



DATE: September 14, 2026

TO: Chairperson and Members of the Planning Commission

FROM: Development Services Department/Planning Division

SUBJECT: **CONSIDERATION OF A DEVELOPMENT PLAN (D25-00007), REGULAR COASTAL PERMIT (RC25-00008), AND DENSITY BONUS (DB25-00006) FOR THE DEMOLITION OF TWO COMMERCIAL BUILDINGS AND THE CONSTRUCTION OF A FOUR-STORY 22-UNIT MIXED USE DEVELOPMENT, WITH TWO UNITS RESERVED FOR VERY LOW-INCOME HOUSEHOLDS AND ONE UNIT RESERVED FOR MODERATE INCOME HOUSEHOLDS – 1609 SOUTH COAST HIGHWAY MIXED-USE – APPLICANT: SAF VENTURES LLC**

RECOMMENDATION

Staff recommends that the Planning Commission by motion:

- 1) Confirm issuance of a Categorical Exemption per California Environmental Quality Act (CEQA) Guidelines Article 19, Section 15332 (In-Fill Development Projects);
- 2) Approve Development Plan (D25-00007), Regular Coastal Permit (RC25-00008), And Density Bonus (DB25-00006) by adopting Planning Commission Resolution No. 2026-P13 with findings and conditions of approval attached herein.

BACKGROUND AND PROJECT DESCRIPTION

Background: The project site is comprised of two lots totaling 12,000 square feet developed with two single-story commercial buildings that were constructed on the site in 1958 and 1960. Occupants of the buildings include a clothing retail store, a music shop, and a dog grooming establishment. Total existing commercial floor area on the site is 6,675 square feet. The project site is located at 1609-1615 South Coast Highway in the South Oceanside Neighborhood Planning Area and has a General Plan land use designation of General Commercial (GC), and Local Coastal Program Land Use Plan designation of General Commercial (GC), and a zoning designation of Limited Commercial (C-2).

Surrounding land uses include a motel to the north (C-2 zoning), single- and multi-family properties to the west (R-3 zoning), a carwash to the south (C-2 zoning), and a thrift store

to the east (C-2 zoning). A four-story mixed-use structure is currently being constructed just northeast of the site. The project site (outlined in red) and surrounding area are depicted in Figure 1 below:

Figure 1: Project Location



Project Description: The project consists of three (3) entitlements: a Development Plan, Regular Coastal Permit, and Density Bonus to allow the demolition of the two existing commercial buildings and the construction of a four-story mixed-use structure containing 22 dwelling units and 1,622 square feet of ground-floor commercial space.

The project has been designed in a contemporary architectural style with a central drive aisle accessed from the alley that would bisect the structure into two distinct structures. A fourth-floor pedestrian egress bridge connects the two parts into one structure. Shallow angles border the structure providing a distinct theme of horizontal and vertical variation throughout. The interior separation affords enhanced light, ventilation, and views for potential future residents, while also reducing the visual massing of the structure from the street. Wood composite siding comprises the majority of the façade, with white stucco and stone veneer accent features. A block wall, painted with a coastal-themed mural, is proposed on the South Coast Highway elevation between the two ground-floor commercial suites to screen the parking area. Pitched roofs are proposed with a single

gable on the southern mass of the structure and three small gables on the northern mass. The proposed design is shown in Figure 2 below.

Figure 2: Project Architecture



The proposed residential unit mix is split equally between one-bedroom (674 to 863 sq. ft.) and two-bedroom units (1,059 to 1,150 sq. ft.). All proposed dwellings, except for the unit proposed on the ground floor, would have private open space in the form of balconies (74 to 233 sq. ft.). In addition to the residential units, two separate commercial suites are proposed on the ground floor. Both commercial suites are comprised in a similar fashion. Each would be modestly-sized (674 and 783 square feet) and set up to allow a range of end users including retailers, offices, or service-based businesses.

The housing development would be subject to the Oceanside Zoning Code for parking requirements, however, the applicant has invoked Government Code Section 65863.2 (AB 2097, 2022) to reduce parking requirements which precludes local governments from requiring minimum parking standards for housing development proposed within one half-mile of a major transit stop. With utilization of AB 2097, the applicant is proposing nineteen regular parking spaces and four motorcycle parking spaces at grade, accessed via the alley. The applicant has proposed parking spaces to be leased on a first-come-first-serve basis. In addition to vehicular parking, wall-mounted bike racks would be provided in the mailroom.

