

DATE ISSUED: April 15, 2005 **REPORT NO.** PC-05-104

ATTENTION: Planning Commission, Agenda of April 21, 2005

SUBJECT: CALIFORNIA TERRACES PLANNING AREAS 13/14.
PROJECT NO. 4987. PROCESS NUMBER 5

REFERENCE: Planning Commission Initiation Resolution No. 3228-PC (Attachment 9)

**OWNER/
APPLICANT:** Pardee Homes (Attachment 21)

SUMMARY

Issue(s): Should the Planning Commission recommend approval to the City Council of amendments to the Progress Guide and General Plan; the Otay Mesa Community Plan; the California Terraces Precise Plan; a Rezone a Vesting Tentative Map; a Planned Development Permit, and a Site Development Permit to combine two commercial lots to allow construction of approximately 24,000 square-feet of commercial use and 644 multi-family residential units?

Staff Recommendations:

1. **RECOMMEND CERTIFICATION** to the City Council of Addendum to Environmental Impact Report (AEIR) and the Mitigation, Monitoring and Reporting Program (MMRP) No. 4987 (EIR SCH No. 85022015);
2. **RECOMMEND APPROVAL** to the City Council of amendments to the Progress Guide and General Plan, the Otay Mesa Community Plan and the California Terraces Precise Plan No. 8905 (Attachment 17);
3. **RECOMMEND APPROVAL** to the City Council of Rezone No. 8906 Attachments 10 and 11);
4. **RECOMMEND APPROVAL** to the City Council of Vesting Tentative Map No. 6450 (Attachment 12); and

5. **RECOMMEND APPROVAL** to the City Council of Planned Development Permit No. 8076 and Site Development Permit No. 6451 (Attachment 20).

Community Planning Group Recommendation: On July 21, 2004, the Otay Mesa Community Planning Group voted 10:0:0 in support of the project with no conditions (Attachment 25).

Environmental Review: An Addendum to the California Terraces Precise Plan Environmental Impact Report (FEIR, SCH No. 85022015) was prepared, circulated and finalized pursuant to the California Environmental Quality Act (CEQA) in accordance with State CEQA Guidelines. Although no new significant impacts have been identified for the current project, the Mitigation, Monitoring and Reporting Program (MMRP) prepared for The FEIR, certified in 1994 identified measures which were to be applied to all subsequent projects within the California Terraces Precise Plan area.

Based on a review of the current project plans, the previous FEIR and subsequent technical study updates, site specific mitigation measures have been incorporated into the Addendum for the following issue areas: Transportation/Circulation, Noise and Historical Resources (Archaeology). No new CEQA findings are required with this project.

Fiscal Impact Statement: All costs associated with the processing of the project are paid through a deposit account maintained by the applicant.

Code Enforcement Impact: None.

Housing Impact Statement: The proposed project is located in the California Terraces Precise Plan, in the Otay Mesa Community Planning area. The project includes a General Plan and Community Plan Amendment, and a Rezone, among other discretionary approvals. The project proposes to re-designate 1.0 acres from Commercial to Medium-High Residential and 1.0 acres from Medium -High Residential to Commercial, which would result in no net loss of housing. The project would provide 644 multi-family residential units which will contribute to the availability of housing stock in the San Diego region. Although the California Terraces Precise Plan states that 760 dwelling units would be constructed in Planning Areas 13 and 14, the precise plan also allows for the transfer of density allocation between planning areas. The difference between the number of dwelling units provided and the number of units described will be transferred to Planning Area 6 within the California Terraces Precise Plan area.

The project is subject to the Affordable Housing Requirements of the City's Inclusionary Housing Ordinance (Chapter 14, Article 2, and Division 13 of the Land Development Code). The project will be paying an in-lieu fee.

