



DATE: April 10, 2023

TO: Chairperson and Members of the Planning Commission

FROM: Development Services Department/Planning Division

SUBJECT: **CONSIDERATION OF A DEVELOPMENT PLAN (D21-00011) AND DENSITY BONUS (DB21-00005) LOCATED ON THE SOUTHEAST CORNER OF MELROSE DRIVE AND WEST BOBIER DRIVE (MODERA MELROSE MIXED-USE DEVELOPMENT) APPLICANT: MCRT TRUST LLC**

RECOMMENDATION

Staff recommends that the Planning Commission by motion;

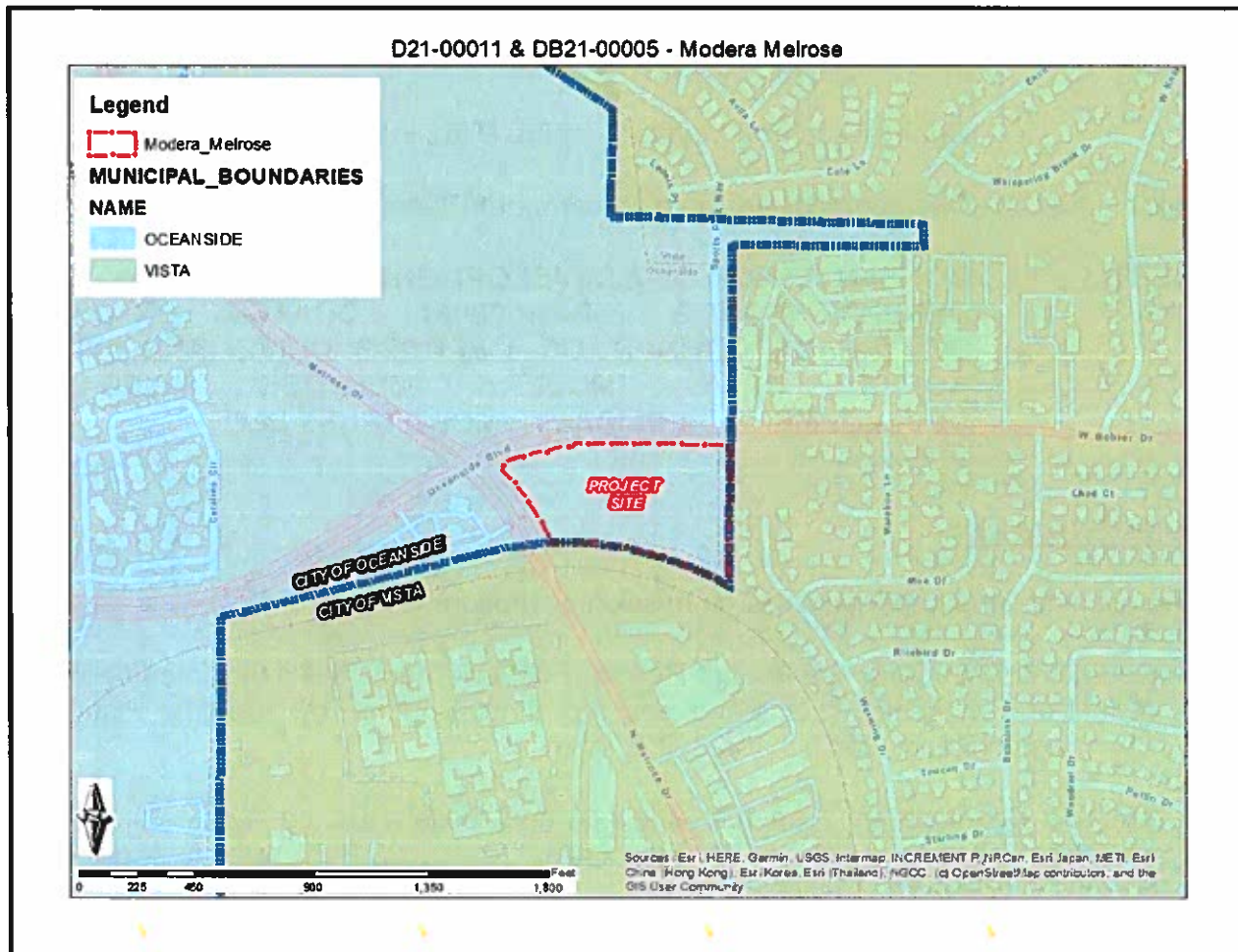
- (1) Certify the Environmental Impact Report (EIR) and adopt the associated findings of fact and mitigation monitoring and reporting program, by adopting Planning Commission Resolution No. 2023-P12; and
- (2) Approve Development Plan (D21-00011), and Density Bonus (DB21-00005) by adopting Planning Commission Resolution No. 2023-P07 with findings and conditions of approval attached herein.

