



# STAFF REPORT

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January 11, 2023  
File Number 0800-10

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## SUBJECT

### NORTH IRIS CONDOMINIUMS

## DEPARTMENT

Development Services Department, Planning Division

## STAFF RECOMMENDATION

Request the City Council conduct a public hearing on the development proposal and take action on the recommendations of City staff and the Planning Commission, which recommends that the City Council:

- 1) Adopt Resolution No. 2023-03 certifying a Final Environmental Impact Report (FEIR), Mitigation Monitoring and Reporting Program and making certain Findings of Fact in conformance with the California Environmental Quality Act (CEQA).

- 2) Introduce Ordinance No. 2023-03 for a Prezone to Planned Development Residential 14.6 (PD-R 14.6) along with a Master and Precise Development Plan for a 102-unit condominium development

- 3) Adopt Resolution No. 2023-04 approving a General Plan Amendment from Suburban to Urban 3, one-lot Tentative Subdivision Map, and Annexation/Reorganization

Staff Recommendation: Approval (Development Services Department: Andrew Firestine)

Presenter: Jay Paul, Senior Planner

## PLANNING COMMISSION RECOMMENDATION

The Planning Commission considered the project at its December 13, 2022 hearing, and the staff report has been included as Attachment "1". One member of the public submitted written correspondence to the Planning Commission at that meeting (Attachment "2" to this report) and twelve members of the public (including the Project applicant) spoke at the hearing (2 in favor, and 9 expressed concern and/or opposed). Public commenters expressed concern with the project density, neighborhood compatibility and traffic impacts along North Iris Lane. After deliberation, the Planning Commission voted 5-0 (Commissioners Doan and Weiler absent) to recommend that the City Council approve the Project as conditioned.

## FISCAL ANALYSIS

The Project is a private development project that will require the payment of development impact fees in effect at the time permits are requested. In addition, 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 the City's general fund and ability to provide ongoing public services. To avoid the need to subsidize new development, current City policy requires the developer of a



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private development project to establish a special funding mechanism to ensure that new development pays for itself.

Community Facilities District (“CFD”) No. 2020-1, Citywide Services, was formed by the City Council on May 13, 2020 as a means by which a developer can offset its impacts to the provision of ongoing public services. The special tax that would be assessed on projects that opt to annex into the CFD is based upon the Fiscal Impact Analysis (FIA) that was prepared to support the creation of CFD No. 2020-01. While other means of offsetting general fund impacts are available, 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. 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 Unanimous Consent to Annex, which serves as their authorization to annex. The Applicant declined to sign a Unanimous Consent to Annex at this time. A condition of approval has been included as part of Exhibit “E” to draft City Council Ordinance No. 2023-03 and Exhibit “E” to draft City Council Resolution No. 2023-04 to reflect the requirement to establish a funding mechanism as described above prior to recordation of the Final Map. (It should be noted, however, that the City Council has directed staff to look at the current policy and bring back recommendations that may modify this requirement.)

If the applicant opts to annex into CFD No. 2020-01, the Project would fall into Category 2. The maximum established levy for Category 2 is \$797.33 per unit for tax year 2023/24, subject to annual adjustments which currently are based on the Consumer Price Index or 2%, whichever is greater. The City Council retains the discretionary authority to set the levy each year which could be set an amount less than the maximum levy. The costs for providing ongoing municipal services to the 102-unit Project is estimated at \$81,327.66. 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.

### PROJECT DESCRIPTION

The Project consists of Annexation, Pre-zone, General Plan Amendment, Tentative Subdivision Map, and Master and Precise Development Plan for the development of 102 air-space condominium units with a density of approximately 14.6 dwelling units per acre. The design includes 21 two (2) and three (3)-story buildings containing 14 two-bedroom units, 30 three-bedroom units and 58 four-bedroom units, ranging in size from 1,228 square feet to 1,911 square feet. 230 parking spaces are proposed, which includes an enclosed two (2)-car garage for each unit and 27 open parking spaces located throughout the development (“Project”).



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A complete project description can be found in the December 13, 2022, Planning Commission staff report (Attachment “1”).

### LOCATION

The 7.7-acre Project site is comprised of 5 parcels located at 2039, 2047, 2085 and 2089 N. Iris Lane (APNs 224-310-05-00, 224-310-06-00, 224-310-07-00, 224-310-08-00 and 224-310-20-00). The location is depicted in Attachment “1” to the Planning Commission staff report.

