



THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: December 5, 2013 **REPORT NO. PC-13-128**

ATTENTION: Planning Commission, Agenda of December 12, 2013

SUBJECT: THE VILLAGE AT PACIFIC HIGHLANDS RANCH - PROJECT NO. 317590. PROCESS FOUR

REFERENCE: City Council, Item No. 330, January 26, 2010
Planning Commission, Item No. 7, October 15, 2009
(<http://www.sandiego.gov/planning-commission/documents/pcreports/2009/oct.shtml>)

OWNER/ PHR Village LLC (Attachment 15)

APPLICANT: Latitude 33, Planning and Engineering/Anna Colamussi

SUMMARY

Issue(s): Should the Planning Commission approve a mixed-use development including market rate residential units, affordable housing units, commercial, retail and office space, a civic use area and a parcel for the development of a public library on a 27.88 acre site within the Pacific Highlands Ranch Subarea planning area?

Staff Recommendations:

1. **ADOPT** Findings to Master Environmental Impact Report, Project No. 317590 (Findings to MEIR No. 96-7918 / SCH No. 97111077) that has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) Guidelines, **ADOPT** the Mitigation Monitoring and Reporting Program (MMRP) that has been prepared and would be implemented which would reduce, to below a level of significance, any potential impacts identified in the environmental review process; and
2. **APPROVE** Vesting Tentative Map No. 1113594, Planned Development Permit No. 1113595 and Site Development Permit No. 1113598; and
3. **APPROVE** Site Development Permit No. 1218176.

Community Planning Group Recommendation: The Carmel Valley Community Planning Board voted to recommend approval of the project, with two conditions, by a vote of 12-0, at their meeting on September 26, 2013 (Attachment 14).

Environmental Review: The City of San Diego as Lead Agency under CEQA has prepared and completed Master Environmental Impact Report (MEIR) Findings for Project No. 317590 (Findings to MEIR No. 96-7918 / SCH No. 97111077), dated October 23, 2013. Based on the initial study, the City of San Diego has determined that the project would not cause any significant effect on the environment not examined in the previously certified Master Environmental Impact Report, that no additional significant environmental effect will result from the proposal, no new additional mitigation measures or alternatives may be required, and that the project is within the scope of the Master EIR.

Fiscal Impact Statement: None with this action; the costs of processing this project have been paid by the applicant through a deposit account.

Code Enforcement Impact: None with this action.

Housing Impact Statement: The proposed project would include the transfer of 112 residential dwelling units from nearby properties to the project site for a total of 331 multifamily residential dwelling units. Of the 331 units, 79 would be affordable units in accordance with the Pacific Highlands Ranch Subarea Plan's Affordable Housing requirement of providing 20% affordable units on-site. The original project provided a total of 219 residential dwelling units. Therefore, this project is providing an additional 112 residential dwelling units from the original project approval.

BACKGROUND

In October of 1992, the City Council adopted the North City Future Urbanizing Area (NCFUA) Framework Plan. This framework plan established 5 subareas comprising 12,000 acres stretching easterly from Interstate 5 and Carmel Valley, to the Rancho Peñasquitos and Rancho Bernardo communities. On July 20, 1999, the City Council adopted the Pacific Highlands Ranch Subarea Plan (Subarea Plan) (Attachment 2). The State Coastal Commission modified and certified the Subarea Plan on March 10, 1999. The San Diego City Council accepted and approved the State action on July 20, 1999, documented by Resolution No. R-291920.

The Pacific Highlands Ranch Subarea Plan is located in the northwest portion of the NCFUA and is bound on the north by Black Mountain Ranch Subarea I, Del Mar Mesa Subarea V to the south, Torrey Highlands Subarea IV to the east and the Carmel Valley community to the west. Pacific Highlands Ranch encompasses approximately 2,652 acres in the central portion of the NCFUA. The Subarea Plan land use plan includes approximately 1,300 acres or 48 percent Multiple Habitat Planning Area (MHPA) open space, up to 5,470 residential units, three elementary schools, one junior high school, a community park, two neighborhood parks, a library, fire station, employment center, private high school/church facility, and a mixed-use core. Extensive multiple use, equestrian, hiking, biking and walking trails are proposed throughout the subarea to connect the neighborhoods to schools, the town center, and other

regional trail systems.

