



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-1113

Agenda Date: 11/19/2025

Agenda #: 18.

DATE: November 19, 2025

TO: Honorable Mayor and City Councilmembers and Chairperson and Members of the
Community Development Commission

FROM: Development Services Department

TITLE: CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM AND CONSIDERATION OF A GENERAL PLAN AMENDMENT (GPA22-00002), ZONE AMENDMENT (RZA22-00001), LOCAL COASTAL PROGRAM AMENDMENT (LCPA22-00004), VESTING TENTATIVE MAP (T22-00006), DEVELOPMENT PLAN (D22-00016), AND REGULAR COASTAL PERMIT (RC22-00011) FOR THE OCEANSIDE TRANSIT CENTER SPECIFIC PLAN TO ALLOW THE REDEVELOPMENT OF THE OCEANSIDE TRANSIT CENTER INTO A MIXED-USE PROJECT CONSISTING OF AN INTEGRATED INTERMODAL TRANSIT FACILITY, MULTI-FAMILY RESIDENTIAL UNITS, RETAIL, OFFICE, AND HOTEL USES ON A 10.15-ACRE SITE AT 235 SOUTH TREMONT STREET - OCEANSIDE TRANSIT CENTER REDEVELOPMENT PROJECT - APPLICANT: TOLL BROTHERS APARTMENT LIVING

RECOMMENDATION

Staff recommends that the City Council and Community Development Commission (CDC): 1) adopt a resolution certifying an Environmental Impact Report (SCH No. 2023010231) for the Oceanside Transit Center Redevelopment and associated Mitigation Monitoring and Reporting Program; 2) adopt a resolution approving a General Plan Amendment (GPA22-00002) to change land use designations from Downtown (DT), Coastal Transportation and Utility (C-TU), Coastal Residential High Density (C-RH), and Coastal General Commercial (C-GC) to Specific Plan; 3) introduce an ordinance for Zone Amendment (RZA22-00001) to change existing zoning designations from Downtown District: Public Transportation and Railroad (D-14) and High Density Residential (D-5), Public Utility and Transportation (PUT), Office Professional, Coastal (OP), and Medium Density Residential, Coastal (R-3) to Specific Plan and consideration of the OTC Specific Plan; adopt a resolution approving Local Coastal Program Amendment (LCPA22-00004); 4) adopt a resolution approving Vesting Tentative Map (T22-00006), Development Plan (D22-00016), and Regular Coastal Permit (RC22-00011) for approval of the Oceanside Transit Center Specific Plan and redevelopment of the Oceanside Transit Center into a mixed-use development project consisting of an integrated intermodal transit facility, multi-family residential units, office, and hotel uses on a 10.15-acre site at 235 South Tremont Street.

BACKGROUND AND ANALYSIS

At a Special Meeting on October 7, 2025, the City Council and Community Development Commission (CDC) held a public hearing and considered approval of the proposed Oceanside Transit Center (OTC) Project, which would include construction of a mixed-use development project consisting of an integrated intermodal transit facility, multi-family residential units, office, and hotel uses on a 10.15-acre site at 235 South Tremont Street. A copy of the October 7 meeting staff report with additional project details is provided as Attachment 2.

Following presentations provided by staff and the applicant at the Special Meeting, public testimony was taken, during which several community members expressed both support and opposition to the project. After receiving public testimony, the public hearing was closed and the City Council/CDC began deliberating. The City Council/CDC expressed certain concerns regarding the proposed project, thereby resulting in the continuation of the item to this November 19 meeting date pursuant to Oceanside City Code section 2.1.40. The following is a summary of issues raised during the October 7 hearing, and responses to the issues as clarified by City staff and the applicant:

- 1.) Prevailing Wage and Local Jobs:** The City Council sought clarification on the amount of project construction-related jobs would be available for local labor, and how many jobs would be subject to prevailing wage.

Response: The total number of jobs generated by the project is estimated to be 5,048 (4,390 temporary construction jobs and 658 permanent positions). Pursuant to the Davis Bacon Prevailing Wage Requirements, the proposed project's \$100 million worth of public improvements would be constructed utilizing prevailing wage labor, equating to an average of 257 construction jobs per month for the duration of the construction (estimated July 2027 - December 2030).

