



July 21, 2008

Mr. Patrick Murphy
City of Encinitas - Planning Department
505 Vulcan Avenue
Encinitas, CA 92024

RE: Statement of Justification for Olivenhain Town Center, Encinitas, CA

Dear Mr. Murphy:

We respectfully request permission to entitle the 8.44-acre (gross) property, located westerly of Rancho Santa Fe Road ("RSF Rd"), to create the Olivenhain Town Center consisting of 13 residential lots and an income qualifying State density bonus mixed-use area that will include 24,528 SF of retail/office space, 6,590 SF of restaurant space and 7,943 SF of residential space.

Existing Conditions:

Currently, the property has three existing homes on three of the seven legal parcels – all three will be demolished with the proposed project. The existing homes within the project obtain access from Encinitas Blvd via an existing private street called McCain Lane. However, the existing homes are all addressed from Encinitas Blvd (2220, 2228 and 2230 Encinitas Blvd). The remaining four parcels are vacant. Other than the existing home sites, the property is covered primarily with non-native grasses with a few clusters of non-native shrubs and is characterized by rolling hills. The only native habitat (i.e. fragmented sage/scrub) that exists is on one of the developed parcels in the northerly corner of the property. Within the developable area of the property, the grade differential is approximately 75 feet - from the northwesterly end of the property to the southeasterly corner by RSF Rd (excluding the steep, biologically sensitive area in the most northerly end of the property).

The property is all zoned Rural Residential 2 (RR-2) within the Olivenhain Community Area. The proposed infill project is adjacent to an existing commercial node consisting of seventeen commercial projects with a total 265,516 square feet of building area. These commercial properties are located south of the proposed project and are zoned LC or Local Commercial. To the west and north of the proposed project, there are single-family detached homes (zoned RR-2). East of the proposed project is existing RSF Rd. Two of the legal parcels (APN 259-231-28 & 32), comprising 5.6 acres, have an approved Tentative Map for 6 lots (Case No. 03-082 TPM/DR/AEIS) at the time of this project submittal. This approved Tentative Map does not access nor make any improvements to RSF Rd or any other offsite roadways.

Applicable Development Standards:

The applicant is requesting a Tentative Map ("TM"), Design Review Permit ("DRP") and a Major Use Permit ("MUP") for the proposed project. The property is within the Hillside Overlay Zone and the Visual Corridor Overlay Zone. Per the Hillside Overlay development standards, we are allowed a maximum 10% encroachment in areas with natural slope grades over 25% (see attached Hillside Encroachment Exhibit) – excluding existing and proposed roadways. This project proposes a 9.4% encroachment. Per the Visual Corridor Overlay standards, the project must consider overall visual impact of the proposed project. Even though the property has a challenging grade differential to make up in a short distance, the project has been painstakingly designed to minimize the visual impact of the

project from the RSF Rd corridor. Design elements which minimize the visual impact along the RSF Rd frontage include: minimal & undulating retaining wall heights (3' high maximum along our frontage), meandering public sidewalk, undulating slopes, rock-faced walls to soften the hard surfaces, landscaping and architectural design elements to mimic old ranch/barn style buildings, a natural spring water feature and waterwheel, and tiered grading to work with the existing hillside.

The property is, and will remain, in the RR-2 zone with a General Plan Designation of RR-2 (midrange density of 1.5 du/ac and maximum density of 2.0 du/ac). Applying the City's slope analysis criteria (see attached Slope Analysis Exhibit), the property results in 6.66 acres of slope adjusted net area. Existing zoning allows a maximum density of 13 du's ($6.66 \times 2.0 = 13.32$ or 13 du's). The applicant proposes a density bonus project consistent with state Density Bonus Law (i.e. Government Code Section 65915, et seq.). Based upon state Density Bonus Law, the applicant is permitted to increase the maximum allowable residential density (per local development standards) up to 35% - or a 5 du bonus for this project ($13 \times 0.35 = 4.55$ or 5 du's). (Please see attached Density Calculations summary). The number of required affordable units would be 11% of the maximum allowable base density or 2 du's ($13 \times 0.11 = 1.43$ or 2 du's) restricted to very low-income households. By providing these affordable units, the applicant would be allowed up to 3 development incentives or concessions, per City guidelines, to contribute to the economic feasibility of providing affordable housing. However, this project is only requesting the following two incentives: 1) Mixed-use project within the RR-2 zoning and, 2) Lot size reduction. As clarified by the State's Department of Housing and Community Development, the lot size reduction incentive necessitates the reduction of inextricably related development standards such as: building setbacks, lot dimension, lot coverage, floor area ratio, etc. In fact, any development standard that would preclude a development at the permitted density, including the bonus, should be waived according to the State's Department of Housing and Community Development. The approval of a MUP is required to allow these development concessions/incentives.

