LATE DISTRIBUTION OF MATERIALS

DATE: October 13, 2025

TO: Honorable Mayor and Councilmembers

FROM: Maddison Zafra, City Manager's Office

SUBJECT: **RESOLUTION UPHOLDING PLANNING COMMISSION RESOLUTION NO. 2025-P16 APPROVING A TENTATIVE MAP (T24-00005), DEVELOPMENT PLAN (D24-00016), AND DENSITY BONUS (DB24-00007) FOR THE SUBDIVISION OF PROPERTY AT 240 GRACE STREET TO CONSTRUCT 19 SINGLE-FAMILY HOMES, WITH TWO RESERVED FOR VERY LOW-INCOME HOUSEHOLDS AND ONE RESERVED FOR MODERATE-INCOME HOUSEHOLDS. APPLICANT: HALLMARK DEVELOPMENT CORP.; APPELLANT: RICHARD KRATCOSKI**

Item #15 – Formatting issues have been addressed in the attached memo and staff report.

City of Oceanside
Development Services Department

Memorandum

Date: October 15, 2025

To: Honorable Mayor and City Councilmembers

Through: Jonathan Borrego, City Manager

From: Dane Thompson, Associate Planner

Subject: **Revisions to Grace Street Subdivision Staff Report (T24-00005)**

Multiple formatting issues have been identified in the published version of the staff report for agenda item #15: Grace Street Subdivision. The following corrections have been made:

1. Figure 1 now includes the project site callout and the north arrow which was separated from the map.
2. The density bonus development standard list on page 6 is now properly formatted.
3. Figure 3 now includes the project site callout and intersection callouts and a north arrow is now included on the map.

I have attached the corrected pdf of the staff report.

Should any councilmember want to further discuss any of the information contained in this memorandum, please do hesitate to contact Dane Thompson, Associate Planner, at 760-435-3562 or dthompson@oceansideca.org.

Attachments:
1. Staff report

DATE: October 15, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department

TITLE: **RESOLUTION UPHOLDING PLANNING COMMISSION RESOLUTION NO. 2025-P16 APPROVING A TENTATIVE MAP (T24-00005), DEVELOPMENT PLAN (D24-00016), AND DENSITY BONUS (DB24-00007) FOR THE SUBDIVISION OF PROPERTY AT 240 GRACE STREET TO CONSTRUCT 19 SINGLE-FAMILY HOMES, WITH TWO RESERVED FOR VERY LOW-INCOME HOUSEHOLDS AND ONE RESERVED FOR MODERATE-INCOME HOUSEHOLDS. APPLICANT: HALLMARK DEVELOPMENT CORP.; APPELLANT: RICHARD KRATCOSKI**

RECOMMENDATION

Staff recommends that the City Council adopt a resolution upholding Planning Commission Resolution No. 2025-P16 approving a Tentative Map (T24-00005), Development Plan (D24-00016), and Density Bonus (DB24-00007) to allow for a 23-lot subdivision and construction of 19 single-family homes, including three affordable units, on a vacant 1.68-acre portion of the First Baptist Church property located at 240 Grace Street.

BACKGROUND AND ANALYSIS

The project site is comprised of 1.68 gross acres of a 6-acre property owned by First Baptist Church located at 240 Grace Street. Surrounding land uses consist of single-family properties to the north and east, a vacant Public/Semi-Public site to the west, and the First Baptist Church to the south. The property has a General Plan land use designation of Single-Family Detached Residential (SFD-R) and a zoning designation of Public/Semi-Public (PS), and is located in the Loma Alta Neighborhood Planning Area. The project site (outlined in red) and surrounding area are depicted in Figure 1 below:

Figure 1: Project Location

The proposed project was considered by the Planning Commission on July 14, 2025. After receiving presentations from staff and the applicant, and receiving testimony from the public, the Planning Commission voted unanimously (5-0; Dodds, Redgate absent) to approve the project as proposed.