BACKGROUND

The subject property comprises 7.40 acres on the south side of West Bobier Drive immediately east of Melrose Drive, within the Peacock Neighborhood Planning Area. The regularly shaped property is vacant and possesses a fair amount of topography generally sloping from north to south; there is an elevation difference of approximately 30 feet from the site's high point at the center of the site to the low point at the along the southerly perimeter. There is also a significant elevation difference from both Melrose Drive and W. Bobier Drive of approximately 20 feet. Existing surrounding uses include single-family and multi-family residential to the north across W. Bobier Drive; the Inland Rail Trail and NCTD rail line to the south; vacant residentially zoned land and existing single-family residences in the City of Vista to the east; and an existing gas station and convenience store and the Melrose Sprinter station to the west across Melrose Drive.

The subject property has a split General Plan Land Use designation of Neighborhood Commercial (NC) and is within the Neighborhood Commercial zoning district. The project site and the surrounding area are depicted in Figure 1 below:

Figure 1 - Location Map:



In December 2008, the Planning Commission considered an application for an approximately 50,000 square foot shopping center that included a service station with convenience market, car wash, retail, restaurant, and food and beverage sales. The Planning Commission voted 5-2 to deny the project citing incompatibility with surrounding land uses, inefficient use of the land, and inconsistency with General Plan Land Use Element Policies 2.01 and 2.2. Since that time the property owner, Walmart Inc. decided to sell the property. On August 13, 2021, MCRT, LLC submitted an application for the proposed mixed-use project for review and consideration by the Planning Commission.

