

DATE ISSUED: November 10, 2004 REPORT NO. 04-239

ATTENTION: Honorable Mayor and City Council
Docket of November 15, 2004

SUBJECT: Parkside, Amendments to the Progress Guide and General Plan, Kearny Mesa Community Plan, and the New Century Center Master Plan; Rezone; Planned Development Permit; and Map Waiver; Project Number 11211, Council District 6, Process 5

REFERENCE: Planning Commission Report No. PC- 04-141, Planning Commission Hearings of August 26, 2004 and September 16, 2004

OWNER: San Diego Spectrum Associations, LLC
APPLICANT: Greystone Homes, Inc.

SUMMARY

Issue - Should the City Council approve the construction of a 300 unit condominium project on the northwest corner of Lightwave Avenue and Overland Avenue within the Kearny Mesa Community Planning Area?

Staff's Recommendation:

1. **Adopt** Addendum to EIR No. 96-0165, and Adopt Statement of Overriding Considerations; and
2. **Approve** Amendment to Progress Guide and General Plan, the Kearny Mesa Community Plan, and the New Century Center Master Plan No. 21221, and
3. **Approve** Rezone No. 20918; and
4. **Approve** Planned Development Permit No. 20919; and

5. **Approve Map Waiver No. 137015**

Planning Commission Recommendation - On September 16, 2004, The Planning Commission voted 4-2 to recommend that the City Council Approve this project, with conditions (See Discussion Section of this Report).

Community Planning Group Recommendation - On May 19, 2004 the Kearny Mesa Community Planning Group voted 6-5-1 to approve the subject project as proposed. Please see the attached letter from the chairperson (Attachment 23) that details the history of the group's consideration and recommendation.

Other Recommendations – None with this action.

Environmental Review - An Addendum to Environmental Impact Report No. 96-0165 has been prepared for this project in accordance with the State of California Environmental Quality Act (CEQA) Guidelines. All previously identified environmental impacts have been addressed and mitigated for in the previously certified environmental documents (EIR No. 96-0165 and MND Nos. 41-0101, 99-0509, and 99-1269), and the associated permit conditions (i.e., traffic mitigation requirements).

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 - As a component of the project, the applicant has requested a Community Plan Amendment to amend the land use designation of the subject project site from General Commercial to Mixed Use (Commercial/Residential). The project as proposed would add to the supply of housing and help with the jobs/housing balance in the Kearny Mesa Community. The project proposes a density (46.9 DU/Acre) significantly higher than previously seen in the community, making more efficient use of the property, and contributing to an improved jobs/housing balance in the Kearny Mesa Community.

The project is subject to and meets the requirements of the Inclusionary Housing Ordinance, in that ten percent of the units, or 30 residential units, would be for-sale units affordable to those earning no more than 100 percent of the Area Median Income (AMI),

currently \$63,400 for a family of four. 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 - During construction, this project would comply with Best Management Practices (BMP's) through preparation of a Storm Water Pollution Prevention Plan (SWPPP) in conjunction with the building plans. The SWPPP would identify all BMPs to be implemented during the construction phase to reduce/eliminate discharges of pollutants offsite. The post development Best Management Practices (BMPs) incorporated into the project consists of site design, source control and treatment. The project's post development runoff would be collected and conveyed by public and private drainage systems. The post-construction BMP's detailed in the Water Quality Technical Report have been evaluated and accepted by the City Engineer. The property owner(s) would be responsible for the long term maintenance of all private drainage facilities.

BACKGROUND

The 6.4 acre project site is located within the previously approved New Century Center Master Plan. New Century Center was originally approved in 1997 as a 233-acre retail and industrial master planned development on property previously occupied by General Dynamics, located east of Highway 163 between Clairemont Mesa Boulevard and Balboa Avenue (Attachment 6). Environmental Impact Report No. 96-0165 was finalized for the entire General Dynamics Site on September 25, 1997, as a part of the New Century Center development project.

On October 3, 2000, an amendment to the Master Plan was adopted that included the approval of a 448-unit Planned Residential Development Permit on Planning Area 3B, and also allowed up to an additional 550 dwelling units in the commercial/mixed-use area of the Master Plan, southwest of the subject parcel. The amendment also shifted the emphasis of the commercial area from retail to office use. A development agreement applicable to the Master Plan area was amended to address the addition of residential use.

