



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

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**File #:** 25-860

**Agenda Date:** 8/6/2025

**Agenda #:** 26.

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**DATE:** August 6, 2025

**TO:** Chairperson and Members of the Community Development Commission

**FROM:** Development Services Department

**TITLE: CONSIDERATION OF DEVELOPMENT PLAN (RD23-00002), TENTATIVE MAP (RT23-00001), DENSITY BONUS (DB23-00005), AND REGULAR COASTAL PERMIT (RRP23-00002) TO ALLOW THE CONSTRUCTION OF A MIXED-USE DEVELOPMENT PROJECT COMPRISED OF 332 RESIDENTIAL UNITS, INCLUDING 34 LOW-INCOME UNITS, AND 18,682 SQUARE FEET OF COMMERCIAL FLOOR AREA ON A 2.72-ACRE SITE LOCATED AT 401 MISSION AVENUE - 401 MISSION AVENUE MIXED USE - APPLICANT: JH REAL ESTATE PARTNERS INC.**

### **RECOMMENDATION**

Staff recommends that the Community Development Commission (CDC) adopt a resolution approving a Development Plan (RD23-00002), Tentative Map (RT23-00001), Density Bonus (DB23-00005), and Regular Coastal Permit (RRP23-00002) to allow the construction of a proposed mixed-use development project comprised of 332 residential units, including 34 units reserved for low-income households, and 18,682 square feet of commercial floor area on a 2.72-acre site located at 401 Mission Avenue.

### **BACKGROUND AND ANALYSIS**

The 2.72-acre project site is located at 401 Mission Avenue (APN 147-271-14) at the intersection of North Coast Highway and Mission Avenue, both major roadways within the City's downtown. A map of the project site and surrounding area is provided in Figure 1, below.

#### **Figure 1 - Project Vicinity**

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Situated in the Townsite Neighborhood Planning Area, the site has a General Plan land use designation of Downtown (D) and a zoning designation of Downtown Subdistrict 1 which permits mixed-use development. The project is also located in the non-appealable area of the City's Coastal Zone. Currently, the project site is developed with the Ocean Place Center ("Center") comprised of the Regal Cinema theater, a number of retail suites, and a publicly-accessible plaza. Surrounding uses consist of mixed commercial development to the north and east, a church and mixed commercial development to the south, and five-story mixed-use (commercial and residential) building to the west.

Constructed in 1999, the existing development at 401 Mission is comprised of the Center, which is anchored by the 60,000-square foot 16-screen Regal Cinema theater and nearly 20,000 square feet of additional retail space (see Figure 2, below). The Center also includes a 15,462-square foot publicly-accessible central plaza, as regulated by an existing non-exclusive public easement for the "passage of pedestrians." The Center contains two larger retail tenant spaces along the North Coast Highway frontage (retail sales, restaurant) and eight smaller in-line shops that flank the theater entrance and encircle the plaza. Currently, four leasable spaces are unoccupied (former Breakwater Brewing Company restaurant space at North Coast Highway and Seagaze Drive; three in-line shop spaces).

**Figure 2 - Project Site**



## **PROJECT DESCRIPTION**

The project application is comprised of four components including a Development Plan, Tentative Map, Density Bonus, and Regular Coastal Permit as follows:

Development Plan (RD23-00002) represents a request for the following:

To allow for demolition of the Center, as described above. According to its operator and as demonstrated by its current condition, the Center is struggling to operate as a thriving commercial complex. This is exemplified by the increasing number of vacant lease areas over recent years. For example, in the last two years the Center has experienced the closing of the Breakwater Brewing Company (still vacant), as well as three individual businesses that encircle the outdoor plaza. More significantly, the Center's anchor tenant, Regal Cinema, struggles to occupy its theatres with movie goers. In the event that Regal Cinema terminates operations, it is unlikely that another theater chain would step in and take over the space.

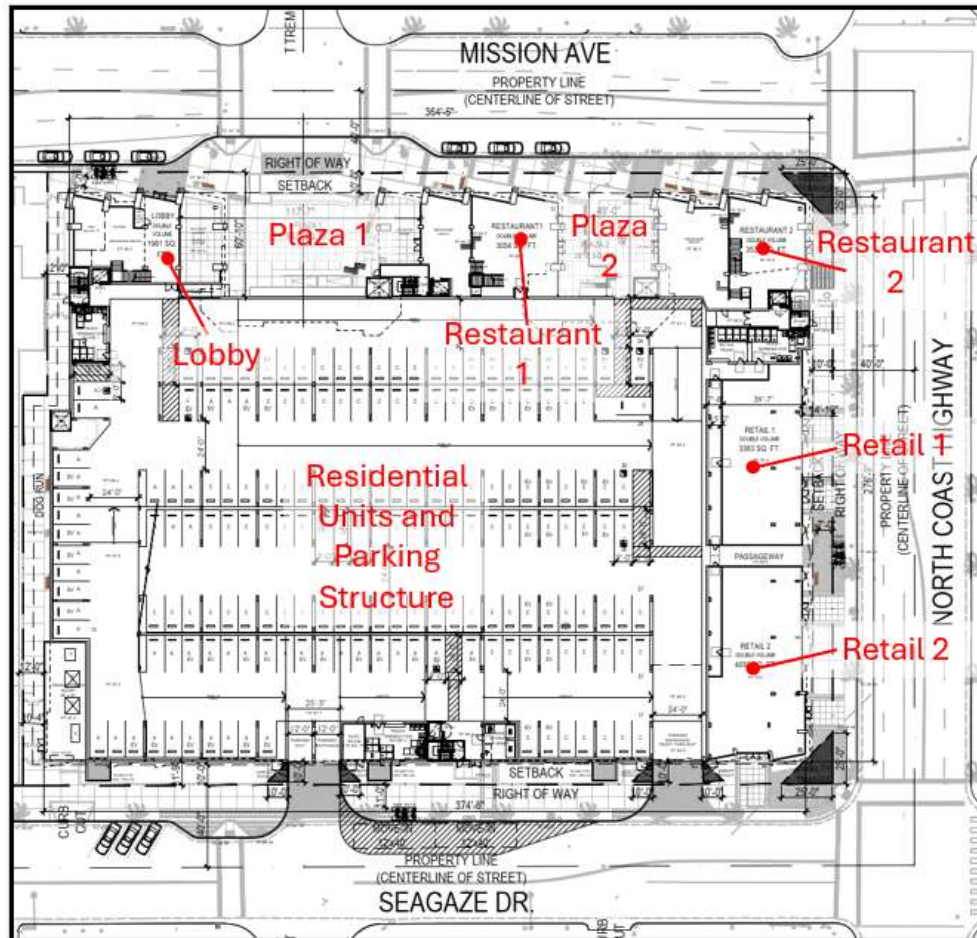
The movie theatre industry as a whole is experiencing a significant downturn in business due to the

