



## **ATTACHMENT F**

## **LAND USE ANALYSIS**

# Land Use, Public Benefit, Infrastructure, and Community Benefit Analysis

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## CAPALINA APARTMENTS



CCI | 160 INDUSTRIAL ST. STE 200 SAN MARCOS, CA 92078

# 1 EXECUTIVE SUMMARY

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## 1.1 PROJECT DESCRIPTION

The proposed project, *Capalina Apartments*, APN 219-115-33, is a for-rent mixed-use (MU-2) commercial/multi-family residential development situated on a vacant lot on the north side of Capalina Road and east of the intersection at Rancho Santa Fe Road. The project proposes a maximum of 119 apartments and approximately 4,000 square feet of commercial/retail space on 2.51-acres for a maximum density of 47.4 du/ac and 1.24 FAR. The project proposes a mix of studio, one, two and three-bedroom units ranging in size from approximately 600 square feet to a maximum of approximately 1,130 square feet. Recreation space includes a pool and outdoor living area with fire pits, barbeque area, recreational turf area, children's play structures, and a fitness room.

**Table 1 Project Details**

Capalina Apartments				
APN	219-115-33			
Existing Zoning	MU-3			
Proposed Zoning	MU-2			
Acreage	2.51			
Proposed Units	119			
Proposed Commercial SF	4,000			
Density/FAR	47.4 DU/AC / 1.24 FAR			
Parking	147	Total	(142	Residential/5 Commercial)

## 1.2 PROJECT LOCATION

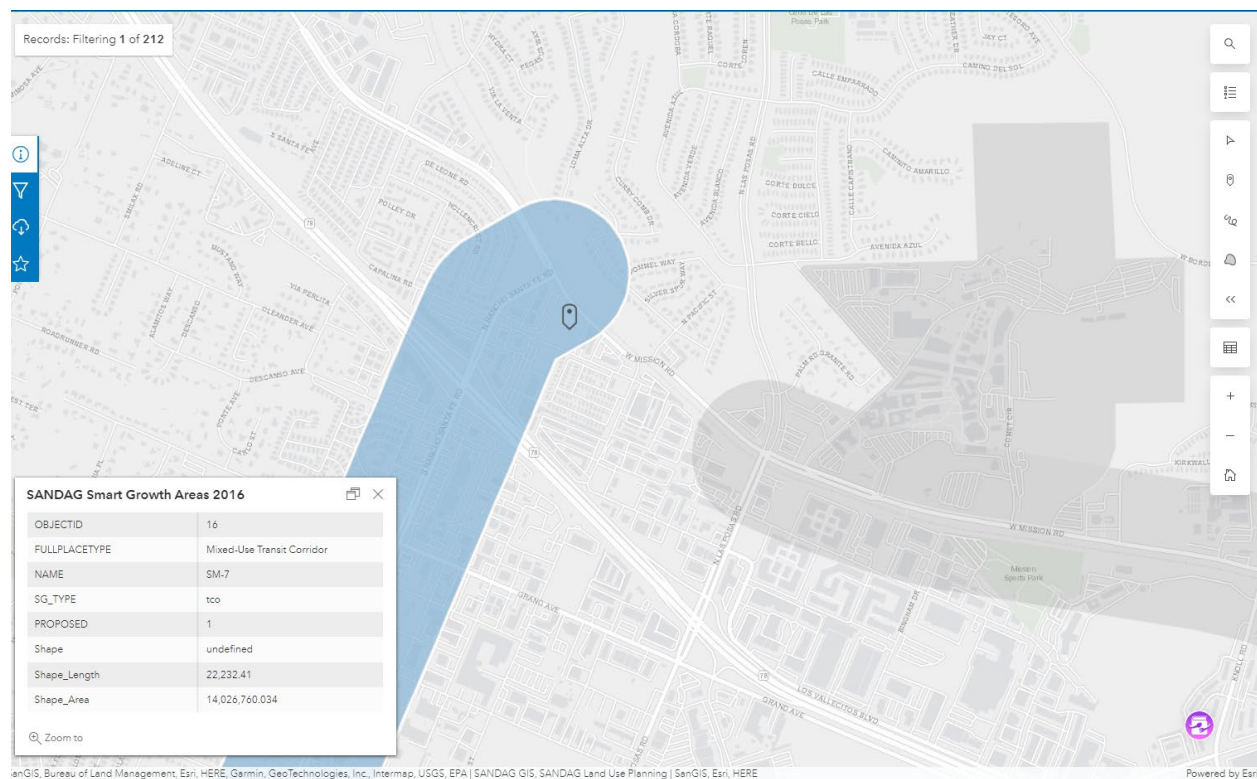
The site is located in the Business/Industrial District in the City of San Marcos on the north side of Capalina Road and is currently vacant. The closest cross street is Rancho Santa Fe Road located just west of the project site. In the immediate vicinity of the site, a recently demolished vacant commercial center was located to the west at the corner of Capalina Road and Rancho Santa Fe Road. A liquor store remains in operation at this corner. A commercial/retail center is located to the east of the parcel. A vacant lot, commercial/retail, and a mobile home park is located south of the site. The North County Transit District (NCTD) Sprinter rail line is located immediately north of the site paralleling W. Mission Road, with a vacant parcel just north of West Mission Road. Generally, lower density single-family residential neighborhoods exist to the north of the site. A recently approved multi-family project is located to the east adjacent to

