ATTACHMENT 10

THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: June 8, 2006 **REPORT NO. PC-06-146**

ATTENTION: **Planning Commission, Agenda of June 15, 2006**

SUBJECT: SCRIPPS WISTERIA, PROJECT 53037 - PROCESS 4

OWNER/ APPLICANT: Western Pacific Housing, Inc

SUMMARY

Issue(s): Should the Planning Commission approve a mixed-use development consisting of 114 residential units and 35,258 square feet of office space on a vacant 3.92 acre site located at 9889 Erma Road, west of Scripps Ranch Boulevard, within the Scripps Miramar Ranch Community Plan area?

Staff Recommendation:

1. **CERTIFY** Mitigated Negative Declaration No. 53037 and **ADOPT** the Mitigation, Monitoring, and Reporting Program (MMRP); and

2. **APPROVE** Vesting Tentative Map No. 178023; and

3. **APPROVE** Site Development Permit No. 153465.

Community Planning Group Recommendation: On March 2, 2006, the Scripps Ranch Community Planning Group voted 14-1-0 to recommend approval of the project on the condition that, after review of the traffic study, they believe the information in the traffic study to be correct. The traffic study was delivered to the Planning Group on April 6, 2006.

On May 4, 2006 the Scripps Ranch Planning Group voted (16-0-1) to recommend denial of the project based upon the belief that the traffic study did not use realistic numbers or factors and that the Miramar Ranch North Planning Committee was not afforded an adequate review of the project and traffic study.

On April 18, 2006, the adjacent community planning group (The Miramar Ranch North Planning Committee) submitted a letter in response to the draft Mitigated Negative

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Declaration, critical of the traffic study. That letter and responses to the Planning Committee's comments are contained within the final Mitigated Negative Declaration No. 53037.

Environmental Review: A Mitigated Negative Declaration was prepared for the project in accordance with the State of California Environmental Quality Act (CEQA) Guidelines, which addressed potential impacts to paleontological resources. A Mitigation, Monitoring and Reporting Program (MMRP) would be implemented with this project to reduce the potential impacts to a level below significance.

Fiscal Impact Statement: None with this action. All costs associated with the processing of this project are paid from a deposit account maintained by the applicant.

Housing Impact Statement: The proposed project will add 114 residential units to the community. The Scripps Miramar Ranch Community Plan identifies the site as Professional Office, with an underlying zoning of CO-1-2, which allows a density of 29 dwelling units per acre as part of a mixed-use project.

As a component of the application, the project will conform with the Inclusionary Affordable Housing Requirements and Council Policy 600-27(A) criteria for the Affordable/In-Fill Housing Expedite Program by setting aside at least 10 percent (12 units) of the total for-sale dwelling units on site for households with an income at or below 100 percent of the Area Median Income (AMI), currently $64,900 for a family of four.

BACKGROUND

The project is located at 9889 Erma Road, west of Scripps Ranch Boulevard. The vacant 3.92 acre site is designated Professional Office within the Scripps Miramar Ranch Community Plan (SMRCP). The project site is bordered by existing 2-story, multi-family residential properties to the north and east and commercial properties to the south and west.

The property consists of a relatively flat, previously graded, vacant lot that slopes gently toward the north. South-facing fill slopes up to approximately 50 feet high are present along the southern site boundary. Cut and fill slopes up to approximately 30 feet high and 15 feet high are present on the western and eastern site boundaries, respectively. The existing graded pad varies roughly 3 to 4 feet across the site.

DISCUSSION

Project Description:

The project proposes a mixed-use residential and office condominium development on a vacant 3.92 acre site located at 9889 Erma Road. The proposed development includes 114 residential units including 3 shopkeeper units and 12 affordable units to be sold at prices affordable to households earning no more than 100% AMI and 35,258 square feet of commercial use. The 114 residential units are distributed as follows:

Residential Unit-Type Tabulation

	Market Rate	Inclusionary	Total Units	% of Total
One bedroom/den units	7	1	8	7%
Two bedroom units	2	7	9	8%
Two bedroom/den units	58	0	58	51%
Three bedroom units	32	4	36	31%
Three bedroom shopkeeper units	3	0	3	3%
TOTAL RESIDENTIAL UNITS	**102**	**12**	**114**	100%

The project also includes a community room, exercise room, pool, spa and common outdoor open space with barbeques, fire pits and water features. Parking for the commercial office building will be provided in a 2-story parking garage; for the residential uses in a subterranean parking garage, with one level above grade.