pandemic and rising popularity of in-home movie streaming services. Business trends indicate that remaining tenants will also close in the coming years, which could create a blighted property in the center of Downtown Oceanside. Aside from the challenges presented relative to ongoing business operations, the design of the Center also presents problems. For example, the design of the theater space does not lend itself to other types commercial uses which could occupy that space should it be vacated, and the large public plaza is underutilized, often empty, and presents an uninviting, privatized feel with large planter buffers and signage. Most notably, there is no on-site parking as the Center was allowed to rely on downtown street parking through a previously approved parking agreement with the City (see Attachment 5).

The project applicant has owned and operated the Center for approximately 10 years and has invested significant resources in upgrades and maintenance of the property, including high-cost upgrades to the plaza in 2017. Given the Center's current state, it is apparent that theater and commercial spaces no longer represent the site's highest and best use. Rather than continuing to allow the Center to decline, the applicant proposes to redevelop this prominent Downtown location with a new seven-story mixed-use residential and commercial development, consistent with the renaissance of redevelopment that has occurred in the surrounding area.

The applicant's development proposal includes demolition of the existing site to facilitate construction of a seven-story, approximately 405,698-square foot vertical mixed-use project. The proposed development includes 332 dwelling units, 18,682 square feet of commercial/retail space for two restaurants and two retail suites, a parking structure containing 591 spaces, and two public plazas as depicted in the site plan in Figure 3, below.

### **Figure 3 - Site Plan**



The proposed mixed-use building is designed with its primary elevation facing Mission Avenue. This side of the building provides double-volume glass storefront space at ground level (for the first two floors) to be developed with two separate restaurants and a residential lobby. The line of storefronts would be broken up by two separate outdoor public plazas, herein referred to as "Plaza 1" and "Plaza 2." Plaza 1 would align with Tremont Street and be 6,633 square feet in size. Plaza 2 would be located between the restaurants and be 2,816 square feet in size. Five floors of dwelling units are proposed to be stacked upon ground-level storefronts (constituting the first two floors), thereby resulting in a total building height of seven stories. A perspective of the Mission Avenue frontage is depicted in Figure 4, below.

**Figure 4 - Mission Street Frontage**



Along the proposed project's North Coast Highway frontage, additional double-volume ground-level storefronts would contain two separate retail spaces separated by a pedestrian passageway that would connect the public sidewalk to the project's parking structure. Five stories of stacked residential units are also proposed above these retail spaces, thereby maintaining the same overall building height of seven stories found along Mission Avenue.

Parking for the proposed project would be provided in a four-story parking structure with two subterranean (Levels P0 and P1) and two above-ground levels (P2 and P3) forming the base of the building. It should be noted that the lowest level of subterranean parking (P0) is limited in size, containing only five parking stalls and a storage room. Parking is provided for residences at a rate of 1 stall for every studio and 1-bedroom unit and 1.5 stalls for every 2- and 3-bedroom units per State Density Bonus Law (SDBL) standards. The project requests a waiver of a modified parking standard for the proposed commercial uses of 1 stall for every 100 feet of restaurant serving area and 1 stall for every 200 square feet of retail floor area, for a total requirement of 537 parking stalls. The proposed structure would provide 591 parking stalls for apartment and commercial uses, thus exceeding the required parking amount by 54 stalls. In addition, the project has access to parking provided at the Oceanside Transit Center located across the street.

The parking structure would be accessible off Seagaze Drive via two driveway entrances. Along Seagaze Drive, two on-street loading areas are proposed between the driveway entrances. Commercial parking would be located at the ground level of the parking structure (Level P2) with remaining levels (P0, P1 and P3) reserved for residents. To optimize the use of stalls, residents of the project would be assigned parking by the apartment manager.

All residential units would have single-story floor plans accessible through interior hallways. The residential units would range in size from 564 square feet to 1,499 square feet. The studio and 1-bedroom units (54.5 percent of units) would be less than 788 square feet in area; the 2- and 3-bedroom units (45.5 percent of units) all exceed 1,000 square feet in area. Table 1 provides the unit mix summary of apartment sizes.

