

CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



MINUTES

Joint SPECIAL Meeting

Wednesday, December 5, 2018 * 6:00 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

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CITY COUNCILMEMBERS

David A. Zito, Mayor

Jewel Edson, Deputy Mayor

Judy Hegenauer, Councilmember

Lesa Heebner, Councilmember

Peter Zahn, Councilmember

Gregory Wade
City Manager

Johanna Canlas
City Attorney

Angela Ivey
City Clerk

CALL TO ORDER AND ROLL CALL:

Deputy Mayor Zito called the meeting to order at 6:10 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Lesa Heebner, Peter Zahn

Absent: None

Also Present: Greg Wade, City Manager
Johanna Canlas, City Attorney
Angela Ivey, City Clerk,
Dan King, Assistant City Manager
Mo Sammak, City Engineer/Public Works Dir.
Marie Berkuti, Finance Manager
Joe Lim, Community Development Dir.

CLOSED SESSION REPORT: None

FLAG SALUTE:

APPROVAL OF AGENDA:

Motion: Moved by Councilmember Zahn and second by Deputy Mayor Edson to approve.
Approved 5/0. Motion carried unanimously.

ORAL COMMUNICATIONS: None

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action

shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:

An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.

A. CONSENT CALENDAR: (Action Items) (A.1.)

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

A.1. Minutes of the City Council.

Recommendation: That the City Council

1. Approve the Minutes of the City Council Meetings held July 10, 2018, July 11, 2018, and September 26, 2018.

Approved Minutes http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B_BASIC

Motion: Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve. **Approved 5/0.** Motion carried unanimously.

B. PUBLIC HEARINGS: (B.1. – B.2.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each. Please be aware of the timer light on the Council Dais.

B.2. Public Hearing: Fiscal Year 2019-2020 Community Development Block Grant Funds – ADA Pedestrian Ramp Improvements. (File 0390-32)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the public hearing, Report Council disclosures, Receive public testimony, Close the public hearing.
2. Adopt **Resolution 2018-149:**
 - a. Finding that the funding request and project implementation are exempt from the California Environmental Quality Act pursuant to the State CEQA Guidelines.
 - b. Approving the list of public street ADA ramp locations.

- c. Requesting FY 2019-20 Community Development Block Grant Funds for ADA pedestrian ramp improvements at various public street intersections listed in Attachment 1, Exhibit
- d. Finding that all of FY 2019-20 CDBG funds, presently estimated at a total of \$70,000, are designated to be used for ADA pedestrian ramp improvements.
- e. Authorizing the City Manager to execute the County contract for management and implementation of the CDBG program.

Mayor Zito opened the public hearing.

Greg Wade, City Manager, introduced the item.

Motion: Moved by Councilmember Heebner and second by Councilmember Zahn to close the public hearing. **Approved 5/0.** Motion carried unanimously.

Motion: Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve. **Approved 5/0.** Motion carried unanimously.

B.1. Public Hearing: Consideration of a Final Environmental Impact Report (FEIR), Development Review Permit (DRP), Structure Development Permit (SDP), Vesting Tentative Parcel Map (VTPM), and an Affordable Housing Agreement to redevelop an existing 13.4 acre site, consisting of the demolition of 198 residential units and construction of a 260 residential unit project, that includes 32 senior affordable units, 10,287 square feet of clubhouse/leasing office space, 261,266 square feet of landscaped area, 65,434 square feet of open space, and 525 on-site parking spaces located at 661-781 South Nardo Drive and 821 Stevens Avenue in the High Density Residential (HR) Zone. (File 0600-40)

The proposed Project meets the minimum objective requirements under the SBMC, can be found to be consistent with the General Plan and the LCP (Local Coastal Plan) LUP (Land Use Plan), and may be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP (Development Review Permit), SDP (Structure Development Permit) and VTPM (Vested Tentative Parcel Map). Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the public hearing, Report Council disclosures, Receive public testimony, Close the public hearing.
2. Consider certification of the FEIR and adoption of **Resolution 2018-131**
3. If the City Council certifies the FEIR and makes the requisite Findings of Fact and approves the project or an alternative, adopt **Resolution 2018-132** conditionally approving a DRP, SDP and VTPM, for the Solana Highlands project, consider approval of the fee waiver, density bonus and development standards waivers, for a residential community and affordable senior housing project, at 661-781 South Nardo Drive and 821 Stevens Avenue, Solana Beach.