### PREVIOUS ACTION

On June 3, 2020, the City Council authorized staff to process an application to annex 5 parcels to the City of Escondido and change the General Plan land-use designation from Suburban (S) to Urban II (U2), facilitating the development of up to 12 dwelling unit per acre. On November 18, 2020, the City Council authorized a proposed modification to the request to change the General Plan land-use designation from Suburban (S) to Urban III (U3), facilitating the potential development of the property up to 18 dwelling units per acre.

In 1998, voters of the City approved Proposition S, which established and affirmed various General Plan policies limiting the intensification of residential land uses. In addition, Proposition S specified that certain future amendments to the General Plan which affect the intent of the policies established and reaffirmed by Proposition S would require approval by vote of the public. In particular, Proposition S requires voter approval of any General Plan Amendment which would increase residential densities, change, alter or increase the General Plan Residential Land Use categories, or change any residential designation to a commercial or industrial designation on any property designated as Rural, Estate, Suburban, or Urban.

The Project applicant’s position is that the proposed Project is not subject to the provisions of Proposition S because the adopted Proposition only applies to changes or intensification of existing zoning. The subject site currently is not within the City’s jurisdiction, but is instead subject to the underlying County zoning designation of VR-24 (Village Residential, up to 24 dwelling units per acre). Therefore, the Applicant’s position is that Proposition S does not apply in this instance because the project is proposing a lesser density of Urban III, which allows up to 18 dwelling units per acre, as opposed to the higher density County zoning of VR-24. This Proposition S issue was presented to the City Council twice (June 3, 2020, and November 18, 2020) and the Council authorized the project to be processed under the proposed Urban III General Plan land-use designation.

### ANALYSIS

The Project is located within the Suburban General Plan land-use of the City’s General Plan which is a single-family residential designation that allows a density of up to 3.3 dwelling units per acre. The underlying County Zoning Designation of Village Residential – 24 (up to 24 dwelling units per acre). The Project includes a request for a General Plan Amendment to Urban III, which would allow multi-family/condominium type development with a maximum density up to 18 dwelling unit per acre. The



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Project includes 102 air-space, for sale condominium units with a density of 14.6 dwelling units per acre. The County does not provide sewer service and connection to City sewer facilities would require annexation to Escondido and development in accordance with the City's General Plan and zoning requirements. The approximately 7.7-acre annexation/reorganization includes annexation to the City of Escondido, detachment from CSA No. 135 and exclusion from the RDDMWD-Improvement District (ID) "E", which funds fire and emergency services that are provided within ID "E" by contract with the City of Escondido. A Prezone designation of Planned Development-Residential (PD-R 14.6) would be applied to the subject site and would designed PD-R 14.6 upon annexation that requires final approval by the Local Agency Formation Commission (LAFCO). A complete analysis of the Project can be found in the Planning Commission staff report Attachment "1."

### ENVIRONMENTAL REVIEW

A draft Environmental Impact Report (State Clearing House Number 2021060702) was circulated for 45-day public review period from September 20, 2022, to November 3, 2022. Comments letters/emails were received during and after this review period from various state and local agencies and members of the public. Responses to all correspondence received have been incorporated into the final EIR. Mitigation measures required under CEQA were developed to reduce the potential for adverse impacts with respect to biology, cultural resources and tribal cultural resources, geology and soils, hazards and hazardous materials, noise and transportation. A Final EIR has been prepared for the Project that includes project comments and response to comments, mitigation measures, errata section noting any corrections/modifications to the final environmental document, along with CEQA findings. The Draft and Final EIR, technical appendices, response to comments and CEQA findings can be viewed at the following link: <https://www.escondido.org/north-iris-condominiums>.

### CONCLUSION

The Project is consistent with the General Plan, as proposed to be amended, as well as with the development standards proposed by the Master Development Plan. The project as proposed will not have a significant effect on the environment, as designed and conditioned. The Final EIR 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, or will adversely affect, or will be materially detrimental to adjacent land uses. The site is suitable for the type and intensity of use or development which is proposed. Both the Planning Commission and staff recommend the City Council certify the Final Environmental Impact Report, approve the proposed Project, and make application to LAFCO for annexation/reorganization.

### RESOLUTIONS

- A. Resolution No. 2023-03
- B. Resolution No. 2023-03 Exhibit A, B, C and D
- C. Resolution No. 2023-04



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- D. Resolution No. 2023-04, Exhibits A, B, C, D, E and F

### **ORDINANCES**

- A. Ordinance No. 2023-03
- B. Ordinance No. 2023-03, Exhibits A, B, C, D and E

### **ATTACHMENTS**

- A. Attachment 1 – December 13, 2022, Planning Commission staff report
- B. Attachment 2 – December 13, 2022, Planning Commission written correspondence
- C. Attachment 3 – Written correspondence