



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1336

Agenda Date: 5/20/2026

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DATE: May 20, 2026

TO: Chairperson and Members of the Community Development Commission

FROM: Development Services Department

TITLE: CONSIDERATION OF DEVELOPMENT PLAN (RD23-00005) AND DENSITY BONUS (DB23-00008) TO ALLOW THE CONSTRUCTION OF A MIXED-USE PROJECT COMPRISED OF 230 RESIDENTIAL UNITS, INCLUDING 23 LOW-INCOME UNITS, AND APPROXIMATELY 5,240 SQUARE FEET OF COMMERCIAL SPACE ON A 1.5-ACRE SITE LOCATED AT 801-815 MISSION AVENUE - 801 MISSION AVENUE MIXED USE AND CONFIRMATION OF A CATEGORICAL CEQA EXEMPTION - APPLICANT: OCEANSIDE MISSION INVESTMENTS, LLC.

RECOMMENDATION

Staff recommends that the Community Development Commission (CDC) adopt a resolution approving a Development Plan (RD23-00005) and Density Bonus application (DB23-00008) to allow the construction of a mixed-use development project comprised of 230 residential units, including 23 units reserved for low-income households, and 5,240 square feet of commercial floor area on a 1.5-acre site located at 801-815 Mission Avenue and confirming a Class-32 Categorical In-fill Exemption under the California Environmental Quality Act (CEQA).

BACKGROUND AND ANALYSIS

The project site is located at 801-815 Mission Avenue. Situated within the Townsite Neighborhood Planning Area, the site has a General Plan land use designation of Downtown (D) and a zoning designation of Downtown District 2 (D-2) which permits mixed-use development by-right. Encompassing an entire city block, the subject property is 1.50 acres in size and currently developed with two commercial buildings and a surface parking lot.

The site is bounded by Mission Avenue to the north, North Clementine Street to the east, Seagaze Drive to the south, and Nevada Street to the west. Surrounding uses include a church, commercial and office space, and multi-family residential units. On October 15, 2025, the CDC approved an application (901 Mission Avenue Mixed-use Project) to construct an eight-story mixed use building comprised of 273 units on the vacant lot located east of the project site (former "Belvedere" location). The project site is located within 0.5 miles of the Oceanside Transit Center and is within the Transit Overlay District. The project site (outlined in red) and surrounding areas are depicted in Figure 1. In addition to this action, there is a separate alleyway abandonment action request on tonight's agenda.

Figure 1: Project Location



PROJECT DESCRIPTION

The project application is comprised of two components including a Development Plan and Density Bonus request as follows:

Development Plan (RD23-00005) represents a request for the following:

To allow the demolition of the two existing commercial buildings and the construction of a proposed seven-story mixed-use building, totaling 233,857 square feet of area, with 230 multi-family dwelling units. The building would include approximately 5,240 square feet of ground floor commercial space fronting Mission Avenue and the northwest corner of Nevada Street and Mission Avenue.

The first floor of the building would include commercial space, a leasing office, resident amenity areas, and ground level apartments. A vehicle entrance on Nevada Street would provide access to first floor and subterranean parking levels. The second floor would include residential units, multiple lobby areas, resident amenities (including a surfboard storage room and co-working space), and parking. Access to the second level parking garage would be provided from North Clementine Street. The third floor would include residential units, a fitness gym, and an outdoor courtyard with

BBQ grills and seating areas. Floor levels four (4) through seven (7) would be dedicated to residential units and the top floor would have a roof top deck with pool on the west facing building. Solar panels would be installed on other areas of the rooftop to help the project comply with the City’s Renewable Energy requirement.

The residential units would range in size from 479-square foot studio units to 935-square feet two-bedroom units. Table 1 provides a summary of the proposed floor plans for the residential units. The affordable units would be evenly distributed throughout the project.

Type	SF	# of Units	Percentage of Total Units
Studio	479	24	10.4%
1-Bedroom	539-675	141	61.3%
2-Bedroom	874-935	65	28.2%
	Total	230	100%

Building Design: The proposed building would be oriented towards Mission Avenue and contain enhanced architectural features such as expansive glass windows. The ground floor commercial space would extend towards the street and utilize glass storefronts and high ceiling plates while the residential units above would contain large windows and balconies to add visual interest to the building. The building form at the south corner of Mission Avenue would angle outward and the setbacks along the project frontage would vary to create relief from the building mass. A podium courtyard would be provided on the third level of the building to further break up the building mass along Nevada Street. The architectural design of the building is described as a contemporary design meant to embrace Oceanside’s coastal setting with artistic flair. Figure 2 provides a rendering of the proposed project as viewed from the intersection of Mission Avenue and Nevada Street. Project features include projecting glass amenity space and balconies and a decorative perforated metal screen weaving throughout the project. Exterior materials consist of a mix of brick veneer, board form concrete, and horizontal siding in various earth tones.

Figure 1: Project Rendering



The building follows the existing topography of the site, which slopes to the southwest with a change in grade of approximately 14 feet. By utilizing the grade change, the project is able to provide a basement level of underground parking. The southwest building mass is seven stories above grade and Type 1 concrete construction while the remainder of the building is five stories above grade and Type 3 wood construction over two levels of concrete construction.

