



Peninsula Community Planning Board  
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Date: June 20, 2024

TO: Mayor Gloria, Councilmembers, and Planning Department Staff

Subject: 4591 Pescadero Accessory Dwelling Unit Project

Dear Mayor Gloria, Councilmembers, and Planning Department Staff:

The Peninsula Community Planning Group is submitting this letter on behalf of the 124 neighbors of a project at 4591 Pescadero who protested the project at a May 9, 2024 meeting of the PCPB. After hearing their testimony and reviewing preliminary plans, PCPB has serious concerns about this project and the ADU codes upon which it is based; and recommend the Planning Dept. deny the project and the council review the ADU Municipal Code that enabled this abuse.

The natural and unethical conclusion to removing the cap on ADUs has come to pass. A speculator/developer has submitted a project to build a de facto apartment building comprised of eight ADUs in the backyard of a single-family residence. The project, located at 4591 Pescadero Avenue in Ocean Beach, intends to construct a three-story structure that will dominate the surrounding ranch and cottage style houses, exploiting the ADU ordinance to build two by-right ADUs, three affordable ADUs, and three bonus ADUs. Permitting this project would reward the malfeasance of the developer, build apartments where they are not intended or allowed, and exacerbates services problems.

The developers are speculators. Code enforcement has opened a case against the developers for renovating the existing single-family residence on the lot without permits and other code violations. Nevertheless, the developers rent the property as a Short-Term Vacation Rental -- without a certificate of occupancy from the city. By exploiting the ADU loophole, the developers will avoid the large city development fees and the prudent, detailed plan review needed for commercial rental properties.

The planned building exceeds the 18-foot state detached ADU height restriction by over 10 feet. Through the expedited ADU approval process, they hope to escape the rigorous geotechnical review and engineering needed to design and execute the deep and expensive foundations required to compensate for known soil slippage. These speculator/developers break laws and flout building practices that keep people safe.

Apartments are not permitted in this neighborhood. The zoning allows multi-family dwellings like duplexes, but clearly precludes de facto apartments. ADUs are not intended to replace apartments and even multifamily properties can have only two detached ADUs on the lot. One hundred and twenty-four community members attended the PCPB's Project Review Committee on May 9<sup>th</sup> to unanimously express their total opposition to this de facto apartment building in their neighborhood and their willingness to litigate the issue. The developers -- known from their podcast "San Diego Real Estate Investment Strategies

for 2023: How We Found Profitable Deals Through High-Density ADU Regulations” – are focused on profit, not habitability, affordability, or community.<sup>1</sup>

Quality of service and quality of life will suffer from a de facto apartment building in this neighborhood. The developers escape parking requirements through ADU legislation and the promise of a transit center in 2035, compounding an already desperate parking situation in Ocean Beach. Parking will be worsened with 24 trash bins at the curb once per week. The residential sewer, water, and electrical services are not sized for more occupants as our critical infrastructure projects lag demand.

In conjunction with the neighbors, PCPB opposes the de facto apartment building development and request that the developer be made to conform to ADU policy limiting multifamily properties to two detached ADUs. Moreover, we recommend that the City amend its ordinance to clarify this limit. This project is a case study regarding the adverse consequences of excessive ADU development from ill-advised policies and municipal code amendments that severely impact neighborhoods, destroy their character, lack sufficient infrastructure support, lack adequate parking, and encourage real estate speculation by developers who seek to exploit the loopholes in the municipal code to their profit irrespective of the adverse impacts on the community.

The letter was approved with a vote of 11-0.

Sincerely,



Frederick W. Kosmo, Jr.  
PCPB-Chair

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<sup>1</sup> <https://podcasts.apple.com/us/podcast/the-real-estate-takeoff/id1490657109?i=1000612525110>