On January 26, 2010, Pacific Highlands Ranch Village, Project No. 7029 was approved by the City of San Diego City Council. This approval allowed for 294 residential units, 195,000 square feet commercial retail space, 20,000 square feet commercial office space, a cinema, a parcel for a future public library and a civic use area. Of the 294 residential units, 75 units accrued to the Gonsalves Ownership, along with the 20,000 square feet of commercial office space. 219 residential units, 195,000 square feet commercial retail space, future public library parcel and the civic use area accrued to Pardee Homes, which has since been sold to PHR Village, LLC. The Gonsalves Ownership parcel is not a part of the proposed project entitlement amendments.

DISCUSSION

Project Description:

The proposed project would construct 195,000 square feet of commercial space; construction of up to 331 residential dwelling units, up to 252 market rate and up to 79 affordable units, totaling 504,730 square feet, within four proposed multi-family residential buildings; a public library site, totaling 3 acres and a Civic Use Area, totaling 2 acres. The prior proposed cinema is not proposed within this proposed development. Therefore, the Conditional Use Permit (CUP) is not being amended as the cinema use was the proposed use that required a CUP in the original project design. The proposed development is being developed in Three (3) Phases. All phases of the development shall conform with the Pacific Highlands Ranch Transportation and Facility Phasing Plan.

The 331 residential dwelling unit component of the project includes a density transfer of up to 57 units from The Elms & Ivy Project, Project No. 296644 and up to 55 units from the Rancho Milagro, Project No. 332547, for a total density transfer of up to 112 residential units to the proposed development site. The density transfers will be documented by recorded Deed on each property and will be confirmed by each project's recorded Planned Development Permit (PDP). Both of these projects are currently into City Staff for review.

The entire development provides 1,506 off street automobile parking spaces including 30 accessible spaces, 4 accessible van spaces, 75 designated parking spaces for carpool vehicles and zero emissions vehicles, 52 motorcycle, and 165 bicycle parking spaces plus 47 short term bicycle parking stalls and 47 long term bicycle parking spaces with two showers and 7 loading spaces to be permanently maintained on the property within the approximate locations shown on the project's site plans.

There are a total of 19 proposed buildings, including the four multi-family residential buildings, situated throughout the proposed development. The overall placement of the buildings allows for a mixed-use, pedestrian friendly development consistent with the Pacific Highlands Ranch Subarea Plan and supported by the Carmel Valley Community Planning Board. The proposed development would provide neighborhood commercial services to the residential developments to the west, north and east. The proposed buildings would be designed to be consistent with the Subarea Plan.

The previously graded 27.88-acre proposed development is located at the northeast corner of Del Mar Heights Road and Carmel Valley Road (Attachment 1). Elevations on-site range from a high of approximately 280 feet above mean sea level (AMSL) in the northeast corner to a low of approximately 258 feet AMSL in the southern portion of the site adjacent to the Village Center Loop Road. Presently, low-density single-family residences are located west, east, and north of the project site. The high school is located directly to the south (Attachment 2). The site does not contain native nor non-native vegetation. The project site is designated Mixed-use Village and zoned CC-1-3 within the Pacific Highlands Subarea Plan. In addition, the project site is located within the Urban Village Overlay Zone. The project site is located in a developed area currently served by existing public services and utilities.

The proposed development also includes the mass grading of a 5.7-acre “borrow site,” located directly adjacent to the north of the project site. The “borrow site” contains two sensitive vegetation communities, southern maritime chaparral and non-native grassland, that will be impacted once grading activities commence. The original project was considered an off-site component of the Pacific Highlands Ranch Units 12-16 Vesting Tentative Map (Project No. 7029) and therefore mass graded in 2003 in conjunction with construction of the high school to the south. The current project would require an additional 189,213 cubic yards (CY) of earthwork in order to accomplish finish grading. The finish grading would encompass 24.11 acres (in order to prepare pads for the 331 residential units; the 195,000 square feet of commercial (with associated parking), and the library site (reserved for future use). The 189,213 CY of earthwork would require the import of 110,000 CY of soil to be obtained from the 5.7-acre “borrow site”.