On July 24, 2025, Richard Kratcoski filed a timely appeal of the proposed project. Mr. Kratcoski appealed the project with the following comment (see Attachment 3):

> *The Loma Alta Mission Park residents are concerned with a multitude of issues regarding [the] Grace Street Subdivision project. We would like City Councilmembers to hear our concerns and make necessary changes to this project.*

Pursuant to Section 4605 of the Zoning Ordinance (effective July 18, 2025), the City Council may review the entirety of the project on appeal and make its own determinations as to the project's consistency with applicable policies, rules, and regulations and either deny, approve or conditionally approve the project. The City Council could then consider

all aspects of the application beyond what is specifically appealed without giving weight or deference to the underlying Planning Commission decision.

Pursuant to Section 4604 of the Oceanside Zoning Ordinance, an appellant shall specifically state the reasons or justification for an appeal. The Appellant has yet to articulate a single specific justification for overturning the Planning Commission decision and has not met the minimal standards for an appeal. Although appeals are now processed "de novo," they still require the appellant to state a basis or justification. The failure to do so deprives staff and the applicant the ability to meet and address the specific objections of the appellant. On that basis alone, the City Council may deny the appeal and affirm the Project.

Further, Section 4605(C) of the Zoning Ordinance states that: "No person should raise a matter before the City Council which was not raised before the Planning Commission, unless the person can show that the matter is based on new information that was not available at the time of the Planning Commission hearing, or that the person for good cause was unable to raise the matter at the time of the Commission hearing." Because the Appellant did not clearly state or articulate specific points or reasons for the appeal pursuant to Section 4605(C) of the Zoning Ordinance, staff recommends that the City Council uphold the Planning Commission's approval of the proposed project.

In prior conversations between the Applicant and Appellant, the Appellant voiced concerns regarding potential noise impacts during project construction and recommended the project be redesigned to install high block walls between the project site and the adjacent properties. The appellant raised this issue in their March 28, 2025 opposition letter and staff confirms that the proposed project includes a waiver request to exceed the six-foot maximum height for fences or walls in a residential district by installing a six-foot vinyl fence over a retaining wall which varies in height (approximately five feet at tallest point) that would help address such issues.

Project Description: The project requires three (3) separate entitlements: Tentative Map, Development Plan, and Density Bonus to allow the subdivision of a portion of an existing legal parcel and construction of nineteen (19) single-family homes, with three of the units set aside as affordable units pursuant to State Density Bonus Law (SDBL).

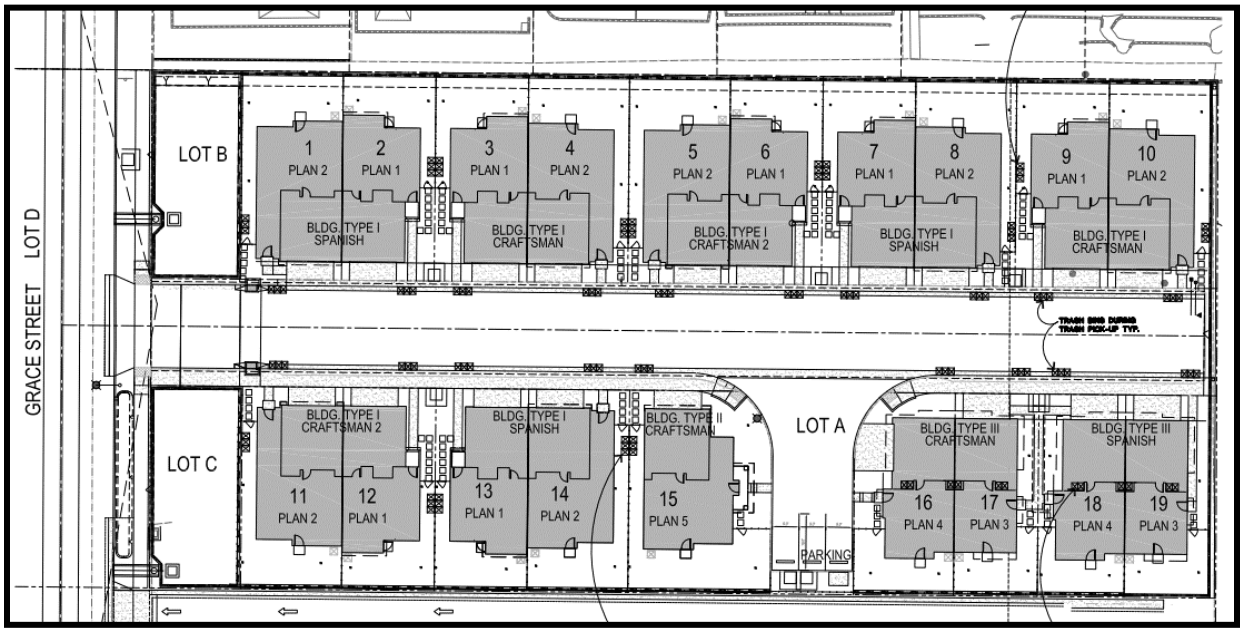
Tentative Map (T24-00005) represents a request to subdivide a 1.68-acre portion of the larger 6.00-acre lot into nineteen (19) single-family residential lots, four (4) lettered lots (private street, stormwater basins, Grace Street), and one (1) remainder lot. The portion of the existing lot developed with the church and parking lot would be designated as a remainder lot. Each of the proposed residential lots would take access from the proposed private street off of Grace Street. Lot sizes range from 1,921 to 3,191 square feet.