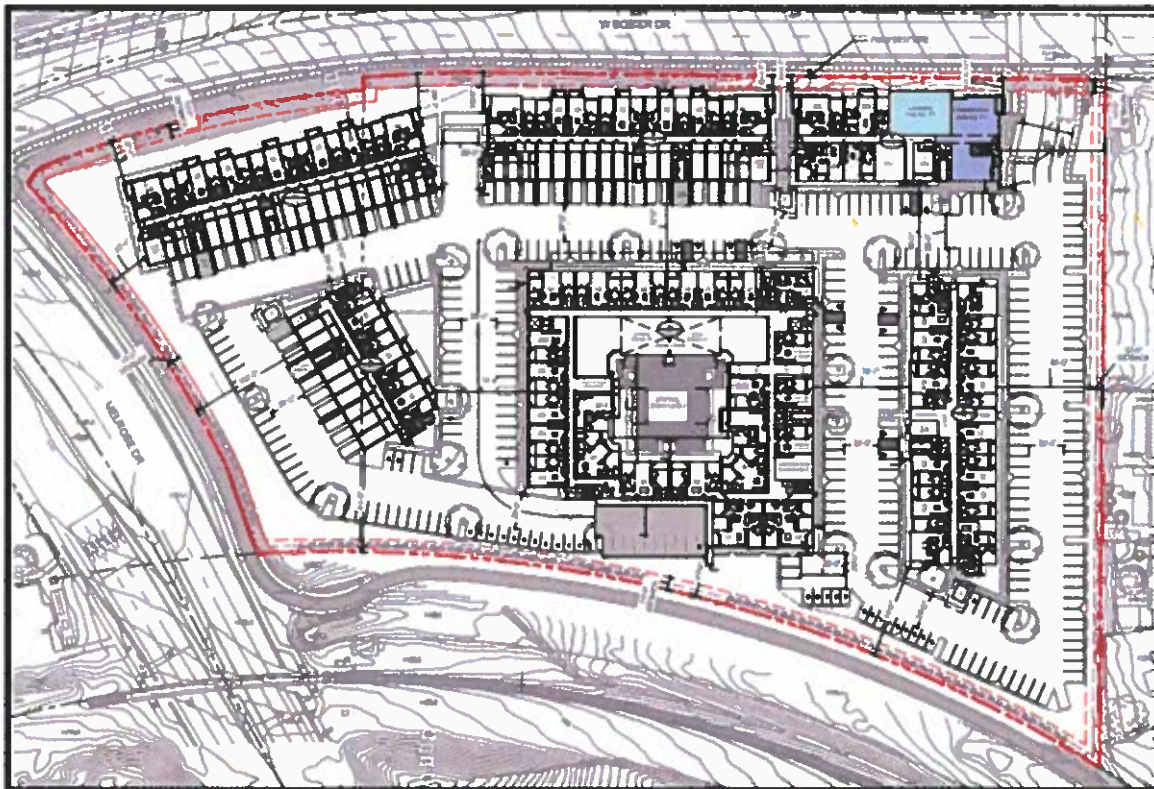
PROJECT DESCRIPTION

The proposed project requires two separate entitlements: a Development Plan and a Density Bonus. The Development Plan would allow for site development and serves as the design review for the project. The Density Bonus application would allow for the proposed mixed-use development to exceed the maximum potential density of 215 units at the project site, allowing a total of 323 units in exchange for reserving a percentage of

the project's units (15%) for rental to households within the Very Low Income category. Very Low Income households are defined as those earning 31 to 50 percent (31% - 50%) of the area local median income, or AMI. The current AMI for San Diego County is \$106,900.

Development Plan (D21-00011) represents a request to:

Allow the development of a mixed-use project with ground-level commercial and 323 residential units. The Development Plan would allow for a mixed-use project consisting of 323 (1-, 2- and 3 bedrooms) apartment units, ranging from 666 to 1,429 square feet and approximately 2,336 square feet of ground level commercial/retail space located at the site's entrance at Sports Park Way, near the northeast corner of the project site. Proposed commercial uses would include retail and eating establishments, which are allowed by right in the CN district. The proposed units are dispersed within six buildings on site. The project has been designed with 526 resident parking spaces, which will be provided as open stalls, covered garages, and in a subterranean parking structure under Building No. 3 in the center of the site. Eight parking spaces have been provided to serve the commercial/retail component. Proposed on-site amenities include an interior recreation area, consisting of a clubroom and fitness center, pool and spa, a barbecue area with a custom shade structure and television wall for residents to entertain and shaded private lounge areas throughout the pool area. The site plan is depicted in the graphic below.



Architecturally, the project recalls the white cubist shapes, elegant composition, simple lines, reduced ornamentation that were the hallmark of Irving Gill's modernist approach. Special attention to detail was given as how to break up the massing because these buildings are four and five stories tall. Ground level arches or series of arches create transitional breezeways in the manner of the California missions. Also, a subtle off-white or beige color blocking is introduced to create depth and variation on the stucco surface. Decks are cantilevered to create more dynamism, activity, and animation on the façade.

The landscape is designed to take advantage of the existing slopes, which are most prominent at the intersection of W. Bobier Drive & Melrose Drive, with a plant palette slanted towards drought tolerant planting and plants which will help stabilize the slopes over the long-term.

Density Bonus (DB21-00004) represents a request to:

Allow an increase in density from a maximum permitted density at the project site of 215 dwelling units to a total of 323 dwelling units. Under Density Bonus Law, where a density range is provided, the base number of units permitted is determined by multiplying the gross site acreage (7.40 acres) by the maximum density for the specific zoning range and land use designation of the General Plan applicable to the project (29.0 units per acre). As such, the maximum potential density for the project site is calculated as follows:

Table 1: Base Density Calculation

7.40 acres x 29.0 dwelling units per acre = 214.6
Rounds up to 215 units

It should be noted that under Density Bonus Law, any fraction in a density calculation is rounded up to the next whole number.

The applicant is proposing to reserve 15 percent (15%) of the project units, or 15 units, for Very Low Income households, which allows a density bonus of 50 percent (50%) (equating to an additional 108 units). The density bonus calculation is listed below in Table 2.