BACKGROUND

The subject project is a 45.1-acre (21.8-acre net) portion of the California Terraces Precise Plan, known as Planning Areas 13 and 14. The California Terraces Precise Plan and Vesting Tentative Map was approved in 1994 and included development of a 664.8 acre site in the western portion of Otay Mesa with 4,118 residential dwelling units, 24.4 acres of commercial uses, 153.4 acres of open space, four school sites totaling 53.6 acres, three parks totaling 26.2 acres, and public utilities. The California Terraces Precise Plan is located in the Otay Mesa Community Plan area. (Attachment 1). The Precise Plan area is also located between Interstate 805 (I- 805) and Heritage Road, with the western boundary approximately one-quarter mile east of I-805 and the eastern boundary approximately three-quarters mile west of Heritage Road (Attachment 2). The subject site is immediately north of Otay Mesa Road/State Route 905 (SR-905). The area is bounded on the north by the Dennery Ranch Precise Plan area, on the northeast by the Hidden Trails Precise Plan area, on the southeast by the Santee Investments Precise Plan area, on the southwest by the El Mirador (Riviera del So) Precise Plan area, and on the west by the Interstate 805 (Attachment 3).

Topographically, the Precise Plan area is dominated by a large, flat mesa top at an elevation of approximately 500 feet above mean sea level (MSL). The mesa top has been dissected in the north, west, and south by steep canyons which are generally north and southwest trending. The major on-site canyon is Dennery Canyon, which is north-northwest trending. The majority of the California Terraces Precise Plan area has been either graded or developed (Attachments 4 and 5)

The site is bounded on the east by Dennery Canyon, on the west by partially constructed Ocean View Hills Parkway, and on the north by a small unnamed canyon that connects to Dennery Canyon. The project also includes the Dennery Canyon Vernal Pool Preserve (Preserve), which was previously dedicated as open space with approval of the California Terraces Precise Plan in 1994. The Preserve consists of a restored vernal pool and coastal sage scrub ecosystem that has been completed in compliance with the previously certified Final Environmental Impact Report (FEIR) and state and federal permit requirements. The northern and eastern open space portions of the project area are within the City of San Diego's Multiple Species Conservation Program (MSCP) Multi-Habitat Planning Area (MHPA).

An Environmental Impact Report (EIR) was prepared (November 16, 1993, SCH No. 85022015) to evaluate the overall impacts of the California Terraces Precise Plan project area. The approved California Terraces project was a Precise Plan and Vesting Tentative Map that included development of a 664.8 acre site in the western portion of Otay Mesa with 4,118 residential dwelling units, 24.4 acres of commercial uses, 153.4 acres of open space, four school sites totaling 53.6 acres, three parks totaling 26.2 acres, and public utilities.

This Addendum to the California Terraces FEIR addresses the proposal to combine two commercial sites (1.4 acres and 1.0 acres respectively) from Planning Areas 10 and 11 into one; rezoned commercial lot is adjacent to Planning Areas 13 and 14 of the California Terraces Precise Plan area.

DISCUSSION

The proposed project requires approvals for a General Plan, Community Plan and Precise Plan Amendments, a Rezone, a Vesting Tentative Map, a Planned Development Permit and a Site Development Permit to combine two separate commercial parcels at the southwest corner of the site to consolidate commercial development. The remainder of the site would be developed with 644 multi-family dwelling units consistent with the adopted California Terraces Precise Plan and VTDM. A 0.3-acre Brush Management Zone 2 would be created, as well as, 1.7-acres of open space, an 8.3-acre Vernal Pool Preserve and 0.6-acres of slope area (Attachment 6).

Community Plan Analysis:

The multi-family residential development project is located in Planning Areas 13 and 14 of the California Terraces Precise Plan and is designated as Medium High Residential in the Otay Mesa Community Plan with a density range of 30-45 Dwelling Units per Acre (DU/AC). California Terraces is a planned neighborhood with a mixture of single- and multi-family residential development, parks, schools, open space, and commercial development, and will provide approximately 4,118 residential units with support services and facilities when completely constructed. The Precise Plan describes Planning Areas 13 and 14 as containing 21.8-net acres in area with a density allocation of 760 dwelling units, or 35 DU/AC. The project site is located north of Otay Mesa Road and east of Ocean View Hills Boulevard, and is adjacent to the Otay Mesa Town Center, and other areas designated for commercial development (Attachment 7).

