



PLANNING COMMISSION

Agenda Item No.: G.1
Date: January 24, 2023

PROJECT NUMBER / NAME: PL22-0145, PL22-0146, PL22-0147, and PL23-0032 / Northeast Gateway 64

REQUEST: Specific Plan Amendment, Development Agreement, Tentative Subdivision Map and Grading Exemption for the development of 64 single-family residential lots. The Specific Plan Amendment is requested for modification to internal street alignment, setbacks along this street and architectural and design requirements. The Development Agreement is requested for the transfer of development rights and purchase of 20 unallocated units from the City of Escondido into the project.

LOCATION: The 36.42-acre project site is located east of East Valley Parkway, south of Lake Wohlford Road, and north of Beven Drive, addressed as 3425, 3429, 3445, 3485, and 3507 E. Valley Parkway, and 13950 and 13961 Valle Lindo Road

APN / APNS: 240-011-01-00, -240-011-12-00, 240-011-13-00, 240-020-23-00, 240-020-32-00, 240-020-33-00, a portion of 240-020-21-00, and a portion of 240-020-27-00.

GENERAL PLAN / ZONING: Specific Plan Area (SPA #5) / Specific Plan (S-P) Northeast Gateway Specific Plan, Planning Area 2 (PA2)

APPLICANT: Meridian Development, LLC

PRIMARY REPRESENTATIVE: Meridian Development (Guy Asaro).

DISCRETIONARY ACTIONS REQUESTED: Specific Plan Amendment, Development Agreement, Tentative Subdivision Map and Grading Exemption

PREVIOUS ACTIONS: The Northeast Gateway Specific Plan and Final Environmental Impact Report were approved/adopted by the City Council in 2004.

PROJECT PLANNER: Jay Paul, Senior Planner

CEQA RECOMMENDATION: Adoption of an Addendum to the Final Environmental Impact Report

STAFF RECOMMENDATION: Approval

REQUESTED ACTION: Approve Planning Commission Resolution No. 2023-02

CITY COUNCIL HEARING REQUIRED: YES NO

REPORT APPROVALS:

Andrew Firestine, Director of Development Services

Adam Finestone, City Planner

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BACKGROUND:

The approximately 36.42-acre (gross acres) project site is comprised of 7 parcels and has been previously developed with residential and agricultural structures and uses. Agricultural uses have since been abandoned, but some accessory structures remain. The project site is located in 89-acre Planning Area 2 ("PA 2") within the larger 418-acre Northeast Gateway Specific Plan which includes 5 separate planning areas. The Northeast Gateway Specific Plan and associated Final Environmental Impact Report ("FEIR") were adopted by the Escondido City Council in 2004. Several residential projects have since been approved and development within the SPA includes the 340-lot Eureka Ranch project (TR 839) and 30-lot Eureka Springs project (TR 914), City Ryan Park, and Valley High School. The 78-unit/99 bed Apollo Assisted Living Facility is currently under construction. PA 2 also includes the Community Lutheran Church that was approved in 1990 prior to the adoption of the Northeast Gateway Specific Plan. Two smaller residential subdivisions were approved in Planning Area 2 (Tract 933 and Tract 956) that were never developed and the entitlements subsequently expired.

A. SUMMARY OF REQUEST:

Meridian Development ("Applicant") submitted an application on April 7, 2022 to develop the Project site to include an amendment to the Specific Plan, Development Agreement, Tentative Subdivision Map, and Grading Exemption for the development of a 64-lot single-family residential subdivision with a density of 1.83 dwelling units per acre (net density) ("Project"). Lot sizes range from 7,000 square feet up to 14,871 square feet. The design also includes 12 open space lots (Lots A – L) totaling 14.66 acres, including a 10.95-acre habitat conservation lot. The project includes a request to modify the alignment of the main internal street (Street "E") and to revise the setbacks along this street to be consistent with standard R-1 single-family residential setbacks, along with modification to certain architectural design criteria for the future homes. A Development Agreement involves financial compensation to the City in exchange for a density transfer of 20 single-family units from public lands within the Specific Plan Area, as permitted by the Northeast Gateway Specific Plan. A Grading Exemption is requested for cut slopes up to 63 feet in height located towards the northeastern portion of the project. All existing structures on the site would be demolished. Project plans are included as Exhibit "I" to draft Planning Commission Resolution No. 2023-02, which itself is included with this report as Attachment 3.