Development Plan (D24-00016) represents a request to allow the construction of nineteen (19) single-family residences and associated improvements including landscaping, stormwater facilities, and a private roadway.

Eighteen (18) of the homes are proposed in a twin-home configuration, sharing a common

wall with an adjoining property; one (1) home would be completely detached. Each of the homes are designed as two-story structures with attached two-car garages. Five different floor plans are proposed with either Craftsman or Spanish style elevations spread around the project. Homes would range in size from 1,487 to 2,086 square feet with three (3) or four (4) bedrooms each. Maximum height of the homes would be 28 feet from grade. Each residence would feature private rear yard areas to provide open space. Two (2) biofiltration basins are located at the entrance of the project, increasing the setback of the homes from Grace Street.

Figure 2: Site Plan



Three (3) guest parking spaces, including one (1) USPS parking space, would be provided at the end of the fire truck "T" turnaround. Because the site is located within the limits of the Preferential Parking Program approved via City Council Resolution 05-R0722-1, future residents of the project would be able to apply for permits to park on surrounding streets, including Grace Street.

Density Bonus (DB24-00007) represents a request to allow for an increase in density from the maximum potential density allowed on the project site (9.9 units) to nineteen (19) units pursuant to SDBL.

Pursuant to AB 1287, the project is entitled to an 82.5 percent density bonus because it is providing 15 percent of the total allowable units (two units) for very low-income households and 10 percent (one unit) for moderate-income households. The density bonus calculations can be found in the July 14, 2025 Planning Commission staff report included as Attachment 4.

SDBL entitles projects to certain concessions and also provides for waivers from development standards that would physically preclude the project at the density proposed.

The granting of waivers does not reduce the number of concessions allowed on a project, and the number of waivers that may be requested and granted is unlimited. In accordance with SDBL, a City cannot deny a requested concession or waiver unless findings are made that of a "specific adverse impact" which is defined as "*a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards*" that cannot otherwise be mitigated.

At the proposed level of affordability, the project is entitled to four concessions. One of the available concessions is requested to provide relief from the otherwise required frontage improvements, including repaving or replacement of the street, curb, gutter, and sidewalk adjoining the property. The applicant has not requested the use of the remaining concessions.

In order to accommodate the project as proposed and as allowed under State Law, the developer claims that the project cannot physically comply with all applicable development standards for the Residential Single-Family (RS) Zone. The applicant has thus requested waivers from the following development standards pursuant to State Law:

1. Lot Size
2. Lot Width
3. Setbacks
4. Lot Coverage
5. Residential Unit Types
6. Front Yard Landscaping
7. Maximum Height of Fences/Walls
8. Plantable Retaining Walls

The following table is provided to illustrate the development standards applicable to the project and to identify the standards proposed to be waived as a part of the Density Bonus application:

