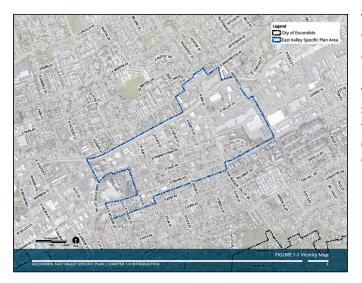


STAFF REPORT

July 19, 2023 File Number 0810-20

SUBJECT

EAST VALLEY SPECIFIC PLAN



The East Valley Specific Plan area, shown in the figure to the left, encompasses approximately 191 acres centered around East Valley Parkway, generally bounded by the alley south of East Grand Avenue to the south, South Hickory and South Fig streets to the west, the Escondido Creek Flood Control Channel to the north, and Harding Street to the east.

DEPARTMENT

Development Services Department, Planning Division

RECOMMENDATION

Request the City Council establish the East Valley Specific Plan by adopting Resolution No. 2023-85, certifying the Program Environmental Impact Report prepared for the East Valley Specific Plan; and adopting Ordinance No. 2023-10, approving the East Valley Specific Plan and rezoning the East Valley Specific Plan area from General Commercial (CG), Hospital Professional (HP), and Commercial Professional (CP), to Specific Plan (S-P).

Staff Recommendation: Approval (Development Services Department: Andrew Firestine, Director of Development Services)

Presenter: Adam Finestone, City Planner

FISCAL ANALYSIS

The EVSP provides a framework to enable private development in the East Valley in areas currently characterized by lower-density and lower-intensity commercial and residential uses. As redevelopment



occurs over time, development impact fees will be collected to pay for public improvements necessary to serve the area. In addition, impacts directly attributed to the construction of a specific project or projects will be required to construct those improvements (or pay their fair-share contribution toward the cost of construction). These requirements are typical of all development throughout the City; however it is important to note that impact fees collected from projects in the EVSP area will stay in the area.

At the time of this writing, residential projects are required to fund the on-going operational cost of providing municipal services required for the project, through either an agreement to form or annex into a Community Facilities District or the establishment of another lawful funding mechanism reasonably accepted by the City. Any change in City Council policy related to funding of ongoing operational costs would be applicable to all future development in the EVSP area.

PREVIOUS ACTION

In 1998, Escondido voters approved Proposition S, which impacted the ability to increase residential densities throughout the City. In 2012, Escondido voters approved Proposition N, which amended the Escondido General Plan to include, among other things, a mixed-use overlay zone for the EVSP area allowing a minimum of 30 dwelling units per acre. In 2019, the City Council adopted Resolution No. 2019-156, authorizing application for, and acceptance of, an SB 2 grant in the amount of \$310,000 for preparation of a Housing and Community Investment Study, which consisted of a trio of documents including a residential sector feasibility study, the Sixth Cycle (2021 - 2029) Housing Element update, and the East Valley Specific Plan. In 2020, the City Council adopted Resolution No. 2020-62, authorizing application for, and acceptance of, a LEAP grant in the amount of \$500,000 for preparation of, among other things, an Environmental Impact Report for the EVSP. On March 22, 2023, the City Council approved the Sixth Cycle (2021 - 2029) Housing Element update up to 2,185 dwelling units in the EVSP area to meet the City's Sixth Cycle RHNA allocation for an eight-year planning period (April 2021 through April 2029).

BACKGROUND

Specific Plans – Purpose and Authority

A specific plan may be established through the authority granted to the City by California Government Code, Sections 65450 through 65457, as a means of systematically implementing the General Plan. A specific plan, through text and diagram(s), must identify the following:

- 1. The distribution, location, and extent of the uses of land, including open space, within the area covered by the plan.
- 2. The proposed distribution, location, and extent and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy, and other essential



STAFF REPORT

facilities proposed to be located within the area covered by the plan and needed to support the land uses described in the plan.

- 3. Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable; and
- 4. A program of implementation measures including regulations, programs, public works projects, and financing measures necessary to carry out items 1 through 3 above.

East Valley Parkway Target Area

The Land Use and Community Form chapter of the Escondido General Plan called out the area along East Valley Parkway from downtown Escondido to just east of Midway Drive, as the East Valley Parkway Target Area ("Target Area"), with the goal of revitalizing the area. The EVSP area encompasses the western half of the Target Area. The current General Plan Land Use designations applied to the EVSP area are General Commercial and Office, with a Mixed-Use Overlay for the EVSP area. The EVSP is intended to implement this Mixed-Use Overlay through the creation of a new Specific Plan.