On November 12, 2002, an amendment was approved to allow up to 570 additional units in the 33-acre commercial/mixed-use area (Planning Areas 1A and 2B), and an eight-acre industrial area (Planning Area 3A) north of Spectrum Center Boulevard and west of Paramount Drive, currently owned by Sunroad Enterprises. This approval brought the total permitted units to 1,568. Development of the additional 570 units requires the provision of a minimum two-acre park onsite.

On January 14, 2003, an amendment was approved to allow a YMCA (Toby Wells) facility on Missile Park, which was previously designated as a passive private park.

This request is to allow a 300 unit residential condominium project (270 market rate units and 30 units affordable to those at or below 100 % AMI) on Lot 8A on the northwest corner of Overland

and Lightwave Avenues, west of Missile Park (Attachments 6 and 7). Residential use in the Kearny Mesa Community outside of the New Century Center Master Plan is limited to a mobile home park approximately two miles to the northwest, a small single family dwelling unit subdivision approximately 1.5 miles to the southwest, and the Stonecrest community approximately 1.5 miles to the southeast.

The currently vacant 6.4 acre project site is located at the northwest corner of Lightwave Avenue and Overland Avenue in the IL-3-1 Zone and Transit Area Overlay Zone, and designated as General Commercial within the Kearny Mesa Community Plan. In the mid-1990s, demolition of existing structures in the General Dynamics complex began, and the project site has remained undeveloped.

State Route 163 is approximately 3,000 feet to the west and Interstate 15 is approximately 4,800 feet to the east of the project site. The project site is bounded by General Commercial (a Gas Station and Office building) to the north, Overland Avenue (and Missile Park beyond) to the east, Lightwave Avenue (and a vacant lot and Frito Lay distribution facility beyond) to the south, and an Industrial and Business Park to the west. Other surrounding uses include retail uses along Clairemont Mesa Boulevard to the north, light industrial and office uses to the south, and 448 units of built residential and 120 units under construction approximately one-third mile to the southwest. There are another 1,000 residential units under construction approximately 700 feet to the west within New Century Center Master Plan (Attachment 7).

Public Improvements, including curb, gutter, sidewalk, and street trees have been installed surrounding the property on the south and east as a part of the redevelopment of the General Dynamics site. The project site was formerly owned and occupied by General Dynamics. In 1955, General Dynamics purchased the project site, as well as the surrounding area, from the City of San Diego. After developing and expanding administrative, engineering, manufacturing, and product testing facilities over the next four decades, General Dynamics experienced a period of unprecedented downsizing.

On January 30, 2003, the Planning Commission approved a Community Plan Amendment Initiation on the current project site (See Attachment 20 - Planning Commission Initiation Resolution). The amendment was requested to allow residential development on Lot 8A in the New Century Center Master Plan, adopted as part of the Kearny Mesa Community Plan, where the current land use designation is General Commercial and the Master Plan permits commercial and industrial uses.

Because the project proposes the development of 30 affordable for-sale units at, or below, 100% 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 project proposes the construction of a 548,704-square-foot, mixed-use project, including 10,000 square feet of commercial use along Overland Avenue at the street level, and 538,704 square feet of multi-family residential use in 300 units (270 market rate and 30 affordable to those at or below 100 % AMI). The project proposes 128 two-bedroom units and 172 three-bedroom units, which would be offered in 10 different floor plans, and would range in size from 975 square feet to 2,111 square feet. The 30 affordable units would be 2-bedroom, 975 square foot units.

Development of the proposed project requires the approval of a Planned Development Permit (PDP), an Amendment of the Progress Guide and General Plan, the Kearny Mesa Community Plan, and New Century Center Master Plan, a Map Waiver to the requirements for a Tentative Map, and a Rezone from the existing IL-3-1 (Industrial-Light) Zone to the requested CC-1-2 (Community Serving Commercial, allowing Residential) Zone. The PDP is required for two requested deviations (required number of off loading spaces, and building step-back requirements) to the regulations of the underlying zone; the Plan Amendments are required to allow Mixed Uses where the land use is currently designated for General Commercial; the Map Waiver is required for Condominium purposes; and the Rezone is required to allow the requested commercial and residential development on the site.