Table2: Density Bonus Calculation

215 units x 0.5 (density bonus) = 107.5 units; rounds up to 108 units
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In addition to the density bonus, State Law entitles projects to certain incentives or concessions and also provides for waivers from development standards that would physically preclude the project at the density proposed. The granting of waivers does not reduce the number of incentives allowed on a project, and the number of waivers that may be requested and granted is not limited. State Law prohibits the City from denying any requested incentives/concessions or waivers unless findings are made that a "Specific Adverse Impact," which is defined as "means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed

complete. Inconsistency with zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact on public health or safety," is identified.

By reserving 15 percent (15%) of the project units for Very Low Income households, the project is entitled to three incentives/concessions. The applicant has not elected to utilize any of the three available incentives/concessions.

In order to accommodate the project as proposed and as allowed under Density Bonus Law, the project cannot physically comply with all of the development standards that apply to standard projects. Based on the proposed design to accommodate Density Bonus units, the project seeks a waiver of the following development standards for the proposed mixed-use development project pursuant to Density Bonus law:

1. Increase Floor Area Ratio
2. Increase Allowable Building Height
3. Reduce Front Setback
4. Reduce Usable Open Space requirements
5. Adjust Parking Width Next to Columns
6. Increase Retaining Wall Height
7. Allow Non-Plantable Retaining Walls

Section 3042, Mixed-Use Plans, of the Zoning Ordinance allows development regulations to be as prescribed by the Mixed-Use Plan specific to a project. The following table is provided to illustrate the development standards proposed for the project and identify the standards proposed to be waived as part of the Density Bonus application:

TABLE 3: MIXED-USE DEVELOPMENT STANDARDS.

DEVELOPMENT STANDARD	REGULATION PER MIXED-USE STANDARDS	PROPOSED MODERA MELROSE PROJECT	NOTES
Minimum Area	1 acre (min. for Mixed-Use Plan)	7.40 acres / 322,275SF	Complies with Code
Lot Width	50 feet (min)	+50 feet	Complies with Code
Building Setbacks: Front Side Corner Side Rear	15 ft (min) - 10 ft. (min) -	F: 10 ft (on Bobier) S: ~85 ft CS: ~32 ft (Melrose) R: ~41 ft	Waiver to accommodate development at density proposed.
Density	29.0 du/ac - Base	43.6 du/ac with Density Bonus	See Table 4 for Density Bonus calculation details.
Floor Area Ratio (FAR)	1.2 (max + bonus) – Applicable due to quantity of underground parking	<u>1.29</u> Based on 415,704 SF of Gross Floor Area	Waiver to accommodate development at density proposed.

DEVELOPMENT STANDARD	REGULATION PER MIXED-USE STANDARDS	PROPOSED MODERA MELROSE PROJECT	NOTES
Building Height	<u>50 ft (Bldg. Height Max)</u> Up to 60 ft for architectural elements as allowed per OZC Section 3018	<u>Buildings #1-4, & #6</u> Bldg. Ht.: 46'-50' Arch. Elements: up to 54'	Architectural stair tower elements as allowed under Section 3018 - up to 10 additional feet.
		<u>Building #5</u> Bldg. Ht.: 58' Arch. Elements: up to 64'	Waiver to accommodate development at density proposed for Bldg. #5.
Parking	170 spaces (min) Per Gov. Code Section 65915(p)(2)(A)	526 spaces See Table 7 for details	Waiver to accommodate parking space width for development at density proposed.
Site Landscaping	15% (min)	25.5%	Complies with Code
Open Space (total per unit)	200 sf/unit (min) per mixed-use standards	159 sf/unit	Waiver to accommodate development at density proposed.
Retaining Wall Height	20 feet per mixed-use standards	Varying retaining wall heights up to 20' (with non-plantable walls)	Waivers to accommodate development at density proposed.
Urban Forestry	Tree Canopy Min. – 12% of site area	Tree Canopy – 101,748 sf or approx. 32% of site	Complies with Code
	Permeable Surface Area minimum on sites of one acre or more - 22%	Permeable Surface Area - 82,018 sf or approximately 25% of site	Complies with Code
Renewable Energy Facilities	Residential projects with 25 or more units shall install and maintain renewable energy facilities that supply at least 50% of forecasted electricity demand	Photo-voltaic system will be installed on each building to meet 50% of forecasted electricity demand	Complies with Code
Electric Vehicle Parking	15% of total required parking spaces (170 spaces required)	27	<u>Complies with Code</u> (50% of required EV spaces shall be charger equipped)

ANALYSIS

Development on the subject property is subject to the policies and standards of the following:

1. General Plan
2. Zoning Ordinance
3. California Environmental Quality Act (CEQA)

1. General Plan Conformance

Staff has evaluated the project for consistency with the following goals and objectives of the City's General Plan:

Land Use Element: The Land Use Element establishes the following relevant goals, objectives, and policies applicable to the proposed project.