There are no steep slopes (25 percent or greater) on-site, but retaining walls with a maximum height of 3 feet could be required in residential areas based on precise grading. Cut slopes would not exceed 9 feet and fill slopes would not exceed 12 feet. Cut/fill slopes would not exceed a 2:1 slope ratio. The borrow site would be mass graded; however, the two existing on-site manufactured homes would remain. Subsequent development on the “borrow site” would require additional permits and review by City Staff before anything other than grading activities can occur within the limits of the “borrow site”.

The project will provide a total of up to 79 on-site affordable housing units consisting of a maximum of fifteen (15) one-bedroom units, no less than forty (40) two-bedroom units and no less than twenty-four (24) three-bedroom units. The affordable housing units would be restricted by an agreement acceptable to the City of San Diego’s Housing Commission. The units would be completed and ready for occupancy concurrent with the market rate housing pursuant to the terms of the agreement with the Housing Commission (Attachment 5).

Various discretionary actions are required to implement the proposed project:

- Site Development Permit (Amendment to SDP Permit No. 433515) and a Site Development Permit for grading activities on the Borrow Site

The proposed development site is located within the Urban Village Overlay Zone which requires the processing of a Site Development Permit when a mixed-use project is proposed. Additionally, a Site Development Permit is required for the proposed mass grading of the

5.7-acre “borrow site” that contains Environmentally Sensitive Lands (ESL) in the form of two sensitive vegetation communities, southern maritime chaparral and non-native grassland (Attachment 7). Separate Site Development Permits are being processed for each legal lot to allow for further development on the “borrow site” – with the appropriate level of City review, without being tied to the complete development of the Village at Pacific Highlands Ranch site.

- Planned Development Permit (Amendment to PDP Permit No. 12852)

A Planned Development Permit is required to amend the existing entitlement on the property and for the seven proposed deviations for the proposed development. The deviations are for ground floor restrictions, maximum building height, side and rear setbacks, minimum lot width, building articulation, garage setbacks, and ground floor habitable area (Attachment 4).

- Ground floor restriction:** The first deviation request is for the required ground floor restriction. Building AH2 on Lot No. 16, Building AH1 on Lot No. 20, Building MR1 on Lots Nos. 21 and 23, and Building MR2 on Lots Nos. 27 and 29 will have residential uses on the ground floor when the zone prohibits residential uses in the front half of the lot on the ground floor. The purpose and intent of the Pacific Highlands Ranch Subarea plan is to have a mixed-use, pedestrian friendly and higher density within the village area as a focal point within the community. The proposed development complies with this intent, by placing residential and commercial uses near to each other, and in some cases directly abutting each other. The proposed development functions as a whole as a mixed use development with a horizontal mixing of uses rather than vertical. The community is pedestrian oriented with commercial uses and outdoor public spaces within an easy walk as proposed within this development.
- Maximum building height:** The second deviation request is for the maximum building height of the proposed structures. The maximum height proposed within the project is 75 feet, where 45 feet is allowed. Building AH2 on Lot No. 16, Buildings M3 and R7 on Lot No. 17, Buildings R5, R6 and C1 on Lot No. 19, Building AH1 on Lot No. 20, Building MR1 on Lot Nos. 21 and 23, and Building MR2 on Lot Nos. 27 and 29 have proposed heights that vary between 48 feet and 75 feet. The proposed clock towers are proposed at 75 feet, proposed residential buildings at 60 feet and commercial/office buildings ranging in height from 48 feet to 58 feet maximum. The Commercial Retail/Service and Residential buildings comprise the core of the density component within the proposed development, which is the focal point within the community and complies with the purpose and intent of the Pacific Highlands Ranch Subarea Plan to create a high density, mixed-use, pedestrian friendly development. In order to incorporate the amount and variety of residential dwelling units called for in the Pacific Highlands Ranch Subarea Plan and to include the required amount of Affordable Housing units, the building height deviation is being requested.
- Side and rear setbacks:** The third deviation request is for the required side and rear setbacks. Lots Nos. 4, 7, 8, 9, 12, 15, 17, 19, and 21 have proposed side setbacks that vary between 4.2 feet to 9.3 feet, where 10 feet is required, or building at the property line; Lots Nos. 4, 7, 8, 9, 12, 15, 17, 19, and 21 have proposed rear setbacks that vary

between 2.9 feet to 5 feet where 10 feet is required, or building at the property line. The proposed development functions acts as a single project. Lot lines have been drawn primarily for financing purposes and should not be viewed as discontinuous. This deviation request complies with the purpose and intent of the Pacific Highlands Ranch Subarea Plan to create a high density, mixed-use, pedestrian friendly development.