**Table 1: Floor Plans**

Unit Type	Area Range (SF)	Ave. Area (SF)	Units	Affordable Units
Studio	564	564	15 (4.5%)	2 (5.8%)
1BR/1BA	580-788	706	165 (50%)	17 (50%)
2BR/2BA	1,050-1,138	1,103	113 (34%)	11(32.3%)
3BR/2BA	1,267-1,499	1,338	39 (11.7%)	4 (11.7%)
		<b>Total</b>	<b>332</b>	<b>34</b>

The proposed project would be developed at a prominent location at the southwest corner of Mission Avenue and North Coast Highway, the heart of Oceanside's Downtown. As such, the applicant has taken extra consideration towards ensuring the proposed development reflects the City's arts and culture landscape. Designed with a modern contemporary coastal architectural theme, the proposed project's three street frontage elevations were designed to provide distinctive high-quality facades.

Ground level, double volume storefronts on Coast Highway and Mission Avenue would be affixed with angular walls. Decorative metal screening systems would front the parking garage on Seagaze Drive, creating an interesting decorative element and promoting air flow into the garage. Tower elements at the corners of the buildings and between the plazas would be covered with blue composite panels and angular rooflines evoking ocean waves. Elevations would be enhanced with numerous recesses and balcony pop-outs, glass railings, and simulated wood accents around the building's residence and ground floor windows, all working together to provide a high degree of visual interest, relief from massing, and articulation.

To complement these architectural elements, large murals would be created along both the Coast Highway and Seagaze frontages starting at sidewalk level and extended to the top of the building. The murals would reflect the City's efforts to create a distinctive and unique sense of place in its downtown, showcasing images that are representative of the City's coastal heritage. The applicant has committed to working with the local arts community in commissioning the work. Further details

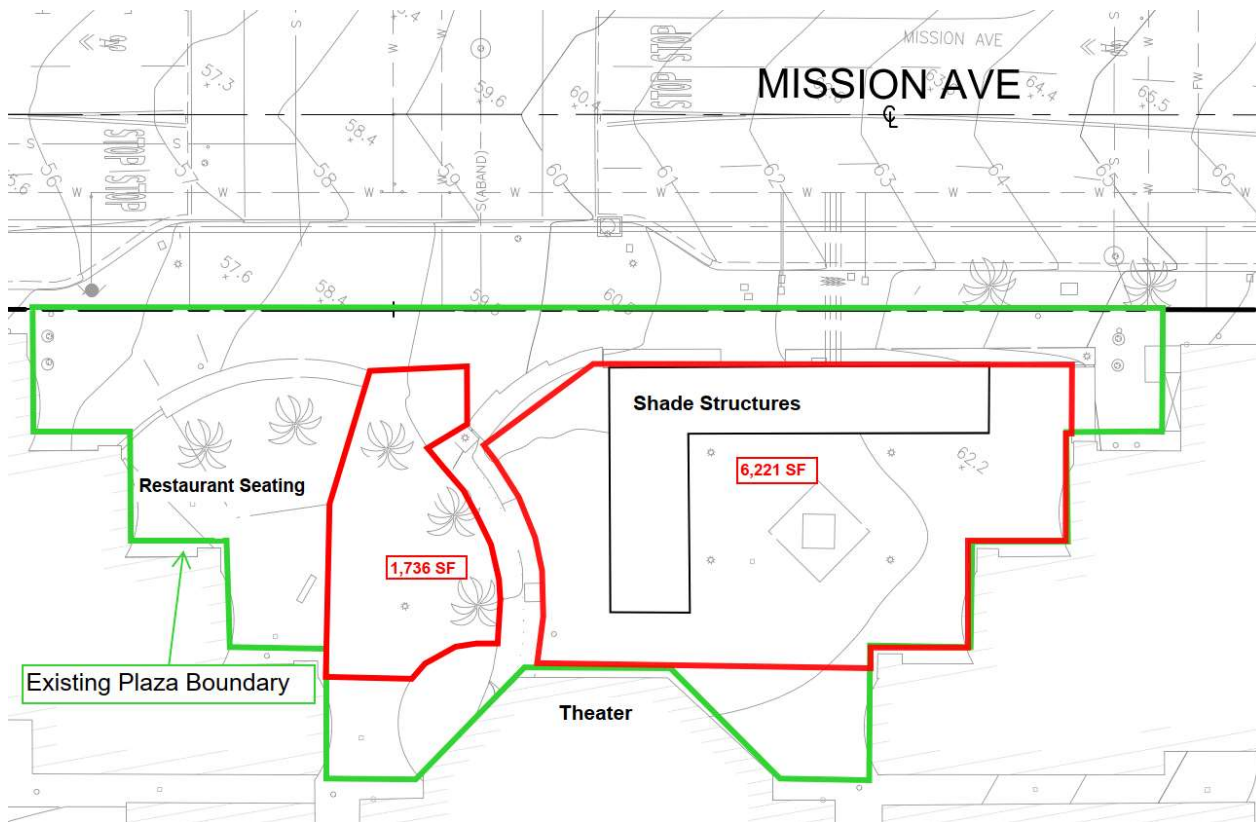
on the proposed project's design are included in the April 23, 2025 Downtown Advisory Committee (DAC) Staff Memorandum (Attachment 6).