B. SUPPLEMENTAL DETAILS OF REQUEST:

- 1. Property Size: 36.42 acre (gross)
 34.96 acre (net) 1.58-acre right-of-way dedication
- 2. Number of Lots: 64 single-family residential lots and 12 open space lots (A – L)
 Open Space Lot J is a proposed conservation easement lot
- 3. Density/Lots Permitted 44 lots permitted per Specific Plan Slope Analysis Yield
 1.74 du/ac gross density
 1.83 du/ac net density

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4. Density Transfer	20 units/lots requested for transfer rights from the City	
	<u>PA 2 Requirement:</u>	<u>Provided:</u>
5. Lot Sizes:	Min. 7,000 SF to 10,000 SF depending on location, adjacent to Valley Pkwy.	Range from 7,000 SF to 14,871 SF(gross lot area)
:	and/or open space	
6. Setbacks	20' min. along Internal Street "E" SPA requirements based on lot size	R-1 zoning standards for all lots along Street "E" SPA requirements for all other lots based on lot size
7. Open Space	Eastern steeper slopes to be preserved as natural open space per Specific Plan	14.66 acres open space, 12 lots (A – L) 10.95-acre conservation easement open space lot "J"
8. Grading/Exemptions	SPA guidelines	Anticipated 76,000 cy cut and 76,000 cy fill Grading Exemptions for cut slopes up to 63' within N/E area adjacent to lots 41, 43 and 43

C. PROJECT ANALYSIS:

1. General Plan Conformance:

The City's General Plan land-use designation for the project site is Specific Planning Area (SPA 5), which is implemented through the Northeast Gateway Specific Plan. The Northeast Gateway Specific Plan encompasses 418 acres and contains 5 separate planning areas, consisting of both private and public ownerships. The Project site is in PA 2. The Specific Plan was approved in 2004 in conjunction with the Eureka Ranch development and ensures that future develop within the Specific Plan is consistent. The total projected yield throughout the Specific Plan is 517 dwelling units, with up to 167 of the total units derived, and available for transferred, from publicly owned land to privately owned land within the Specific Plan, subject to City Council approval. The subject 36.42-acre project site is allocated a total of 44 units based on the Specific Plan slope analysis/yield calculations. The project includes 64 single-family residential lots, inclusive of a requested transfer of 20 City units. To date, the City has transferred 87 units for the Eureka Ranch development and 15 units from the Eureka Springs development (formally Hallmark Communities), for a total of 102 units transferred. With the proposed transfer of 20 units to the Project, a total of 45 units would remain for potential future transfer to other developments within the SPA. Therefore, the proposed Project is consistent with the General Plan and Northeast Gateway Specific Plan.

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2. Site Design:

a) Project Access and Circulation:

Primary access to the proposed lots would be from the installation of internal Street "E" (Public Drive "A" shown on the Tentative Map), intersecting Beven Drive on the south and Lake Wohlford Road on the north. The project site also fronts onto East Valley Parkway, but access would not be provided from this Major Circulation Element Road. The overall goal for development within Planning Area 2 is to eliminate all curb cuts/access to East Valley Parkway. With the development of this project, all existing driveways accessing E. Valley Parkway would be eliminated except for one existing single-family residence that is not part of this project. The Project does include an access easement to provide this lot with access to internal Street "E" in order for this remaining driveway to be closed at such time the property owner chooses to do so. The final design of Street "E" is intended to respect other parcels/owner's access to Street "E" and to avoid future conflicts in order that they may develop their properties. The proposed design would provide access to parcels that currently have primary access/easements to East Valley Parkway, but would take access from internal Street "E" upon its completion.