Mayor Zito introduced the item and explained that the project was a DRP and SDP for a large project that had gone through the view assessment process resulting in a recommendation that it go to Council as well as a few claimants appealing some view assessment commission decisions.

Mayor Zito opened the public hearing.

Council Disclosures.

Councilmember Zahn disclosed that he serves on the Board of Advisors of the Zahn Innovation Platform at San Diego State University with Mike Neil, president and CEO of H.G. Fenton, who is the Applicant for this project. He said that when this project came before Council in 2015 he sought an opinion from the Fair Political Practices Commission (FPPC) regarding participation on this project. He stated that the FPPC legal counsel provided an advice letter finding that his service on the advisory board with Mr. Neil was not a financial interest in the project and did not constitute a conflict of interest under FPPC regulations; therefore, he was qualified to participate on hearing the project. He said that he agreed that he could be fair and impartial in discussing the project and that a copy of the advice letter was on file with the City Clerk.

All Councilmembers disclosed their familiarity with the project and site.

Greg Wade, City Manager, introduced the item and presented a PowerPoint (on file) reviewing each of the Claimants viewing areas.

John LaRaia and David Gatzke, H.G. Fenton, Applicant, presented a PowerPoint, reviewing the modifications made due to Claimants concerns of view impairment including lowering the pads certain buildings, removal of building 3, shifted certain buildings, removal of units, relocation of units, reduced some two-story units to one-story, changes to roof structures to reduce height, providing privacy screening with landscaping,

Dr. Michael Nunn spoke about the changes, the encroaching buildings, all the vegetation that would be removed for driveways, had a panoramic view that would have rooftops and buildings, and that he said he was asked if he was a claimant and said yes when he submitted a speaker slip and did not expect to be speaking at this time.

John Wilson (VAC claimant) presented a PowerPoint (on file) reviewing the projects effect on the community, his primary viewing area was from his courtyard and office, the green space in his view corridor would be removed, the Applicant had lowered the heights and addressed some traffic calming needs, his willingness to give up half of his view, the proposal would remove more than 50% of his view, his request for another 18 inches as requested before, and a request of a vegetation plan to protect the modified views for the life of the project.

Dana Flach (VAC claimant) spoke about her concerns of the new proposal including her loss of privacy, no communication had been initiated by Fenton to discuss any issues regarding her claim since 2015, reduce the 10,000 sq. ft. leasing center, remove part of building 15 looking down on her bedroom window, to leave the Acacia tree next to her since its removal would expose only buildings in her view area and cause noise and pollution, and her support for other concerns of traffic, density and mass.

Greg Wade, City Manager, continued the PowerPoint (on file) reviewing the affordable housing and senior affordable housing, an agreement of limiting rentals to lower incomes and an annual third party income and rent certification submitted to the City, the density bonus regulations and waivers, the development standards waiver requests, fee waivers which were analyzed by the City's consultant, the development review findings, landscaping conceptual plan, the Environmental Impact Report findings that there were no significant unavoidable impacts identified, the offsite improvements for pedestrian and vehicular safety surrounding the site, traffic calming measures, and public art program options.

John LaRaia and David Gatzke, H.G. Fenton, Applicant, presented a PowerPoint, reviewing the project modifications and stated that it was a new residential community that would house approximately 4% of the Solana Beach population, the benefits of revitalizing Solana Highlands, the history of work on the project and the overall concerns that were regarding height, their mitigation efforts, addressing parking and traffic issues, improving walkability and bike-ability, use of reclaimed water, energy efficiency, landscape buffers, solar infrastructure, electrical vehicle charging stations, and various other benefits to the project and the surrounding area.

Mayor Zito adjourned the meeting at 8:15 p.m. for a break and reconvened at 8:25 p.m. community and that the changes to the project since 2015 were reasonable and beneficial.

David Logn spoke about working on Stevens Ave., the huge problem with affordable housing in North County, and the project answering the affordable housing needs of the City.