The project proposes 211,893 square feet of garage area, with 664 off-street vehicle parking spaces, which exceeds the San Diego Municipal Code requirement of 611 spaces. The garage would be provided underneath the majority of the residential uses in an at-grade parking structure, with 14 townhomes proposed on the street level, fronting onto Lightwave Avenue and Overland Avenue. The buildings over the parking structure and townhomes would be four stories in height. The interior of the proposed development would include approximately six open courtyard areas, and an 8,342-square-foot club house. Forty-three of the 664 vehicle parking spaces are provided for the commercial use.

The estimated overall trip generation for the 300 dwelling units and 10,000 square feet of commercial use is 2,160 (for 300 units) average daily trips (ADT) with a morning peak-hour of 154 trips and an afternoon peak-hour of 212 trips.

The Kearny Mesa Community Plan states that “mixed-use projects containing residential development on urban infill sites should be encouraged where appropriate and where it furthers community and City land use and urban design policies.” The project proposal is an appropriate location in that it is adjacent to Missile Park where the Toby Wells YMCA is now under construction, and adjacent to support commercial services.

As a component of the application, the applicant has requested a Community Plan Amendment to amend the land use designation of the subject project site from General Commercial to Mixed Use (Commercial/Residential). The project as proposed would add to the supply of housing and help with the jobs/housing balance in the Kearny Mesa Community. The project proposes a density (46.9 DU/Acre) significantly higher than previously seen in the community, making more efficient use of the property, and contributing to an improved jobs/housing balance in the Kearny Mesa Community.

The project proposes to grade 6.4 acres (100% of the site) resulting in 10,000 cubic feet of cut and 10,000 cubic feet of fill at a maximum depth of 5 feet.

Other than the requested deviations to the number of off-street loading spaces and the building step-back requirements, 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.

Community Plan Analysis:

The project proposal has raised some potential concerns related to the placement of residential units in an industrial and commercial environment. It is somewhat isolated from other residential development, with the nearest approximately 700 feet to the west, also within the Spectrum complex. In addition, the proposed project could place sensitive receptors in an area that could be affected by noise, hazardous materials and other industrial environmental effects. And, it could displace potential industrial development.

Staff believes that there are redeeming qualities of this proposal that render it supportable. The Kearny Mesa Community Plan states that “mixed-use projects containing residential development on urban infill sites should be encouraged where appropriate and where it furthers community and City land use and urban design policies.” The project proposal is an appropriate location in that it is adjacent to Missile Park where the Toby Wells YMCA is now under construction, and adjacent to support commercial services.

The Parkside Project will provide Affordable Housing Opportunities within the development footprint in the form of 30 for-sale condominium units, affordable to those earning no more than 100% of the Area Median Income, currently \$63,400 for a family of four. The provision of the affordable units would contribute the affordable housing needs described in the City’s Housing Crisis Resolution. The Parkside Project will increase residential opportunities within the New Century Center Master Plan and the Kearny Mesa Community Plan which have a high percentage of employment based land uses.

With regard to the sensitive receptor issue, most of the surrounding uses are commercial and institutional rather than industrial. A review of surrounding users appears to indicate that there are few if any potential conflicts. A possible exception is the Frito Lay distribution center to the

south. However, the truck access is at the far corner of the facility on Paramount Avenue, over 1,100 feet from the subject site.

While the zoning of the subject property allows industrial use, it is designated General Commercial in the Kearny Mesa Community Plan. The New Century Center Master Plan recommends that the site be used for support commercial use rather than for industrial use. The proposed mixed-use project will maintain a component of commercial development on the site.

And finally, the applicant has consented to provide a higher density, mixed-use project rather than the medium density, townhouse residential project originally proposed. This would be the first true mixed-use commercial-residential project in Kearny Mesa and by far the highest density at nearly 50 units per acre; helping supply needed housing, including a for-sale affordable housing component.

There is currently no subsidized affordable housing in Kearny Mesa. However, the 570 additional permitted units in the Sunroad section of the New Century Center will be required to provide 10 percent of the units affordable to those earning 100 percent of the Area Median Income, just as this project will be providing.