The applicant will benefit from the application of State Density Bonus Law (SDBL) by proposing to reserve three units at an affordable rate in exchange for increased potential

density. Pursuant to Article 11C of the Zoning Ordinance, mixed-use projects are allowed in the C-2 district up to a maximum residential density of 43.56 dwelling units per acre. This would allow a maximum of 12 units for the site. By reserving three units at an affordable rate, the project is eligible for a 77.5 percent increase in base density, allowing 10 additional dwelling units. As proposed, the project would reserve two units for very low income (VLI) households and one unit for moderate income households. Proposing to reserve two VLI units grants the project a 50 percent increase above the base density (six additional units). Pursuant to Government Code Section 65915(v) (AB 1287, 2023), proposing to reserve one additional unit at the moderate level after exhausting the initial 50 percent density bonus grants the project an additional 27.5 percent increase (four additional units).

In addition to increased density, proposing to reserve three units at below market rate rents entitles the project applicant to an unlimited amount of SDBL waivers and four concessions. The project is requesting development standard waivers of maximum allowable building height, minimum setback requirements, parking space size requirements, and maximum allowable lot coverage. Development standards of the proposed project are shown in the table below. The project is also entitled to four concessions that would result in identifiable and actual cost reductions. Relief from the City's utility undergrounding requirement is the only identified concession requested by the applicant. An existing curb cut on South Coast Highway leading to the site would be filled in and restored with City-standard curb, gutter, sidewalk, and parkway. The area of the proposed curb infill currently allows two-hour parking.

Table 1: Development Standards*

DEVELOPMENT STANDARD	LOCAL REQUIREMENTS	PROPOSED PROJECT	NOTES
Density	43.56 du/acre	79.86 du/acre	Density Bonus
<u>Setbacks (min):</u>			
Front	15 ft. (comm.) / 20 ft. (res.)	5 feet	Waiver
Side	0 ft. (comm.) / 5 ft. (res.)	5 feet	
Rear	0 ft. (comm.) / 5 ft. (res.)	5 feet	
Height (max)	45 ft. (comm.) / 35 ft. (res.)	53 feet	Waiver
Lot Coverage (max)	60% (res.)	68%	Waiver
Floor Area Ratio	N/A	2.76	N/A
Parking	Residential: 22 spaces Commercial: 7-9 spaces	19 spaces	SDBL / AB 2097
EV Parking	4 spaces reserved / 1 space charger-equipped	4 spaces charger-equipped	Complies with code
Parking Space Dimensions	9 ft by 19 ft min.	8 feet by 18 feet	Waiver
Urban Forestry	Min. 7% Tree Canopy Min. 10% Permeable Surface	9% provided 13% provided	Complies with code
Underground Utilities	Electrical, telephone, CATV. lines undergrounded	N/A	Concession

**Project was deemed complete pursuant to Government Code Sections 65943 and 65589.5 prior to the General Plan Update becoming effective and therefore is subject to the General Plan as it existed at the time of completeness.*

ANALYSIS

The proposed project has been reviewed for compliance with the General Plan, Local Coastal Program, Coast Highway Vision and Strategic Plan, Zoning Ordinance, and the California Environmental Quality Act (CEQA).

1. General Plan

The General Commercial land use designation allows for mixed-use projects when found to be consistent with the goals, objectives, and policies of the General Plan. Staff has evaluated the project and found it to be consistent in such a manner as detailed below.

A. Land Use Element

Community Enhancement

Goal: The consistent, significant, long-term preservation and improvement of the environment, values, aesthetics, character, and image of Oceanside as a safe, attractive, desirable, and well-balanced community.

1.16 Housing

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

Policy B: The City shall strive to produce housing opportunities for decent and affordable housing in a pleasant environment for all of Oceanside's citizens.

Policy C: The City shall ensure that housing is developed in areas with adequate access to employment opportunities, community facilities, and public services.

Policy E: The City shall protect, encourage, and where feasible, provide housing opportunities for persons of low and moderate income.

The proposed project would provide livable, safe, and sanitary housing for a diverse economic segment of the Oceanside population within a highly desirable neighborhood with existing community amenities and convenient access to nearby employment opportunities. Including three income-restricted affordable dwelling units will provide a large private subsidy to households with limited means, allowing them to the opportunity to live in a location that may otherwise have been unobtainable. In addition, the three affordable units contribute to the City's Regional Housing Needs Allocation (RHNA) requirements for the sixth Housing Element cycle.

1.17 Pubic Facilities Management

Objective: To provide a consistent and high level quality of public services and facilities to the residents of the City.

Policy D: Compact and infill development should be encouraged to concentrate expenditures for public services.

