



PLANNING COMMISSION

Agenda Item No.: G.1
Date: January 25, 2022

PROJECT NUMBER / NAME: ADM18-0225 "Via Portofino"

REQUEST: A Major Plot Plan for the construction of two, two-story multi-family residential buildings consisting of 15 apartment units. The project includes seven one-bedroom units and eight two-bedroom units. The project also includes a request for a Development Agreement for a reduction in the open space requirement.

LOCATION: 2690 S. Escondido Blvd

APPLICANT: Portofino Holdings I, LLC

APN / APNS: 238-152-16-00

PRIMARY REPRESENTATIVE:
Frank Giordano, Jr.

GENERAL PLAN / ZONING: SPA-15/ South Centre City Specific Plan (Southern Entry District and Mixed Use Overlay)

DISCRETIONARY ACTIONS REQUESTED: Plot Plan and Development Agreement

PREVIOUS ACTIONS: None

PROJECT PLANNER: Darren Parker, Associate Planner, dparker@escondido.org

CEQA RECOMMENDATION: Exemption – Class 32 CEQA Guidelines section 15332

STAFF RECOMMENDATION: Recommend approval by the City Council, as conditioned

REQUESTED ACTION: Approve Planning Commission Resolution N0 2022-01

CITY COUNCIL HEARING REQUIRED: YES NO

REPORT APPROVALS:

Adam Finestone, Interim Director of Community Development

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A. BACKGROUND:

South Centre City is a dynamic linear corridor offering retail, professional services and I offices, employment opportunities, and a range of housing. The proposed project is on the east side of South Escondido Boulevard, west of Cranston Drive, and approximately one quarter mile south of West Citracado Parkway. The project site is surrounded by a commercial retail site to the north, and a vacant City owned parcel that houses a sewage pump station to the south (refer to Attachment 1). The project site was previously improved, but currently consists of a 0.52 acre vacant (0.52-acres), and is located in the Southern Entry District of the South Centre City Specific Plan ("SCCSP"). The property is relatively flat with no topography.

B. SUMMARY OF REQUEST:

Portofino Holdings, LLC ("Applicant") submitted an application for a Plot Plan for the development of two, two-story buildings (up to approx. 26 feet in height) to accommodate 15 apartment units within the Southern Entry District of the SCCSP (see Attachment 1). The project proposal results in a density of 30 dwelling units per acre. The design includes a mix of one-bedroom and two-bedroom units ranging in size from 597 SF to 856 SF. Twenty-nine (29) parking spaces are proposed, which includes a combination of carports and uncovered spaces. Project plans are attached to draft Planning Commission Resolution No. 2022-01 as Exhibit "B," which itself is included with this staff report as Attachment 3. A Development Agreement, attached to draft Planning Commission Resolution No. 2022-01 as Exhibit "E," has been requested because the applicant is seeking a 50% reduction in the overall open space requirement.

C. SUPPLEMENTAL DETAILS OF REQUEST:

1. Property Size: 0.52 acres on one vacant parcel
2. Number of Units: 15 apartment units
3. Unit Size/Mix: Seven one-bedroom units and eight two-bedroom units ranging in size from 597 SF to 856 SF
4. Density: 30 dwelling units per acre
5. Building Height: 2 stories, up to approximately 26' in height. The SCCSP (Southern Entry District, Mixed use Overlay) allows structures up to 3 stories and 45' in height.

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|-------------------------------|---|---------------------|
| 6. Building Size: | 10,664 SF (gross area) combined Building 1 and 2 | |
| | <u>Building 1</u> | <u>Building 2</u> |
| | Total area 6,172 SF | Total area 4,458 SF |
| | | |
| 7. Vehicle Parking: | <u>Required</u> | <u>Proposed</u> |
| | 29 total spaces | 29 spaces |
| | (includes 25 resident & 4 guest spaces) | |
| | | |
| 8. Bicycle Parking: | 8 spaces | 8 Spaces |
| | | |
| 9. Setbacks | | |
| a) Front Yard | BTL-Min 10 | BTL-10' |
| b) Rear Yard | 15' | 62' |
| c) Side Yard | 5' | 5' |
| | | |
| 10. Open Space / Landscaping: | 300 square feet of usable open space per unit (4,500square feet total) required. 3,479 square feet provided; (Development Agreement requested for 23% reduction in requirement) | |
| | | |
| 11. Trees: | Street trees shall be installed along the frontage of S. Escondido Blvd and Cranston Drive. | |
| | | |
| 12. Signage: | All signs subject to conformance with the SCCSP and Article 66 of the Escondido Zoning Code. | |
| | | |
| 13. Trash: | Trash enclosure provided onsite. Trash collection service would be provided by Escondido Disposal. | |
| | | |
| 14. Lighting: | Per Escondido Zoning Code (Article 35) and CA Building Code | |
| | | |
| 15. Heating & Ventilation: | Heating, ventilation, and air conditioning (HVAC) units would be installed on the roof in clusters. All HVAC equipment would be installed on mechanical pads with visual screening and any necessary acoustical enclosures. | |

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D. PROJECT ANALYSIS:

1. General Plan Conformance:

The General Plan land use designation for the subject property is SPA 15 (Specific Plan Area #15). The zoning classification is S-P (Specific Plan), and is implemented through the SCCSP. The SCCSP provides land use and development standards, including regulations related to residential development. The requirements for the proposed development are outlined in the Southern Entry District of the S CCSP, however, the SCCSP has provisions to reduce certain development requirements through a Development Agreement subject to review and approval by the Planning Commission and City Council. Approval of this request will allow the developer to fully utilize the site for density purposes.