There is one other community plan amendment in process in Kearny Mesa, also an amendment from Industrial to Mixed Use. It is a 6-acre parcel located in the southwest corner of the community off of Aero Drive, abutting Cabrillo Park in the Serra Mesa community. The Planning Commission asked staff to look at the entire area south of Aero Drive as to whether other land use changes may be appropriate to buffer the residential community in Serra Mesa from the industrial development and Montgomery Field airport in Kearny Mesa.

Environmental Analysis:

There are no new significant impacts identified for the current project. However, the final Environmental Impact Report (EIR No. 96-0165) for the New Century Center project (approved in 1997) identified significant unmitigated impacts relating to Land Use (Direct and Cumulative), Transportation and Circulation (Cumulative), Air Quality (Direct and Cumulative), Biological Resources (Direct and Cumulative), Noise (Direct), and Public Utilities (Cumulative).

Because there were significant, unmitigated impacts associated with the original project, approval of that project required the decision maker to make specific and substantiated CEQA Findings which stated that: a) specific economic, social or other considerations make infeasible the mitigation measures or project alternatives identified in the final EIR, and b) these impacts have been found acceptable because of specific overriding considerations.

While the proposed project would not create any new significant impacts, the proposed project would contribute to the significant, unmitigated impacts identified in the previously approved EIR (96-0165). Therefore, the decision maker must consider new overriding considerations due to the alterations in the proposed project when compared to the previous EIR.

Project-Related Issues:

Deviations from San Diego Municipal Code (SDMC) and New Century Center Master Plan -

The applicant has requested a Planned Development Permit to reduce the number of required off-street loading spaces to two spaces where the San Diego Municipal Code (SDMC) requires three, and to eliminate the required 10 foot additional setback (building step-back) for any floor above the third story.

The applicant is proposing 548,704 square feet of gross floor area (10,000 square feet of commercial and 538,704 square feet of multifamily residential). The SDMC requires two off-street loading spaces for projects with a total gross floor area of up to 500,000 square feet, with one additional space for projects up to 900,000 square feet; however the City Manager may reduce the loading area requirements where the loading area is shared by two or more uses shared on the same premises. The project proposes to have both the residential and commercial tenants utilize the northern off-street loading area. In addition, the proposed project is only 48,704 square feet over the threshold which increases the required spaces from two to three.

When two or more uses are located on the same premises, the SDMC (Section 142.1010) requires that number of loading areas required be the sum of the spaces required for each use, based on the square footage for each use. However, if the combination of commercial space and residential space which exceeds the 500,000 square foot threshold (48,704 square feet) was on a separate site, no off-street loading spaces would be required.

In both the Front and Street Side Yards, the required setback in the New Century Center Master Plan is ten feet for the first three stories, plus an additional building step-back of ten feet for any floor above the third story. Both the 3rd and 4th residential level elevations (those deviating) have varied setbacks, ranging from 10 feet to 160 feet along Overland Avenue, and from 10 feet to 50 feet along Lightwave Avenue. Approximated 55% of each street frontage conforms to the required step-back requirements. The Front and Street Side Yard deviations result in a design that creates a varied pedestrian experience through variations of scale, commercial and residential land uses, and locating residences and balconies closer to the activity on the street.

The proposed development would provide 30 affordable for-sale housing units in the form of two-bedroom, 975 square-foot units which would house individuals, couples, and small families earning no more than 100 percent of AMI. Requiring the additional building step-back and the three off-street loading spaces would reduce the number of market rate for-sale units as well as the number of affordable for-sale units proposed, thus minimizing the positive impact on the City's shortage of affordable housing. The proposed development has otherwise been designed and conditioned to ensure conformance to the requirements of the City of San Diego Land Development Code. Therefore, staff is able to support the deviation requests.

Availability of Public Services – The proposed development also provides for its fair share contribution through the Kearny Mesa Public Facilities Financing Plan and Facilities Benefit Assessment for transportation improvements in the community as identified in the Master Plan.

The permit has been conditioned to require the development to pay park fees, development impact fees or facilities benefit assessment fees, as appropriate, for a pro rata share of population-based park facilities including a 15,000 square foot community recreation building and a 25 yard by 25 meter community swimming pool to be located off-site.