Parking: Parking for the proposed mixed-use project is designed with three levels of parking, providing a total of 317 off-street parking spaces in an enclosed garage. Of the 317 spaces, 295 spaces would be reserved for residents and 22 would be made available for visitors and/or commercial uses. Pursuant to State Density Bonus Law (SDBL), 263 parking spaces are required for the residential units. A detailed analysis of the required parking is provided in the Description and Justification (Attachment 8 to this staff report). By providing 295 reserved residential parking spaces in an enclosed garage, the proposed project exceeds the minimum number of parking spaces required per State Law.

Access to the parking garage would be via Clementine Street and Nevada Street. There are 18 existing on-street parking spaces available and the project would provide an additional 11 on-street parking spaces for a total of 29 on-street parking spaces available for commercial guests. Pursuant to the City's Zoning Ordinance, within the Transit Overlay District east of the railway corridor the number of on-street parking spaces available on the street frontage of a site may be counted toward the total number of parking spaces. Overall, 51 guest parking spaces would be provided (29 on-street and 22 within the enclosed garage), exceeding the minimum number of commercial spaces required (35 parking spaces) for the proposed project. The on-street parking spaces would be publicly accessible and not reserved solely for the use of the project. In addition, bicycle racks and secured bicycle lockers would be provided onsite to encourage alternate modes of transportation.

Landscaping and Open Space: The project would incorporate a variety of landscape materials, including the planting of street trees along the sidewalks surrounding the project and various small trees, shrubs, and groundcover throughout the project site. The proposed landscaping would be

drought tolerant and subject to approval by the City's Landscape Architect.

Common and private open space would be provided for residents, including 15,980 square feet of outdoor common areas and 10,365 square feet of private balconies. Outdoor common areas would include a small outdoor seating area located on the second floor, a large podium courtyard with BBQ grills and lounge area located on the third floor of the building, and a rooftop deck with pool.

A "Mixed-Use Development Plan" is required for any proposal to establish commercial and residential together as a single project. The subject development plan has been prepared pursuant to Articles 12, 31, and 43 of the Oceanside Zoning Ordinance for the Downtown Area. The project is reserving 23 of the 230 units as low-income restricted apartments and is therefore entitled to a number of waivers from required development standards per SDBL. These waivers are highlighted in the following section.

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

To allow a residential development that would reserve 23 (10 percent) of the total 230 apartment units for low-income qualifying households. The 23 affordable units would be proportional, with respect to area and bedroom count, to the market rate rentals and dispersed throughout the project.

At the time of the applicant's SB 330 application submittal on November 28, 2023, the City did not have a maximum density established for mixed-use projects in the Downtown District. Therefore, the project is not subject to the 86-dwelling unit per acre density cap adopted by the Community Development Commission on November 1, 2023 and effective December 1, 2023. The project would have a realized density of 153 dwelling units per acre on the 1.50-acre site. If the density cap applied to this project the maximum density allowed on the site would be 129 dwelling units per acre.

Since the SB 330 application was received prior to revisions to the City's Inclusionary Housing Ordinance which became effective in February 2024, the project is not subject to the 15% inclusionary housing requirement. By reserving 10 percent of the overall unit count for affordable housing, the developer is entitled to all the benefits of SDBL, including incentives or concessions, unlimited waivers from development standards, and reduced parking ratios.

State law entitles projects to certain incentives or 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 incentives allowed on 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 the incentives/concessions or waivers would have 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, policies, or conditions as they existed on the date the application was deemed complete.*" The application was deemed complete on March 14, 2025. State law further establishes that "*inconsistency with zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact on public health or safety*".

The project is entitled to one (1) incentive/concession and unlimited waivers, as outlined below:

Incentive/Concession: No incentives/concessions have been requested by the applicant.

Waivers: In order to accommodate the proposed density and provide 230 residential units, the project cannot physically comply with all applicable development standards. The applicant has thus requested waivers from the following development standards pursuant to SDBL:

1. Maximum building height
2. Minimum setbacks
3. Minimum site landscaping
4. Private outdoor living space
5. Required façade modulation
6. Minimum parking stall width next to columns
7. Minimum parking stall dimensions
8. Off-street loading spaces

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 1: 801 Mission Avenue Development Standards

Development Standard	Current Zoning (D-2) Standard	Project as Proposed	Notes
Maximum Density	86 DU/acre	153 DU/Acre	*At time of SB 330 application submittal there was no maximum density established for the D2 District.
Minimum Lot Area	5,000 sf	1.5 Acres	Complies with code
Minimum Lot Width	50'	300'	Complies with code
Minimum Setbacks			
Mission Avenue	50' from centerline	45.5'	Waiver
Corner Side	10'	0' (Clementine) 1' (Seagaze) 6.8' (Nevada)	Waiver
Maximum Height	65' 90' with CUP	89'4"	Waiver
Minimum Site Landscaping	25%	15.1%	Waiver
Total Open Space			
Open Space per unit	200 sf/unit	116 sf/unit	Waiver