b) Specific Plan Amendment – Street "E" Alignment

The applicant is requesting a formal modification to the alignment of Street "E" as shown in the Specific Plan (as detailed in Exhibit "E" to draft Planning Commission Resolution No. 2023-02) to correspond to the consolidation of the 7 parcels and to facilitate the current project design and previous alignment of future Street "E" off-site to the north through the Community Lutheran Church property. The current alignment of Street "E" towards the north of the Project site includes a slight jog to the northeast to accommodate potential development of two parcels (not part of this project). However, this alignment is not feasible as the future alignment of Street "E" and its intersection with Lake Wohlford Road on the north was set with the approval and development of the Community Lutheran Church in 1990, before the Northeast Gateway Specific Plan was adopted. When the Community Lutheran Church was developed, the project constructed a driveway from Lake Wohlford Road that provides primary access to the church, but also reserved an Irrevocable Offer of Dedication (IOD) along this driveway for future buildout of the roadway to provide northern access to the Northeast Gateway Planning Area 2. This driveway/roadway easement also was selected in order to line up with Foxley Drive on the north to avoid potential traffic conflicts from offsetting intersections. The driveway and future roadway area also bisect a cultural resource area and the eastern portion of the church site was placed within an open space easement to restrict future development of this section of the property. Street "E" has been designed to include two popouts along the church section of the roadway to avoid existing cultural features (milling features) and also another popout mid-block to provide traffic calming. As part of the original church

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development, a public access trail easement was dedicated along the eastern boundary of the property, as shown on the Specific Plan street alignment.

c) Specific Plan Amendment – Setbacks and Architectural Design Criteria

Along with the proposed realignment to internal Street "E," the applicant also has requested a modification to the minimum required setback of 20 feet for all structures along this street frontage. The applicant has requested this modification to allow setbacks to be consistent with standard R-1 single-family residential setbacks to allow for flexibility in the future design and layout of the homes and driveways. (The front setback requirement in the R-1 zone is 15 feet, except that a garage facing the street is required to maintain a 20-foot setback to accommodate driveway parking.) Due to the varying lot sizes and configuration along Street "E" and configuration of the lots, the minimum 20' setback would limit development potential on certain lots. The homeowners' association would be responsible for maintenance of the parkway landscaping along this street.

The proposed amendment to the Specific Plan includes a modification to certain architectural design requirements for the future homes to include the following:

- Section 3.6.4(A)(1). Reduce the minimum number of single-story homes required from 20 percent to 10 percent. This is requested because a single-story home generally has a much larger footprint than a two-story home and thus would reduce the potential area for future accessory structures on the smaller lots.
- Section 3.6.4(5). Reduce the requirement to provide front porches and patios to the front of the homes to a minimum of 20 percent of the units. The requirement to provide these front-yard amenities was to encourage residents to engage in the front yards. However, traditional single-family homes on smaller lots generally provide the primary open space and associated recreational amenities in the rear yards. This would allow for the homes to be designed based on changing consumer demand and design preferences and also would allow for the homes to be placed closer to the front-yard setbacks and allow for greater rear-yard space.
- Section 3.6.4(A)(6) and 3.6.4(A)(6)(b)(i). This section primarily focuses on the design of garages and to de-emphasize the garage as seen from the street, and to incorporate side-entry garages. This provision requires the design to place the garage further to the middle or the rear of the home requiring additional pavement and impacting the interior design of the home and potential reduction in rear-yard area. The proposed amendment would eliminate the language requiring side-entry garages and deeply recessed garages, detached garages and revised section (b) to allow recessed plane ranging from 1 to 3 feet for 80 percent of the garages. The final design of the homes, garages and orientation would be determined through the post entitlement Staff Design Review process. The use of decorative garages and varying garage colors has been added to off-set the changes to this section.

