

DATE ISSUED: February 4, 2004 REPORT NO. 04-027

ATTENTION: Honorable Mayor and City Council  
Docket of February 10, 2004

SUBJECT: Pilot Village Selection

REFERENCE: Manager's Report No. 03-204; General Work Program Status;  
Manager's Report No. 03-214; Pilot Village Program Incentives,  
Planning Commission Report No. P-03-260; Pilot Village Program  
Incentives; Planning Commission Report No. PC-04-010

SUMMARY

Issue – Of the five Pilot Village applications before the City Council, which ones merit selection as Pilot Villages based upon meeting the goals and evaluation criteria of the Pilot Village Program?

Manager's Recommendation – **RECOMMEND** the City Council select the following four applications as the initial Pilot Villages:

Mi Pueblo (San Ysidro)  
The Boulevard Marketplace (Mid-City – Normal Heights)  
The Paseo (College Area)  
Village Center at Euclid and Market (Southeastern San Diego - Encanto)

Those **not recommended** for selection as Pilot Villages are:

Morena Vista (Linda Vista) – **The applicant withdrew the Pilot Village application on January 27, 2004. The applicants' letter is provided in Attachment 2.**

North Park Pilot Village (North Park)

The Edge! (Mira Mesa) – **The applicant withdrew the Pilot Village application on January 21, 2004. The applicant's letter is provided in Attachment 1.**

An analysis of each is included in the Discussion section of this report. Significant components of each application are included as Attachment 1 of Planning Commission Report No. PC-04-010, an attachment to this report.

Planning Commission Recommendation – On January 29, the Planning Commission adopted two motions with a unanimous vote (5-0):

- Recommend to the City Council that they approve the Manager’s recommendation on Pilot Village selection with additional considerations (these will be explained in the Discussion section of this report).
- Recommend to the City Council that the proposed North Park Pilot Village be considered subject to additional comments (these will be explained in the Discussion section of this report).

Community Planning Group Recommendation - On February 18, 2003, the Encanto Neighborhoods Community Planning Group voted 6-0-2 to support the Village Center at Euclid and Market as a Pilot Village.

On February 18, 2003, the San Ysidro Community Planning and Development Group expressed the consensus of the members of the planning board by fully endorsing the Mi Pueblo Pilot Village application (this reaffirmed a unanimous vote on June 19, 2001 to support and endorse the selection of San Ysidro as one of the first pilots for the City of Villages concept). On January 20, the group voted 6-2-2 to support Mi Pueblo.

On February 4, 2003, the Normal Heights Community Planning Committee voted 10-0-1 to support The Boulevard Marketplace (Mid-City Transit Interchanges Project) Pilot Village application. They also recommended the development of an infrastructure plan to support the Pilot Village.

On April 1, 2003, the College Area Community Council voted 11-3-0 to endorse The Paseo Pilot Village application.

On February 18, 2003, the Greater North Park Planning Committee (GNPPC) voted 12-1-1 to support the North Park Pilot Village application submittal and recommended the inclusion of the entire University Avenue corridor, and on October 21, 2003, the GNPPC voted 10-3-0 to support the Phase II North Park Pilot Village application.

Other Recommendations – See Attachment 2 of Planning Commission Report No. PC-04-010, Letters of Support included as Attachment 3 of this report. All letters are available for review in the Planning Department on the fifth floor of the City Administration Building, 202 “C” Street.

Environmental Impact – This activity is exempt per CEQA Section 15060 (c)(3) because it is not a project as defined in Section 15378. After a Planning Commission recommendation, City Council will select the Pilot Villages. Entitlement to build can occur only with subsequent discretionary approvals of site development permits (and in four of the proposals, community plan amendments/rezones) and site specific environmental review in accordance with CEQA based upon a detailed project design.

Fiscal Impact – None with this action. Future actions may include the granting of financial incentives per the Pilot Village Incentive Program, adopted November 17, 2003.

Code Enforcement Impact – None with this action.

Housing Impact Statement – None with this action, however, it is a goal of the Pilot Village program that all of the proposals designate twenty percent or more of the total housing as affordable as defined by the Housing Commission. More detail about how each of the proposals intends to meet this goal is included in the Discussion section of Planning Commission Report No. PC-04-010 which is included as Attachment 3 of this report.

## BACKGROUND

On October 22, 2002 the City Council adopted the Strategic Framework Element and the City of Villages as the growth and revitalization strategy for the City of San Diego. On that same day, the City Council adopted the Pilot Village program as a priority implementation measure to demonstrate the strategy. The Council then directed staff to begin the Pilot Village program immediately. A more detailed discussion of the timeline, process and evaluation procedure is included Planning Commission Report No. PC-04-010 (Attachment 3).

## DISCUSSION

Planning Commission Hearing:

On January 29, 2004, the Planning Commission dedicated an entire docket to thoroughly review and consider all of the Pilot Village proposals to provide a recommendation to the City Council in time for the February 10, 2004 City Council hearing. After hearing a brief staff overview and explanation of the Manager's recommendation, the Planning Commission heard detailed presentations from each of the remaining applicant teams and public testimony on each proposal. The Planning Commission discussed each proposal and asked questions of the applicant teams and staff. At the conclusion of the hearing, all of the planning commissioners congratulated each of the applicant teams on the preparation of truly outstanding proposals based upon community needs and aspirations. The commissioners also acknowledged all of the proposals for their transferability – an

exploration of how to accomplish successful and community supported infill development.