- d. **Required lot width:** The fourth deviation request is for the required lot width. Lot Nos. 1, 4, 10, 11 and 12 have proposed lot widths ranging from 55 feet to 95 feet, where 100 foot lot width is required. The proposed development functions acts as a single project. Lot lines have been drawn primarily for financing purposes and should not be viewed as discontinuous. This deviation request complies with the purpose and intent of the Pacific Highlands Ranch Subarea Plan to create a high density, mixed-use, pedestrian friendly development.
 - e. **Building articulation:** The fifth deviation request is for the required building articulation. Lot Nos. 2, 3, 4, 7, 8, 9, 12, 15, 16, 17, 19, 20, 21, 23, 27, and 29 have buildings with facades that do not conform to the mathematical standards for building articulation. The proposed buildings within this development are configured in the Early California style and comply with the Design Guidelines stated in the Pacific Highlands Ranch Subarea Plan.
 - f. **Garage setbacks:** The sixth deviation request is for the required garage setback. Building AH2 on Lot No. 16, Building MR1 on Lot Nos. 21 and 23, Building MR2 on Lot Nos. 27 and 29 and Building AH1 on Lot No. 20, propose a 0 foot setback from the building façade, where a 5 foot setback is required. The proposed parking entries for Building AH1 on Lot No. 20 and Building AH2 on Lot No. 16 are designed to be located directly underneath the residential habitable area. The proposed parking entries for Building MR1 on Lot Nos. 21 and 23, Building MR2 on Lot Nos. 27 and 29 open up to the main portion of the proposed parking areas on Lot No. 22 and Lot No. 28 respectively at distances greater than the required 5 foot minimum. This deviation request complies with the purpose and intent of the Pacific Highlands Ranch Subarea Plan to create a high density, mixed-use, pedestrian friendly development.
 - g. **Ground floor habitable area:** The seventh deviation request is for the required ground floor habitable area. Building AH1 on Lot No. 20 and Building AH2 on Lot No. 16, propose less than 50 percent of the ground floor as habitable area, where 50 percent of the buildings are required to have ground floor habitable area. Proposed parking for Building AH1 on Lot No. 20 and Building AH2 on Lot No. 16 are designed entirely on the ground floor. Habitable area comprises all upper stories of the buildings. Due to the layout and design of the proposed development, and with allowing for open space, this deviation request complies with the purpose and intent of the Pacific Highlands Ranch Subarea Plan to create a high density, mixed-use, pedestrian friendly development.
- Vesting Tentative Map (Amendment to VTM No. 435521)

A Vesting Tentative Map is required to create the proposed 31 lots and also to create the 252 market rate residential condominium units (Attachment 8).

Community Plan Analysis

The Pacific Highlands Ranch Subarea Plan (Subarea Plan) serves as the City's adopted land use plan for this area and contains the more detailed area-specific land use recommendations required by the General Plan. The Subarea Plan guides future development of the planning area designating a mix of residential densities around a commercial town center and an interconnected open space system that is part of the City's regional Multiple Species Conservation Program (MSCP) preserve. The Subarea Plan's main objectives are: preservation and enhancement of natural resources; development of a walkable, mixed-use commercial Town Center with a public use element; and provision of a variety of housing types, including an affordable housing component.

The project site is located within the central portion of the planning area identified in the Subarea Plan as the Town Center. The Town Center includes approximately 205 acres intended to serve as the "retail, commercial, employment and social hub of the community." The lands uses planned for the Town Center are Core Residential, Employment Center, Senior /Junior High School, Community Park, Village and Civic Use Area with Library (Attachment 2).