Tentative Map (RT23-00001) represents a request for the following:

To subdivide the site by way of a Tentative Map for Condominium purposes to create condominium units, which would separate the commercial and residential use areas and subdivide dwelling units into separate residential condominium units. Pursuant to the existing Public Plaza Easement Agreement between the City and applicant (recorded in February 1999), the current 15,462-square foot central plaza contains a public easement in favor of the City for the "passage of pedestrians" (see Attachment 4). It is important to clarify that although the easement allows for pedestrian access, it does not expressly reserve the plaza for the same level of public use as a park. Specifically, with redevelopment of the project site, the existing plaza and easement would be eliminated and replaced with two smaller publicly-accessible plazas having a combined area of 9,449 square feet. The public easement on the existing plaza would be quit-claimed and replaced with a new public easement covering the proposed plazas, and fronting setback areas. The current public easement is set to expire in February 2034. Through a Condition of Approval, the proposed project would be required to extend the new public easement for an additional 30 years beyond the current expiration date, to the year 2064.

Although the combined 9,449 square feet of proposed plaza areas would not be as large in size as the current plaza, it should be noted that the existing 15,462-square foot plaza is not entirely usable today. It is estimated that, when omitting the outdoor restaurant seating areas, accessibility ramp, street setback area and unusable outer corners of the existing plaza, the publicly-accessible useable areas total approximately 7,957 square feet in size as shown in Figure 5, below. Moreover, as noted at the April 23, 2025 DAC meeting, the existing plaza is not heavily used by the public, possibly due to the declining viability of the theater, but also perhaps due to its excessive size and layout of such physical improvements as grand ground level Center signage, large-scale landscape planters, fenced outdoor seating areas, and signs stating "Tables and Chairs for Ocean Place Patrons Only."

### **Figure 5 - Existing Plaza**



In comparison, the proposed plazas are designed to be highly useable spaces with ample seating, shading, and covered areas that are integrated into and surrounding the Center's buildings. The plazas are intentionally designed to operate as separate spaces unlike the current plaza that is bifurcated with a large accessibility ramp. Despite the reduced size, the proposed plazas would still accommodate events such as the annual Christmas tree lighting ceremony (Plaza 1) and allow for public use and hosting other future public events in an inviting setting (Plaza 2) as shown in Figure 6 below. In addition, final design of the publicly-accessible plaza areas would be coordinated with the City's two recent City Council-approved Capital Improvement Program (CIP) projects - Downtown Placemaking and Downtown Wayfinding and Entryway Signage.

**Figure 6 - Plazas 1 and 2**



### Additional Project Alternatives

To address any remaining concerns with the size and design of proposed plazas the applicant has developed two alternate designs for the project that would bolster public activity the area of Plaza 1 or expand the plaza area further if deemed necessary. Alternate 1 would retain the configuration of buildings and plazas but convert the apartment lobby west of Plaza 1 to an additional restaurant space and relocate the lobby to the second floor above the original location. The proposed additional restaurant would allow the public to access this space instead of being exclusively used by project tenants as a way of attracting people to the plaza. A rendering of Alternate 1 is provided below in Figure 7, below.

**Figure 7 - Alternate 1**



Alternate 2 would include a lobby to restaurant conversion of Alternate 1, but converts the restaurant space located between Plaza 1 and Plaza 2 into additional (covered) plaza space eliminating the double volume storefront and second story terrace space. This change is depicted in Figure 8, below.

**Figure 8 - Alternate 2**



The change proposed under Alternate 1 provides an improved utilization of ground level floorspace with the expansion of visitor serving commercial uses and the associated increase in public activity. The change proposed under Alternate 2 would expand plaza space approximately 3,963 square feet for a combined total of approximately 13,412 square feet. However, the effects of losing the restaurant space at the center of the ground floor frontage under Alternative 2 could decrease public activity at the site creating an environment similar to that found at the current plaza.

### Project Benefits

The proposed project is a significant development in Downtown Oceanside given its central location and scale. There are number of benefits provided by the project that are noteworthy. A summary of such distinct benefits is presented below:

- The proposed project would immediately address the Center's current state of decline, thereby redeveloping the site before its anchor theater and surrounding commercial lease spaces may be forced to shutter.
- The project proposes the development 332 dwelling units (122 dwelling units per acre) in very close proximity to the existing Oceanside Transit Center.
- The proposed project would add a significant number of residential units to the City's existing housing inventory, which is essential in fulfilling its Regional Housing Needs Allocation (RHNA) obligation.
- The proposed project would provide 34 affordable units for low-income households.
- The proposed project would replace the large underutilized plaza with two separate plazas promoting functional designs, a sense of place, and high-quality furnishings.
- The proposed project would extend the public pedestrian easement that expires in 2034 for an additional 30 years, to 2064.
- The proposed project would develop 591 parking stalls in the downtown for project residents and commercial uses (54 spaces beyond the required project amount), which do not exist today. The current parking agreement between the Center and the City never required the Center to provide its own parking spaces on-site; rather, the Center is allowed to rely on the Downtown's existing surrounding 779 public parking spaces. Development of an additional 591 parking stalls for the proposed project would be a tremendous asset for both residents

and visitors.

- The conceptual project design includes distinctive high-quality architecture and a significant public art component with sizable murals and public artwork within the proposed public plazas.
- The proposed project would provide increased property tax and sales tax, as well as additional funding of the City-wide Public Safety Community Facilities District.