South Oceanside is a long-established neighborhood with adequate infrastructure, utilities, services, and public facilities necessary to support the project and the needs of its future inhabitants. Infill development at this location would promote the prudent and efficient use of public services, contributing to lower per capita expenditures. In addition, the project would be subject to the Oceanside Community Facilities District No. 2022-1 annexation contributing directly to the costs of public safety services.

1.2 Site Design

Objective: To provide high-quality site design, all proposed land development projects shall take advantage of natural or manmade environments to maximize energy conservation, natural air circulation, public safety, visual aesthetics, private and common open spaces, privacy, and land use compatibility.

Policy A: The placement of all proposed structural components, landscaping, accessways, etc. shall be oriented on the site in such a manner to maximize:

- 1) Interior building absorption and retention of solar energy during appropriate seasons and times of day, and the access to sunlight for potential solar energy collection; and
- 2) The even circulation of natural breezes between and through all buildings; and
- 3) The quality of view and vistas from the site to the surrounding environment; and
- 4) The quality of views and vistas of the site from surrounding land uses; and
- 5) The public safety by eliminating designs that may harbor or hide detrimental activities.

The project's unique design with two almost separate masses provides an enhanced experience inside as well as outside the structure. Future residents of the project would enjoy greater cross ventilation and natural light infiltration. In addition, ground floor commercial space and balconies on both the front and rear of the structure would aid in the deterrence of harmful activities on the street/alley by increasing visibility and human presence. Outside the immediate area, constructing a well-designed four-story structure across the street from another modern four-story structure would help create a visual gateway into the South Oceanside neighborhood for southbound travelers on South Coast Highway.

B. Economic Development Element

Goal EDE 1b: The City will expand employment, housing, and public amenities by facilitating efficient, transit-oriented development within already urbanized areas (i.e., smart growth).

Policy EDE-1b-1: Encourage efficient, transit-oriented development, walkability, parking efficiency, pedestrian and bicycle facilities, and a strong sense of place within the City's Smart Growth Opportunity Areas (SGOAs), as identified on the Regional Smart Growth Concept Map.

The project site is located in the OC-2 SGOA which spans the length of South Coast Highway to the City's southern terminus. According to the 2016 SANDAG SGOA site descriptions, the OC-2 SGOA is designated as a mixed-use transit corridor well-suited for growth. As proposed, the project would support enhanced multi-modal transportation, and increased transit use. Urban design of the 1600-block of South Coast Highway would be enhanced by the construction of the proposed project which would add visual interest to the area, fill in an existing curb cut, and increase landscaping and tree canopy along the street, all of which would provide for enhanced walkability. Safe and secure bike parking proposed on the ground floor of the project increasing the convenience and desirability of biking for future residents in one of the most bikeable areas in the City.

C. Energy and Climate Action Element

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 use intensities that increase transit ridership and, in turn, the quality and frequency of transit service.

Policy ECAE-2a-2: In the City's commercial corridors, promote a mix of land uses that contributes to a sense of place, creates synergies between local businesses, and affords residents the opportunity to live, work, and play within a walkable radius.

The South Coast Highway commercial corridor in South Oceanside contains an attractive variety of businesses and amenities. Redeveloping the site at a greater intensity would afford the future residents of the project the opportunity to live in an area with ample options for shopping, dining, entertainment, and recreational activities all within walking distance. The greater land use intensity proposed by the redevelopment project would also increase the desirability of transit in the area.

D. Housing Element

Goal 1: Produce opportunities for decent and affordable housing for all of Oceanside's citizens.

Policy 1.6: Encourage higher-density housing development along transit corridors and smart growth focus areas in order to encourage preservation of natural resources and agricultural land; reduce energy consumption and emissions of greenhouse gasses and other air pollutants; reduce water pollution occasioned by stormwater runoff; and promote active transportation with its associated health benefits.

Redeveloping a site along the South Coast Highway corridor at a more intensive level would ease development pressure at the fringes of the City while promoting reduced per-capita water consumption, energy consumption, stormwater runoff, and vehicle miles travelled.

2. Local Coastal Program (LCP)

The project as proposed is consistent with the LCP Land Use Plan and the LCP implementing documents. An LCP policy consistency analysis is provided below.

VI. Visual Resources and Special Communities

Objective: The City shall, through its land use and public works decisions, seek to protect, enhance, and restore visual quality of the urban environment

Policy 10: The City shall encourage consolidation of small, narrow frontage lots as a means of achieving better design.

Two narrow lots with 60-foot frontages currently comprise the project site. As proposed, the project would consolidate the two lots and develop a mixed-use project designed to have the illusion of two distinct structural portions. This design provides coordinated architecture while also serving to break up the massing of the proposed structure.