David Long said he works in the real estate business on Stephens, supports the project, said we have a shortage of affordable housing especially along the north coast of San Diego, that the project meets this need.

Casey Gaunt spoke about support for the project, concerns about the current traffic and parking on Nardo, the proposed onsite parking and traffic calming measures would be safer for the community, that he had recently retired from H.G. Fenton who cared about the communities that they invest in, and that he supported the revitalization of the project.

Thomas Kaiser (time donated by Mark Wells) spoke about talking to many long-time residents of Solana Beach, residents having challenged the County regarding the development of the current apartments which resulted in the granting of an open space easement in exchange for the right to develop in 1970, the easement clearly being intended for open space and that Solana Beach took custody of it at the City's incorporation, Council having full authority over the easement, the EIR (Environmental Impact Report) not addressing the abandonment of the open space easement, the project having been improved, abandonment of the open space easement was bad, the improvement and benefit

of the site begin redeveloped, reducing bulk and mass, revisiting the \$500,000 fee waiver, different parts of the property being purchased at different times and for different amounts which may affect the fee, the Applicant's history of charging for parking, and not allowing monetization of parking on public streets for the Applicant's benefit.

John Wilson (time donated by Linda Williams) spoke about finding an explanation of the 57% increase in open space, finding out where the exact space was located, support for revitalization, and the project still being too big.

Cathy Tyre spoke about the project being too large for the City, the project exacerbating the existing traffic congestion, the Housing Element identifying sites for 280 low income units which was higher than the 150 required units, waivers could not be provided for so many affordable housing units, the structure being placed on the slope on Bay Meadows Way, decreasing the number of units, noise, traffic, and overcrowding, and urged Council to maintain the feel of current neighborhoods and maintain current views.

Silvia Stephens spoke about being one of the original view claimants three years ago, H. G. Fenton had made improvements, concern about the increase of 62 units that would have an impact on the environment and traffic, the size of the buildings were out of character with the feel of the small Solana Beach community, the nuisance of ongoing construction, workloads being shortened to five days a week and completing the project in two years, paying for the dirt cleanup on the properties resulting from construction dust, mature trees being added in place for those that were removed, reconsidering the scale and size of the project, and considering how the project would affect the community.

Mitch Williams (time donated) spoke about the project being too large and dense for the area, the noise, privacy, and traffic and safety issues in the area, the open space easement should be recognized and protected, limiting construction hours, restricting construction on Saturdays, and remodeling the current project rather than creating a new development.

Erin McKinley spoke about the project being 600 ft. from her home, the project being a benefit to the community, it being unrealistic to patch and paint a nearly 50 year old structure for the amount of wear and tear to service thousands of people in the future, Fenton following State density bonus laws in building affordable housing, the project providing the City a future stable supply of rentable housing, the Applicant's improvements on Nardo by reducing the number of entrances and exits, curb roll-outs and a crosswalk, Fenton could actualize the necessary affordable housing units required by state mandates, and encouraging Council to approve project.

Joe Kuviallo (time donated by Emily Bierman) spoke about being President of Turfwood Homeowners Association, the new proposal was a preferred design to the 2015 project, concerns about traffic calming measures also needed at the entrance to Turfwood, residents parking on Nardo if ample parking was not provided or garages were used for storage instead of parking, developing the project in a single-phase, the current landscape still required more work to protect privacy, screen for privacy, and look natural, decreasing total units to mitigate some of the issues, Council making a decision for residents to gain a quality of life and others to lose some quality of life, the size of buildings 15 and 16 were still especially imposing reaching so closely to the 25-foot buffer, and requesting that Council

reject the project until key changes were made that were acceptable to the community.

Susan Munkin spoke about the major current traffic issues at Fresca St. and Fresca Ct. which was a turnaround for many travelers, there not being enough parking for the units, lack of monitoring of how many people live in each unit which increases parking when it might be as many as 10 different individuals per individual unit, to limit the number of people per unit, limit parking to the garages, and all other parking to be onsite.