Density Bonus (DB23-00005) per SDBL represents a request for the following:

To develop a 332-unit complex at a density of approximately 122 dwelling units per acre in exchange for reserving 10 percent of the units for qualifying low-income households. Although the City has adopted an 86 dwelling units per acre-density cap for mixed-use projects in the Downtown, this cap is not yet applicable to downtown areas within the Coastal Zone. The proposed Downtown Density Local Coastal Plan Amendment (LCPA) has been submitted to the Coastal Commission; however, Coastal Commission certification is required before it may be implemented in the portions of the Downtown District located in the Coastal Zone. Moreover, the applicant filed a Senate Bill (SB) 330 application prior to the adoption of the density cap, thus “locking in” development standards and fees in effect at the time the SB 330 application was deemed complete (November 21, 2023).

The City’s Density Bonus Ordinance requires that affordable units must be proportional to the overall project in terms of unit mix and square footage and must be reasonably dispersed throughout the development. In addition, the project’s 34 income restricted units must be at least 80 percent of the average square footage of all market rate units with the same bedroom count. The proposed project would comply with both requirements per the following low-income unit mix:

- 2 studio units (5.8%);
- 17 = 1-bedroom units (50%);
- 11 = 2-bedroom units (32.3%); and,
- 4 = 3-bedroom units (11.7%)

The Project Description and Justification package (Attachment 3) submitted by the applicant expressly states that all affordable units would adhere to the average square footage of the Density Bonus Ordinance and that affordable units would be dispersed throughout the project. This requirement would be enforced by staff through the plan check process.

By reserving 10 percent of the overall unit count for affordable housing, the developer is entitled to all benefits of SDBL, including incentives and/or concessions, as well as waivers from development standards that would physically preclude the development of the project at the density proposed and reduced parking ratios. The granting of waivers does not reduce the number of incentives allowed for a project, and the number of waivers that may be requested and granted is not limited. State

Law prohibits the City from denying any requested incentives/concessions or waivers unless findings are made that granting the requested incentive/concession or waiver would result in a “*Specific Adverse Impact*.” State law defines this term as “*a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.*” State law also provides that “the receipt of a density bonus, incentive, concession, waiver, or reduction of development standards shall not constitute a valid basis on which to find a proposed housing development project is inconsistent, not in compliance, or not in conformity, with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision . . . .”

The applicant is requesting one incentive/concession and ten waivers.

**Incentive/Concession:** In order to reduce costs, the applicant requests to utilize an incentive/concession that would alleviate requirements for undergrounding of above-ground electric utilities and related in-lieu fees and deferrals as required along all public streets and adjacent to project boundary. Because there are no above-ground utility lines along the project site’s street frontage, this concession is applicable to the above-ground utility lines that currently exist across Seagaze Drive from the project boundary. In accordance with SDBL, the applicant has provided “reasonable documentation” in the form of a cost estimate that shows the requested incentive/concession would result in identifiable and actual cost reductions of approximately \$354,600. The estimate has been included as part of Attachment 5 for reference.

**Waivers:** In order to accommodate the proposed density and provide 332 residential units on the project site, the project cannot physically comply with all of the development standards that apply to non-density bonus projects. The applicant has requested waivers from the following development standards pursuant to SDBL:

1. Setbacks
2. Building Height
3. Architectural Feature and Equipment Height
4. Minimum Landscaping Standards
5. Private Outdoor Living and Open Space Requirements
6. Façade Modulation
7. Minimum Restaurant and Commercial Parking
8. Residential and Commercial Loading Space Standards
9. Parking Stall Width Next to Columns
10. Maximum Vehicular Access Width

The table below provides further details regarding the proposed waivers:

**Table 2: 401 Mission Avenue Development Standards**

Development Standard	Current Zoning (D-1) Standard	Proposed Project	Notes
<b>Maximum Density</b>	No Density Cap per Zoning Section 1232 (D)(2)	122 dwelling units/acre	Complies with code as there is no maximum density for D- District
<b>Minimum Lot Area</b>	5,000 square feet (sf)	188,484 sf	Complies with code
<b>Minimum Lot Width</b>	50'	277'	Complies with code
<b>Minimum Setbacks</b>			
Front In Addition N. Coast Highway ("NCHW")	10' Residential 10' Non-Residential 45' from center line (CL)	10' from property line 50' from CL of NCHW	Complies with code
Side	10' Residential 0' Non-Residential	Not Applicable	Not Applicable
Corner Side Seagaze Dr. In Addition Mission Avenue	10' 50' from CL	10' with balcony encroachments 50' with balcony & architectural encroachments	Waiver (W-1) Waiver (W-1)
Rear (north)	5' Residential 0' Non-Residential	10'-4"	Complies with code
Daylight Plane Setback	A 10' side or rear yard adjoining any residential area and structures shall not intercept a 1:1 or 45-degree daylight plane inclined inward from a height of 12' above existing grade at R district boundary.	Not Applicable	Not Applicable
<b>Maximum Height Building Exceptions Roof enclosures Support structures Roof equipment</b>	35' Residential 45' Non-Residential 140' with a CUP 10' above max height (55'-0")	85'-0" 94'-0"	Waiver (W-2) Waiver (W-3)
<b>Minimum Site Landscaping</b>	25% of the lot surface only. Planting on roofs, porches and planters above the lot surface does not qualify under this standard.	Total: 36,194 sf 27% to include planting areas, raised planters, and paving on patios, pools, and other outdoor amenities, including in public plazas, internal courtyards, rooftop decks	Waiver (W-4)