2. Specific Plan Conformance:

The proposed project would be consistent with the goals and objectives of the Southern Entry District of the SCCSP, which encourages opportunities for residential development and diversity of land uses based on smart growth principles. The land use concept for the Southern Entry District accommodates a wide range of housing types for those who do not want or need a traditional detached single-family home with a yard. The Southern Entry District offers flexibility to allow higher-density housing options. The Project would increase the population along the corridor and continue to improve the overall economics of the area.

3. Climate Action Plan Consistency:

The City's ability to grow its population and economy while meeting reduction targets for greenhouse gas ("GHG") emissions will require broad-based community participation. The Climate Action Plan ("CAP") is intended to achieve reductions from all sources and sectors, existing and new. This is emphasized by the fact that the City's GHG reduction targets are a reduction below baseline GHG emissions. Therefore, GHG emissions in the City need to be reduced below existing levels, while additional GHG emissions are generated by growth through 2035. As such, new development can contribute its fair share of GHG reductions by complying with CAP strategies, goals, and actions that were determined to be applicable through the Checklist development process outlined in the CAP, or through a self-developed program.

For land use development requests, when a proposed project is compared with an adopted plan, such as the CAP, the analysis generally examines the existing physical conditions at the time the notice of preparation is published, or if no notice of preparation is published, at the time environmental analysis is commenced. The City updated its 2013 Climate Action Plan ("2013 CAP") on March 10, 2021, through City Council Resolution No. 2021-37 ("2021 CAP"). The adoption of the 2021 CAP was subsequent to the date the Project application was deemed "complete" and shall not constitute a valid basis to disapprove or conditionally approve the Project. Rather, the 2013 CAP is applicable for review and consideration of the Project. The 2013 CAP

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established a screening threshold of 2,500 metric tons carbon dioxide equivalent ("MTCO_{2e}") per year for new development projects in order to determine if a project would need to demonstrate consistency with the CAP through the Consistency Checklist and/or a self-developed program. The Project emits fewer than 2,500 MTCO_{2e}, and is consistent with the land use assumptions utilized to create business-as-usual estimates for future year analysis. Therefore, the Project is consistent with the 2013 CAP.

4. Site Design:

a) Lot Design, Access and Parking

The Applicant proposes to develop the vacant 0.52-acre site into two, two-story multi-family residential buildings consisting of 15 apartment units. Proposed access for the site will be provided from Cranston Drive and Escondido Blvd. The site would include an underground storm water system located towards the southern part of the lot. Decorative perimeter walls are proposed along the north, south and east boundaries of the lot, along with new landscaping.

Twenty-nine parking spaces are required for the project site, which includes 25 resident spaces and four guest spaces. Pursuant to section 5.3.5.2 of the SCCSP, which requires that at least one parking space for each residential unit be covered or enclosed, 15 spaces will be under carports. Project plans are attached to this Staff Report as Exhibit "B" of Attachment 3.

b) Open Space and Landscaping:

A minimum of 300 square feet of open space is required per unit in accordance with the SCCSP, which equates to 4,500 square feet of open space required. The Project includes a combination of private and common open space areas totaling 3,479 square feet of open space, which is 1,021 square feet, or 23%, less than the required amount. Active open space areas include outdoor seating area, landscaping and overhead trellis. The Project also includes private, ground-floor patios for select units and private balconies/decks on upper stories. The S. Escondido Blvd, and Cranston Drive street frontage will include a combination of shrubs, groundcover, and street trees.

To accommodate the Project's proposed site design and density, the Applicant is requesting a 23% reduction in open space from 300 square feet per unit to 231 square feet per unit. The SCCSP (Section 5.3.12.3) allows for a reduction in required open space (up to 50%) in exchange for alternative open space benefiting the public, subject to approval of a Development Agreement. In order to satisfy the SCCSP open space reduction requirement, the Applicant would be required to pay an in-lieu fee of \$12.50 per square foot reduction of open space for the total amount of space deficiency. The

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proposed reduction of 1,021 square feet of open space amounts to an in-lieu fee of \$12,762.50. With the payment of in-lieu fees and approval of the Development Agreement, the project meets the open space provisions.

5. Building Design:

The Project consists of two, two-story structures that include, one- and two-bedroom units. Unit sizes range from 597 square feet for the one bedroom units to 856 square feet for the two-bedroom units. Each unit has its own individual access. Carports are proposed for each unit. The buildings are approximately 26 feet in height to the top of roof parapets. The Project has a modern style of architecture with varying wall planes and rooflines, Bora tile roofs (COLOR?), white and prairie grass tone exterior and trim colors, stone veneer along the base and wooden window elements, fabric window awnings and arched entryways with tile accents.