The applicant proposes to construct 644 multi-family residential units with accessory uses, such as recreational facilities and pedestrian walkways. Although the proposed density allocation of 644 dwelling units, or 30.4 DU/AC, is less than identified in the text, the precise plan allows for the transfer of density allocation to other planning areas within the precise plan. The Planning Department was initially concerned about the project's lower density yield and its potential impact on the City's ability to meet regional housing needs. However, these issues were resolved through negotiations with the developer and the assurance that the additional units would be constructed in the near future in conjunction with development of California Terraces planning Area 6.

The Planning Commission initiated an amendment to the Progress Guide and General Plan and Otay Mesa Community Plan on January 24, 2002 (Attachment 9) to delete a portion of a circulation element road, re classify portions of certain circulation element roads, and re-designate portions of the California Terraces Precise Plan from Medium High Residential to Commercial, and from Commercial to Medium High Residential. The Planning Commission directed staff to address the following issues when evaluating the proposed amendment: Otay Mesa Community Plan/Land Use; Traffic and circulation; and Environmental Resources/Sensitive Habitat.

Presently, the Planning Department is reviewing the request for the deletion of a portion of a circulation element road in separate discussions with the developer, and considering the re-classification of certain circulation element roads in conjunction with the Community Plan Update. Therefore, the evaluation of traffic, circulation, environmental resources and sensitive habitat is ongoing. The remaining portion of the requested general/community plan amendment being considered by the Planning Commission is the re-designation of certain land uses in the California Terraces Precise Plan.

The project proposes to reconfigure two separate commercial lots, Planning Area 10 and 11, into one commercial lot with 2.4-acres of area that would provide pedestrian and design connections to the adjacent residential development. The general/community plan amendment would re-designate 1.0 acre of land from Commercial to Medium High Residential, and 1.0 acre from Medium High Residential to Commercial, and would result in no net increase or decrease of residential or commercial development (Attachment 8). This proposed general/community plan amendment is proceeding separately from the Otay Mesa Community Plan Update which is currently in process and anticipated to be considered at public hearings in early 2006. However, the amendment would be compatible with the Community Plan Update as currently envisioned. The proposed community plan amendment language would limit future commercial development to smaller convenience uses that support the needs of the adjacent residents and are appropriate to the size of the site.

The proposed project would implement the Otay Mesa Community Plan Goal of promoting a balanced community in terms of housing types and economic appeal. The project proposes to construct condominium units that would augment the existing nearby single-family residential development, and proposed multi-family residential development. The proposed project would be located easterly from Interstate 805, and would provide amenities and facilities for the resident's needs. The residential uses would be adequately served by community facilities such as schools, parks, and fire protection services, all of which are in various stages of development and construction and located within 1/2 mile of the project site. Therefore, the Planning Department supports the proposed amendment to the Progress Guide and General Plan and the Otay Mesa Community Plan.

Rezone

The proposal is requesting a rezone to combine two commercial parcels, one currently located at the southwest corner of the site along Otay Mesa Road and the other located at the southeast corner of the site also along Otay Mesa Road from multi-family residential (RM-3-7 [old code, R-1000]) to commercial (CM-1-3) [old code CA] (Attachments 10 and 11). This action is supported because it will concentrate commercial development on the site and provide uses that will support the needs of the adjacent residents.

Vesting Tentative Map

The 451- acre (21.8-acre net) site will be subdivided into two multi-family lots for 644 condominiums (Lots 1 and 2), one commercial lot (Lot 3) for construction of approximately 24,000 square feet of commercial use. The project also includes a 0.3 acre brush management zone 2 (Lot A), 11.7 acres of proposed open space (Lot B), an 8.3 acre vernal pool preserve (Lots C and D) and 0.6 acres of slope area (Lots E and F) (Attachments 6 and 12). Development of the site also requires the vacation of two small easement areas required for construction of Otay Mesa Road, and a 10-foot temporary construction easement and a slope easement.