Traffic Impacts – The estimated trip generation for the proposed Parkside Project consisting of 300 dwelling units and 10,000 square feet of commercial use is 2,160 (for 300 units) average daily trips (ADT) with a morning peak-hour of 154 (35-in:119-out) trips and an afternoon peak-hour of 212 (142-in:70-out) trips. Project associated trips are part of the overall San Diego Spectrum (New Century Center) project. Project access points are provided on Lightwave Avenue and Overland Avenue which are part of San Diego Spectrum's interior street network. Therefore, with the implementation of the transportation mitigation measures in the approved New Century Center Environmental Impact Report number 96-0165 and the construction of fronting streets, the proposed project will not have any additional traffic impacts.

Planning Commission Recommendation:

On August 26, 2004 the Planning Commission heard the subject project and continued the item to allow the applicant an opportunity to return on September 16 with a project redesign that addressed a number of Commission concerns. Specifically, the Planning Commission requested that the applicant return on September 16 with a design that provided the following:

- a. Active uses on street frontages;
- b. Enhanced pedestrian connections;
- c. More variety in the design; and
- d. Connections for residents which would improve the flow between the interior and exterior of the project.

On September 16, 2004 the applicant returned with a redesigned project, which resulted in the project that is before the City Council today. In summary, the redesigned project included:

- a. Addition of 14 townhome units at street level on Overland and Lightwave to activate the pedestrian orientation of the project;
- b. Creation of clearer pedestrian linkages to the community on the East and Southern frontages;
- c. Modification to the building forms and colors to break up the building massing and repetitive design; and
- d. Enhancement of the landscape design to accent the building uses and adjacencies.

On September 16, 2004 the Planning Commission voted (4-2) to recommend that the City Council approve the project with the following conditions:

1. That a disclosure be provided to potential buyers, both graphically and in text form of not only the permitted surrounding uses, but also the permitted operation times, all expansion

possibilities and land uses, as well as the traffic volumes and types.

2. A clear description of the environmental impacts associated with the California Environmental Quality Act (CEQA) document.
3. Clarify condition No. 21 of the draft Planned Development Permit, page 5 of 10, to add the words “that the 999 units are within the New Century Center Master Plan Development.”

The additional conditions and clarifying language has been added to the draft Planned Development Permit (Attachment No. 16).

CONCLUSION

The Kearny Mesa Community Plan states that “mixed-use projects containing residential development on urban infill sites should be encouraged where appropriate and where it furthers community and City land use and urban design policies.” The project proposal is an appropriate location in that it is adjacent to Missile Park where the Toby Wells YMCA is now under construction, and adjacent to support commercial services.

The project as proposed would add to the supply of housing and help with the jobs/housing balance in the Kearny Mesa Community. The project proposes a density (46.9 DU/Acre) significantly higher than previously seen in the community, making more efficient use of the property, and contributing to an improved jobs/housing balance in the Kearny Mesa Community. The project is subject to and meets the requirements of the Inclusionary Housing Ordinance, in that ten percent of the units, or 30 residential units, would be for-sale units affordable to those earning no more than 100 percent of the Area Median Income (AMI). 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.

ALTERNATIVES

1. **Approve** the project with modifications.
2. **Deny** the project if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

Gary Halbert, A.I.C.P., P.E.
Acting Development Services Director

Approved: George I. Loveland
Assistant City Manager

S. Gail Goldberg
Planning Department Director

HALBERT/DES

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

Attachments:

1. Aerial Photograph
2. Project Location Map
3. Community Plan Land Use Map (Proposed)
4. Project Data Sheet
5. New Century Center Master Plan Area Boundaries
6. New Century Center Land Use Plan
7. Current New Century Center Development Plan
8. Project Site Plans (Garage, 1st – 4th Levels, Roof Plan)
9. Development Summary and Site Cross Sections
10. Grading Plan and Utilities Exhibit
11. Building Elevations
12. Conceptual Floor Plans
13. Landscape Plans
14. Map Waiver Exhibit
15. Draft Map Waiver Resolution, including Conditions
16. Draft Permit with Conditions
17. Draft Permit Resolution with Findings
18. Draft Kearny Mesa Community Plan Amendment Documents
19. Draft New Century Center Master Plan Amendment Documents
20. Planning Commission Initiation Resolution
21. Draft Plan Amendment Resolution, including Text and Graphics
22. Draft Rezone Ordinance with Exhibit
23. Community Planning Group Letter
24. Ownership Disclosure Statement
25. Project Chronology
26. Draft Environmental Addendum Resolution