

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CA 92108-4421
(619) 767-2370



June 7, 2017

Councilmember David Alvarez
City of San Diego
202 C Street, MS 10A
San Diego, CA 92101

Re: Conversion of Super 8 Motel at 1788 Palm Avenue into Transitional or Affordable Housing

Dear Councilmember Alvarez:

Thank you for your letter of May 30, 2017 asking for Commission staff input on the possible conversion of a Super 8 motel into a transitional housing and/or affordable housing facility. The existing motel is located on the north side of Palm Avenue, in the Otay Mesa/Nestor community. The site is covered by the City's certified Local Coastal Program (LCP), in an area where coastal development permits are appealable to the Coastal Commission.

The site is designated for Community Commercial in the certified Otay Mesa-Nestor Community Plan/Land Use Plan and zoned Commercial-Community (CC-4-2) in the City's zoning code. The purpose of the Community Commercial land use and zone designations are to provide a wide range of commercial development types and facilities. Neighborhood and Visitor Commercial uses are also typical uses found under this land use designation.

*Staff's understanding is that the City's Land Development Code permits both Transitional Housing Facilities and Multiple Dwelling Units in the CC-4-2 zone, although there are many specific regulations that apply to transitional housing and multiple dwelling units including limits on ground floor uses, parking, facility size, etc., which any such use would have to comply with. However, the certified Otay Mesa-Nestor Community Plan includes specific language protecting existing motels, recommending "retention and rehabilitation of the existing hotels, retail, and visitor-oriented commercial areas along the southern edge of the San Diego Bay in order maintain visitor-oriented uses and public access to coastal resources." Conversion of an existing motel to a residential use would not be consistent with this policy. Thus, before the City could issue a coastal development permit for the conversion, an amendment to the City's Community/Land Use Plan would be required.

With regard to Coastal Act issues associated with a permit or LCP amendment allowing conversion of a motel to a residential use, visitor-serving uses such as overnight accommodations are high-priority uses under the Coastal Act and the certified LCP, particularly lower-cost accommodations, which would appear to include the existing motel. The Coastal Commission has the responsibility to both protect existing lower-cost

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facilities, and to ensure that a range of affordable facilities be provided in new development along the coastline of the state. Neither the City of San Diego nor Imperial Beach currently have an abundance of existing lower cost overnight accommodations within close access to the coast. Thus, the Commission has typically discouraged the conversion of existing lower-cost overnight accommodations into lower priority residential uses. When such projects are proposed, the Commission has typically required that when existing lower or moderate cost overnight accommodations are removed, the inventory be replaced with units that are of comparable cost and recreational value to the public as the existing units being removed.

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If replacement of the lower or moderate cost units is not part of a proposed project (either on-site or elsewhere in the City), then the development should include, as a condition of approval for a CDP, some kind of mitigation to provide for the construction or funding for the establishment of lower cost overnight visitor accommodations within the City of San Diego, preferably in South San Diego County, for each of the lower cost units removed converted on a 1:1 basis. As part of the analysis of impacts to affordable overnight accommodations that should be undertaken for any redevelopment of the site, a survey of the availability and cost-range of existing and proposed overnight visitor accommodations in the vicinity of the proposed hotel should be undertaken. That analysis should also consider how payment of a fee or other offsetting measures in-lieu of actual provision of affordable overnight accommodations could help mitigate the impact of removing lower-cost visitor-serving facilities.

It is Commission staff's expectation that the above issues would be analyzed and considered by the City as part of the LUP amendment which would have to be approved by the Commission prior to issuance of an appealable coastal development permit. Given the limited availability of lower-cost accommodations in the City's Coastal Zone, while we acknowledge the need for transitional and affordable housing options, Commission staff would encourage the City to retain and rehabilitate, as needed, the existing motel and look to other alternatives and sites to address the City's housing needs.

Please let me know if you have any additional questions.

Sincerely,

Diana Lilly
Senior Planner