Tom Golich (time donated by Mike Kimberland) spoke on behalf of Saint James Parish and Academy where he served as the Parish Finance Council Chair, a portion of the project encroaching onto the school campus and parish directly west of the project, the EIR's Volume 1 Oct 2018 was not in agreement with the City's findings, not being compliant with CEQA, impact of construction noise and pollution on the children and teachers during school and the parishioners during morning prayer, the economic impact could be significant due to children leaving school while residents were relocating, requesting that the EIR not be certified, that the DRP, SDP and VTPM not be approved until further analysis be performed and additional communications be held between City Staff and the developer, and the letter he submitted to Council for the record.

Linda Brewbaker spoke about being one of the original claimants in 2015, not receiving any communications about new remodeled project, the project being too large and not fitting in with the community, concerns about construction noise, the current traffic problems would only get worse, the Applicant charging for parking would only cause residents to park on the surrounding neighborhood streets, the proposal would set a precedent for the community, the number of waivers being granted would inspire other apartment communities to do the same type of expansion, her request that Council consider the precedent setting that could not be

Colin Kenny spoke about living on Brookdale Place for six years, support for the project, the 50-year-old building's mold problems and other issues, and approving the update of this property.

Alan Jones spoke about being a San Marcos resident, and a principal in a landscape resource company, the landscape plan showed removal of mature trees and replacing them for a 2 to 1 ratio, shrubbery screening, and Fenton's good plan for landscaping of this project.

Stacie Greene spoke about living in Solana Beach with her family but that her daughter had to move away because Solana Beach was not affordable, the high rental prices would prevent people from staying in the area and cause multiple people to live in one unit, and she appreciated the developer's ongoing efforts to make this project a good and affordable project for Solana Beach residents.

Colin Parent said he was the Executive Director and General Counsel at Circulate San Diego that operated a region-wide program called Mobility Certification, the program certifies good projects that would contribute to healthy, safe, and affordable transit systems, and he was supportive of the project and its additional resources in the region for needed housing.

Fernando Landa spoke about growing up in Solana Beach and moving away due to the lack of affordable housing options. He said that project's focus on environmental quality for the

City included electric vehicle charging stations, solar, 6.5 acres of landscaping or open space, greenhouse gas emission reductions, reclaimed water, storm water protection for the oceans, energy efficiency, and new construction insulation.

Ginger Hitzke spoke about being an affordable housing developer, her serving as a Board member for Circulate San Diego and San Diego Housing Federation, encouraging Council to approve the project, the recently passed California Housing Bills that addressed the housing affordability crisis, and the bills holding local jurisdictions accountable to meet their housing requirements.

Gary Lynes cited a slide of the Staff PowerPoint (on file), and spoke about the proposed project site plans, living on Bay Meadows Way, his main concerns were that it was a 31% increase in density that would impact the City, the development would be clear-cutting all vegetation including trees on the property that were over 50 years old, and the multiple requests for waivers to existing City codes that would set a precedent for future developments. He spoke about the building proximity to the south side of the property along Bay Meadows Way, existing trees being replaced with buildings and balconies, the lack of enough parking for tenants and guests, the excessive six day work construction schedule, increase in traffic, and the project not being consistent with Solana Beach's mission statement and land use policy.

Dr. Michael Nunn spoke about his concern that the project would be affordable to some and not to others, its displacement of the existing residents of the area, seniors and low-income residents would probably not be able to afford the new apartments, and his support for a remodel rather than a rebuild.

Dana Flach spoke about living on Bay Meadows Way near the project, the project having a negative effect on the community if approved as proposed, the units would not be affordable to the residents currently living there, reducing the size of the units, reducing the leasing building size, and the need for more compromise.

June Gottleib spoke about the existing traffic on Via de la Valle and Stevens would be the only entrance and exit ways for the complex, the increase in traffic, and remodeling the existing project to maintain affordability.

Sherry Lions spoke about living on Bay Meadows Way, being one of the original view claimants in 2015, appreciation of the redesign of the height, her concern about the proximity of the apartments in relation to the surrounding homes, the high number of units planned that would result in a loss of privacy, eliminating Buildings 24, 14, 23 and the L part of Building 16 to make more setback of Buildings 15 and 16, reducing the removal of foliage and landscaping, eliminating the potential instability of the sandstone bluff, and designing improvements that would not negatively impact the surrounding neighborhoods.