<b>Total Open Space</b>			
<b>Open Space per unit</b>	200 sf/unit in public or private areas (200 x 332 = 66,400)	123.8 sf/unit 41,107 sf Total 41,107 sf/332 = 123.8 sf	Waiver (W-5)
<b>Private Outdoor Living Space</b>	48 sf/unit 6'-0" minimum dimension (48 x 332 sf = 15,936 sf)	Average of 65.1 sf/unit with no min dimension; 15 units would have no private open space (65.1sf x 332= 21,615 sf)	Waiver (W-5)
<b>Shared Open Space</b>	44,785 sf (66,400 sf - 21,615 sf = 44,785)	19,492 sf	Waiver (W-5)
<b>Courts Required</b>	40' length minimum depth half the height of opposite wall but not less than 16 feet opposite a living room and 10 feet opposite a required window of any habitable room.	59' (74% of opposite courtyard wall)	Complies with code
<b>Fence and Wall Height</b>	Decorative Walls and Fencing: Maximum height of 6' / 3.5' in front yards Retaining Walls: Maximum height of 6'. Any retaining wall over 4' in height shall be a plantable wall.	Not Applicable	Not Applicable
<b>Required Façade modulation</b>	25% of front and side elevation horizontal and/or vertical must be set back at least 5' from setback line	<ul style="list-style-type: none"> <li>• Min 25% of entire façade offset an average of 5'</li> <li>• Balcony structures and plaza recesses shall count toward modulation</li> <li>• Mission Ave: 63%</li> <li>• Coast Highway: 30%</li> <li>• Seagaze Drive: 32%</li> </ul>	Waiver (W-6)
<b>Underground Utilities</b>	All existing and new utility lines shall be installed underground within the site and along the site's frontage in the public right-of-way	Incentive requested under SDBL for requirement to underground utility lines across Seagaze Drive from project site	Incentive 1

<b>Renewable Energy</b>	Per Section 3047 Residential Projects with 25 or more units shall install and maintain renewable energy facilities that supply at least 50% of forecasted electricity demand	Section 3047	Complies with code
<b>EV Parking</b>	Per state standard	Per state standard	Complies with code
<b>Urban Forestry Program</b>	Tree canopy: 12% Permeable surface area: 22%	Tree canopy: 14% with the inclusion of new street trees Permeable Surface Area: 24%	Complies with code
<b>Garage Drive Aisle</b>	24'	24'	Complies with code
<b>Vehicular Access</b>	24' Max	26'	Waiver (W-10)
<b>Ramp Grades</b>	Standards per Engineering Manual	Ramp grades 6.67%	Complies with code
<b>Parking</b>			
Parking Stall Offset	12" increase in width from walls or columns	All spaces adjoining a column or wall are increased by 6" on each obstructed side	Waiver (W-9)
Required Parking Spaces Residential Guests Restaurant Retail	SDBL: • 0 to 1 bedroom: 1 space • 2 to 3 bedroom: 1.5 spaces No requirement per Density Bonus Law 1/50 sf of seating area 1/250 sf over 5,000 sf	• 1 per 0 or 1 bedroom unit (180 units for 180 spaces) • 1.5 per 2 bedroom unit (152 units for 228 spaces) 0 1.0/100 sf of seating area excluding back of house space 1/200 sf excluding back of house	Complies with code Complies with code Complies with code Waiver (W-7) Waiver (W-7)
Loading Spaces	Residential: 3 off-street spaces Non-residential: 2 off-street spaces	2 on street spaces 0	Waiver (W-8)

Regular Coastal Permit (RRP23-00002) represents a request for the following:

To develop a mixed-use project within Local Coastal Plan (LCP) jurisdictional boundaries within the non-appealable area of the City's certified LCP.

### Key Planning Issues

**1. General Plan Conformance**

The General Plan Land Use Map designation for the subject property is Downtown (D). The proposed project is consistent with this land use designation and the policies of the City's General Plan as follows:

**A. Land Use Element****Goal 1.12 Land Use Compatibility**

**Objective:** To minimize conflicts with adjacent or related uses.

**Policy B:** The use of land shall not create negative visual impacts to surrounding land uses.

The 2.72-acre project site is currently developed with a commercial center containing the Regal Cinema theater, commercial shops, restaurants, and large outdoor plaza. The commercial center is in the stages of decline with at least three vacant tenant spaces and an older, economically struggling theater that no longer serves as the site's highest and best use. Rather than continuing to allow the commercial center to decline and potentially lead to creation of a blighted property in the center of Downtown Oceanside, the applicant is proposing to redevelop this key area with a seven-story mixed-use residential and commercial development. This type of project is consistent with the larger pattern of redevelopment in the downtown area, which includes a number of mid-rise mixed-use buildings and resort hotels/timeshare units. The current trend of redevelopment in Oceanside is intended to create synergies between the various commercial establishments in the downtown area and promote economic activity. The proposed project would be designed in distinctive and contemporary coastal architecture with quality materials, consistent with the architectural designs of newer developments constructed in the downtown area.

The project site is located in a highly urbanized area consisting of commercial visitor serving land uses. The proposed project, as designed and sited, would be consistent with the surrounding built environment and would enhance the area by bringing new residents and visitors to the downtown.