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d) Open Space and Landscaping:

The Project includes 12 open space lots for a total of 14.66 acre of open space. Open Space Lot "J" is located within the steeper eastern portion of the site and would be placed within an open space/conservation easement to preserve existing native vegetation and any cultural resources that might be present in this area. The existing masonry block wall along the Project's East Valley Parkway frontage would be removed and replaced with a new decorative masonry block noise attenuation wall, landscape berm with a larger landscape parkway setback and meandering sidewalk in accordance with the Specific Plan design guidelines. In addition, the main entry corner at East Valley Parkway and Beven Drive will include an upgraded landscape entry design feature, signage and fencing to be compatible with other developments in the Specific Plan. The internal Street "E" would be developed with the landscape parkway located adjacent to the curb (vs. sidewalk adjacent to the curb) and landscaped with street trees and ground cover, which would be maintained by the Project homeowner's association.

e) Grading Design

The project includes a combination of cut and fill with proposed grading exemptions located within the northeastern area of the project site. Cut slopes up to 63 feet in height are proposed along the eastern side of Lots 41, 42 and 43. A Grading Exemption is required for any cut slopes greater than 20 feet in height. These slopes would be located towards the rear of the lots and landscaped in accordance to the City's Landscape Ordinance and the SPA landscape requirement to provide an appropriate transition from the more ornamental landscape area within the project to the native habitat on the steeper slopes to the east, as well as to provide the necessary fire protection buffers. The cut slopes would not result in any adverse visual impacts or block adjacent views.

D. FISCAL ANALYSIS:

Consistent with the General Plan, the Specific Plan allow the transfer of residential density from publicly-owned land within the Specific Plan Area to privately owned property, subject to City Council approval through a Development Agreement. The proposed Development Agreement calls for financial compensation in the amount of \$77,400 per unit (\$1,548,000 total) to the City in exchange for the density transfer of 20 residential units to the site. The Development Agreement also includes a provision to freeze development impact fees at current levels for a term of 5 years.

As part of the overall decision-making process to move forward with a proposed development project, it is important to evaluate the contributions and demands that development will place upon a public agency's general fund and the city or county's ability to provide ongoing public services. To avoid the need for a city or county to subsidize new development, cities and counties can establish or require special funding mechanisms to ensure that new development pays for itself.

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Community Facilities District ("CFD") No. 2020-1, Citywide Services, was formed by the City Council on May 13, 2020. The special tax that will be assessed on properties as a result of the development of new residential units is based upon the Fiscal Impact Analysis (FIA) that was prepared to support the creation of CFD No. 2020-01. Developers to whom these residential project entitlements are assigned are responsible to establish a funding mechanism to provide a source of funds for the on-going municipal services required for the project. The benefit of entering CFD No. 2020-01 is that the annexation process is significantly streamlined, which saves staff time and costs to developers.

At the time of this writing, an applicant is required to fully offset potential impacts to the General Fund created by their project and the Project has been conditioned accordingly. (It should be noted that the City Council has directed staff to look at the current policy and bring back recommendations that may modify this requirement.) This can be accomplished through either formation of a CFD, annexation into CFD No. 2020-01, or establishment of another lawful funding mechanism reasonably acceptable to the City ("Public Services Funding Agreement"). Should an applicant desire to utilize the streamlined process available through annexation into CFD No. 2020-01, they would be required to sign a Letter of Intent ("LOI") to do so, which serves as their authorization to annex.

If the future developer opts to annex into CFD No. 2020-01, the Project would fall into Category 1 (less than 5.5 du/ac). The current rate for Category 1 is \$575.19 per unit through the end of this fiscal year (June 30, 2023), subject to annual adjustments which currently are based on the Consumer Price Index or 2%, whichever is greater. The total annual cost for the 64-unit Project would be approximately \$36,812.16. If annexation into CFD No. 2020-01 is the way by which the developer opts to provide the ongoing funding source, the housing units would be included in the annexation. Should the developer opt to pursue a funding mechanism other than CFD No. 2020-01, such mechanism, including the assessment rate, would be subject to approval by City Council.