Jack Gallagher said he was an architect with Dahlin Group on S. Cedros, and spoke about his support of the project, his advocating for mitigating the housing crisis, the design adding beauty to the neighborhood, and the applicant had reached a reasonable compromise.

Bill Canepa spoke about appreciating Solana Beach protecting the character of the

taken back.

Dusty Sorenson spoke about her family and neighborhood being impacted by the project, there only being one ingress/egress from her home which was already a traffic problem with the current apartments, the additional 62 units proposed would equate to at least 124 more cars along Nardo and Stevens Ave., that 233 of the 525 parking spaces were revenue generating garages and 22 are revenue generating covered parking spots, the resulting 255 spots not rented would put 255 cars back on the neighborhood streets, no guarantee that rented garages would be used for cars and not storage, the need to increase the number of free and available parking spaces on site to reduce the impact on the surrounding community, and that City Staff address the active open space easement and how it will be negotiated.

Eric Bruvold San Diego North Economic Development Council (SDNEDC), spoke about employers being challenged with recruiting and retaining employees due to the difficult housing market, Solana Beach and surrounding cities' statistics of jobs vs. housing, employees having to drive further with a lack of affordable housing, this opportunity to add 62 units, and the need to create more housing units due to the economic growth.

Dan Dragland spoke about having lived at Solana Highlands in the past, it exposed to him to his current home at Turfwood, H.G. Fenton being a business and interest in making money which was appropriate, the need for reason and compromise for the number of units and its effect on the community.

Laura Hartnack spoke about Solana Beach homeowners' investments, the revamp of Skyline and the associated construction being a much needed improvement of a local school which revitalized Lomas Santa Fe, living down the street from this project, the project updates would revitalize the neighborhood and improve everyone's real estate value, the improvements for the traffic issues in this area, the City's need to approve good projects.

Paula Warren spoke about how the project may affect the quality of education, the concerns about the project's size, pollution, and traffic.

Nancy Stern spoke about working out of her home as a consultant in a quiet community, concerns for the current parties at Solana Highlands and the way the noise flows into the neighborhoods, concerns with the project's traffic and noise, and support for a smaller footprint project.

Barb Kautz, Goldbarb Lipman, General Counsel, stated this project had over 15% affordable housing which entitled it to a density bonus, the density bonus statute does not give the city any discretion to reduce the density that the developer is entitled to, a separate statute does not allow a city to discriminate against low and moderate income housing so the City cannot reduce the amount of affordable housing in order to reduce the density bonus, the City's own inclusionary ordinance requires 15% affordable housing, state laws requires that a City needs to grant enough waivers of development standards to allow that density to occur on the site, the public's concerns are understandable about the waivers but the laws are intended to restrict the City's ability to reduce density.

Council, Staff, and Consultants discussed the open space easement document brought forth, the City Attorney stating it was not recommending that the city abandon the easement and that the city's own zoning standards be applied to the proposed project.

Matt Valerio, Dudek, City Consultant, spoke about earlier comments made regarding air quality and that said they followed specific guidance of the San Diego Air Pollution Control District as it related to the thresholds for a health risk analysis, identifying a significant noise impact for construction and operation and providing detailed mitigation measures to reduce that threshold, identifying the school as a sensitivity receptor but that residences would have a greater sensitivity receptor since they included the most sensitive members of the public such as pregnant women through midlife who lived in their homes the most impacted to exposure to air contaminants.

Council, Staff, Consultants, and Applicant discussed the Applicant agreeing to additional conditions of approval, concerns about charging for parking, electric vehicle charging stations, construction management, environmental concerns such as asbestos, also discussed setbacks on the property, the use of reclaimed water, the landscape plan, what the market rate will be for the units, and what specific fees would be waived if approved, and requesting a continuance to return to Council with modifications.

Motion: Moved by Councilmember Heebner and second by Councilmember Zahn to continue the public hearing to a date certain of December 17, 2018 at 5:00 p.m. **Approved 5/0. Motion carried unanimously.**

ADJOURN:

Mayor Zito adjourned the meeting at 9:45 a.m.

Angela Ivey, City Clerk

Approved: May 6, 2020