**Goal 1.23 Architecture**

**Objective:** The architectural quality of all proposed projects shall enhance neighborhood and community values and City image.

**Policy A:** Architectural form, treatment, and materials shall serve to significantly improve on the visual image of the surrounding neighborhood.

**Policy B:** Structures shall work in harmony with landscaping and adjacent urban and/or topographic form to create an attractive line, dimension, scale, and/or pattern.

The proposed project would significantly enhance and improve the visual image of the surrounding neighborhood. The project site is located at a prominent area in the heart of the downtown along the major corridors of Mission Avenue and Coast Highway. The site is currently developed with an

aging, often vacant commercial center that no longer represents the site's full economic potential. The proposed project would replace existing development with a modern, attractively designed, midrise building that would serve as a landmark within downtown Oceanside. Proposed redesigned plaza areas facing Mission Avenue would create an attractive, pedestrian friendly, environment with decorative paving and shaded seated areas. In addition, ground level landscape planters are utilized along buildings and the outer edge of the project site, thus providing a band of greenery around the entirety of the development.

## B. Housing Element

The RHNA for the Sixth Housing Element Cycle (2021-2029) estimates that the City of Oceanside would experience demand for 5,443 new dwelling units, including 718 low-income units, over the next eight years. By contributing 332 rental dwelling units, including 34 units reserved for low-income households, to the City's existing housing stock, the proposed project would help to meet the projected housing demand and provide an opportunity for much needed work force housing within the downtown in proximity to a variety of transit options. The project is consistent with the following goals and policies of the Housing Element:

Goal 1: Produce opportunities for decent and affordable housing for all of Oceanside's citizens.

The proposed project would add 332 new dwelling units, including 34 units for low-income households, to the City's housing inventory. The City's Density Bonus Ordinance ensures quality by requiring that units must be proportional to the overall project in terms of unit mix, and square footage. The proposed 34 low-income units would be comprised of 2 studio units, 17 one-bedroom/one-bath units, 11 two-bedroom/two-bath units, and 4 three-bedroom/two-bath units equal to the overall unit mix. There is no distinction between the design of market rate and affordable units. As depicted in Table 1 of the staff report, studio units would have an area of 564 square feet, one-bedroom units would have an average area of 706 square feet, two-bedroom units would have an average area of 1,103, and three-bedroom units would have an average area of 1,338 square feet. All affordable units would be at least 80 percent of the average square footage of market rate units.

Policy 1.6: Encourage higher-density housing development along transit corridors and smart growth focus areas in order to encourage preservation of natural resources and agricultural land; reduce energy consumption and emissions of greenhouse gasses and other air pollutants; reduce water pollution occasioned by stormwater runoff; and promote active transportation with its associated health benefits.

The proposed project would result in a high-density mixed-use development with an effective density of 122 dwelling units per acres. Located along the transit corridor of North Coast Highway and less than 100 feet from the Oceanside Transit Center, the project site is located in a SANDAG designated Smart Growth Opportunity Area (identified as OC-1 on SANDAG's Regional Smart Growth Concept Map) which encourages the preservation of natural resources and agricultural land, limits environmental impacts, and promotes active transportation.

Goal 2: Encourage the development of a variety of housing opportunities, with special emphasis on providing:

- A broad range of housing types, with varied levels of amenities and number of bedrooms.
- Sufficient rental stock for all segments of the community, including families with children.
- Housing that meets the special needs of the elderly, homeless, farm workers, and persons with disabilities, and those with developmental disabilities.
- Housing that meets the needs of large families.

The proposed mixed-use project would include 332 apartments in a mid-rise building with a varied number of bedrooms (studio, 1, 2 and 3-bedroom units) that would also provide a number of indoor and outdoor amenity areas. In addition, the largest 2-bedroom and all 3-bedroom units are large enough to accommodate families, including those with children.

Policy 3.5 Encourage the development of housing for low and moderate-income households in areas with adequate access to employment opportunities, community facilities, and public services.

The proposed project would include 34 units reserved for low-income households in the Downtown, which provides adequate access to employment opportunities, community facilities such as the Civic Center and Library, and public transit services located at the Oceanside Transit Center.

Policy 3.7 Encourage the disbursement of lower and moderate-income housing opportunities throughout all areas of the City.

The proposed project would aid in the disbursement of lower and moderate-income housing opportunities in the City's downtown within a Smart Growth Opportunity Area. By including affordable units, the project would provide housing opportunities in an area of the City that would otherwise be unattainable for lower income households.

### C. Economic Development Element

Policy EDE-1a-3 Encourage new development that provides for social interaction, cultural enrichment, and a strong sense of place including appropriate open space.

The proposed project is designed to encourage social interaction with the development of public plazas as well as several shared indoor and outdoor amenity areas for project residents. The larger

of the public plazas has enough area to hold public gatherings such as the City Christmas tree lighting ceremony and other civic events. In addition, the public plazas create a strong sense of place as they are the focal points of the project's Mission Avenue frontage.

Policy EDE-1b-1 Encourage efficient, transit-oriented development, walkability, parking efficiency, pedestrian and bicycle facilities, and a strong sense of place within the City's Smart Growth Opportunity Areas (SGOAs), as identified on the Regional Smart Growth Concept Map.

The project has an efficient, pedestrian-friendly design and proposes a high-density transit-oriented mixed-use development consisting of apartment, restaurants, and retail suites within one of the City's Smart Growth Opportunity Areas, with access to transit and within walking distance of existing public beach access and public facilities.