EVSP Vision, Goals, and Policies

The EVSP was developed in collaboration with residents, local businesses, and property owners, in the EVSP area. The vision established through this collaborative effort is as follows:

The East Valley Specific Plan incorporates a dynamic mix of land uses, ensuring a variety of residential options, linked together through safe streets and a business corridor. The Plan creates an inviting atmosphere and quality of life with attractive public spaces and connected paths that leverage the Escondido Creek Trail and provide a unique and artistic identity that attracts local residents and North County Inland residents to live, shop, dine, and recreate.

The EVSP vision establishes an all-embracing mission for the Plan Area, with goals and policies acting as tangible steps or actions towards achieving the vision. The goals are broken out into the different topics or lenses in which to carry out the vision. Each goal is supported by policies that give the City measurable, implementable actions intended to help accomplish that goal. Goals and policies are provided for the following topics: Land Use, Sustainable and Equitable Development, Site and Building Design, Mobility, Parks and Public Realm, Economic Development, Public Services and Infrastructure. Additional detail related to the goals and policies can be found in the June 13, 2023, Planning Commission staff report, which is included as Attachment "1" to this report. The goals and polices themselves can be found within the EVSP, which is Exhibit "C" to Ordinance No. 2023-10.

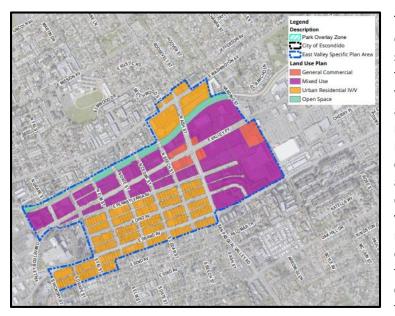


STAFF REPORT

Land Use Plan

The Escondido General Plan provides a mixed-use overlay for the EVSP area, with a focus on residential growth. Historic development trends and existing land use allowances do not reflect this goal. Current zoning for the EVSP area accommodates commercial development along the East Valley Parkway and lower-intensity commercial and office uses along East Pennsylvania, East Ohio, and East Grand avenues. Commercial uses continue to be a major focus along East Valley Parkway, however the demand for medical office uses is expected to continue to wane as a result of the closure of Palomar Health's downtown hospital campus. Additionally, a significant amount of lower-density residential development exists along East Pennsylvania, East Ohio, and East Grand avenues, making those properties nonconforming with existing zoning.

A Land Use Plan ("LUP") has been established for the EVSP, which acts as the policy framework for the development and use of land in the EVSP area. The overall goal of the LUP is to encourage new housing opportunities, improve economic vibrancy, and allow for flexibility in the use and implementation as East Valley changes over time, while preserving strongly utilized uses that exist today. Land use designations proposed in the EVSP are intended to implement the mixed-use overlay identified in the General Plan, as highlighted in the Vision for the EVSP. The LUP can is shown in the figure below.



The LUP is comprised of three land use designations and one overlay zone, and sets forth a transition of intensities throughout the EVSP area. Consistent with the effort to encourage and accommodate residential growth, a vast majority of properties in the EVSP allow residential uses in some form. As shown on the LUP, the majority of properties East Valley Parkway along are designated as Mixed Use, allowing a variety of commercial uses along with residential development at up to 80 dwelling units per acre. The goal here is to create a more urban and vibrant character with an enhanced public realm through outdoor dining, public plazas,

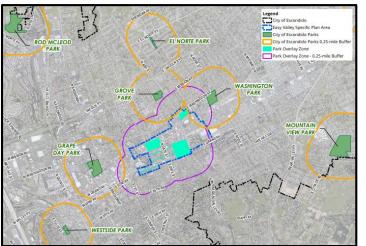
and other amenities, and provide transitions to larger commercial properties to the east, and downtown to the west. Properties in the southern portion of the EVSP area (those generally along East Pennsylvania, East Ohio, and East Grand avenues), as well as those along Ash Street north of the flood control channel, are designated Urban IV/V, which allows multi-family residential development between 21 and 30 dwelling units per acre, consistent with the Urban IV and Urban V General Plan land use designations.



