REGULAR CALENDAR

STAFF REPORT AND PRELIMINARY RECOMMENDATION

Applicant: Ocean Bluff Associates
Agent: Jack Henthorn

Description: Subdivision of 31.1 acres into 92 single family lots having a minimum lot area of 7500 square feet, one open space lot (3 acres), and one multiple family lot (34,410 sq.ft.) to accommodate 16 affordable units. Off-site improvements include the construction of Street "A" from the project's southwestern boundary to future Poinsettia Lane, Poinsettia Lane between its current easterly terminus and Street "A", and Black Rail Court from its northerly terminus to the northeast corner of the project.

Zoning: E-A Exclusive Agriculture
Plan Designation: RLM (0-4 du/ac)
Project Density: 3.6 du/ac

Site: Northwest Corner of future Poinsettia Lane and Black Rail Court
Carlsbad, San Diego County, APN 215-070-16

Substantive File Documents: Certified City of Carlsbad Mello II Segment LCP; CDP #6-95-125/Pac West; 6-94-131, Toyohara; 6-94-52, Bramalea; Letter from the U.S. Fish and Wildlife Service – 2/8/96

STAFF NOTES:

Summary of Staff’s Preliminary Recommendation:

Staff is recommending approval of the proposed project as impacts to coastal sage scrub habitat (4 acres off-site) for construction of Poinsettia Lane, an off-site Circulation Element Road, will be mitigated. Special conditions address preservation of sensitive resources as open space; grading/erosion control and drainage/runoff control plans; construction timing and staging areas; mitigation for conversion of former agricultural lands to urban uses; a brush management program requiring no clearcutting of sensitive vegetation in open space areas; and, future development. It is believed the conditions are acceptable to the applicant.
PRELIMINARY STAFF RECOMMENDATION:

I. Approval with Conditions.

The Commission hereby grants a permit for the proposed development, subject to the conditions below, on the grounds that the development, as conditioned, will be in conformity with the adopted Local Coastal Program, and will not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act.

II. Standard Conditions.

See attached page.

III. Special Conditions.

The permit is subject to the following conditions:

1. Open Space Deed Restriction. Prior to the issuance of the coastal development permit, the applicant shall record a restriction against the subject property, free of all prior liens and encumbrances, except for tax liens, and binding on the permittee's successors in interest and any subsequent purchasers of any portion of the real property. The restriction shall prohibit any alteration of landforms, clear-cut removal of vegetation or the erection of structures of any type, in the area shown on the attached Exhibit "3", and generally described as follows: the dual criteria slopes and coastal sage scrub area as shown on the Slope Analysis dated 3/27/95. The recording document shall include legal descriptions of both the applicant's entire parcel(s) and the restricted area, and shall be in a form and content acceptable to the Executive Director. Evidence of recordation of such restriction shall be subject to the review and written approval of the Executive Director.

2. Grading and Erosion Control. Prior to the issuance of the coastal development permit, the applicant shall submit to the Executive Director for review and written approval, in consultation with the Department of Fish and Game, final grading plans approved by the City of Carlsbad. Grading activities shall be permitted between October 1st and February 15th subject to the following criteria:

   a. All temporary and permanent runoff and erosion control devices shall be developed and installed prior to or concurrent with any on-site grading activities.

   b. All areas disturbed, but not completed, by October 1st, including graded pads, shall be stabilized in advance of the rainy season. The use of temporary erosion control measures, such as berms, interceptor ditches, sandbagging, filtered inlets, debris basins, and silt traps shall be utilized in conjunction with plantings to minimize soil loss from the construction site. Said planting shall be accomplished under the supervision of a licensed landscape architect, shall provide adequate coverage within 90 days, and shall utilize vegetation of species compatible with surrounding native vegetation, subject to Executive Director approval.
3. **Drainage/Runoff Control.** Prior to the issuance of the coastal development permit, the applicant shall submit final drainage and runoff control plans, approved by the City of Carlsbad. Said plans shall be designed by a licensed engineer qualified in hydrology and hydraulics, and assure no increase in peak runoff rate from the developed site as a result of a ten-year frequency storm over a six-hour duration (10 year, 6 hour rainstorm). Runoff control shall be accomplished by such means as on-site detention/desilting basin(s). Energy dissipating measures at the terminus of outflow drains shall be constructed. The runoff control plan including supporting calculations shall be submitted to and determined adequate in writing by the Executive Director.

4. **Construction Timing/Staging Areas/Access Corridors.** Prior to the issuance of the coastal development permit, the applicant shall submit to the Executive Director for review and written approval, a final construction schedule, which shall be incorporated into construction bid documents. The schedule shall also include plans for the location of access corridors to the construction sites and staging areas. Access corridors and staging areas shall be located in a manner that has the least impact on coastal resources. No staging areas or access corridors shall be located within the environmentally sensitive habitat area on the northwest portion of the site, and coastal sage scrub areas within 50 feet of the right-of-way of Poinsettia Lane.

5. **Agricultural Conversion.** Prior to the issuance of the coastal development permit, the applicant shall submit to the Executive Director for review and written approval, evidence that payment of an agricultural mitigation fee for converted agricultural lands to urban uses has been received by the City of Carlsbad, consistent with the provisions of the Carlsbad Mello II LCP.

6. **Brush Management Program.** Prior to the issuance of the coastal development permit, the applicant shall submit for review and approval of the Executive Director, a brush management program. The plan shall include a site plan showing a 60 foot distance, all fuel modification zones delineated, beyond all planned structures on lots adjacent to areas of native vegetation, designating those areas subject to selective thinning and pruning. The plan shall indicate that clear-cut vegetation removal for brush management purposes shall not be permitted within required open space areas pursuant to Special Condition #1. Any approved clearing shall be conducted entirely by manual means and shall be the absolute minimum for reduction of fire hazards.