Project Description:

The applicant proposes to subdivide this property into 16 total lots: 13 single-family residential ("SFR") lots, one low-income density bonus mixed-use ("mixed-use") lot, one private recreational ("rec") lot and one private street lot. The 13 SFR lots vary in size from 5,051 SF to 36,411 SF. The mixed-use lot (Lot 14) is 111,411 SF and the private rec lot (Lot A) is 3,055 SF.

The larger SFR lots were located around the perimeter of the project and are designed to allow the home sizes to be compatible with surrounding existing neighborhoods. Lots 1 through 6, which range in size from 10,545 SF to 35,411 SF, are located on the northerly side of the project. Although the lot sizes are smaller than the adjacent neighbors to the north, their pad sizes are very comparable (and, in most cases, larger than the neighboring pads). Lots 7 through 9, which range in size from 24,196 SF to 25,104 SF, are located on the west side of the project and are adjacent to similar sized lots & pads with the neighboring properties to the west. Lots 10 through 13, which range in size from 5,051 SF to 5,400 SF, act as a transition or buffer between the larger lots within the project to the north and the higher density mixed-use area within the project. Vehicular access to Lots 11 through 13 will be through the mixed-use lot to an alley at the rear of these lots and Lot 10 will be side-loaded – there will only be pedestrian access to the front of these homes.

For the large SFR lots (i.e. Lots 1 through 6, the following building setbacks are requested: 20' front for the main structure, 22' front to the garage structure, 10' front to the garage structure if it is side-loaded (with a minimum back-up distance of 24'), 5' side yard, 10' street side-yard, 20' rear to the main structure and 5' rear for a garage or accessory structure. For the larger estate lots (i.e. Lots 7 through 9), the following building setbacks are requested: 30' front, 10' side yard, 15' street side-yard and 25' rear.

For the alley-loaded SFR lots (Lots 10 through 13), the following building setbacks are requested: 10' front, 5' side yard, 10' street side-yard and 5' rear to the main or accessory structure. (Please see Vesting Site Plan for building envelope locations).

No architecture is proposed for the SFR lots – the finished lots will either be sold in bulk to a builder or sold individually as part of a lot-sale program to be developed as custom lots. Therefore, no Design Review is requested for these future residential structures. With this submittal, Design Review is sought for the proposed SFR lot's pad grading only.

The mixed-use lot is buffered by the project's SFR lots to the north and west, adjacent to existing commercial buildings to the south and fronting RSF Rd to the east. Within the mixed-use lot, there will be seven proposed buildings (see Vesting Site Plan) with a combined commercial/restaurant square footage of 31,118 (consisting of 24,528 SF retail/office, 6,590 SF restaurant (plus an additional 2,010 SF of outdoor patio area) and 7,943 SF residential (within five residential units). As such the commercial/restaurant space will increase the existing commercial/restaurant supply in this market node by 11.7%.