Applying prevailing wage requirements to the construction of private improvements like the residential portions and hotel would result in an estimated 20 to 25 percent increase in project construction costs, rendering the proposed project economically infeasible, according to the applicant. The applicant is in the process of selecting a General Contractor for project construction and recognizes the City's preference for hiring locally-based labor.

- 2.) Bus Circulation onto Missouri Avenue:** During public comment and Council member discussion, the concern regarding North County Transit District (NCTD) bus circulation onto Missouri Avenue was raised several times. Citing safety and air quality concerns, residents living adjacent to the project site contended that NCTD buses should continue using existing routes like Seagaze Drive for ingress/egress and be prohibited from using Missouri Avenue.

Response: Offsite bus circulation is managed by NCTD in response to daily operational needs and real-time circumstances and events. The City does not have direct oversight of NCTD's bus operations. According to NCTD, bus routes are continually evaluated and adjusted to ensure riders can depend upon service that delivers them to their connection points. NCTD further asserts that maintaining flexibility is crucial to NCTD's ability to deliver safe, efficient transportation, and there may be times where bus circulation along Missouri Avenue is

warranted. Missouri Avenue is 40 feet wide, thereby meeting City standards to accommodate buses as well as other large service vehicles like City fire trucks. The 40-foot width is consistent with other shared roadways across the City used for transit, bikes, and private vehicles. For example, Thunder Drive by John Landes Park is also 40 feet wide and is used for routes 315 and 325 while accommodating on-street parking on both sides.

In regard to air quality concerns, NCTD is in the process of phasing out diesel powered buses and replacing them with new zero emissions buses. NCTD has stated that by the time the proposed project is constructed, a zero emissions fleet will be fully operational.

- 3.) Timing of Hotel Construction:** An Oceanside resident raised a concern that the proposed hotel may never be built and encouraged the City Council to consider a mechanism to ensure the hotel component would be delivered as a Transit Occupancy Tax revenue source to the City.

Response: The OTC Specific Plan (Attachment 8) envisioned construction of the proposed project in two phases with the development schedule structured to ensure that operations of the transit center are not interrupted during construction. Phase 1 would include demolition of all existing uses on Blocks 2 through 7, and construction of the NCTD Headquarters, residential apartment buildings, new intermodal transit center plaza, bus circulation, and commuter bus bays. Phase 2 would consist of demolition of the existing bus terminal and NCTD office located at 311 Tremont Street, and construction of the hotel and various roadway improvements. Further, Condition of Approval (COA) No. 27 states:

The residential and commercial aspects of this project shall be developed simultaneously as a Mixed-Use project per the phasing plan outlined in the OTC Specific Plan. No deferral of the commercial use shall be permitted as the project's approval was for a Mixed-Use project.

- 4.) Parkways:** An Oceanside resident requested that COA No. 93 be amended to include parkways.

Response: The applicant is amenable to this request; therefore, the word "parkway" has been added to COA No. 93 to read "curb, gutter, parkway, and sidewalk."

- 5.) Cleveland as Two-way Multi-modal Street:** The City Council expressed concerns about the safety of the multi-modal integration along Cleveland Street, where buses, cars, and bicycles share access to and through the site.

Response: As one of eight "mobility hub" prototype sites within the San Diego region identified by the San Diego Association of Government's (SANDAGs) Regional Mobility Hub Strategy, a prime objective of the proposed project is to increase mass transit ridership and improve NCTD's operational efficiency. The OTC's circulation framework focuses on transit and pedestrian-oriented mobility improvements and enhancements to achieve better commuter connections, walkability, and improved safety and convenience of on-site circulation. The

applicant and NCTD have worked together to integrate extensive mobility and traffic calming elements throughout the project site that prioritize pedestrians, slows vehicular travel, and minimizes conflicts between multi-modal users to the extent feasible (see Attachment 3 for the project circulation plan).

