



MEMORANDUM

TO: PLANNING COMMISSION

FROM: TERESA McCLISH, COMMUNITY DEVELOPMENT DIRECTOR

BY: MATTHEW DOWNING, ^{MD}ASSOCIATE PLANNER

SUBJECT: CONTINUED CONSIDERATION OF GENERAL PLAN AMENDMENT 14-002, SPECIFIC PLAN AMENDMENT 14-001, CONDITIONAL USE PERMIT 14-009, VESTING TENTATIVE TRACT MAP 14-001, AND DEVELOPMENT AGREEMENT 15-002; SUBDIVISION OF TWO (2) COMMERCIAL PARCELS INTO THIRTY-EIGHT (38) RESIDENTIAL LOTS, ONE (1) COMMON AREA LOT, AND THREE (3) COMMERCIAL LOTS; LOCATION – SOUTHWEST CORNER OF EAST GRAND AVENUE AND SOUTH COURTLAND STREET; APPLICANT – NKT COMMERCIAL; REPRESENTATIVE – RRM DESIGN GROUP

DATE: AUGUST 18, 2015

The staff report for the subject project was previously distributed for the August 4, 2015 meeting, which was continued to a date certain of August 18, 2015 to ensure the project properly complied with Department Policy regarding onsite posting. Below is supplemental information for the Planning Commission's consideration. Please refer to the staff memorandum dated August 4, 2015 for the full report.

Project Phasing

An issue regarding Conditions of Approval Nos. 39-43 has been raised by the applicant. Although the applicant originally intended to construct the commercial phase of the project himself, the applicant is now intending to sell both the commercial and the residential portions of the project to two (2) separate buyers. Initially, the buyers will purchase the project as Tenants in Common, which means they would hold a shared ownership of the property. Subsequently, when the map is recorded, each buyer will own their portion of the property (residential phase or commercial phase) individually. If the phasing requirements remain as outlined and included in Conditions of Approval Nos. 39-43, the applicant indicated the buyer for the residential portion of the project would be unlikely to be able to acquire financing. This is due to the owner of the residential portion being dependent on an unrelated party (the commercial owner) performing their work before the residential owner could complete his/her project. Based on this premise, it is unlikely that a financial lender would advance money for the purchase of the residential property or the residential construction.

PLANNING COMMISSION

CONTINUED CONSIDERATION OF GENERAL PLAN AMENDMENT 14-002, SPECIFIC PLAN AMENDMENT 14-001, CONDITIONAL USE PERMIT 14-009, VESTING TENTATIVE TRACT MAP 14-001, AND DEVELOPMENT AGREEMENT 15-002

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Conditions of Approval Nos. 39-43 were included in order to provide an incentive for the applicant to develop the commercial component of the project. In an effort to address the applicant's concerns about Conditions of Approval Nos. 39-43 and still preserve sufficient incentive for the construction of the commercial portion, staff and the applicant have discussed replacing Conditions of Approval Nos. 39-43 with an alternative method of encouraging the development of the commercial portion. Staff would support a revised Condition of Approval No. 39, which would include the construction of additional infrastructure prior to the development of the residential portion in exchange for the deletion of Conditions of Approval Nos. 40-43. Subsections (f) and (g) of Condition of Approval No. 39 would be revised to require the construction of all frontage improvements along South Courtland Street and East Grand Avenue prior to the recordation of the Final Map as follows in italics:

Condition of Approval #39: The map may be phased in accordance with the Subdivision Map Act. If such map phasing is to occur, the following improvements shall be made in accordance with the timelines included in each:

- a) Water – The public water main shall be extended from East Grand Avenue and South Courtland Street to the boundary of Phase II as shown on the Utility Plan, prior to recordation of either Phase.
- b) Sewer – The public sewer main shall be extended to the boundary of Phase I and Phase II along South Courtland Street as shown on the Utility Plan, prior to recordation of either Phase.
- c) Storm Drains – The public storm drain main shall be extended and upsized as deemed necessary by the City Engineer to the boundary of Phase I and Phase II along South Courtland Street as shown on the Utility Plan, prior to recordation of either Phase.
- d) Retaining Wall – The shared retaining wall between Phase I and Phase II shall be installed as shown on the Civil Site Plan, prior to recordation of either Phase.
- e) Grading and Drainage – The drainage on Phase I shall be directed away from Phase II in a manner compliant with City standards, to the satisfaction of the City Engineer, prior to recordation of either Phase.
- f) *Prior to Final Map recordation, all frontage improvements must be installed along South Courtland Street and East Grand Avenue, including:*
 1. *Curb, gutter and sidewalk;*
 2. *Street trees;*
 3. *Traffic signal relocation; and*
 4. *Final road sealing, striping and roadway signage.*

As revised, Condition of Approval No. 39 would require the applicant to complete all planned infrastructure, including the frontage improvements for both the residential and commercial portion prior to recordation of the Final Map.

It is important to note that the Development Agreement stipulates a 5-year entitlement limitation. This means that both phases of the project are required to be constructed within

that time frame. According to engineers' estimates and information provided by the applicant, the investment in the commercial phase of the project is \$1.3 million. The infrastructure costs, associated with the commercial phase of the project, including the frontage improvements are estimated at \$445,000. Given the level of investment in the commercial phase of the project, it would be unlikely for the commercial developer to fail to construct the commercial portion within the five years, allowing the Development Agreement and project entitlements to expire, which would result in a significant loss in value of the project.

Public Notification and Comments

A notice of public hearing was mailed to all property owners within 300' of the project site, was published in The Tribune, and posted at City Hall and on the City's website on Friday, July 24, 2015. Additionally, staff mailed notices to the entirety of the Berry Gardens to ensure the neighborhood was aware of the hearing. The applicant posted signs regarding the public hearing at the project site on Tuesday, August 4, 2015. The Planning Commission continued the public hearing to a date certain of August 18, 2015.

The agenda and staff report were posted at City Hall and on the City's website on August 14, 2015. Staff has spoken to three (3) neighboring property owners regarding the project. One (1) discussed vegetation and fence maintenance at the Poplar Street drainage basin while the other two (2) expressed concern regarding the density of the proposed project, lack of parking for the residences, traffic, water, and individual distaste for the project architecture.