Within the mixed-use lot, Building A & B are two-story retail/office buildings at 8,438 SF and 8,639 SF, respectively. Building C is a two-story building with office/retail on the first floor (2,784 SF) and two residential units on the second floor (3,271 SF). Building D is a two-story building with office/retail on the first floor (4,667 SF) and three residential units on the second floor (4,672 SF). Building E, F & G are all one-story eating and drinking establishments at 3,516 SF, 1,833 SF and 1,241 SF, respectively (excluding outdoor patios). Each floor of office/retail space, each residential unit and each restaurant building will be subdivided via a condominium map to allow separate ownership of each space/unit or building. There will be a total of 14 condominium units within the mixed-use lot – 6 office/retail units, 5 residential units and 3 restaurant units. Four residential condo units will be 3-bedroom/2-bathroom units and one will be 4-bedroom/2-bathroom unit. The residential condo units vary in size from 1,096 SF to 1,772 SF. Building C & D will sit on top of a two-story underground parking structure. Access to the underground parking structure will be from the proposed driveway to the east.

The proposed project consists of 18 residential units – 13 SFR lots and 5 condo units (in the mixed-use area). Thirteen residential units are allowed, based upon the City's maximum allowable residential density, and five additional residential units are allowed under the state Density Bonus Law. Based upon state Density Bonus Law, two residential units would be restricted to very low-income households. The applicant wishes to reserve one additional residential unit to satisfy the City's Affordable Housing Assistance Program (i.e. Inclusionary Housing requirements). Therefore, three of the five total residential condo units in the mixed-use area of the project will be restricted to income-qualified households.

The proposed recreational lot (Lot A) will provide passive resting areas and a trail-head for the proposed trail through the project from the westerly subdivision boundary (north of Lot 7) to RSF Rd. Users of this trail can connect to the future regional trail proposed on the easterly side of RSF Rd. The trail could also provide pedestrian/equestrian access from the adjacent neighborhood to the west (along the northerly property line of Lot 7) to the regional trail on RSF Rd. Other than sitting benches, the applicant proposes a two-horse mini-corral within the rec lot.

Based upon the parking calculations depicted on the Site Plan, there are a total of 199 parking spaces required for the mixed-use element of this project. The project proposes a total of 221 parking spaces provided by the underground parking structure (155 spaces), surface parking (45 spaces) and street parallel parking (21 spaces). This project provides a surplus of 22 parking spaces.

The infrastructure proposed for this development include: public sewer and water mains, private and public storm drain systems, private road improvements within the project and public road improvements to existing RSF Rd. The public sewer system serving the project will connect to an existing sewer main just east of RSF Rd (within APN 259-221-91). A portion of an existing 8" sewer main will be relocated onsite within the proposed private street (Lot B). Per discussions with our neighbors to the north (APNs 259-231-26 & 259-231-27), an easement for sewer laterals will be provided to serve these properties.

The public water main serving the project will be looped from the existing water main in RSF Rd to the existing water main in Encinitas Blvd and will provide additional redundancy for this area during repairs. The onsite private storm drain system will convey the stormwater runoff through a proposed underground detention facility (located under the private driveway westerly of Building E). The proposed stormwater detention facility will ensure that the volume of runoff in the post-development condition does not exceed the pre-development volumes. The private storm drain system will tie into the proposed public storm drain system under RSF Rd.

The primary circulation through the project will be on a private street (Lot B) that provides an additional connection between RSF Rd and Encinitas Blvd (see attached Line of Sight Exhibit for this intersection). While this street will be privately maintained, it will be open to the public. The private street will be 38' from curb to curb with parking on one side, a concrete sidewalk on one side and a decomposed granite trail on the other side. The pavement width will be narrowed down to 24' wide at intersections to act as a traffic calming measure. The access to the mixed-use lot will be provided via two driveway access points on the proposed private street. The improvements to RSF Rd include: realignment and reconfiguration northerly of Encinitas Blvd to provide two-300' left turn pockets (turning left onto S. RSF Rd) and a thru/right turn lane (to Manchester Ave/Encinitas Blvd., respectively), a single-lane traffic circle (or roundabout) at the intersection of RSF Rd & our proposed private street (Lot B), concrete curb & gutter and a meandering concrete sidewalk along our frontage with RSF Rd, a bio-swale to clean stormwater runoff from RSF Rd and half-width pavement improvements along our frontage and improvements to the traffic signal at the intersection with Encinitas Blvd to accommodate the new lanes. The proposed roundabout will control traffic speeds and provide access to the proposed project. For our connection to Encinitas Blvd, the existing culvert under McCain Lane will have to be extended for the proposed wider private street. Additionally, a dedicated right-turn lane will be striped on the private street to allow this movement on Encinitas Blvd without disrupting other traffic.