Development Permits

A Site Development Permit (SDP) is required because the project is subject to the Environmentally Sensitive Lands regulations (biological resources) and because a portion of the project site is within the Community Plan Implementation Overlay Zone, and a Planned Development Permit (PDP) for deviations from the applicable development regulations and policies.

Architecture and Site Design

The multi-story residential, commercial and recreational buildings would be constructed in a Spanish/Mediterranean architectural style with colored exterior stucco and tile roofs; double hung and fixed windows; arched balconies with decorative iron gates, and exposed wood rafters (Attachment 13). The streetscape would include black decorative light posts, and a stucco monument sign with ledgestone veneer located at the development entrance. Landscaping within the project site would provide a natural complement to the architectural and sustainable open space areas for recreational activities (Attachment 14). The plant selection consists of hardy, drought tolerant species that can be easily maintained. Evergreen trees are proposed to soften the architectural edges. Transition zone shrubs and vines planted adjacent to the Dennery Ranch Vernal Pool Preserve slope areas and the manufactured slope northeast of Recreational Area "B" shall be revegetated utilizing an entirely native plant palette consistent with the Dennery Ranch Vernal Pool Preserve Management Plan.

The project includes a total of 1,264 residential parking spaces and 150 commercial parking spaces. Access to the residential development would be off Otay Mesa Road onto Street "JJ" and from Ocean View Hills Parkway via Private Drive "A". Access to the commercial center will be via Ocean View Hills Parkway (Attachment 6).

Deviations

The project as proposed would require the following deviations from applicable development regulations: (1) deviations from the Fence Regulations and Precise Plan; (2) deviations from maximum structure height regulations of the RM-3-7 zone; (3) deviation from minimum side yards for commercial development abutting residentially zoned properties; and, (4) deviations

from the Supplemental Planned Development Permit Regulations for Commercial Development in terms of the location of parking stalls in relation to the public right-of-way (Attachment 15).

Deviations from the Fence Regulations and Precise Plan Deviation. The residential component of the project as proposed requires a 7-foot-5-inch wall fronting Otay Mesa Rd and a 7-foot wall fronting Ocean View Hills Parkway. The Precise Plan limits the height of these walls to 5-foot-5-inches and citywide regulations limit their height to 3-feet. Staff can support this deviation as the higher walls are required to mitigate noise impacts.

Deviations from maximum structure height regulations of the RM-3-7 zone. The permit would allow a 45-foot structure height where the maximum permitted per the underlying multi-family residential zones (RM-3-7) is 40-foot. Staff can support this deviation given the site constraints as large portions of the premises are encumbered for resource protection purposes (biological preserve) and open space and to permit architectural details, such as, pitched roofs and tower features.

Deviation from minimum side yards for commercial development abutting residentially zoned properties. The proposed commercial structure along the northern edge of the commercial site would not meet the required minimum side yards for commercial development abutting residentially zoned properties [San Diego Municipal Code (SDMC), Section 131.0543(c) (1)]. Where the structure is set back 10 feet or more from the property line, development regulations require each 15-feet in height above 30-feet be stepped back at least 3-feet from the minimum setback of that portion of the structure immediately below.

The proposed commercial structure would be set back 10-feet from the property line but no additional setback is proposed. Staff can support this deviation because both adjoining parcels are part of the proposed development and the residential parcel does provide for an adequate side yard setback (in excess of 20-feet) along the side of the parcel abutting the commercial development. The proposed design along the affected parcel boundary meets the intent of the ordinance by providing a separation that would exceed 30-feet between the proposed commercial and residential uses. The reduced setback would also facilitate a pedestrian connection to the adjacent residences.

Deviations from the Supplemental Planned Development Permit Regulations for Commercial Development in terms of the location of parking stalls in relation to the public right-of-way. The project as proposed would also deviate from the Supplemental Planned Development Permit Regulations for Commercial Development [SDMC, Section 143.0460(f) (2)]. This regulation limits the amount of required parking that may be located between the public right-of-way fronting the property and the structures located closest to the public right-of-way.