The project site is located entirely within the Village mixed-use designation. The Village is the residential, commercial and civic core of the Town Center. The Subarea Plan specifically allocates 500 residential units, 150,000 square feet of retail space and 150,000 square feet of office space within the Village divided proportionally among four property ownerships. The actual square footage of retail and office space can be modified to adjust to market demands, as long as a total of 300,000 square feet is not exceeded and a minimum of 100,000 square of retail space is provided. A five acre Civic Use Area is identified for open air public gatherings and civic activities which would include a public library. The Civic Use Area may also include community meeting rooms, outdoor meeting areas and landscaped areas. The Subarea Plan states that the Civic Use Area may either be developed by the City or incorporated as an integral element of the private commercial project.

The Village at Pacific Highlands Ranch project was approved in 2010 and included 294 residential units, 195,000 square feet of retail space, 20,000 square feet of office space, and a parcel for a future public library and public use area. The proposed amendment would retain the overall mix of uses on-site but would increase the number of residential dwelling units by transferring 112 residential dwelling units from nearby properties within the Town Center area of the Subarea Plan. The transfer of these dwelling units would be memorialized through Planned Development Permits approved for each donor site as well as the receiving site. This would ensure that the total dwelling unit cap for the Town Center as identified in the Subarea Plan would not be exceeded. The amendment would apply only to Units 1-4 of the original Village at Pacific Highlands Ranch project. The remaining Unit, Unit 5, would retain its original approved intensity of 75 dwelling units, including 12 affordable units, and 20,000 square feet of office space (Gonsalves Ownership). The Gonsalves Ownership parcel is not a part of the proposed project entitlement amendments.

Community Design

The Pacific Highlands Ranch community is based on neo-traditional planning concepts that emphasize bicycle, equestrian and pedestrian paths, and focus community activities around a central radial development pattern. The Subarea Plan identifies the following community design goal for the Village: “to create a pedestrian-oriented environment which will feature a mix of residential and commercial uses. A main street will serve as the central spine for the village and lead directly to the major focal point, the civic use area. Integration of the community park and main street is the central organizing element of the village.” To accomplish this goal, building intensities and densities in the Village are higher to encourage an active center, support transit, and reduce automobile use. Buildings are to front the street and sidewalk with entries, architectural features and pedestrian oriented activities.

The proposed amendment would continue to implement the “Main Street” design concept as envisioned by the Subarea Plan by establishing a hierarchy of automobile and pedestrian zones along the central corridor. The central focal point of the Main Street is the Civic Use Area which begins with an urban gathering area. This area would include seating, tables and chairs, umbrellas, fire pits, water features and a viewing plaza. The Civic Use Area continues southward towards the Village Loop Road with open lawn areas to accommodate a variety of outdoor public activities. Beyond the lawn area is a multi-purpose decomposed granite area which could accommodate seating for outdoor concerts and receptions, or be used for farmers markets and street fairs. The area could also accommodate more passive outdoor recreation activities such as bocce ball. This area is situated adjacent to the parcel set aside for the public library and could be used to accommodate community events sponsored by the library. Beyond the multi-purpose area is a multi-level landscaped seat wall to accommodate a grade separation with the Village Loop Road. The seat wall would provide a visually interesting foreground for the Civic Use Area and provide seating for the adjacent transit stop.

The residential portion of the project consists of medium-high density multi-dwelling units. The transfer of dwelling units from nearby properties to the Village is appropriate to ensure an active pedestrian environment. Although the number of units within the Village would exceed the 500 identified by the Subarea Plan, the total number of dwelling units within the Town Center, which the Village is located in, would not be exceeded. Commercial and residential uses are mixed within the project either vertically within the building design or horizontally by providing inviting pedestrian access at appropriate locations within the project. The location of residential buildings would be used to define streets and improve pedestrian safety. Residential parking for the market rate units would be provided in parking structures “wrapped” with the commercial and residential uses so that it would not be visible from the pedestrian realm. Parking for the affordable housing components would be provided in a combination of small surface lots and street level parking garages incorporated into the design of the affordable housing buildings.