GOAL 1.16 Housing

OBJECTIVE: To ensure decent, safe and sanitary housing is available to all current and future residents of the community at a cost that is within reach of the diverse economic segments of Oceanside.

Policies:

- A. The City shall strive to maintain a reasonable balance between rental and ownership housing opportunities, between senior and family housing, and encourage a variety of individual choices of tenure, type and location of housing throughout Oceanside.*
- B. The City shall strive to produce housing opportunities for decent and affordable housing in a pleasant environment for all of Oceanside's citizens.*
- C. The City shall ensure that housing is developed in areas with adequate access to employment opportunities, community facilities, and public services.*
- D. The City shall encourage development of a variety of housing opportunities, with special emphasis on providing:*
 - 1) A broad range of housing types, with varied levels of amenities and number of bedrooms*
- E. The City shall protect, encourage, and where feasible, provide housing opportunities for persons of low and moderate income.*

The proposed project would provide decent, safe, and sanitary housing in an area of the city with adequate access to employment opportunities, community facilities, and public services within the Oceanside community and maintain a reasonable balance between rental and ownership housing in the City. The project provides both market rate homes and income restricted affordable housing units.

The Regional Housing Needs Assessment (RHNA) for the Sixth Housing Element Cycle (2021-2029) estimates that the City of Oceanside will experience demand for more than 5,443 new dwelling units over the next eight years. By contributing 33 Very Low Income unit and 290 new market-rate dwelling units to the City's existing housing stock, the proposed project would help to meet the projected housing demand identified in the RHNA.

Housing Element: The Housing Element establishes the following relevant goals, and policies applicable to the proposed project.

- GOAL 2: Encourage the development of a variety of housing opportunities, with special emphasis on providing:*
- *A broad range of housing types, with varied levels of amenities and number of bedrooms.*
 - *Sufficient rental stock for all segments of the community, including families with children.*
 - *Housing that meets the special needs of the elderly, homeless, farm workers, and persons with disabilities, and those with developmental disabilities.*
 - *Housing that meets the needs of large families.*
- Policy 2.2: Encourage both the private and public sectors to produce or assist in the production of housing with particular emphasis on housing affordable and accessible to lower income households, persons with disabilities, elderly, large families, female-headed households, farm workers, and homeless persons.*
- Goal 3: Protect, encourage, and provide housing opportunities for persons of low and moderate income.*
- Policy 3.7: Encourage the disbursement of lower and moderate income housing opportunities throughout all areas of the City.*
- Policy 3.8: Encourage inclusionary housing to be built on or off-site for new housing projects rather than pay in-lieu fee.*

The project is consistent with the identified goals and policies of the recently adopted Housing Element in that the project is providing housing that will be affordable to lower income households in addition to market rate units; it is disbursing lower income housing

opportunity in an area of the City that otherwise would be unattainable for lower income households. In addition, the applicant is providing inclusionary housing on-site.

Energy and Climate Action

Smart Growth and Multimodal Transportation

Goal ECAE-2a: The City will accommodate future population, employment, and housing growth within already urbanized areas.

Policy ECAE-2a-1: In areas served by transit, promote land uses intensities that increase transit ridership and, in turn, the quality and frequency of transit services

The project site is located within a Smart Growth Opportunity Area (SGOA), as designated on [SANDAG's Smart Growth Concept Map](#). Smart growth is defined as compact, efficient, and environmentally-sensitive urban development pattern. The site is in close proximity to a wide range of commercial uses, including full-service grocery stores.

The proposed project is also consistent with the Smart and Sustainable Corridor Plan (SSCP) that is currently being developed as part of the City's General Plan Update efforts. The SSCP anticipates that future growth will occur in the City's major east-west transit corridors.