## Capalina Apartments City of San Marcos

CVS with Palomar College located approximately one-half mile to the east of the project site. Light industrial uses are located to the east, south of W. Mission Road. More light industrial uses and commercial/retail, grocery stores, and restaurants are located to the south. Single-family and mobile home neighborhoods are located across Rancho Santa Fe Road to the west of the site. Highway 78 is less than a quarter mile southwest of the parcel. Two major transit stations are located just over a half mile east of the project site. Those stations include the NCTD Palomar College Sprinter station and the Palomar College bus depot. The bus depot includes routes 304, 305, 347, 445, 604, and 645, which offer connecting service across the County of San Diego.

As described in the EIR Land Use Chapter, the project site is located within the SM-7 Mixed Use Transit Corridor as identified in the San Diego Association of Governments (SANDAG) Smart Growth Concept Map for North County. The “Smart Growth Concept Map” identifies locations in the region that can support smart growth, transit, walking, and biking. The map serves as the foundation for prioritizing transportation investments and determining eligibility for local smart growth incentive funds. The Smart Growth Concept Area data includes just over 200 existing, planned, or potential smart growth locations. Planning professionals from the region’s jurisdictions – each of the 18 cities and the county – provided the recommendations for these specific locations. In addition to input from the cities and county, feedback from the public was important in creating the data for inclusion in the Smart Growth Concept Map. The SANDAG Board of Directors accepted the initial Concept Map in 2006. The Board accepted the most recent technical update in 2016 (SANDAG 2016).

**Figure 1 Sandag Smart Growth Transit Corridor**



(SANDAG/SanGIS Regional GIS Data Warehouse Open Data Portal, n.d.)

## 2 LAND USE ANALYSIS

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### 2.1 LAND USE COMPARISON

The for-rent Capalina Apartments project proposes an appropriate land use transition from MU-3 to MU-2. Multi-family sites perform well when near shopping and retail. In this case Grand Plaza (1-mile south) as well as retail, services, restaurant, grocery stores and residential land uses are all nearby and would support the residential component of the project. The commercial aspect of the project is in-line with nearby commercial/retail uses, is compatible with those uses, and supports residential land uses. The existing land use, MU-3, includes a mix of commercial and office uses, which currently have high vacancy rates potentially contributing to the long-time vacancy of the parcel (Zonda, 2023). In sum, the proposed change to MU-2 is a viable use of the site, compatible with surrounding land uses, and an appropriate land use for parcel 219-115-33 by providing much needed market rate and affordable for-rent apartment units.

#### 2.1.1 Housing

Multi-family residential development within the Capalina Apartments project area will encompass approximately 2.51-acres and will include a maximum of 119 multi-family residential dwelling units for an approximate total density of 47.4 du/ac. The unit mix will include a variation in the numbers of bedrooms, thereby providing a range of units and housing opportunities that will be attractive to potential residents across the economic spectrum. Additionally, the project includes 6-units that are restricted to 50% of the Average Median Income ("AMI"), adding an affordable housing element to further strengthen a need in the City of San Marcos. Therefore, the Capalina Apartments project area is consistent with the goals provided within the Housing Element of the General Plan and provides an attainable housing product in need in the city.

#### 2.1.2 Surrounding Land Uses

As noted in Section 1.2, the site is generally bounded by commercial/retail, mobile home and single-family residential and is compatible with the adjacent land uses. Apartments are considered multi-family development and should generally be sited between transitions from urban residential or business-oriented development and more suburban residential development. In that regard, the proposed location is ideal for the proposed project. Therefore, the proposed multi-family project is compatible and consistent with the surrounding land uses.