A 3-story, 31,824 square foot office building (which includes 30 commercial condominium units) occupies the front of the site, facing Erma Road. Two levels of commercial parking wrap around the south and east sides of this building. A vehicular drive is proposed along the west side of the property, serving as a fire lane and providing access to the lower level of commercial parking and the subterranean residential parking garage. Although this is a private drive, it is intended to appear as a typical residential street with curbs, sidewalks and street trees. A 3-story shopkeeper building (with 3,343 square feet of commercial space on the first floor and 3 residential units above) fronts this private drive. The residential condominium development is contained in two 4-story condominium buildings over a 2-level parking garage to the rear of the lot. In order to provide site drainage using the existing public storm drain system within Erma Road, the applicant has also requested a Site Development Permit to allow private storm drain lines in Erma Road, where the applicant is not the record owner of the property on which the encroachment will be located.

Development of the proposed project requires the approval of a Process 4 Vesting Tentative Map for the creation of condominium units (114 residential, 30 office), and a Site Development permit to 1) deviate from the development regulations for building height and residential uses on the ground floor within the front 50% of the lot, and 2) to allow private storm drain lines in Erma Road, where the applicant is not the record owner of the property on which the encroachment will be located

Community Plan Analysis:

The subject site is located along Erma Road in the community of Scripps Miramar Ranch. The site is designated Professional Office by the Scripps Miramar Ranch Community Plan (SMRCP). The project proposes to construct four buildings consisting of 31,824 square feet of commercial office space and 114 residential units including 3 shopkeeper units and 12 affordable units to be sold at

prices affordable to households earning no more than 100% AMI. A total of 3,343 square feet of commercial space is also available on the first floor of the shopkeeper units for a project total of 35,258 square feet of commercial use. The ground floor commercial space within the shopkeeper units has the ability to be sold/leased/rented to persons other than the owner/tenant of the residential space.

As first submitted, the project proposed a total of 2,960 square feet of commercial office space and 171 condominium units through use of the Density Bonus Regulations. Staff had concerns that the minimal amount of commercial square footage was not substantial enough to implement the SMRCP's land use designation for the site (Professional Office). Through several discussions with staff, the applicant has revised the project to reduce the number of residential units and provide a substantial increase in total commercial square footage, consistent with the land use designation and objectives of the Commercial Element in the community plan.

Although the SMRCP does not specifically identify residential development or mixed use at this site, the zone applied to this property to implement the land use designation permits residential development as part of a mixed-use project. The Design Element of the SMRCP provides general design guidelines for development within the community which address Architectural Form and Character, Site Relationships, Materials, Colors and Elevations. These recommendations include: each building should relate in terms of mass and bulk to its neighbor but should not be identical; repetitive patterns should be avoided; large-scale buildings should be set back from the brow of the hillside; and where different residential densities or land uses occur adjacent to one another, a transitional area shared by both uses should be provided through landscaping. Additionally, the Design Element encourages the use of natural materials with earth-tone colors such as wood and stone, and the use of pop outs, overhangs and recesses to produce effective shadow relief and interest areas.

Both the commercial office and residential component of the proposed project have been designed to implement the recommendations of the Design Element. The project has employed several building types which avoid identical and repetitive patterns, yet relate to one another through use of similar materials, color and landscaping. Varied rooflines, recesses and architectural elements also serve to create both variation between buildings and to unify them through a similar architectural theme. The three story office building is located in the front of the site with two levels of commercial parking which wrap around the south and east side of the building, taking advantage of the existing 26- foot grade change along Erma Road. A vehicular drive proposed along the west side of the site is intended to appear as a typical residential street with non-contiguous sidewalks and street trees providing pedestrian access to Erma Road. The three shopkeeper units and three condominiums face the private street and provide front-door access lending to the pedestrian orientation. The ground level of residential parking is built into the existing slope at the east side of the site and with a second level subterranean parking below. Buildings C and D would block visibility of the parking garage.

The proposed project implements the goals of the SMRCP for commercial development and design and would provide a mix of housing opportunities where no residential development previously occurred. The proposed project also meets the housing objectives of the Progress Guide and General Plan and the Strategic Framework Element by providing a range of housing types and

levels of affordability. Staff believes the proposed project is consistent with and would not adversely affect the Progress Guide and General Plan and the SMRCP.

Environmental Analysis:

The City of San Diego conducted an Initial Study which determined that the proposed project could have a significant environmental effect on paleontological resources. The project site is underlain by undocumented fill at depths of 8 to 11 feet at the northern and central portion of the site, and depths of 55 feet deep at the southern portion of the site. The undocumented fill is a combination of imported rock fill and backfill used from the existing onsite soil. The geotechnical report requires that the all undocumented fill be removed and properly compacted fill put in its place.