The proposed mixed-use development consists of 323 apartment units and approximately 2,336 square feet of ground level commercial space on a vacant site. The site is immediately east of the existing Melrose Sprinter station, is adjacent to the existing portion of the Inland Rail Trail, and abuts a major transportation corridor. Project design features, such as pedestrian connections will encourage future residents of the project to use existing transit options instead of automobiles.

Climate Action Plan:

The adopted Climate Action Plan (CAP) reduction measures that the City develop Smart Growth Policies (Measure TL1) that includes a strategy to establish a smart growth development goal of locating the majority of new housing units and employment generating land uses developed between 2017 and 2030 within existing and potential SGOAs. This is being accomplished through the development of the Smart and Sustainable Corridor Plan Specific Plan as part of the Comprehensive General Plan Update.

The adopted CAP includes Implementation Actions that includes targets for residential development in SGOAs. The target for 2024 is 550 units. The project would add 323 units in an identified SGOA. In conjunction with the recently approved Ocean Creek project, and its 295 units, the target for 2024 would be exceeded with a total combined unit count of 618 units within identified SGOAs.

Staff finds that the project is in conformance with the General Plan

2. Zoning Ordinance

The proposed project is subject to the Neighborhood Commercial (CN) development standards of the Zoning Ordinance. However, Pursuant to Section 3042 of the Zoning Ordinance, development standards can be modified by the Mixed-Use Development Plan if demonstrated to promote superior design. As previously discussed, the proposed project complies with the proposed Mixed-Use development standards and where it does not, the applicant is seeking waivers of the development standards consistent with State Density Bonus Law and as previously highlighted in Table 3 of this report.

The front façade of the project includes outdoor gathering spaces, and a mix of materials and colors that create a better pedestrian experience.

The project meets the parking standards of density bonus law, please refer to project description section for more information.

Staff finds that the project meets the intent and purpose of the Neighborhood Commercial district and the Mixed-Use Development regulations.



3. CEQA Compliance/Environmental Determination

An Environmental Impact Report (EIR) for the proposed project was prepared and identified potentially significant impacts related to air quality, biological resources, cultural resources, geology/soils, noise, transportation, and tribal cultural resources, geology and soils, and Noise. The EIR outlines mitigation measures intended to eliminate or reduce these potential impacts to less-than-significant levels.

In accordance with the California Environmental Quality Act (CEQA), and pursuant to Section 15103 of the CEQA Guidelines, a Notice of Preparation was sent out on March 1, 2022 requesting input on the contents of the Draft Environmental Impact Report (DEIR) within thirty (30) days and on March 15, 2022 a public scoping meeting to obtain information regarding the content and scope of the DEIR was held. The DEIR was made available for public review between October 31, 2022 and December 14, 2022. In

accordance with CEQA Guidelines Section 15088, all comments received on the DEIR during the public review period were evaluated and responded to and are incorporated into the Final EIR. The Draft and Final EIR can be reviewed at the following link: <https://www.ci.oceanside.ca.us/gov/dev/planning/ceqa/default.asp>.

Staff has reviewed the proposed project and determined that with the implementation of project conditions and mitigation measures contained within the Mitigation Monitoring and Reporting Program (MMRP), no significant impacts are anticipated. Therefore, staff recommends that the Planning Commission certify the Final EIR with the Findings of Fact and MMRP.

PUBLIC NOTIFICATION

A notice of application was mailed to all property owners of record within a 1,500-foot radius of the subject property, tenants within a 100-foot radius of the subject property, and other interested parties.

Legal notice was published in the San Diego Union Times and notices of the Planning Commission Public Hearing were sent to property owners of record within a 1,500-foot radius of the subject property, tenants within a 100-foot radius of the subject property, individuals and/or organizations requesting notification, the applicant, and other interested parties.

The applicant's Community Outreach Report is included as Attachment 4. The applicant has complied with all the applicable provisions of City Council Policy 300-14.

At the time of publication of the staff report, staff had not received any comments from the public on the proposed project.

SUMMARY

Staff finds that the proposed project is consistent with the applicable objectives and policies of the City's General Plan as well as the applicable standards of the City's Zoning Ordinance. Staff thus recommends that the Planning Commission approve the proposal.