#### 2.1.3 Zoning Analysis

The proposed residential and commercial use of the Capalina Apartments project site is allowed under the proposed MU-2 zoning designation pursuant to San Marcos Municipal Code Section 20.225.050 and is consistent with the MU-2 land use (30.0-45.0 du/ac) when applying a density bonus for inclusion of affordable housing units. The site represents a compatible transition between adjacent commercial and retail, business park, and lower-density residential land uses and would be a viable location for the proposed use over the most likely development of a biotech/life science office that would occupy the existing land use. For reasons stated in the Zonda report (Zonda 2023) prepared for the project, development of a biotech/life science campus would create an isolated pocket of life science commercial-office space that tends to develop in areas where other life science campuses are already existing.

The property is currently zoned Mixed Use 3 (MU-3) which allows for a mix of commercial and office uses developed horizontally or vertically. The fundamental difference in the proposed zoning for the parcel

Capalina Apartments  
City of San Marcos

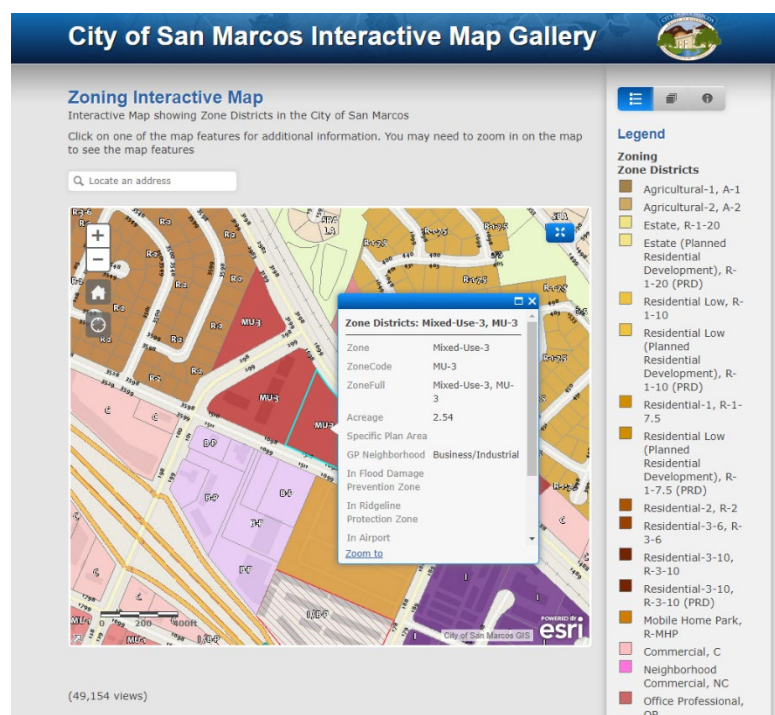
versus the existing zoning is the allowance for residential development versus solely commercial development. The project proposes 119 multi-family dwelling units and 4,000 square feet of commercial/retail space on 2.51-acres with a density of 47.4 du/ac.

Development of the parcel the under the existing MU-3 zoning for commercial uses presents challenges due to the constraints identified in the Zonda report and the DTA Market and Fiscal Analysis reports. The challenges identified in those reports are related to the specific type of office, medical/bio/life science office use, they view as viable for the parcel as well as the overall market conditions driving high commercial/retail and office vacancy rates. There are no multi-story office buildings and no medical/bio/life science office spaces in the vicinity of the parcel which could negatively affect development of the site as medical/bio/life science office as these uses typically cluster near each other in large multi-story complexes (Zonda, 2023). The reports noted that commercial and retail buildings in the vicinity of the project area are currently experiencing a high vacancy rate leading to the assessment that this parcel would likely not function well as a commercial/retail center. These factors have likely contributed to the site's long-term vacancy and can be viewed as evidence of its viability as a commercial/office location. As noted in the Zonda Report:

“The main advantage of the rezone over the existing use is that the site can provide new rental product to San Marcos, which has not seen any new Multifamily product built since 2019. Additionally, demand for office space appears to be limited only to the Medical or Biotech/Life Sciences sectors, and office is generally viewed as a risky investment in today's market.”

Therefore, the proposed Project's MU-2 zoning is a compatible land use for the site and is consistent with the City of San Marcos General Plan Land Use Element as well as the core planning principals that arrange compatible zones to form a cohesive land use plan that supports creating buffers to less dense residential from denser more intensive elements of urban design.

**Figure 2 City of San Marcos Zoning Map**



(City of San Marcos Interactive Zoning Map, n.d.)