Private Outdoor Living Space	48 sf/unit	10,365 SF total. The studio units do not have private outdoor living space and some units have less than 48 sf/unit	Waiver
Shared Open Space	N/A	15,980 sf	Complies with code
Required Façade modulation	25% of front and side elevation horizontal and/or vertical must be set back at least 5 ft from setback line	Varies along each frontage. Less than 25%.	Waiver
Renewable Energy	Residential Projects with 25 or more units shall install and maintain renewable energy facilities that supply at least 50% of forecasted electricity demand	Project will install solar and purchase renewable energy portfolio pursuant to Section 3047.	Complies with code provisions of Section 3047
EV Parking	15% of parking spaces	15% of parking spaces	Complies with code provisions of Section 3048
Urban Forestry Program	Tree canopy: 12% Permeable surface area: 22%	Tree canopy: 21.8% Permeable Surface Area: 15%	Additional tree canopy is provided to satisfy the minimum permeable surface area requirements. Complies with code provisions of Section 3049
Garage Drive Aisle	24'	24'	Complies with code
Parking Stall Offset	12" offset from walls or columns	Less than 12"	Waiver
Required Parking	263 residential 35 spaces for commercial use	295 garage spaces 51 spaces (22 garage spaces and 29 on-street spaces)	Complies with SDBL parking provisions for residential units.

Parking Stall Dimensions	All required spaces shall be large-car spaces. However, spaces provided in addition to the number required may be small-car spaces.	Use of compact parking stalls	Waiver
Off-Street Loading Spaces	2 off-street spaces	2 on street spaces	Waiver

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 project site is located in close proximity (within 0.5 miles) to the North County Transit District (NCTD) Oceanside Transit Center and is within the Oceanside Transit Overlay District. The vertical mixed-use building is consistent with the pattern of redevelopment in the downtown area and would bring forward a high-density development to accommodate the City’s regional fair share of housing growth, support commercial establishments in the downtown area, enhance walkability, and support transit service. The project would include a modern style of architecture with quality materials and design in keeping with the vast variety of architectural designs in the surrounding downtown area. The project is in a highly urbanized area consisting of commercial and civic type land uses. The project, as designed and sited, would be consistent with the surrounding built environment and

would enhance the area by activating the streetscape with street-facing commercial areas.

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 proposed project utilizes decorative design features including glass balconies, brick veneer, board form concrete, and horizontal siding. Setback variations and articulation along the building planes create visual interest while the ground floor commercial space provides an enhanced pedestrian experience.

B. Housing Element

By contributing 230 rental dwelling units, including 23 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 policies of the Housing Element:

Policy 1.1: Promote a high-quality urban environment with stable residential neighborhoods and healthy business districts.

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.

Policy 2.1: Designate land for a variety of residential densities sufficient to meet the housing needs for a variety of household sizes and income levels, with higher densities being focused in the vicinity of transit stops, smart growth focus areas, and in proximity to significant concentrations of employment opportunities.

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.

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

The Regional Housing Needs Allocation (RHNA) for the Sixth Housing Element Cycle (2021-2029) estimates that the City of Oceanside will experience demand for 5,443 new dwelling units, including 718 low income units. By contributing 230 rental dwelling units, including 23 reserved for low income households, to the City's existing housing stock, the proposed project would help to meet the projected RHNA housing demand. The proposed project would introduce housing opportunities for low-income households as well as other income levels. Located within one-half mile of the NCTD Oceanside Transit Center, the project would be considered a Transit Oriented Development (TOD) with a mix of commercial and residential uses that would encourage an efficient pattern of development in the Downtown District and support alternative modes of travel.

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 site is located within Downtown Subdistrict 2, which provides for residential uses as part of mixed-use development projects. With respect to development standards, the proposed project complies with the requirements of Downtown Subdistrict 2, except where the applicant is seeking waivers consistent with SDBL, as previously highlighted in Table 2 of this report.

As previously noted, parking for the mixed-use project includes a total of 317 parking spaces within the garage structure and 29 on-street parking spaces. In accordance with Article 12, Section 1232 W.4., projects within the TOD area east of the railway corridor, the number of on-street parking spaces available on the contiguous street frontage of the site may be counted towards the total number of parking spaces required for a mixed-use development plan. Therefore, the project provides a total of 346 parking spaces.

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, Section 15332 "In-fill Development Projects" of CEQA. 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 1,500-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, a community outreach meeting was held on December 12, 2024 at the Civic Center Library Community Room. One person attended this meeting and had general questions about the project. A summary of this meeting and the additional outreach conducted by the applicant is included in the Community Outreach Report (Attachment 7).

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 voiced support for the project and complemented the architecture and design of the building. After due consideration, the DAC voted (5-1 (April no) with 2 members absent) to recommend CDC approval of the proposed Development Plan (RD23-00005) and Density Bonus (DB23-00008).

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: Shannon Vitale, Principal Planner

Reviewed by: Brian Thomas, Acting Development Services Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Resolution
2. Plans
3. DAC Memorandum
4. CEQA Exemption Memo
5. Notice of Exemption
6. Community Outreach Report
7. Project Description and Justification