STAFF REPORT

A General Commercial land use designation is provided at the corner of East Valley Parkway and Ash Street, and on the southwest corner of East Valley Parkway and Harding Street. These properties would retain land use allowances highly similar to those allowed in the General Commercial zone, and have been designated as such in order to encourage more compact commercial footprints and create an activity node proximate to shopping, transit, and residences.

A Park Overlay Zone is also identified on the LUP, with the goal of providing up to 25 acres of parkland in the EVSP area. In addition to linear parks envisioned for residential alleys, the Park Overlay Zone has been applied to three areas. Two of those areas were strategically selected because they would create the greatest expansion of land, both inside and outside the EVSP area within ¼ mile of a park. The third was selected because it is a City-owned parcel. The figure below identifies the location of the Park Overlay Zone shown (aqua cross-hatching) in relation to other City parks, and includes a ¼ mile buffer around the Park Overlay Zone properties and City parks.



While the Park Overlay Zone is only shown in the areas described above (totaling approximately 25 acres), it should be noted that parks are not precluded elsewhere in the EVSP area, nor are properties in the Park Overlay Zone restricted from being developed exclusively with non-park uses.

Residential Land Uses

The EVSP includes innovative provisions meant to encourage and facilitate high-density development on Urban IV/V and Mixed-Use properties. Similar to the

Downtown Specific Plan, the EVSP contains a Density Transfer Program ("DTP") in order to maintain the full residential build-out capacity of the EVSP area. The DTP would enable the City to transfer units from underutilized properties (sending areas) within the EVSP area to other properties in the EVSP area (receiving areas) to enable a developing property to increase its density beyond what current zoning would permit. The transferred density will be held in a density credit pool administered by the City.

The EVSP also establishes a Target Production Point ("TPP") for each land use designation that allows for residential development. The TPP is a density within the density range for each designation that provides realistic site development capacities that are likely to yield smaller housing units at a higher density that become more affordable by design. The Urban IV/V land use designation has a density allowance that ranges from 21 - 30 dwelling units per acre. The TPP for the Urban IV/V designation is 25 dwelling units per acre. The Mixed Use land use designation has a density allowance that ranges from 30 - 80 dwelling units per acre. The TPP for the Urban IV/V designation is 25 - 80 dwelling units per acre.



STAFF REPORT

To ensure that the EVSP achieves a build-out that accommodates RHNA, especially for lower- and moderate- income households, residential development would not be permitted below the TPP unless a fee in lieu is received for off-site production. The TPP in-lieu fee would be paid into an affordable housing trust fund and used (along with other local funding sources) to finance affordable housing developed off-site. Establishment of the trust fund was called out as a program in the recently-adopted Housing Element, and the City anticipates retaining a consultant to assist in this effort. The per-unit fee shall be deemed a comparable affordable unit contribution towards lower or moderate-income households, and would be due at the time of building permit issuance at a rate established by resolution of the City Council. The goal of the TPP is to encourage housing production at densities sufficient to achieve the City's RHNA. An in-lieu fee is not required for residential development built at or above the TPP. As described later in this report, development standards applicable within the EVSP have been tailored to make achieving the TPP as easy as possible.

Commercial Land Uses

Commercial land uses are permitted in the General Commercial and Mixed-Use districts of the EVSP. For the most part, commercial land uses are modeled after those outlined in the Escondido Zoning Code or Downtown Specific Plan. Notable changes that were made include the following:

- Drive-thru restaurants would be prohibited in the Mixed-Use district. They would continue to require a Conditional Use Permit ("CUP") in the General Commercial district.
- Mini-storage/self-storage facilities are prohibited in all districts.
- Firearms stores require a CUP in the Mixed-Use and General Commercial districts. They are not called out directly in the zoning code; instead, they are identified as part of sporting goods stores, which are permitted in General Commercial zones elsewhere in the City. (This change was made after consultation with the Police Chief.)
- Liquor stores are not permitted in any district. This is consistent with land use allowances in the Downtown Specific Plan.
- General vehicle repair would be prohibited in all districts. Limited vehicle repair would continue to be permitted in the General Commercial district through a minor CUP.

Existing businesses that would become nonconforming as a result of changes implemented by the EVSP would retain their legal status and be subject to the nonconforming use regulations contained in the Escondido Zoning Code.