### 3 PUBLIC BENEFITS

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A total of seven public benefits have been identified and included in the following discussion:

1. Creation of approximately 200 construction jobs.
2. Provide 119 apartments. The range of unit types and bedroom counts will help boost the regional housing shortage.
3. Provides 5% of the total units in the Very-Low-income affordable housing category (at 50% of area AMI).
4. Payment of funds toward needed city and region-wide infrastructure. The project's PFF and CFD fair share contributions support a range of city-wide maintenance and improvement programs including but not limited to circulation streets, SR-78 interchanges, National Pollutant Discharge Elimination System (NPDES), technology improvements, parks, and habitat conservation fees.
5. Infrastructure benefits compared to the existing land use designation. The project would change the zoning from MU-3 to MU-2. The change to a residential/retail mixed use would result in a reduced trip generation as compared to the current mixed commercial use zoning, which is typically more vehicle intensive. This reduction in ADT translates into a reduction in congestion and strain on public roadways and intersections in the vicinity of the project area.
6. The project will improve the streetscape along the frontage of the project by adding new buildings, landscaping, and pedestrian activated public space along the frontage which includes sidewalks and landscaping.
7. The project dedicates to the city approximately 0.29-acres (+/- 12,632 SF) of additional right-of-way along Mission Road for future mobility improvements.

### 4 INFRASTRUCTURE AND COMMUNITY SERVICES

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The project will either construct infrastructure or contribute funds to offset previously constructed infrastructure. In addition, the project will pay fees to the city or applicable agency/district to offset impacts to community services for the following areas:

- School fees to San Marcos Unified School District.
- Capacity fees to Vallecitos Water District.
- Parks, recreation, and open space impacts.
- Library services.
- Fire services.
- Police protection, and
- Solid waste disposal.

In the case of parks, recreation, open space, police, and fire services, the project will pay its fair share of Public Facility Fees to offset any potential project impacts. Similarly, the project will pay a set fee based on dwelling unit square footage to the school district at the time the project building permits are issued. Library services are offset via taxes collected by the City of San Marcos and solid waste disposal is provided by fee to property owner on a per unit basis. Vallecitos Water District (VWD) charges capacity fees to development for any increase in density to a property. In addition, any potential impacts to deficient VWD systems would be identified in the Water and Sewer study completed by VWD and would be identified as a condition to construct facilities that can sufficiently handle the project's needs.

Infrastructure to the site includes clearing and grading, water and sewer services, gas and electric service, stormwater facilities, and telecommunications services. Infrastructure provided to the site will be constructed by the developer/builders. Therefore, any impacts to infrastructure and services due to construction of the project are properly mitigated.

#### **4.1.1 Project Connectivity**

Regionally, the project area is located near major interstate freeways, local highways, and the NCTD light rail Sprinter that runs service between Oceanside and Escondido. Interstate 15 and Highway 78 comprise the two major highway options closest to the Project area. The Highway 78 interchange is approximately 0.15-mile southwest of the project area. From Highway 78, it is approximately an additional 5.75-miles to connect to Interstate 15. Sprinter rail service is located approximately 0.65-mile east of project site on W. Mission Rd. Together, the regional and local transportation network options allow the residents of the Capalina Apartments project area access to employment, shopping, and entertainment options within the City of San Marcos, as well as broad connection options to San Diego and Riverside counties, and Southern California's schools, shopping and entertainment centers, and employment hubs. Analysis for the parcel concluded the best use under the existing MU-3 zoning would include approximately 10,000 square feet of service-related retail use and 90,000 square feet of medical office space (DTA, 2023). That total square footage would be expected to generate approximately 2,200 trips per day (SANDAG 2022). The proposed MU-2 zoning would be expected to generate approximately 874 trips per day with 63 peak morning trips and 80 peak evening trips which is significantly less than the existing zoning. With a single main road leading into the site, the proposed zoning would produce much less congestion and strain on roadways and traffic systems in the vicinity of the project area.

## **5 COMMUNITY OUTREACH**

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Community outreach has been conducted through a series of public notices sent to neighboring properties within a 500' radius of the project site as well as a Scoping/Project Workshop meeting. The public was able to provide comments to the city planner assigned to the project throughout the process as well as in the Scoping/Public Workshop meeting and again during public circulation of the Environmental Impact Report. The applicants conducted the scoping/public workshop meeting and fielded questions from the public as well as having discussions with individuals from the area interested in the project details. In addition, the applicants contact information was available on the notice sign located on the property. Members of the public were encouraged to contact the applicant with any questions or concerns they may have.