Policy EDE-1b-2 Encourage efficient use of land for employment and revenue generation.

The transit-oriented high-density mixed-use project proposes 332 apartment units on 2.72 acres in a City SGOA and is an excellent example of the efficient use of land. Project residents would have the opportunity to frequent surrounding downtown establishments, thereby generating revenue for businessowners and the City. In addition, increased demand for goods and services would in turn spur employment in response to this increased demand.

## **2. Downtown Zoning Ordinance Compliance**

The proposed project is subject to the Downtown District land use and development standards within Article 12 of the Zoning Ordinance. The project is located within the Downtown Subdistrict 1, which allows for commercial/retail and office uses. Residential uses are encouraged as part of a mixed-use development project. The proposed project is consistent with Subdistrict 1 as it proposes a mixed-use project with 332 apartments and 18,682 square feet of commercial/retail space. The project also complies with the development standards of the City's Zoning Ordinance, except where the applicant is seeking waivers of the development standards consistent with SDBL, as previously highlighted in Table 2 of this report.

As previously noted, parking for the project would be provided via a subterranean and above-ground parking structure. The structure would offer 591 parking stalls for apartment residents and commercial uses. Parking for the apartments utilizes the ratio established under SDBL. Under this standard, 409 stalls are required; 409 are provided. There would be 6 additional stalls for leasing and mail, 127 stalls for the restaurants and retail areas (as proposed through waiver W-7), and 49 additional shared stalls for all uses, for a grand total of 591 parking stalls.

## **3. Local Coastal Program Consistency**

The proposed development is consistent with applicable policies of the LCP. LCP Section II Recreation and Visitor Serving Facilities Policy 10 calls for the City to continue to promote coastal

tourism through the revitalization of the coastal area in upgrading visitor amenities. The redevelopment of the site with a new seven-story mixed use building with 332 apartments and 18,682 square feet of commercial space would promote the revitalization of the coastal area by bringing hundreds of new residents to the downtown and upgrading visitor serving amenities by replacing an aging commercial center with new restaurants, retail space and two public plazas. Policy 17 calls for the City to require residential development to provide adequate on-site parking. The project would provide the required amount of residential parking as established under SDBL.

In addition, in accordance with Section VI. Visual Resources and Special Communities Policy 8, the proposed project would be visually compatible with the character of surrounding areas found in the downtown, which includes several mid-rise hotels and vertical mixed-use buildings. The proposed project would not substantially alter or impact existing public views of the coastline nor would the proposed project obstruct any existing or planned public beach access, thereby conforming to the policies of Chapter 3 of the Coastal Act.

### **ENVIRONMENTAL REVIEW**

Pursuant to the California Environmental Quality Act (CEQA), staff finds that the proposed project is Categorically Exempt pursuant to Article 19 Categorical Exemptions, CEQA Guidelines Section 15332 "In-fill Development Projects." The site is located in an urbanized area, and would not result in any significant environmental effects.

### **PUBLIC NOTIFICATION**

The applicant posted a Notice of Project Application sign on the property and a legal notice was published in the newspaper and notices were sent to property owners within a 1500-foot radius and to tenants within a 100-foot radius of the subject property. Notices were also sent to individuals and/or organizations requesting notification, the applicant and other interested parties. In addition to satisfying notification requirements, two community outreach meetings were held at the project site on October 16, 2023, at the Civic Center Library community room and on June 19, 2024, at the Main Street Oceanside offices. The primary concerns raised by the public dealt with traffic and parking; however, a number of residents also expressed support for the project as it would greatly improve the appearance of the neighborhood. To address traffic concerns, the proposed project would construct a new traffic signal at the intersection of North Coast Highway and Neptune Way.

### **FISCAL IMPACT**

The applicant has paid all development processing fees required for the consideration of this application.

### **COMMISSION OR COMMITTEE REPORT**

On April 23, 2025, the DAC was presented with the proposed project. Committee members expressed some concern with reduced area of the public plaza. After due consideration, the DAC voted (5-1, 2 members absent) to recommend CDC approval of the proposed Tentative Map (RT23-00001), Development Plan (RD23-00002), Regular Coastal Permit (RRP23-00002), and Density

Bonus (DB23-00005).

### **CITY ATTORNEY'S ANALYSIS**

The CDC is authorized to hold a public hearing in this matter. Consideration of the matter should be based on the testimony and evidence presented at the hearing. The supporting documents have been reviewed and approved as to form by the City Attorney.

Prepared by: Manuel Baeza, Principal Planner

Reviewed by: Darlene Nicandro, Development Services Director

Submitted by: Jonathan Borrego, City Manager

### **ATTACHMENTS:**

1. Staff Report
2. Community Development Commission Resolution
3. Project Plans
4. 1999 Public Plaza Easement Agreement
5. 2001 Parking Agreement
6. Application materials (Description & Justification, Project Offsite Cost Estimate, Community Outreach Summary, Letters on Project, SB 330 Preliminary Application)
7. Downtown Advisory Committee Memorandum dated April 23, 2025
8. Notice of Exemption
9. Environmental Documents
  - a. CEQA Exemption Memo
  - b. Noise Study
  - c. Air Quality Report
  - d. Local Transportation Study
  - e. Preliminary SWQMP
  - f. CAP Checklist
  - e. Preliminary Geotechnical Investigation