Development Standards

As noted above, development standards within the EVSP have been crafted with the goal of enabling projects to achieve their TPP. Special attention was paid to the areas below to achieve an appropriate balance of site flexibility and residential amenities. As discussed later in this report, the Planning Commission spent a considerable amount of time over the past month grappling with issues related to



STAFF REPORT

open space, landscaping, setbacks, ground-floor land use requirements, and parking in order to achieve the appropriate balance. The information below is what is included in the final draft of the EVSP, and represents the Planning Commission's recommendation. A table is provided later in this document showing changes made over the course of the Planning Commission's review in order for them to arrive at their recommendation.

Open Space – It is recognized that open space provides a myriad of benefits, including those related to recreational opportunities, shade, public health, and others. The challenge exists, however, in the fact that land that is used for open space purposes on a lot reduces the land that is available for residential development. In order to achieve the type of residential densities envisioned in the EVSP, an open space requirement of 200 square feet per unit would be required. This number could be reduced to 125 square feet per unit for projects that achieve their TPP.

Landscaping – Aside from areas used for parking and access, any portion of a lot not occupied by a structure must be landscaped. Landscaping can consist of plants and vegetation, as well as decorative hardscape such as permeable pavers and stamped concrete. Similar to open space requirements, the amount of landscaping required on a project site can impact the buildable area. Depending on the land use district that a property is in, the amount of landscaping on-site ranges from 15% to 25% of the property. This is in addition to landscaping in the public right-of-way adjacent to a development site, where street trees, shrubs, and ground cover are required. Landscaping within setback areas does count toward the on-site requirement.

Setbacks – Setbacks represent the minimum horizontal distance between a lot line and the nearest part of any building or structure. The EVSP provides setback requirements of eight to 10 feet from a front, rear, and street-side property line, depending on which land use district it is in, five feet from an alley, and 10 to 20 feet along the Escondido Creek Trail. No setback is required along internal side yards aside from anything required by building and fire codes.

Ground-floor land uses - The EVSP provides for flexibility in uses, such that all properties in the Urban IV/V and Mixed-Use districts are permitted to have commercial or residential uses on the ground floor. While ground-floor residential uses may make sense today, it is important to consider the long-range vision of the EVSP when considering building design. As such, the following requirements have been put in place:

- 1. Retail-ready ground floor
 - a. Minimum interior height of 16 feet
 - b. Minimum depth (street-facing unit) of 25 feet or 25% of the building depth (whichever is greater)
 - c. Oversized storefront windows
- 2. Built to commercial building code standards



STAFF REPORT

It is important to note that this requirement only applies to properties in the Mixed-Use district, and is not applicable to those in the Urban IV/V district.

Parking – Smart Growth principles encourage pedestrian-oriented mixed-use neighborhoods. This would encourage a reduction in parking requirements due to a reduced reliance on personal automobiles. As such, parking requirements for commercial uses have been limited to an amount no greater than that typically required by the Escondido Zoning Code for the specified use, with the anticipation that nearby residents can walk or take other modes of transportation. Should a commercial user wish to provide additional parking, an administrative remedy has been built into the EVSP to allow for that relief.

The above stated, smart growth principles must be balanced with the reality of existing and anticipated conditions related to parking needs. In an environment where housing costs take up a larger share of residents' income, there is a propensity for larger household sizes with more driving-age residents, and more vehicles per unit. As such, the residential parking requirement has been maintained at the same level in the EVSP as is required elsewhere in the city, as dictated by the zoning code.

ENVIRONMENTAL DETERMINATION

A draft Program Environmental Impact Report ("PEIR") was prepared for the EVSP and identified potentially significant impacts to air quality, biological resources, cultural and tribal cultural resources, and noise. The environmental analysis concluded that mitigation for impacts to air quality, biological resources, and cultural and tribal cultural resources would reduce them to a less than significant level, however, impacts to noise would remain significant and unavoidable based on increases in traffic noise and unknown ground-borne vibration resulting from construction activities. The draft PEIR was made available for a 45-day public review period from March 30, 2023, through May 15, 2023, and two public comments were received.

A final PEIR has been prepared for the project and is included as Exhibit "B" to Resolution No. 2023-85. The final PEIR consists of a summary of corrections and revisions made to the draft PEIR, comments received on the draft PEIR and the City's responses to those comments, a Mitigation Monitoring and Reporting Program, and the revised draft PEIR showing revisions in strikeout/underline format. Pursuant to sections 15091 and 15093, respectively, of the State CEQA Guidelines, Findings of Fact ("Findings") and a Statement of Overriding Considerations ("SOC") have also been prepared, and are included as Exhibit "C" to Resolution No. 2023-85. An SOC is required when a jurisdiction has determined that there are "specific economic, legal, social, technological, or other considerations...[which] make infeasible the mitigation measures or project alternatives identified in the EIR." In this case, potential mitigation measures necessary to reduce noise impacts to a less-than-significant level would render the project infeasible, and any alternative analyzed in the EIR would eliminate the ability of the EVSP to meet the goals identified in the document.