## 6 CONCLUSIONS

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Considering the factors analyzed herein, the proposed project would be a superior alternative to the existing commercial mixed-use zoning for APN 219-115-33. The parcel, when converted to Mixed-Use 2, would function better as proposed by the Capalina Apartments project. The location of the parcel and market conditions have played a part in the vacancy of the parcel under the existing zoning. Rezoning the parcel to MU-2 would bring immediate benefits to the city by infilling a vacant lot, thereby providing fees, economic benefits, and tax revenue to the city. The construction of new buildings and landscaping would transform and beautify the existing lot frontage and would add a pedestrian scale commercial component to the streetscape. Mixed residential/commercial use of the site would integrate well with the surrounding light industrial, commercial/retail, and denser mobile home communities creating a harmonious neighborhood on Capalina Road. Therefore, transitioning APN 219-115-33 from commercial mixed-use (MU-3) to residential/commercial MU-2 would be an appropriate transition of uses as well as the best transition of land use for the prospective project site.

The project provides an additional seven beneficial aspects to the public which can be actualized now as a mixed-use residential/commercial project that would not otherwise occur because of economic and commercial zoning constraints which may play a part in the site remaining vacant. The infrastructure to the site contributes to the water system in addition to the grading, sewer, dry utilities, stormwater, and telecommunications infrastructure, paid for and constructed by the developer/builder. Public services provided to the project are offset via fees paid to the city and school district. Therefore, implementation of the project is a net positive to the community. For additional analysis, please reference Table 2, City of San Marcos General plan Land Use Element Consistency Analysis.

**Table 2 City of San Marcos General Plan Land Use Element Consistency Analysis**

Goal	Goal Description	Capalina Apartments Consistency
Land Use Element		
<b>LU-1</b> <b>Achieve a balanced and compatible mix of land uses.</b>	Achieve a balanced distribution and compatible mix of land uses to meet the present and future needs of all residents and the business community.	The project would construct 119 residential apartments and six of the units would be affordable at the very low-income level (50% of the Area Median Income or AMI). These units would add to the housing stock within the city and the greater North County area of San Diego and would meet the demand for future housing in the city, as contemplated by the City's General Plan. The proposed 4,000 s.f. of commercial use compliments the residential use and provides for a compatible mix of land uses. The project is consistent with this goal.
<b>LU-2</b> <b>High quality and sustainable development.</b>	Promote development standards and land use patterns that encourage long-term environmental sustainability.	The project has been designed to maximize the residential density on a parcel in a developed portion of the city and adjacent to W. Mission Road which is served by bus service. The project is also 0.6 miles from the SPRINTER rail station. Based upon the analysis in this EIR, the project will reduce all significant impacts to below a level of significance through the incorporation of mitigation measures. The project is consistent with this goal.
<b>LU-3</b> <b>Community Connections.</b>	Develop land use patterns that are compatible with and support a variety of mobility opportunities and choices.	The project's internal pedestrian circulation network would connect to the existing sidewalk along the project frontage on W. Mission Road. There is an NCTD bus stop on W. Mission Road in front of the project. The project is 0.6 miles to the SPINTER transit stop at Palomar College. The project is consistent with this goal.
<b>LU-4</b> <b>Education Hub.</b>	Promote San Marcos as the educational center of North County while creating a greater synergy between the business community and its academic institutions.	Implementation of the Capalina Apartments project would complement the LU-4 Goal by creating a development within close proximity and/or easy access to Palomar Community College and California State University San Marcos. The project is consistent with this goal.
<b>LU-5</b> <b>A city of distinct and memorable places.</b>	Promote community design that produces a distinctive, high- quality built environment with forms and character that create memorable places and enrich community life.	The project has been designed to incorporate architectural treatments, including varied rooflines to enhance the appearance of the project. The conceptual landscape plan provides for a mix of trees, shrubs, and groundcover to further enhance the look and feel of the project. The project is consistent with this goal.
<b>LU-7</b> <b>Growth Management and Adequate Provision of Urban Services.</b>	Direct and sustain growth and expansion in areas of San Marcos that can support a concentration of a variety of uses and are particularly suitable for multimodal transportation and infrastructure expansion and improvements.	The project site is within the City of San Marcos, surrounded by existing development including commercial and residential uses. Existing services and utilities are present in proximity to the project. The project is in proximity to transit and provides sidewalks to encourage non-motorized transportation. The project is consistent with this goal.

## 7 REFERENCES

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