Table 2: Development Standards*

DEVELOPMENT STANDARD	RS ZONE REQUIREMENTS	PROPOSED PROJECT	NOTES
Lot Size	6,000 sf min	1,921 – 3,191sf	Waiver
Lot Width	65 ft. min	28 – 48 ft	Waiver
Lot Depth to Width Ratio	2.5:1	2.4-1	Complies
Residential Unit Type	Single-family detached	Single-family attached	Waiver
Setbacks: Front Garage Side Corner Side Rear	 20 ft. min 20 ft. min 7.5 ft. min 10 ft. min 15 ft. min	 5 ft. 6 ft. 0ft. / 5 ft. 5 ft. 12 ft.	Waiver
Building Height	36 ft. max.	28 feet	Complies
Lot Coverage	45% max	58%	Waiver
Parking	2-car garage per SF home	2-car garage per SF home	Complies
Garage Dimensions	20’ wide by 19’ deep min.	20’ wide by 20’ deep min.	Complies
Landscaping	Min. 50% of yard adjoining street shall be planting; remainder may be used for driveways or walks	32%	Waiver
Fences and Walls	Max. height 6 ft.; retaining walls over 4 ft must be planted and irrigated	Max. height 12 ft (6 ft. max height retaining wall; 6 ft. max height vinyl fence located on top of wall); no planted and irrigated retaining walls proposed	Waiver
Urban Forestry	Min. 12% Tree Canopy Min. 22% Permeable Surface Area	12.5% provided 36% provided	Complies

**Standards for the RS district are applied to the project pursuant to Section 1630 of the Zoning Ordinance. While single-family residential is not a specific land use classification identified as permitted in the PS district; pursuant to GOV § 65589.5(j)(4) “a proposed housing development project is not inconsistent with the applicable zoning standards and criteria, and shall not require a rezoning, if the housing development project is consistent with the objective general plan standards and criteria but the zoning for the project site is inconsistent with the general plan.”*

Staff’s recommendation for approval of the proposed project stands and there are no new issues raised on appeal for staff to address. The findings of fact which formed the basis of staff’s decision to support the project are included in Planning Commission Resolution 2025-P16. Staff found the proposed project to be consistent with the SFD land use designation and the many General Plan policies regarding infill development and the production of affordable housing. SDBL allows the project to deviate from certain standards of the Zoning Ordinance unless the project would result in “objective, identified written public health or safety standards.” As proposed, the project would not result as such and therefore is compliant with the Zoning Ordinance and State law. Detailed

analysis of the proposed project can be found in the July 14, 2025 Planning Commission staff report (see Attachment 4).