The project as proposed locates 100 percent of all required parking on these locations where regulations limit this amount to 75 percent. Staff can support this deviation as the project has been designed to provide direct pedestrian access from the proposed 644 residential units to the

commercial areas. This design element is anticipated to reduce the parking demand that might otherwise be generated on the commercial site. It should also be noted that there is a grade differential between the public right-of-way and the parking area of the commercial site. The grade difference along with the proposed landscape act as buffers to screen the parking stalls from the public right of way meeting the intent of the ordinance.

Gates

The project is requesting to have two controlled access points at “Private Drive E” and “Private Drive A” (Attachment 6). The proposed gates are located approximately 90 feet from the point at which the public streets and the private driveways meet. This would allow for vehicle stacking in the event that multiple cars are attempting to enter or exit the site. The entrances to the development from these two streets are right-in/right-out only which reduces traffic impacts on “JJ Street” and Ocean View Hills Parkway. Signs would also notify motorist of the ingress/egress limitations. Knox lock boxes would be installed at both gates to allow for emergency, postal and trash access to the residential portion of the project. Staff supports the two gates because they are consistent with the criteria identified in Council Policy 600-42, Limited and Controlled Access Development (Gated Communities) (Attachments 23 and 24).

Land Use

The project is adjacent to the Multi-Habitat Planning Area (MHPA) and the Multiple Species Conservation Program (MSCP) Subarea Plan. However, the MSCP was not adopted at the time the Precise Plan was approved; therefore in order to be consistent with current adopted Subarea Plan policies and Management Directives for Otay Mesa, the proposed project was designed to incorporate the applicable MSCP Land Use Adjacency Guidelines. As such, the MHPA Land Use Adjacency Guidelines are incorporated into the project design, and include provisions for barrier fencing and plantings for access control; lighting restrictions; and drainage and would not conflict with habitat function, configuration, or long-term viability; usage of the MHPA by sensitive species including narrow endemics; established management directives for the subarea plan; or cause potentially adverse edge effects. Direct access to public open space would be prohibited from the adjacent residential development and recreation areas in order to minimize impacts to sensitive lands and to promote the objectives of the MSCP Subarea Plan.

The project site also includes a portion of the Dennery Canyon Vernal Pool Preserve (Preserve), which was previously dedicated as open space, as part of the California Terraces Precise Plan approval. The Preserve requirements have been completed and consist of a restored vernal pool and coastal sage scrub ecosystem. The northern and eastern portions of the project area are within the MHPA. All federal, state and local permit conditions and FEIR mitigation measures have been implemented with respect to implement of the Vernal Pool Management Plan.

Noise

The adopted California Terraces Precise Plan and Vesting Tentative Map required noise attenuation walls in Planning Area 13 and 14 along Otay Mesa Road and Ocean View Hills Parkway (referred to as Palm Avenue in the FEIR). The FEIR identified the wall locations and indicates that the noise wall heights along the major roadways throughout the Precise Plan would range from 3 to 10 feet in height. In order, to ensure that the exterior noise levels at the project site would comply with the mitigation requirements in the FEIR an updated noise analysis was conducted using the projected traffic volumes from the updated traffic report prepared for the project. It was determined that the project would require noise attenuation barriers in excess of six feet in height to reduce noise impacts to sensitive receptors within the project area. The Wall and Fence Plan in Appendix B of the California Terraces Precise Plan indicates that wall and fence heights should be between 4-feet-6-inches to 5-feet-6-inches and that field adjustments to the type and precise location of screening systems may occur during construction to enhance views or provide additional noise mitigation. Therefore, some of the walls for noise attenuation are inconsistent with the Precise Plan, thereby requiring a deviation to the development regulations.