The grading for the project requires the export of approximately 41,600 CY of dirt – partially due to the large underground parking structure. The applicant is currently exploring local options for the import of this dirt, however, if they are not successful, the dirt will have to be trucked to the nearest landfill on a City approved truck route.

The project has many amenities/enhancements that will make it a very enjoyable place to live, work and visit. As previously discussed, a pedestrian/equestrian trail along the private street will provide connectivity from this project (and the properties westerly of our project) to the future regional trail along the easterly side of RSF Rd. A trail-head, a passive rest area and a two-horse pen/corral will be provided in Rec Lot A. An ADA conforming trail system between the parking structure and the restaurants (Building G, E & F) will provide a pedestrian-friendly experience for visitors. This trail system includes a footbridge over a proposed natural spring water feature (with a waterwheel and windmill) facing RSF Rd. A small amphitheater/seating area will be provided in the middle of the mixed-use area. A meandering sidewalk along RSF Rd will enhance the pedestrian experience leaving or coming to the project. Enhanced paving features, decorative walls, meandering slopes, potted plants and lush landscaping throughout provide a visually pleasing experience as you pass through or by the project.

A homeowner's association (HOA) will provide the maintenance for the common areas, landscaping/irrigation, private trails/sidewalks, recreational lot, post-construction bmp's, private storm drain system, private streets/driveways, underground stormwater detention basin, private lighting, surface parking areas, underground parking structure, water-feature/foot-bridge/stairways/fountain/decorative walls/signage within mixed-use lot and soundwalls.

Design Review:

The Olivenhain Town Center is designed to be a complete mixed-use village that nestles itself within the context of historic Olivenhain. As a transitional property between an area of older existing commercial buildings and a variety of single-family homes, the bulk and scale of this project is appropriate. The perimeter of the project is lined with nine proposed larger single-family homes that relate to the existing surrounding single-family homes. Four smaller single-family homes transition between the nine larger lots to the mixed-use area of the project. The interior mixed-use village would accommodate five residential units over office/retail space in four buildings. Three residentially-scaled buildings along RSF Rd would buffer this interior mixed-use village – building structures would appear to be historic single-family homes that have been converted to a restaurant, café or other dining establishments.

The architectural theme would be that of historic Olivenhain and picking up the quaint village appeal of the turn of the century. The proposed village would be rich in detail, materials and color, incorporating a mixture of brick, stone, stucco and siding on the primary building surfaces. Creative use of wrought iron, wood railings, details, knee brackets and accents coupled with shutters and decorative stone garden walls would provide additional character to the buildings. Varying the roof pitches and building height of the one and two-story architectural elements would incorporate the village harmoniously into the existing community. A landscape rich with trees common in the area, flower gardens, soothing fountains & natural springs, a waterwheel feature and textured pathways would be reminiscent of the ambience of a quaint European village.

The pad grading for the single-family homes is designed to work with the existing topography and to “step-up” the hillside as you move away from Rancho Santa Fe Road, thereby, minimizing landform modification and impacts to the existing view corridors of our neighbors. This design allows views for almost all of the new homesites without substantially affecting the views of the existing neighbors.


Additional Studies:

Along with this application, we have included several studies to determine the potential impacts from the project. We have completed the following studies: noise study, drainage study, storm water management plan, soils report, cultural resources analysis, biological report, and traffic study. The conclusion reached in all of these studies is that the proposed project is feasible and any impacts caused by the development can be adequately mitigated.

If you have any particular questions or require additional information, please do not hesitate to call.

Sincerely,

LANDMARK CONSULTING



Mark A. Brencick, P.E., P.L.S., Esq.
President