For example, rather than using Cleveland Avenue to access parking facilities, the project incorporates convenient vehicle access points to parking from South Tremont Street, Topeka Street, and Michigan Avenue for convenient access without impeding bus operations. On-demand ride share and passenger loading zone locations would be available in front of the proposed NCTD Offices, which would allow vehicles to exit through West Topeka Street rather than traveling along the residential portions of Cleveland Street. These access opportunities could be advertised through effective directional wayfinding signage.

The applicant stated that requests for a dedicated bike lane through the project were studied, yet were ultimately abandoned due its inconsistency with the Oceanside Bikes Master Plan and conflict with existing NCTD policy discouraging bicycle riding through bus terminals.

- 6.) Traffic Demand Management:** A member of the public requested that the proposed project include a COA requiring a Transportation Demand Management (TDM) plan.

Response: COA No. 25 requires the project applicant to implement the draft TDM plan prepared by Stantec, dated April 24, 2025. A final TDM plan shall be submitted to the Planning Division for review and approval prior to building occupancy, with implementation required upon first occupancy.

- 7.) Removal of Site from Downtown District:** Concerns were raised about replacing an existing portion of the OTC site currently designated as “Downtown District” with the proposed “Specific Plan” land use due to its potential impact to the Zoning Ordinance’s 5,500-unit limit for residential developments in the Downtown.

Response: The residential components of the OTC project are not currently within the Downtown District boundaries and are therefore not being removed from the Downtown District. The Redevelopment Plan for the Oceanside Downtown Redevelopment Project Area (“Redevelopment Area”) was delineated and adopted on November 12, 1975. Today, the Redevelopment Area constitutes the Downtown District per Article 12 of the Zoning Ordinance. The Downtown District land use designation within the project site applies only to portions of the proposed project situated west of the existing Cleveland Street alignment. Per the proposed project, these areas would consist of commercial/office, customer service building, retail, open space/plaza, and the NCTD bus station - not the mixed-use/residential areas. As such, replacing the Downtown District with the Specific Plan land use would have no impact to the 5,500-unit limitation with respect to the proposed residential components of the project (Attachment 4).

- 8.) Open Space:** A councilmember stated that when looking at the project site from an aerial view, the public realm is “shrunk” and “very small,” contending that there should be places

for people and that the “green spaces do not meet the requirement of 150 square feet per unit.”

Response: Predominately covered with hardscape, the existing OTC facility lacks a centralized plaza area; rather, waiting areas are broken up throughout the site with limited seating and shading, and no sense of place. In contrast, the proposed project would incorporate an open space framework intended to encourage an outdoor lifestyle appropriate to a coastal environment, offering access to various public, communal, and private outdoor spaces and amenities (Attachment 5). The proposed project would feature a variety of landscaping and streetscape improvements to highlight architectural features and enhance public and private spaces throughout the entire transit center.

A substantial amount of open space is provided for the residential portion of the project, both in quantity and quality. Under the assumption of 150 square feet of open space required per unit:

- The Block 2 residential use would require a minimum of 37,500 square feet, yet provides a total of 46,007 square feet of open space (21,356 square feet of common open space; 24,651 square feet of private open space).
- The Block 3 residential use would require a minimum of 44,550 square feet, yet provides a total of 55,632 square feet of open space (26,754 square feet of common open space; 28,878 square feet of private open space).

For residents, the project would incorporate a series of private decks and amenitized outdoor spaces. Anticipated amenities include resort-style pool, gym, BBQ areas, kids play areas, roof top gardens, and more (Attachment 5).

As the open space activity hub of the project, the approximately 40,000-square foot centralized Station Plaza would incorporate a large green space with canopy trees, shade structures, public art, and interspersed seating to accommodate commuters and other plaza users (Attachment 6). For comparison, City Hall’s Civic Center Plaza is also approximately 40,000 square feet in size; the recently approved plaza area for the proposed 401 Mission Avenue (Regal Theater) Project would be approximately 15,400 square feet in size. The proposed OTC public plaza was created through a series of public outreach comments and negotiations with City staff over a one- to two-year period. The project’s thoughtful design would facilitate and encourage a variety of modestly scaled community activities and events, such as seasonal events, passive art installations, and street musician performances. Moreover, the site layout maintains view corridors by establishing a block pattern that would protect public views of the ocean along east-west oriented streets.