Policy 11: The City shall encourage variety, creativity, and site-responsive design for all new development.

The proposed design demonstrates the project's commitment to quality over economic efficiency. The project would improve the urban design of the 1600-block of South Coast Highway while also providing distinctive and aesthetically pleasing architecture. In addition, great care was taken in the floor plans to provide a high-quality residential environment with regard to natural light and ventilation.

3. Coast Highway Vision and Strategic Plan (CHVSP)

The CHVSP was adopted by the City Council in 2009 with the intent of serving as a blueprint for the revitalization and enhancement of the Coast Highway Corridor. Smart growth and livability are key guiding principles of the plan. The stretch of South Coast Highway between 1537 South Coast Highway (currently Paradise by the Sea RV Park) and Cassidy Street is designated as a landscaped avenue segment which permits

residential and commercial uses.

The proposed project would be aligned with the CHVSP's overarching objectives of promoting environmentally and economically sustainable smart growth, high-quality urban and architectural design, and synergistic land use. In addition, the CHVSP would consider the project a Type 3 Mixed Use building typology which is encouraged in all segments of the planning area, including landscaped avenues. The project is also consistent with the CHVSP design guidelines and its recommendations for breaking up the massing of proposed structures, buffering parking from the street, locating commercial access points and primary facades on the street, and including substantial glazing in the architectural design.

4. Zoning Ordinance

The C-2 Limited Commercial zoning district expressly permits mixed-use development such as the proposed project, subject to the development standards prescribed by Article 11C of the Zoning Ordinance. Pursuant to Sections 3042 and 4302 of the Zoning Ordinance, and Section III.D of the Coastal Permit Handbook, mixed-use projects require the approval of a development plan and regular coastal permit. The applicant is electing to utilize SDBL (Government Code Section 65915 et seq.) for increased allowable density, development standard waivers, and concessions in exchange for reserving three units at an affordable rate. Where the proposed project would not be compliant with the applicable development standards, waivers have been requested through SDBL. Table 1 above shows the project's compliance with the development standards of Article 11C.

5. California Environmental Quality Act (CEQA) Conformance

Planning Division staff completed a preliminary review of the proposed project in accordance with Article 40 – Environmental Review of the Zoning Ordinance as well as the CEQA statute and guidelines. Based upon this review, staff finds the proposed project is categorically exempt pursuant to a Class 32 “In-Fill Development” categorical exemption per Section 15332 of the CEQA Guidelines. The proposed project meets all of the applicable Class 32 criteria:

- a. The proposed project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- b. The proposed development occurs within City limits on a project site of no more than five acres substantially surrounded by urban uses.
- c. The project site has no value as habitat for endangered, rare, or threatened species.
- d. Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- e. The site can be adequately served by all required utilities and public services.

Technical studies in support of the application of a Class 32 “In-Fill Development” categorical exemption are included in Attachment 1 for the Planning Commission’s reference.

PUBLIC NOTIFICATION

In accordance with City Council Policy 300-14 “Enhanced Notification Program”, a Notice of Application” sign was posted at the project entrance and has been maintained on site. The City also mailed a “Notice of Application” letter to all the 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.

Additionally, the applicant held two community outreach meetings to solicit input from the public. Approximately 20 people attended the meetings. The attendees’ comments and concerns are detailed in the applicant’s Community Outreach Report included as Attachment 2.

Legal notice was published in the newspaper 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 has complied with all the requirements of the City’s Enhanced Notification Program Policy.

SUMMARY

Staff finds the proposed project consistent with the applicable objectives and policies of the City's General Plan and Local Coastal Program as well as the applicable standards of the City's Zoning Ordinance.

Therefore, staff recommends that the Planning Commission by motion:

- 1) Confirm issuance of a Categorical Exemption per California Environmental Quality Act (CEQA) Guidelines Article 19, Section 15332 (In-Fill Development Projects);
- 2) Approve Development Plan (D25-00007), Regular Coastal Permit (RC25-00008), And Density Bonus (DB25-00006) by adopting Planning Commission Resolution No. 2026-P13 with findings and conditions of approval attached herein.

PREPARED BY:



Dane Thompson
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SUBMITTED BY:



Oscar Romero
City Planner

Attachments:

1. CEQA Exemption Memorandum with Technical Studies (Online)
2. Community Outreach Report
3. Planning Commission Resolution No. 2026-P13
4. Project Plans
5. Other Attachments
 - a. Application Page
 - b. Description and Justification
 - c. Legal Description
 - d. Notice of Exemption