E. FISCAL ANALYSIS:

As part of the overall decision-making process for a 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.

In 2019, the City of Escondido hired a financial consultant who conducted a Fiscal Impact Analysis ("FIA") and determined that future ongoing revenue received as a result of new residential units throughout the City is less than the cost to provide municipal services, including police, fire and infrastructure maintenance, to those new units. In January 2020, the results of the FIA were presented to the City Council. On April 8, 2020, a Resolution was passed declaring the City's intent to form a Community Facilities District (collectively referred to herein as the "CFD") to offset the cost of governmental services associated with new development, as identified in the FIA.

CFD No. 2020-1, Citywide Services, was formed by the City Council on May 13, 2020, as one mechanism for offsetting additional public services required by a development project. The special tax that may be assessed on properties as a result of the development of new residential units is based upon the FIA that was prepared to support the creation of CFD No. 2020-01. Developers to whom these residential project entitlements are assigned are responsible for the establishment of a lawful funding mechanism to provide a source of funds for the on-going municipal services required for the project. The benefit of voluntarily entering into the CFD as the chosen funding mechanism is that the process is significantly streamlined, which saves staff time and costs to Developers.

Based on the Resolution adopting CFD No. 2020-1, the project's density (>18 du/ac) would require assessment of a special tax of \$739.50 per unit, if the developer opted to utilize this mechanism to offset the ongoing costs of providing public services. Based on a 15-unit

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development, the current estimated annual amount for ongoing services is \$11,092.50, subject to annual adjustments.

Conditions have been included with Exhibit "D" to Attachment 3 that require the Project to fund the ongoing costs of municipal services, in the amount determined by the City, through voluntarily annexing into the Citywide Services CFD or establishment of another lawful funding mechanism. All costs for forming and implementing an alternative lawful funding mechanism, including costs for consultants, elections, and any legal challenge, are expected to be at the Applicant's sole expense. If the Applicant chooses to pursue an alternative funding source rather than annexing into CFD No. 2020-01, the City needs to determine and ensure that the Project pays for any additional fiscal burdens placed upon the City's operational budget as a result of the future development. The voluntary annexation of the project into the CFD or establishment of another lawful funding mechanism to fund public services, (in addition to payment of development impact fees to pay for public facilities) is necessary to avoid or lessen the likelihood of future impacts related to the provision of public services, as well as to maintain General Plan conformance to enable Project approval.

The Applicant has suggested that the Project should not be subject to conditions requiring voluntary annexation into CFD No. 2020-01 or establishment of another lawful funding mechanism, because the application was submitted and in-process prior to City Council adoption of the requirement to fund ongoing public services. This request from relief of this requirement must be considered by the City Council, and as such, the information above is provided for informational purposes only. City staff's recommendation to approve the project is based, in part, on the inclusion of these condition, and staff does not recommend that the conditions be removed.

F. ENVIRONMENTAL STATUS:

California Environmental Quality Act ("CEQA") Guidelines list classes of projects that have been determined not to have a significant effect on the environment and as a result are exempt from further environmental review under CEQA. The Project qualifies for an exemption under CEQA Guidelines section 15332 (In-Fill Development Projects). The CEQA Notice of Exemption prepared for the Project is attached to this staff report as Attachment 2 and incorporated herein by this reference. The Notice of Exemption demonstrates that the Project qualifies for the exemption and will not have a significant effect on the environment.

F. PUBLIC INPUT:

The project was noticed consistent with the requirements of both the Escondido Zoning Code and the State law. Staff has not received any correspondence from the public regarding the project as of the writing of this report.

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G. CONCLUSION AND RECOMMENDATION:

The proposed project is consistent with the General Plan and the SCCSP because it encourages higher density urban residential growth in the SCCSP area. The project site lies within the SCCSP Southern Entry District, which envisions high-density residential uses. The project would further the Land Use and Community Form goals in Chapter II of the Escondido General Plan, including those related to community character and smart growth, as well as the Housing goals in Chapter IV of the General Plan, which include planning for sustainable growth and providing housing opportunities for all income groups and household types, in addition to others.

The Planning Commission acts as an advisory body to the City Council on applications for Development Agreements. As noted above, staff has found that the proposed project is consistent with the guiding principles for the Specific Plan Area identified in the Land Use and Community Form element of the Escondido General Plan because it provides the type of high-density urban development envisioned for the area. The proposed project is designed consistent with applicable design guidelines and the project continues the trend of revitalization in the project area.

Staff recommends the Planning Commission adopt Resolution 2022-01, recommending approval of the proposed Plot Plan and Development Agreement described in this staff report, as detailed in Exhibits "A" through "E" of Attachment 3.

ATTACHMENTS:

- ~~1. Attachment 1 - Location and General Plan Map~~
- ~~2. Attachment 2 - CEQA Notice of Exemption~~
- ~~3. Attachment 3 - Draft Planning Commission Resolution No. 2022-01 with Exhibits "A" through "E"~~