Environmental Analysis:

Findings to Master Environmental Impact Report (MEIR) Project No. 317590, Master Environmental Impact Report No. 96-7918/SCH No. 97111077, has been prepared to analyze the potential environmental impacts of the proposed Village at Pacific Highlands Ranch Project.

The City of San Diego conducted an Initial Study which determined that the project could have a significant environmental affect in the following area(s): Biological Resources and Paleontological Resources. Subsequent revisions in the project, as revised, now avoids or mitigates the potentially significant environmental effects previously identified with the MEIR and the preparation of an EIR, a subsequent EIR, or a Mitigated Negative Declaration is not required. Based in the Initial Study, the City of San Diego as the Lead Agency, has reached the following determinations:

1. The project was considered within the scope of analysis of the MEIR pursuant to Section 21157.1(c) of the Public Resources Code.
2. Implementation of the project would not result in any additional significant effects on the environment beyond those identified in the MEIR, as defined Section 21158(d) of the Public Resources Code.
3. The project is considered to be within the scope of analysis of the MEIR and no new environmental document or findings pursuant to Public Resources Code, Section 21081, are required.
4. No substantial changes have occurred with respect to circumstances under which the MEIR was certified, there is no new available information, which was not known and could have been known at the time of the MEIR was certified, and no new environmental document pursuant Public Resources Code Section 21157.6(a) is required.

In accordance with Section 21157.1 of the Public Resources Code, Findings to MEIR, Project No. 317590, Master Environmental Impact Report No. 96-7918/SCH No. 97111077, has been prepared.

Project-Related Issues:

The Carmel Valley Community Planning Board had two conditions of their approval at their meeting on September 26, 2013. The Board's recommendation listed the following conditions:

1. The monument signs are redesigned to be similar in design concept to the sign above the main entrance to the development.
2. Freestanding chairs and tables are placed at the southeast end of the vehicular circular drive in lieu of the planned fixed bench seating.

These conditions were not included as project conditions because the project will be required to meet the citywide sign regulations and the request of the types of seating provided within the public space is not an enforceable condition within the project permit.

Conclusion:

Staff has determined the proposed Village at Pacific Highlands Ranch project complies with the applicable sections of the Municipal Code and adopted City Council policies. Staff has determined the required findings would support the decision to approve the proposed project's Vesting Tentative Map, Planned Development Permit, Site Development Permit and Site Development Permit for the Borrow Site. Findings to Master Environmental Impact Report (MEIR) Project No. 317590, Master Environmental Impact Report No. 96-7918/SCH No. 97111077, has been prepared for this project and all potential environmental impacts will be mitigated.

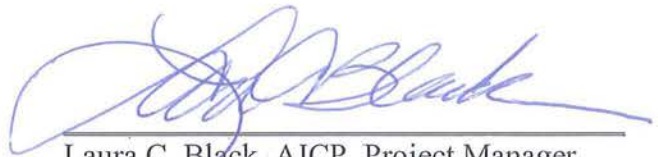
ALTERNATIVES:

1. **Approve** Vesting Tentative Map No. 1113594, Planned Development Permit No. 1113595, Site Development Permit No. 1113598 and Site Development Permit No. 1218176 for the Borrow Site, **with modifications.**
2. **Deny** Vesting Tentative Map No. 1113594, Planned Development Permit No. 1113595, Site Development Permit No. 1113598 and Site Development Permit No. 1218176 for the Borrow Site, **if the findings required to approve the project cannot be affirmed.**

Respectfully submitted,



Mike Westlake
Acting Deputy Director
Development Services Department



Laura C. Black, AICP, Project Manager
Development Services Department

WESTLAKE/LCB

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map
4. Draft Permit Resolution with Findings
5. Draft Permit with Conditions
6. Draft Permit Resolution with Findings - Borrow Site
7. Draft Permit with Conditions – Borrow Site
8. Draft Map Resolution with Findings

9. Draft Map Conditions
10. Environmental Resolution with MMRP
11. Map Exhibit - Vesting Tentative Map
12. Project Plans
13. Copy of Recorded Permits
14. Community Planning Group Recommendation
15. Ownership Disclosure Statement
16. Project Chronology