STAFF REPORT

PUBLIC OUTREACH AND ENGAGEMENT

Work on the EVSP began in 2020 as part of the larger Housing and Community Investment Study ("HCIS") which included a Sector Feasibility Study, the Housing Element update, and the East Valley Specific Plan. At that time, the City established a webpage for the program (<u>https://www.escondido.org/hcis</u>) to solicit input and provide updates on the status of all three HCIS documents. Additional early outreach efforts included virtual meetings on July 23 and October 7, 2020. Mailers were sent to property owners, residents, and business owners, in English and Spanish, ahead of the meetings, and translation services were available at the meetings. Mailers were also sent out to business owners in August of 2020 (English and Spanish) specifically related to an online business survey.

The first draft of the EVSP was posted on the HCIS webpage in March 2021, and information on the document was presented and discussed at public Planning Commission meetings on March 23, July 13, and October 21, of that year. Subsequent to those informational presentations, focus on the HCIS work program turned toward the Housing Element which had been adopted by the City Council but failed to achieve certification from HCD. Because the EVSP is intended to serve as the rezoning program to achieve compliance with housing element law and enable HCD to certify the City's Housing Element, it was important that the EVSP be developed in conjunction with the Housing Element.

In March of this year, a revised draft of the EVSP was made available for public review concurrently with the draft PEIR described above. Public hearing notices were published in the Escondido Times Advocate and The Paper ahead of the June 13, and June 27, 2023, Planning Commission public hearings. Notices were also mailed to property owners, residents, and business owners ahead of the June 27, 2023, public hearing. Since that time, staff has received a combination of phone calls and emails from 15 individuals. The written comments have been included as Attachment "5" to this report. Additionally, two people spoke at the June 27, 2023, public hearing.

Public hearing notices were published and mailed ahead of the July 19, 2023, City Council hearing in the same manner described above. As of this writing, no further comments have been received.

GENERAL PLAN CONFORMANCE

A General Plan conformance analysis was included in the June 13, 2023, Planning Commission staff report (Attachment "1"). That analysis identifies revisions which will need to be made to the General Plan for clarity as a result of approval of the EVSP. Those revisions will be made via subsequent actions and will be brought back before the City Council in the next few months. Note that adoption of the EVSP would not create inconsistencies with the General Plan, and that the future revisions to the General Plan are intended for clarity purposes.



STAFF REPORT

PLANNING COMMISSION CONSIDERATION

Starting on June 13, 2023, the Planning Commission held weekly meetings for four weeks to work through a number of issues and areas of concern in the EVSP. Staff reports from those meetings are included as Attachments "1" through "4" to this report. At the June 13, 2023, meeting, the Planning Commission held a public hearing where staff presented items of concern related to development standards, and sought input from the Commission. At a special meeting called for June 20, 2023, Planning Commissioners provided areas of concern related to land uses, development standards, and other aspects of the EVSP that they believed warranted consideration. On June 27, 2023, the Planning Commission held another public hearing, where they received information from staff and continued to work through potential revisions to the EVSP. At the conclusion of that meeting, all items of concern had been addressed with the exception of parking requirements for residential developments. As such, the Planning Commission called for another special meeting on July 6, 2023, where they were presented with a menu of options related to residential parking requirements, and incorporated the selected option into the final version of the EVSP. The document that is before you tonight represents the culmination of that effort.

In order to provide detail on the work done by the Planning Commission over the course of the past month, the table below describes the substantive changes that were made to the draft EVSP between the first Planning Commission hearing on the item (June 13, 2023) and the version before you for consideration. Non-substantive revisions (typographical errors, formatting, pagination, etc.) have been omitted from the table.