Underneath the undocumented fill, the project site is underlain by the Stadium Conglomerate formation. This formation has been assigned a moderate potential for fossil resources. The project proposes a maximum cut depth of 22 feet and a total cut amount of 36,000 cubic yards. While a large portion of this cut would occur in undocumented fill, the formation would be disturbed in order to excavate for the subterranean parking structure. Therefore, the Mitigation, Monitoring, and Reporting Program, as detailed in Section V of the Mitigated Negative Declaration (MND) No. 53037 would be required. The MMRP includes paleontological monitoring in areas that involve trenching and cutting, or as determined by a qualified paleontological monitor. Implementation of the MMRP would reduce the project's impacts to below a level of significance.

The traffic and noise issue areas were determined to be potentially significant during the initial review of the proposed project. Upon further review of the issues, including the review of required technical studies, it was determined that the issues would not result in a significant impact, and therefore, no mitigation would be required for those issues.

Traffic Impacts – The project site was previously developed with a 42,000 square foot commercial building that generated 6,300 Average Daily Trips (ADTs). The proposed project would generate 1,452 ADTs. Approximately, 155 trips would occur during the AM peak period hour and 169 trips would occur during the PM peak period hour. Because the number of daily vehicle trips exceed the 1000 ADT threshold established by the City's Traffic Impact Study Manual, City staff requested a traffic study to assess the existing traffic conditions, evaluate the proposed project's impact on the near-term traffic conditions and horizon year conditions, and finally to recommend mitigation, if necessary, to reduce potential traffic-related impacts to a level below significance. The traffic study was prepared by Katz, Okitsu, and Associates in February 2006. The following discussion is summarized from the traffic study.

The study found that all intersections would operate at acceptable levels during the AM and PM peak hour in the near-term and horizon year with or without the proposed project. One intersection, Scripps Ranch Boulevard at Erma Road, would operate at Level of Service (LOS) D. This is considered acceptable in developed areas. All other intersections would operate at LOS C or better at the peak hour in the near-term and LOS D or better in the Horizon year.

The study determined that the proposed project causes an increase greater than 0.02 in the volume-to-capacity ratio at Mira Mesa Boulevard between I-15 Northbound ramps and Scripps Ranch Boulevard. However, pursuant to City of San Diego Traffic Impact Study Manual, such an impact would not be regarded as significant if the segment meets the following three criteria: 1) The roadway segment is built to its ultimate roadway classification; 2) The intersections at the ends and along the segment are operating at acceptable levels of service; and 3) An arterial analysis for the same segment is calculated to operate at an acceptable level of service.

Mira Mesa Boulevard between the I-15 Northbound ramps and Scripps Ranch Boulevard is built to its ultimate classification. Arterial analysis was performed at this location to determine the segment level of service under both near-term and horizon year conditions with and without the proposed project. According to the analysis, the segment operates at LOS D or better during both the AM and PM peak hours with and without the proposed project under both near-term and horizon year conditions. Finally, the intersections on either end of the segment operate at LOS D or better during the AM and PM peak hours with and without the proposed project under both near-term and horizon year conditions. Therefore, because the segment meets the three criteria listed above, project-related impacts to traffic would not be significant. No mitigation is required.

In addition, the study examined the near-term and horizon year freeway conditions with and without the proposed project traffic. The analysis concluded that the change in volume-to-capacity would be minimal. The increase in volume-to-capacity ratio that would occur with the project's additional traffic would be a projected increase of 0.001 to 0.005 depending on the freeway mainline direction and location. On-ramps during the AM and PM peak period hours would not experience a significant increase in delay. The study concluded that the project-related changes to the freeway mainline segment would not be significant.

Noise – Due to the project's proximity to Interstate 15 and Mira Mesa Boulevard, City staff required the applicant to submit an acoustical analysis to determine if noise levels at required exterior space would exceed 65 dBA. Noise levels above 65 dBA are generally considered annoying and a deterrent to the enjoyable use of the outdoor space. The report was prepared by Investigative Science and Engineering, Inc., dated January 10, 2006. The report determined that noise levels would range between 61 dBA and 65 dBA; therefore, noise mitigation would not be required.

Project-Related Issues:

Height Deviations – The CO-1-2 zone allows a maximum structure height of 60 feet, and an overall structure height of 70 feet (due to a 15-foot grade differential on the property). Only one building exceeds the height limit – Building C. A portion of the gabled roof on Building C is over height by 1 foot 9 inches on the west side, and 5 feet 1 inch on the east side. The Design Element of the SMRCP recommends that each building relate in terms of mass and bulk to its neighbor but should not be identical, and repetitive patterns should be avoided. The project has employed several building types and architectural styles including varied rooflines (flat and gabled) to create variation between buildings.