E. ENVIRONMENTAL STATUS:

The City Council certified a Final Program Environmental Impact Report ("FEIR") (City Case No. ER 2001-25 and State Clearinghouse No. 200203115) in 2004 for the Northeast Gateway Specific Plan and Eureka Ranch Tentative Subdivision Map, and adopted a Mitigation Monitoring and Reporting Program ("MMRP"). Section 15164 of the State CEQA Guidelines states that an Addendum to an EIR shall be prepared "if some changes or additions are necessary, but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred." The proposed project is consistent with the certified FEIR. Specifically, none of the conditions defined in Sections 15162 and 15163 of the State CEQA Guidelines that would require preparation of a subsequent or supplemental EIR have been met. As detailed in the Addendum to the FEIR prepared for this project, included as Exhibit "B" to Draft Planning Commission Resolution No. 2023-02, and the project materials, the City finds that, pursuant to Section 15162, no subsequent EIR would be required. Because none of the conditions of Section 15162 of the State CEQA Guidelines occur and as the Addendum and the proposed project satisfy the requirements of Section 15168, an Addendum to the Northeast Gateway Specific Plan FEIR is the appropriate form of environmental documentation required under CEQA for the proposed project.

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As part of the environmental review process, Planning staff issued consultation invitations to a list of tribal groups maintained by the California Native American Heritage Commission, as required by Senate Bill 18 ("SB18") for all projects involving an amendment to the General Plan or a Specific Plan. Additionally, staff issued separate consultation invitations to a small subset of tribal groups, as required by Assembly Bill 52 ("AB52") for all projects subject to the California Environmental Quality Act. A total of two tribal groups (Rincon Band of Luiseno Indians and San Luis Rey Band of Mission Indians) requested formal consultation pursuant to SB18 and/or AB52. Consultation activities with these 2 tribal groups took the form of virtual meetings, emails/letters phone calls with City staff, and on-site ground surveys with the project applicant and environmental consultants. During consultation activities, tribal representatives were given the opportunity to review the project plans, technical studies, ask questions, and discuss mitigation measures to address potential impacts to historic, cultural and tribal cultural resources. Their recommendations regarding the inclusion of mitigation measures to address inadvertent discoveries of tribal cultural resources and an existing milling feature during grading/construction operations have been incorporate into the Addendum, conditions of approval and Mitigation Monitoring and Reporting Program (MMRP), which includes Native American monitor(s) during ground-disturbing activities.

F. PUBLIC INPUT:

Staff has not received any written correspondence from the public regarding the project. Staff met with one property owner located north of the project site regarding the proposed amendment to the internal roadway alignment and how it would affect future development of his property. The project applicant also has met with a majority of the owners within PA2 to discuss the project design and proposed improvements.

G. CONCLUSION AND RECOMMENDATION:

The Planning Commission is the authorized decision-making body for granting discretionary approval of a Tentative Subdivision Map, inclusive of a grading exemption, and the City Council is the authorized body for granting approval of a Specific Plan Amendment and Development Agreement. When one concurrent application is filed for all of these approval types, the full project is brought to Planning Commission first for a recommendation on approval or denial, and is then brought to City Council for a final decision. The proposed Project is consistent with the Northeast Gateway Specific Plan, as proposed to be amended. The Project as proposed will not have a significant effect on the environment, as designed and conditioned. The EIR Addendum contains mitigation measures designed to minimize or eliminate possible significant environmental effects. The location, size, design, and operating characteristics of the proposed project will not be incompatible with, adversely affect, nor will be materially detrimental to adjacent land uses. The site is suitable for the type and intensity of use or development which is proposed. Staff recommends that the Planning Commission recommend approval of the Project based upon the factors/findings, conditions and mitigation measures as described in this staff report and as detailed in Exhibits "A" through "I" to Draft Planning Commission Resolution No. 2023-02.