FISCAL IMPACT

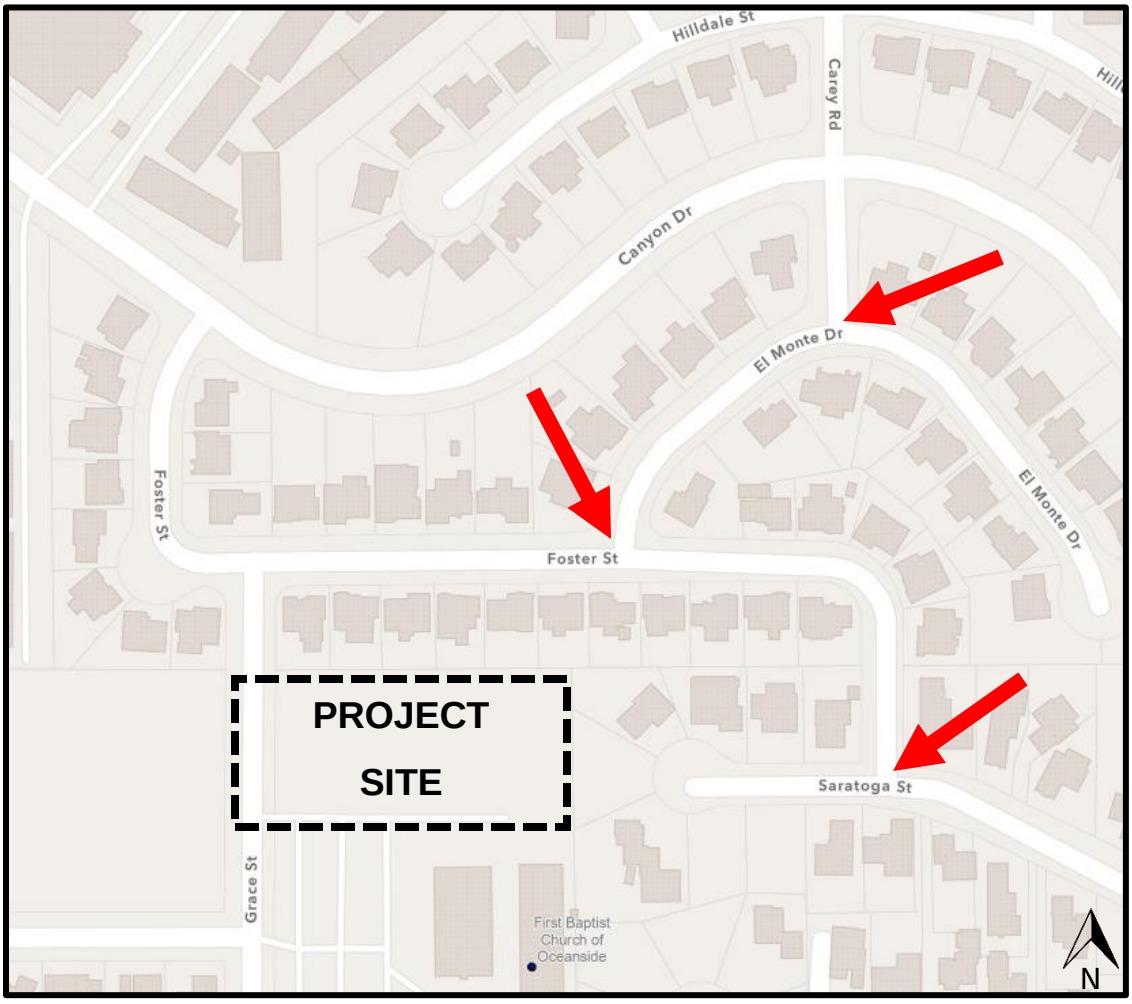
The proposed project would be required to annex into Zone B of the Citywide Public Safety Community Facilities District (CFD No. 2022-1) to mitigate costs to public services including police and fire protection.

COMMISSION OR COMMITTEE REPORT

The Planning Commission considered the project on July 14, 2025. During the public hearing, the Planning Commission received testimony from the applicant and the public and voted 5-0 to approve the project by adopting Resolution No. 2025-P16. The Planning Commission did not voice any project-specific concerns.

Multiple members of the community raised concerns about traffic safety on surrounding streets during the July 14, 2025 Planning Commission meeting. In response, the applicant volunteered to install stop signs and associated striping at three “T” intersections near the project site: Carey Road and El Monte Drive, El Monte Drive and Foster Street, and Foster Street and Saratoga Street. The subject intersections are shown below in Figure 3. The Planning Commission appeared agreeable to the offer, but did not officially read it into the resolution as a formal condition of approval. Staff has incorporated the offer into the City Council Resolution, which would require the applicant to install the stop signs prior to occupancy of the homes.

Figure 3: “T” Intersections Subject to Additional Stop Controls



The intersections at Carey Drive / El Monte Drive and Foster Street / Saratoga Street are currently uncontrolled, lacking stop signs in any direction. Foster Street currently contains a stop sign for westbound traffic where it meets El Monte Drive. Whether stop controls would be installed on the minor street, the terminating street, or in all directions would be left to the judgement of the City Traffic Engineer.

CITY ATTORNEY’S ANALYSIS

The City Council is authorized to hold a public hearing on this matter. Consideration of the matter should be based on the testimony and evidence presented at the hearing as well as the Planning Commission record. After conducting the public hearing, the Council shall affirm, modify or deny the project. The supporting documents have been reviewed and approved as to form by the City Attorney.

Prepared by: Dane Thompson, Associate Planner
Reviewed by: Darlene Nicandro, Development Services Director
Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Staff Report
2. City Council Resolution
3. July 24, 2025 Appeal by Richard Kratcoski
4. July 14, 2025 Planning Commission Staff Report Packet
5. Public Correspondence