In order to meet the height requirement, Building C would either need to eliminate the gabled roof, and replace it with a flat roof, or lower the building by about 5 feet. Eliminating the gabled roof and replacing it with a flat roof is an inferior design alternative, and not consistent with the design recommendations of the SMRCP. Lowering the overall building height by 5 feet would eliminate one full floor (18 units), which would significantly negatively impact the project's ability to provide affordable housing on site, and would likely push the developer to pay a fee in-lieu of providing affordable housing.

Residential Use Deviation – Land Development Code Section 131.0540(c) prohibits ground floor residential uses and residential parking on the front half of the lot. A deviation is being requested by the applicant in order to allow a small residential portion of the project to encroach into the front half of the lot, including a total of 41 residential parking spaces and two residential units.

Although technically a small portion of the residential component encroaches into the front half of the lot, the project in total is meeting the purpose and intent of this regulation, which is to ensure that a substantial portion of the property is developed with office uses. The front half of the project site will be developed predominately (over 35,000 square feet) with professional office uses, and will appear that way from the public right-of-way. The residential component will be developed at the back of the property, and will be screened from the street by a 3-story professional office building fronting Erma Road.

In addition to meeting the purpose and intent of the regulation, strict application of this requirement would require that the project either be significantly redesigned and/or downsized, or be pushed towards the back of the lot, into the fill slope along the rear of the property, thereby increasing construction and development costs and potentially negatively impacting the project's economic ability to provide affordable housing on site. Approval of this deviation request represents a distinct incentive to encourage the provision of on-site affordable housing.

Private Storm Drain Encroachment – The applicant is requesting a Site Development Permit to allow private storm drain lines in Erma Road, where the applicant is not the record owner of the property on which the encroachment will be located. The encroachment of private storm drain lines will connect to an existing underground storm drain pipe. By allowing the encroachment, surface drainage related impacts to pedestrians and vehicular traffic will be reduced.

Emergency Response Times – The proposed development site is within an existing urbanized area currently serviced by police, fire and emergency services. The emergency response time to the project site is approximately 4.8 minutes from Fire Station 44, located at Black Mountain Road and Maya Linda. The project site is also located within the San Diego Police Department's Northeastern Division, located at 13396 Salmon River Road, which has an average emergency response time (Priority E) of 9.75 minutes and a response time (Priority 1) of 16.48.

Critical Project Features to Consider During Substantial Conformance Review

Land Use - The commercial square footage should be substantial enough to implement the SMRCP's land use designation for the site (Professional Office).

Architecture - The Design Element of the SMRCP provides general design guidelines for development within the community which address Architectural Form and Character, Site Relationships, Materials, Colors and Elevations. These recommendations include: each building should relate in terms of mass and bulk to its neighbor but should not be identical, repetitive patterns should be avoided, large-scale buildings should be set back from the brow of the hillside, and where different residential densities or land uses occur adjacent to one another, a transitional area shared by both uses should be provided through landscaping.

Conclusion:

The proposed request for the construction of a mixed-use development containing 114 residential condominium units, including 12 affordable units and 35,258 square feet of commercial use (including 30 commercial condominium units), meets the goals of the Scripps Miramar Ranch Community Plan. Although the project proposes deviations to structure height and the residential ground floor use on the front 50% of the site, for which staff believes findings can be made, staff supports the proposed project. It is consistent with the recommended land use; design guidelines and development standards in effect for this site and would not have an adverse impact on the Scripps Miramar Ranch Community Plan.

ALTERNATIVES

1. **Certify** Mitigated Negative Declaration No. 53037 and **ADOPT** Mitigation, Monitoring and Reporting Program (MMRP); **Approve** Vesting Tentative Map No. 178023; and **Approve** Site Development Permit No. 153465, **with modifications**.

2. **Do Not Certify** Mitigated Negative Declaration No. 53037 and **Do Not Adopt** Mitigation, Monitoring and Reporting Program (MMRP); **Deny** Vesting Tentative Map No. 178023; and **Deny** Site Development Permit No. 153465, **if the findings required to approve the project cannot be affirmed.**

Respectfully submitted,

Mike Westlake
Program Manager
Development Services Department

Leslie Goossens

Leslie Goossens
Project Manager
Development Services Department

WESTLAKE/LG

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map

3. Project Location Map
4. Project Data Sheet
5. Project Site Plan(s)
6. Vesting Tentative Map
7. Project Plans
8. Draft Map Conditions and Subdivision Resolution
9. Draft Permit with Conditions
10. Draft Resolution with Findings
11. Ownership Disclosure Statement
12. Project Chronology