Traffic/Circulation

An updated traffic analysis was prepared for the currently proposed project in order to evaluate the possible traffic impacts from development of 644 single-family attached dwelling units and a 2.4-acre commercial site near the intersection of Otay Mesa Road and Ocean View Hills Parkway. The traffic analysis concluded that the project would generate 6,489 average daily vehicle trips, 447 occurring in the AM peak hour and 564 occurring in the PM peak hour. Based on the transportation analysis, through the horizon year (2020), the project is expected to have no additional significant traffic other than that previously identified in the FEIR for the original VTM, including but not limited to the construction of Ocean View Hills Parkway as six-lane major roadway between Del Sol Boulevard and Otay Mesa Road; construction of a traffic signal at the intersection of Otay Mesa Road/Ocean View Hills Parkway/Caliente Boulevard providing dual northbound left turn lanes, dual northbound thru lanes and one northbound right turn lane. Dual westbound left turn lanes, three westbound thru lanes and one westbound right turn lanes and two receiving lanes on the south leg of the intersection; construction of "JJ" Street with 40 feet of pavement within 60 feet of right-of-way with curb, gutter and 5-foot sidewalk within 10-foot curb to property line distance on both side and a 50-foot curb radius cul-se-sac at the northerly end, and construction of a traffic signal at the intersection of Otay Mesa Road/"JJ" Street, once Otay Mesa Road is returned to City of San Diego and full access is allowed at this intersection.

Historical Resources (Archaeology)

Although the project site was evaluated in the California Terraces FEIR (1994), an updated cultural resource field survey was conducted to determine if there were any changes to site conditions since approval of the Precise Plan and VTM. The updated survey concluded that the one archaeological site (CA-SDI-6941) recorded on Planning Areas 13 and 14 have been mitigated through an approved testing and archaeological data recovery program required as part

of the FEIR Mitigation, Monitoring and Reporting Program (MMRP). Therefore, the only additional work necessary is the archaeological monitoring during grading activities within Locus D of CA-SDI-6941, as required in the MMRP for the FEIR.

Conclusion:

Staff recommends that the Planning Commission recommend to the City Council approval of the actions requested by the California Terraces project to combine two commercial lots to allow construction of approximately 24,000 square-feet of commercial use and 644 multi-family residential units because it is consistent and compatible with the goals and objectives of the Otay Mesa Community Plan and the California Terraces Precise Plan.

ALTERNATIVES

1. **Approve** amendments to the Progress Guide and General Plan, the Otay Mesa Community Plan and the California Terraces Precise Plan No. 8905; Rezone No. 8906; Vesting Tentative Map No. 6450; Planned Development Permit No. 8076; Site Development Permit No. 6451, with modifications.
2. **Deny** amendments to the Progress Guide and General Plan, the Otay Mesa Community Plan and the California Terraces Precise Plan No. 8905; Rezone No. 8906; Vesting Tentative Map No. 6450; Planned Development Permit No. 8076; Site Development Permit No. 6451; if the findings required approving the project cannot be affirmed.

Respectfully submitted,

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HALBERT/PXG

Attachments:

1. Otay Mesa Community Plan
2. Vicinity Map
3. Surrounding Projects
4. Aerial Photograph
5. Site Photos
6. Project Site Plan/Vesting Tentative Map
7. Existing Precise Plan Land Use Plan
8. Amendments – Otay Mesa Community Plan Land Use Map/Precise Plan Land Use Map
9. Planning Commission Initiation Resolution No. 3228-PC
10. Rezone - B Sheet
11. Rezone Resolution
12. Draft Map Conditions and Subdivision Resolution
13. Elevations
14. Landscape Concept Plan
15. Project Data Sheet
16. Planning Commission Resolution with Permit Findings
17. Draft Precise Plan and Community Plan Amendment Resolution
18. Draft Precise Plan Amendment Document
19. Draft Planning Commission Resolution
20. Draft Permit with Conditions
21. Ownership Disclosure Statement
22. Project Chronology
23. Gates Criteria
24. Council Policy 600-24
25. Otay Mesa Planning Group Recommendation