Staff recommends that the Planning Commission, by motion;

- (1) Certify the EIR and adopt the associated findings of fact and mitigation monitoring and reporting program, by adopting Planning Commission Resolution No. 2023-P12; and
- (2) Approve Development Plan (D21-00011), and Density Bonus (DB21-00005) by adopting Planning Commission Resolution No. 2023-P07 with findings and conditions of approval attached herein.

PREPARED BY:



Sergio Madera
City Planner

SUBMITTED BY:



Darlene Nicandro
Development Services Director

Attachments:

1. Planning Commission Resolution No. 2023-P12 Certifying the Final EIR
2. Planning Commission Resolution No. 2023-P07 approving the project
3. Project Plans (online)
 - a. Architectural Plans
 - b. Landscape Plans
 - c. Civil Plans
4. Community Outreach Report (online)
5. Other Attachments (Online)
 - a. Application Page
 - b. Description and Justification
 - c. Legal Description

5.01 ATTACHMENT 1

PLANNING COMMISSION RESOLUTION NO. 2023-P12

A RESOLUTION OF THE PLANNING COMMISSION OF
THE CITY OF OCEANSIDE, CALIFORNIA CERTIFYING
THE FINAL ENVIRONMENTAL IMPACT REPORT AND
ADOPTING THE FINDINGS OF FACT AND MITIGATION
MONITORING AND REPORTING PROGRAM FOR THE
MODERA MELROSE MIXED-USE PROJECT (STATE
CLEARINGHOUSE NO. 2022030032)

APPLICATION NO: D21-00011, DB21-00005
APPLICANT: MCRT Investments, LLC
LOCATION: SOUTHEAST CORNER OF MELROSE DRIVE AND WEST
BOBIER DRIVE (APNS 161-030-23 & 161-030-24)

THE PLANNING COMMISSION OF THE CITY OF OCEANSIDE, CALIFORNIA
DOES RESOLVE AS FOLLOWS:

WHEREAS, an Environmental Impact Report was prepared and circulated for
public and responsible agency review and proper notification was given in accordance
with the California Environmental Quality Act (CEQA); and

WHEREAS, the Planning Commission did on the 10th day of April 2023 conduct a
duly advertised public hearing on the content of the Final Environmental Impact Report and
the Mitigation Monitoring and Reporting Program; and

WHEREAS, studies and investigations made by this Commission and on its behalf
reveal the following facts:

For the Final Environmental Impact Report:

1. The Final Environmental Impact Report was completed in compliance with the
provisions of CEQA.
2. There are certain significant environmental effects detailed in the Final
Environmental Impact Report which have been avoided or substantially lessened by
measures detailed in Exhibit "A" Findings of Fact (FINDINGS) and Exhibit "B"
Mitigation Monitoring and Reporting Program (MMRP).
3. The Final Environmental Impact Report, Findings of Fact and Mitigation and
Monitoring and Reporting Program for the project were presented to the Planning

Commission, and the Planning Commission reviewed and considered the information contained in these documents prior to making a decision on the project.

4. The Final Environmental Impact Report, Findings of Fact, and Mitigation and Monitoring and Reporting Program for the project have been determined to be accurate and adequate documents, which reflect the independent judgment of the City.

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NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Planning Commission hereby certifies the Final Environmental Impact Report for the Modera Melrose Mixed-Use project.
2. Pursuant to Public Resources Code Section 21081, the Planning Commission hereby adopts Exhibit “A” (FINDINGS) for the Modera Melrose Mixed-Use project.
3. Pursuant to Public Resources Code Section 21081.6, the Planning Commission hereby adopts Exhibit “B” (MMRP) for the Modera Melrose Mixed-Use project, finding that said project is designed to ensure compliance with the established mitigation measures.

PASSED AND ADOPTED Resolution No. 2023-P12 on April 10, 2023 by the following vote, to wit:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Tom Rosales, Chairperson
Oceanside Planning Commission

ATTEST:

Sergio Madera, Secretary

I, SERGIO MADERA, Secretary of the Oceanside Planning Commission, hereby certify that this is a true and correct copy of Resolution No. 2023-P12.

Dated: April 10, 2023