanting with native species pursuant to an approved revegetation plan. Fern Pines and Brisbane Box would be the dominant street trees along Coronado Avenue. Shade trees would be provided in the project such as coral trees, coast live oaks, London plane trees, and Torrey pines. The Planning Department has determined that a Community Plan Amendment is not required as the proposed Creekside Trails project does not adversely affect the goals and objectives of the Otay Mesa-Nestor Community Plan or the City of Villages Neighborhood Quality Policies of the Strategic Framework Element. In addition, the project design consciously incorporates the creek with buildings and play areas fronting the creek, along with view corridors, and fencing to discourage human access to the creek.

Other than the requested deviations to vehicle parking, front yard setback, and structure height, the proposed project conforms to the development regulations outlined in the San Diego Municipal Code, Section 131.0430 with respect to density, lot area, lot dimensions, height, lot coverage, floor area ratio, accessory uses and structures, storage requirements, and open space.

Appeal

An appeal application (Attachment 1) was received from a resident of the single family neighborhood to the south and west of the project site. The appeal application cited the following:

- 1.) Lack of a thorough traffic study being performed;
- 2.) Impact of parking on the neighboring community; and
- 3.) Community-wide impact of additional affordable housing.

Staff Response

- 1.) The proposed project consisting of 50 multi-family dwelling units would be expected to generate approximately 400 Average Daily Trips (ADT) with 32 trips in the AM peak hour and 40 trips in the PM peak hour. A traffic study was not required since project's daily trips are below the threshold provided in the City of San Diego Traffic Impact Study Manual.
- 2.) The parking requirement for this project consisting of 16 one-bedroom units, 18 two-bedroom units, and 16 three-bedroom units located in a transit area would be 84 vehicle parking spaces of which four spaces are accessible parking spaces, in addition to five motorcycle spaces, and 24 bicycle spaces. The project proposes to deviate from the parking requirements by proposing 77 vehicle spaces (including 4 accessible spaces). The applicant provided staff with parking surveys for six existing and comparable affordable housing developments, with peak vehicle parking ratios ranging from 0.93 spaces per unit to 1.93 spaces per unit. Of the three surveys for developments with a bedroom mix that included one-, two- and three-bedroom apartments, the highest ratio was 1.5 spaces per unit. At such a ratio, the project would require 75 vehicle spaces, and the applicant is proposing 77 vehicle spaces for the subject project. Neither of the two developments with parking ratios over 1.5 spaces per unit included one bedroom units, which historically have lower parking demand than larger units. Therefore, staff was able to support the requested deviation.

At the Planning Commission's request, a condition was added to the permit requiring the applicant to monitor project's parking demand one year from date of project's opening. The permit condition required, at a minimum, that the number of vehicles registered per dwelling unit be recorded, and that an on-site parking occupancy survey be conducted, covering a time period of at least three days. Should the parking demand be found to meet or exceed supply, the applicant would be required to provide subsidized transit passes or other incentives to increase the residents' usage of transit.

- 3.) In August of 2002, the San Diego City Council declared a "State of Emergency Due to Severe Shortage of Affordable Housing in the City of San Diego." There are approximately 450,000 housing units citywide, which include approximately 15,000 Housing Commission rental restricted units. "Rental restricted units" are units that currently have rent and occupancy restrictions for very-low and/or low-income households (ranging up to 80% of Area Median Income). San Diego County's Area Median Income is currently \$63,400 per year for a family of four, and 80% of Area

Median Income would be up to \$54,800 per year for a family of four. The Housing Commission currently has 28,407 families on its citywide waiting lists for affordable housing assistance. That citywide waiting list figure includes 2,529 families who reside in the Otay Mesa-Nestor Community Plan Area and are waiting for necessary affordable housing assistance.

The Community Plan shows there are approximately 17,000 existing housing units in the Otay Mesa-Nestor Community Plan area. The Housing Commission has restricted approximately 1,362 units (8% of the total housing units) in the Otay Mesa-Nestor Community Plan area (Please see the table below).

Almost two-thirds of the Housing Commission restricted units were preservation/rehabilitation of existing units. The Housing Commission’s restricted units were developed over a long 25-year time span (since 1979). Since 1985 in the Otay Mesa-Nestor Community Plan area, the Housing Commission has financed less than 200 new construction units and there have been no Housing Commission-owned public housing units developed. In addition, the 50 affordable units proposed as a part of this project would be the first affordable units to be proposed in the Otay Mesa-Nestor Community Plan area since the adoption of the Inclusionary Housing Ordinance in July of 2003.

Current Rental Restricted Units in the Otay Mesa-Nestor Community Plan Area:

Affordable Housing Density Bonus Units	22 Bonus Units
Privately Developed New Construction Units Partially Funded With Housing Commission Loans	285 Units
Privately Acquired Preservation/Rehabilitation Units Partially Funded With Housing Commission Loans	879 Units
Housing Commission Owned Public Housing Units	176 Units
Total Restricted Units	1,362 Units

Conclusion

Creekside Trails would provide the Nestor community much needed housing on a lot that has stood vacant for years, while providing interior play areas, and a continuation of trail access along Nestor Creek, a key feature of the community. The development has been designed to be sensitive to environmental protection needs and would improve the existing environmental conditions by removing invasive plant species currently growing along the creek banks.

The proposed development would provide 50 affordable rental housing units for a period of no less than 55 years, at a time when the City of San Diego has declared a Housing State of Emergency. The mix of one-, two- and three-bedroom units will house individuals, small and large families earning 30% - 60% of the area median income.

ALTERNATIVES

1. **Deny** the appeal and **Approve** Site Development Permit No. 84104, with modifications.
2. **Approve** the appeal and **Deny** Site Development Permit No. 84104

Respectfully submitted,

Gary Halbert
Acting Development Services Director

Approved: George I. Loveland
Assistant City Manager

HALBERT/DES

Note: The attachments are not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachments:

1. Copy of Appeal Application
2. Planning Commission Report No. PC-04-102