In addition, consistent with the proposed 401 Mission Avenue Project staff has added a new COA for the revised project that requires the applicant to work with staff on the plaza’s final design and signage to ensure collaboration with the City’s two recently approved Capital

Improvement Program projects: Downtown Placemaking and City-wide Signage as follows:

The applicant shall work with staff on the plaza's final design and signage to ensure collaboration with the City's approved Capital Improvement Program projects: Downtown Placemaking and City-wide Signage.

To complement the public open spaces, the proposed project would also include a new 1,942-square foot ground-level community room in the southwest corner of the parking garage to be managed by the City. Operating similarly to the community rooms within the Oceanside Public Library, the community room would be open to the public on a reservation basis, and accommodate various events, meetings, workshops, and other community gatherings.

9.) Inclusionary Housing Percentage: A City Councilmember requested the applicant explore changing the project's affordable housing allocation to 15 percent low-income rather than the proposed ten percent low-income and five percent moderate-income levels.

Response: The California Coastal Commission has yet to certify a proposed Inclusionary Housing Local Coastal Program Amendment to increase the requirement to reserve housing for low and/or moderate-income households from 10 to 15 percent. As such, the project site is subject to the existing City of Oceanside's Inclusionary Housing Ordinance (Chapter 14C of the Oceanside Municipal Code) applicable to the Coastal Zone, which specifies that at least ten percent of units shall be reserved for low-income residents.

Despite this, the applicant voluntarily chose to exceed the ten percent low-income requirement by including the five percent additional moderate units. As proposed, 15 percent (approximately 82 units) of the 547 new residential units would be reserved as deed-restricted affordable units. Ten percent (55 units) would be reserved for low-income households and five percent (27 units) would be reserved as moderate-income households (Attachment 7).

The Regional Housing Needs Allocation (RHNA) is a state mandated planning process undertaken prior to each Housing Element cycle that quantifies existing and future housing needs within a region and requires local governments to plan for enough new housing to meet its share of the region's need. The San Diego region is currently in its sixth housing element cycle and through its RHNA, and has projected that Oceanside will need to build 5,443 new housing units for the 2021-2029 planning cycle to keep up with projected population growth. These goals are divided by income category, with a goal for very low-income, low-income, moderate-income, and market-rate homes.

Staff updated the City's current "RHNA Dashboard," which tracks the number of building permits issued per income level category and the total number of units remaining. As of September 30, 2025, the City needs 338 units to satisfy the moderate income-level category. By providing five percent (27 units) of the total units for moderate-income households, the proposed project would help satisfy eight percent of the City's need for moderate-income units.

While the applicant recognizes the City Council's desire to convert the 27 moderate-income units to low-income units, they claim the change would result in a \$5-7 million impact, thus rendering the project economically infeasible.

In summary, the items raised at the October 7 meeting have been addressed. The proposed OTC project is envisioned to redevelop the existing 10.15-acre aged and inefficient NCTD site into a new and modern intermodal development with transit-focused, residential, retail, office, and hotel uses in Downtown Oceanside. Staff recommends the City Council and CDC certify the EIR and approve the proposed project per the revised City Council/CDC Resolution approving General Plan Amendment, Zone Amendment, Local Coastal Program Amendment, Vesting Tentative Map, Development Plan, and Regular Coastal Permit (Attachment 9) and proposed Zoning Ordinance Amendment (Attachment 11).

ENVIRONMENTAL REVIEW

In accordance with the California Environmental Quality Act (CEQA), an Environmental Impact Report (EIR) was prepared for the project due to potentially significant impacts to aesthetics, air quality, biological resources, energy, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, population and housing, public services and recreation, transportation, tribal and cultural resources, and utilities and service systems.