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ATTACHMENTS:

1. Location and General Plan Map
2. ~~Planning Commission Resolution No. 2023-02, with Exhibits "A" through "I"~~

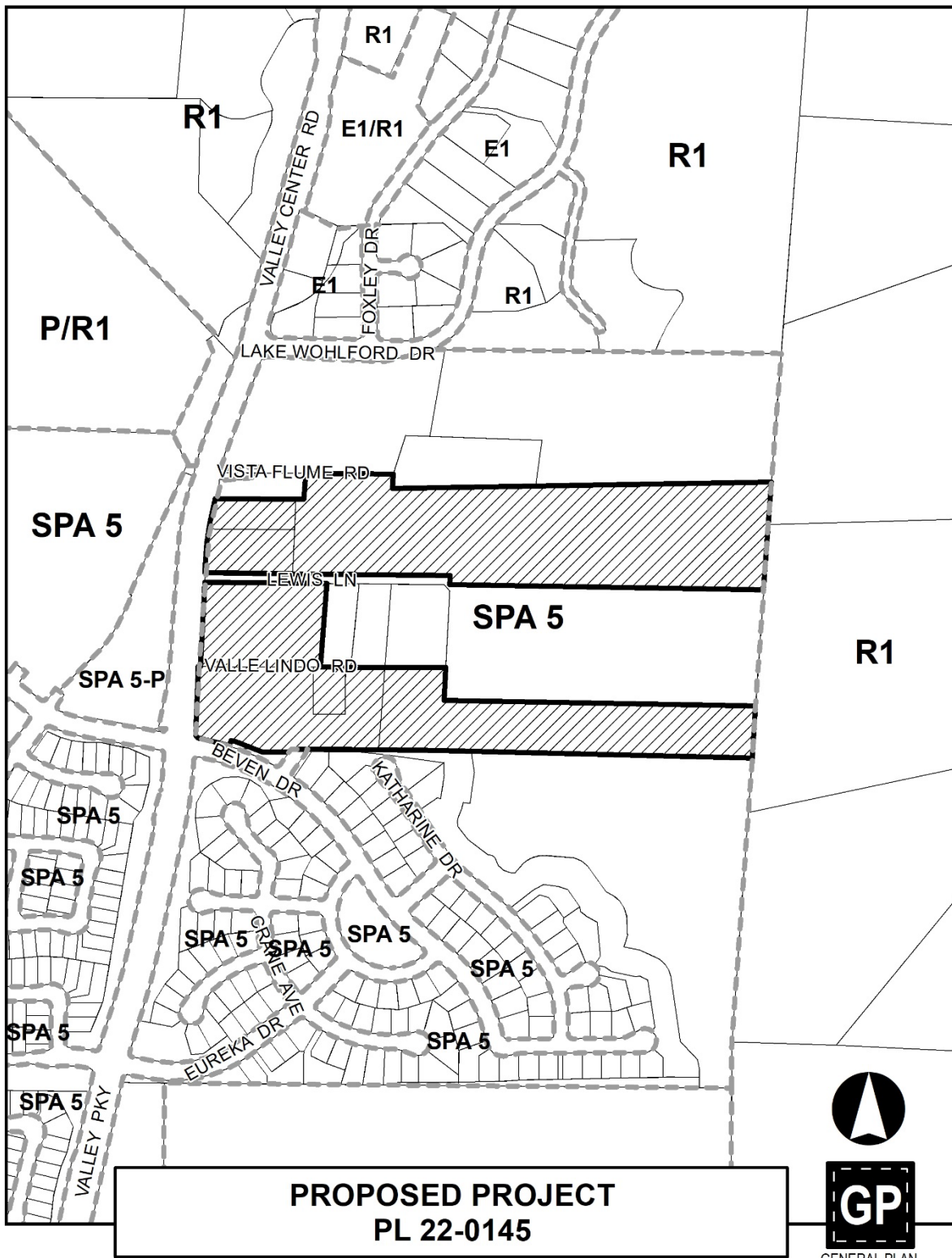
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