TOPIC	REVISION(S)
Document approval	Inserted City Council ordinance number to be used when EVSP is considered
	by City Council on July 19, 2023
Mobility Policies	Revised Mobility Policy 2.2 to "encourage" rather than "require" internal
	pedestrian connections between properties
Map legend	Removed "Preferred" prior to "Land Use Plan"
Density Transfer	Revised language related to density allowance to reference "underlying land
Process	use designation" instead of "current zoning"
Document horizon	Revised two locations to identify the accurate 12-plus year horizon date for
	EVSP projections
Roadway classifications	Added language to specify that classifications described in the EVSP are
	based on the current General Plan designations and are subject to change
Parking requirements	Removed maximum parking allowance and adjusted minimum requirements
	for residential uses to be consistent with requirements of the Escondido
	Zoning Code; combined certain residential land use categories; clarified non-
	residential parking requirements to be maximum allowed; clarified references
	to Escondido Zoning Code; created allowance for modifications to
	requirements
Supplemental parking	Provided additional language regarding reduction in vehicle emissions;
standards	simplified requirement for EV charging spaces by referencing California
	Building Code.



STAFF REPORT

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Supplement parking standards	Removed maximum bicycle and loading space columns; removed electric
standards	vehicle parking column; adjusted and provided limitations on minimum
	bicycle and loading space requirements; removed requirement for bicycle
Derliner Euserstiene	parking from units that have private garages
Parking Exceptions	Removed Parking Exceptions section
Precedence of	Specified that development standards contained in the EVSP shall take
development standards	precedence when conflicts exist between the EVSP and the municipal code
Open space definitions	Provided definitions for "public open space," "common open spaces," and "private open spaces"
Open space	Changed minimum open space requirement to 200 sf per unit; allowed
development standards	reduction to 125 sf of open space per unit for projects that meet TPP; clarified
	requirements for "public," "common," and "private" open spaces.
Development standards	Revised Table 7-1 to reduce certain setbacks and landscaping requirements;
table	allowed landscaping within setbacks to count toward the minimum landscape
	requirement; added information regarding locational dependence for building
	height in Urban IV/V district
Ground-floor commercial	Modified Figure 7-1 to eliminate the ground-floor commercial construction
requirements	requirements from Grand Avenue and portions of Ash Street.
Land use allowance	Modifications to Table 7-2: referenced Escondido Zoning Code for ADU
	development standards; changed second hand stores and thrift shops to
	prohibited uses in all districts; allowed consignment stores as conditional use
	in CG district; changed for-fee EV charging stations to permitted use (as
	primary use); clarified allowances for animal care, daycare, and boarding;
	allowed duplicating services in MU district; clarified educational use
	allowances; included publicly accessible open space on private property as
	private parks; increased restrictions on automotive services; changed
	firearms dealers and sporting goods stores which sell ammunition and
	firearms to conditional uses in CG and MU districts;
Accessory use	Changed car or bike sharing services to permitted uses; restricted fleet
allowance	vehicle storage; modified allowances for wireless facilities
Historic district	Removed information regarding review of projects within the downtown
	historic district
Initial meetings	Clarified that initial meetings are required prior to project submittal
Minor projects	Specified that review required for minor projects is design review; removed
	staff referral to historic preservation commission and planning commission;
Major projects	Clarified review process
Building permits	Clarified process when building permits are required
Historic district	Removed Figure 8-1 Historic District Map
Transportation fair share	Created separate section for Transportation Fair Share Contribution Program
contribution program	
Zoning Administrator	Clarified Zoning Administrator's role and authority

At the end of its July 6, 2023, meeting, the Planning Commission voted unanimously to recommend that the City Council certify the PEIR, and approve the East Valley Specific Plan, as detailed in Resolution No. 2023-85 and Ordinance No. 2023-10, respectively.



STAFF REPORT

RESOLUTIONS

- a. Resolution No. 2023-85
- b. Resolution No. 2023-85 Exhibit "A"
- c. Resolution No. 2023-85 Exhibit "B"
- d. Resolution No. 2023-85 Exhibit "C"
- e. Resolution No. 2023-85 Exhibit "D"

ORDINANCES

- a. Ordinance No. 2023-10
- b. Ordinance No. 2023-10 Exhibit "A"
- c. Ordinance No. 2023-10 Exhibit "B"
- d. Ordinance No. 2023-10 Exhibit "C"

ATTACHMENTS

- a. Attachment "1" June 13, 2023, Planning Commission staff report
- b. Attachment "2" June 20, 2023, Planning Commission staff report
- c. Attachment "3" June 17, 2023, Planning Commission staff report
- d. Attachment "4" July 6, 2023, Planning Commission staff report
- e. Attachment "5" Public comments