As described in the Draft EIR (DEIR), implementation of mitigation measures would reduce impacts to a less-than-significant level for all identified environmental topic areas. The DEIR was made available for public review between September 4, 2024 and October 18, 2024. A total of 24 comments were received. All comments received on the DEIR during the public review period were evaluated and responded to in the Response to Comments (RTC) section of the Final EIR (FEIR).

In response to a comment received during the public review period, minor revisions were made to the text of the FEIR. The revisions do not constitute "significant new information" as set forth in CEQA Guidelines Section 15088.5 and recirculation of the EIR is not required.

The FEIR, including the responses to comments and Mitigation, Monitoring, and Reporting Program (MMRP), is provided in Attachment 5d. The City Council/CDC Resolution certifying the Final EIR and adopting MMRP is provided as Attachment 10.

PUBLIC NOTIFICATION

Community Outreach: In accordance with the City's Enhanced Notification Policy (300-14), the applicant conducted extensive community outreach throughout the entitlement process. Outreach efforts included mail notifications, a project website (www.osidetransit.com), eight in-person community meetings, and one on one community engagement. As a result of public outreach, a variety of project enhancements were incorporated into the project as documented in the outreach summary. A copy of the community outreach report (October 7 City Council staff report, Attachment 5e). An Addendum to the community outreach report

is provided as Attachment 7 to the October 7 City Council staff report.

Hearing Notice: Legal notice was published in the newspaper and notices were sent to property owners within 1,500 feet and occupants within 100 feet of the subject property, individuals/organizations requesting notification, the applicant, and interested parties. Public correspondence received is provided as Attachment 8 to the October 7 City Council staff report.

FISCAL IMPACT

As described earlier in the staff report, the project is expected to realize a significant positive fiscal impact to the City.

COMMISSION OR COMMITTEE REPORT

At the Planning Commission's regular meeting conducted on June 23, 2025, the Planning Commission adopted Planning Commission Resolution No. 2025-15 recommending City Council approval (Approved 4-1-1; Commissioner Redgate - no, Commissioner Gonzales -abstain; Commissioner Dodds - absent) of a resolution certifying an Environmental Impact Report and approving a General Plan Amendment, Zone Amendment, Local Coastal Program Amendment, Vesting Tentative Map, Development Plan, and Regular Coastal Permit for the OTC Specific Plan and redevelopment of the OTC into a mixed-use development on a 10.15-acre site.

At a Special Meeting of the Downtown Advisory Committee (DAC) conducted on August 20, 2025, the DAC recommended unanimous approval (5-0 vote; Committee members Abril, Marshall, Sweeton - absent) of the Community Development Commission adopting a resolution certifying an Environmental Impact Report and approving a General Plan Amendment, Zone Amendment, Local Coastal Program Amendment, Vesting Tentative Map, Development Plan, and Regular Coastal Permit for approval of the Oceanside Transit Center Specific Plan and redevelopment of the Oceanside Transit Center into a mixed-use development on a 10.15-acre site. See DAC Memo (Attachment 6 to the October 7 City Council staff report).

CITY ATTORNEY'S ANALYSIS

This project includes components within the authority of both the City Council and the Community Development Commission. The Council and CDC are authorized to hold a joint public hearing in this matter. Consideration of the item 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: Darlene Nicandro, Development Services Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. City Council/CDC Staff Report, dated November 19, 2025
2. City Council/CDC Staff Report, dated October 7, 2025
3. Project Circulation Plan
4. Land Use Designations
5. Open Space Framework
6. Proposed Station Plaza and Surrounding Amenities
7. OTC Residential Unit Breakdown
8. OTC Specific Plan
9. City Council/CDC Resolution approving General Plan Amendment (GPA22-00002), Zone Amendment (RZA22-00001), Local Coastal Program Amendment (LCPA22-00004), Vesting Tentative Map (T22-00006), Development Plan (D22-00016), and Regular Coastal Permit (RC22-00011)
10. City Council/CDC Resolution certifying the Final EIR and adopting MMRP (with Exhibit A: Findings and Exhibit B: MMRP)
11. Zoning Ordinance (with Exhibit A: Legal Description and Exhibit B: Land Use Designations)