A staff review and analysis of the proposals is included in Planning Commission Report No. PC-04-010 (Attachment 3).

Planning Commission Recommendations:

Manager's Recommendation

The Planning Commission, by votes of 5-0, adopted two separate motions regarding the selection recommendations. The commissioners first passed a motion to support the Manager's recommendation and recommended to the City Council selection of the following as Pilot Villages with these additional considerations for actual project development when the proposals return to pursue entitlements:

The Boulevard Marketplace – MCTIP

- Model Phase 2 on the urban design principles and integration of mixed uses presented in Phase 1 (Pilot Village application)
- Place special focus on the interface with the single family development adjacent to the project
- Place additional focus on the streetscape along El Cajon Boulevard to enhance pedestrian orientation
- Explore terracing over Interstate 15 and give additional consideration to parkland issues

The Paseo

- Examine the question of high density equivalency as it relates to student housing
- Focus on maintaining pedestrian orientation and access on all four sides of the village area
- Pay special attention and provide a design solution for the Lindo Paseo crossing

Village Center at Euclid and Market – Recommend acceptance as a Pilot Village as submitted

Mi Pueblo – Recommend acceptance as a Pilot Village as submitted

North Park Pilot Village

The Planning Commission focused separately on North Park to address its special nature as an emerging proposal that has not yet reached the level of readiness that the other proposals have. The Planning Commission applauded the community for bringing together many disparate components in their proposal including the arts community, local businesses, multiple uses, and a significant transit component. Commissioners expressed concerns, however, regarding the feasibility of the project and its ability to be completed within a 3-5 year time frame, the minimum density issue, and lack of a proposal to meet the 20 percent affordable housing goal of the Pilot Village program.

The Planning Commission noted that this is a different type of village that has tremendous potential but is more likely to be designed and built out within a ten year time frame. They recognized that this village proposal is a primary example of the opportunities and difficulties that occur with redevelopment and revitalization when “knitting together” old and new development in existing village areas around the City. As such, it has the potential to serve as another type of classroom experience for the City of Villages strategy, and wanted to forward it onto the City Council for special consideration.

The Planning Commission then adopted a motion by a 5-0 vote to recommend to the City Council that the proposed North Park Pilot Village be considered subject to the following comments:

- Provision of at least 20 percent of affordable housing which can include an analysis of the current housing type and that housing should be balanced throughout the entire village area
- Provide an overall connectivity of the uses and the circulation system within this study area
- This proposal, unlike the other villages, could serve as a model or laboratory for studying infill development where there are no specific projects serving as the main catalyst for the proposal
- The applicant should work with the redevelopment agency to develop the implementation program to tie this together so it can be implemented in a comprehensive manner
- Separate this proposal from the short term projects implementation program (3-5 years) recognizing that the community is moving ahead as quickly as possible

#### Additional Housing Information Provided Since Planning Commission:

At the request of the Planning Commission, the North Park applicants provided additional information for the City Council hearing regarding existing housing units within the proposed village area. In the original application for the proposed North Park Pilot Village, residential information was provided solely for the proposed projects within the village area, and did not address existing residential units. In addition to the 313 proposed residential units, there are 170 existing residential units within the village boundaries. These units should have been counted to determine the village wide density. This additional information changes the village wide density to 16 dwelling units per acre (instead of 10 dwelling units per acre as reported in the original report). A number of the proposed projects meet community plan density on an individual parcel basis; however, the proposal’s village wide density is below the density range (55-75 du/ac) as designated for the area on the adopted Greater North Park Community Plan land use map.

#### CONCLUSION

All of the Pilot Village applicants have truly stepped up to the challenge of both the City of Villages strategy and the Pilot Village program. The applications represent what can

be achieved as new partnerships are forged and the community fully participates in development ideas and design. This is, hopefully, the beginning of the Pilot Village program, and for those selected, the first round of Pilot Villages. It is hoped that many communities have and will continue to benefit from the effort, energy, and good ideas that can evolve from just preparing and submitting a proposal. We believe that those recommended for selection of Pilot Villages do represent “models of possibility” for every community throughout San Diego, and can serve as a catalyst for implementation of the City of Villages strategy.

ALTERNATIVE

After review and consideration of all of the applications, the City Council can select a different slate of Pilot Villages.

Respectfully submitted,

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S. Gail Goldberg, AICP  
Planning Director

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Approved: P. Lamont Ewell  
Assistant City Manager

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

Attachments:

1. Letter from American Assets
2. Letter from the Linda Vista City of Villages Committee
3. Planning Commission Report No. PC-04-010 which includes:
  - Pilot Village Applications (Components of each one – complete applications are available in the Planning Department, City Administration Building, fifth floor). This attachment is also available in the Planning Department on the fourth and fifth floors of the City Administration Building.
  - Letters of Support
  - Technical Working Group (TWG) Roster
  - Smart Growth Implementation Committee Roster
  - Potential Pilot Village Locations Map
  - Pilot Village Threshold Criteria and Program Goals Comparison (matrix)