7. **Future Development.** This permit is for subdivision and construction of residential building pads including grading, landscaping, construction of local public streets, sidewalks, curbs, gutters, and storm drains. Construction of residences on any of the proposed lots shall require review and approval by the Coastal Commission, or its successor in interest, under a separate coastal development permit or an amendment to this permit.

8. **Final Plans.** Prior to the issuance of the coastal development permit, the applicant shall submit for review and approval of the Executive
Director, final grading and improvement plans for proposed off-site improvements of Poinsettia Lane. The plans shall be submitted in substantial conformance with the plans dated September 27, 1995.

III. FINDINGS AND DECLARATIONS.

1. Project Description/History. The proposed development consists of 92 single family lots having a minimum lot area of 7500 square feet, one open space lot (3 acres), and one multiple family lot (34,410 sq.ft.) to accommodate 16 affordable units to comply with the City of Carlsbad's inclusionary housing requirements.

The proposed lot to accommodate the affordable project is located in the southwestern corner of the site in proximity to Poinsettia Lane, designated in the LCP as a Circulation Element Road.

Since the project does not front on an existing public street, access to the parcel is proposed by offsite improvements which include Street "A" from the project's southwestern boundary to future Poinsettia Lane, Poinsettia Lane between its current easterly terminus and Street "A", and Black Rail Court from its northerly terminus to the northeast corner of the project. The project's proposed circulation design will also provide public street access to all adjoining properties.

The site consists of approximately 31 acres of vacant, previously cultivated land which is surrounded by rural residential and agricultural properties. Although the parcel rises in elevation approximately 100 feet from west to east and contains a north-south trending ridge in the eastern third of the property, the majority of the parcel is relatively flat with slopes less than 15%. A 3 acre, steep-sided ravine located at the northwestern corner consists of "dual criteria" slopes (naturally vegetated steep slopes at 25% grade or greater) which are protected under the certified Mello II LCP. The proposed grading creates terraced hillside lots which generally follow the existing topography, i.e., rising in elevation from west to east to the ridgeline.

The provision of the proposed offsite improvements, i.e., Poinsettia Lane and Street "A" would result in impacts to approximately 4 acres of coastal sage scrub and one pair of California gnatcatchers, and is located within Preserve Planning Area 4 of Carlsbad's draft Habitat Management Plan (HMP) which contains approximately 84 acres of coastal sage scrub and 38 acres of chaparral habitat within its core area.

2. Sensitive Habitat Areas. Relevant policies which address protection of environmentally sensitive habitat areas include Policy 3-1 of the certified Mello II LCP, "Slopes and Preservation of Vegetation" which states:

Certain areas of the Carlsbad coastal zone have very high habitat value. These areas are not suitable for farming. These areas exhibit a large number and diversity of both plant and animal species, several of which are threatened because of extensive conversion of mixed chaparral and coastal sage scrub habitats to urban or agricultural uses. Also, well-established and well-maintained vegetation is a major deterrent to soil erosion and attendant difficulties.
Unless specifically addressed in other policies of this Land Use Plan, the vegetation on steep slopes shall be maintained so that natural habitats are preserved and soil erosion is minimized.

The policies of the certified Mello II segment of the City's LCP, as amended in 1985, contain the following language regarding the development of steeply sloping hillsides with native vegetation:

Grading and Erosion Control

a) For those slopes mapped as possessing endangered plant/animal species and/or coastal sage scrub and chaparral plant communities, the following shall apply:

1) Slopes of 25% grade and over shall be preserved in their natural state, unless the application of this policy would preclude any reasonable use of the property, in which case an encroachment not to exceed 10% of the steep slope area over 25% grade may be permitted. For existing legal parcels, with 25% grade, encroachment shall be permitted, however, any such encroachment shall be limited so that at no time is more than 20% of the entire parcel (including areas under 25% slope) permitted to be disturbed from its natural state. This policy shall not apply to the construction of roads of the City’s Circulation Element or the development of utility systems. Uses of slopes over 25% may be made in order to provide access to flatter areas if there is no less environmentally damaging alternative available.

As previously stated, the subject site is located in the area subject to the Mello II segment of the City of Carlsbad’s LCP. Steep slope areas are afforded special status due to the presence of naturally occurring chaparral/coastal sage scrub slopes in the general area. The LCP regulations pertaining to steep slopes as drafted by the City and certified by the Commission seek to protect only those slopes which contain both areas of 25% grade and greater and natural coastal sage scrub/chaparral vegetation.

The intent of the LCP policies is to limit the wholesale removal of native vegetation, recontouring of natural landforms and installation of impervious surfaces within naturally vegetated steep slope areas. A detailed slope analysis and biological survey conducted for the site indicates that about 3.02 acres of the site are 25% grade or greater. Of these slopes, a total of about 2.15 acres contain natural vegetation of mixed chaparral plant communities; the remaining .87 acres is identified as non-native steep slopes containing weeds. As proposed, project implementation would result in no loss of the mixed chaparral as it is being preserved as one acre Lot "A" open space in the City's approval. Special Condition #1 requires a similar open space requirement for Lot "A". Therefore, the project complies with Mello II requirements which prohibits encroachment on dual criteria slopes with some exceptions.
Regarding steep slope encroachment from off-site improvements, almost 4 acres of encroachment is proposed through a canyon containing coastal sage scrub for construction of Poinsettia Lane north of its proposed intersection with Alga Road to the project site (about 2,800 feet). The certified Mello II LCP requires that impacts to naturally vegetated steep slopes (25% grade or more) be avoided with some exceptions; however, the LCP allows steep slope encroachment for LCP-designated Circulation Element Roads. The City's certified LCP indicates Poinsettia Lane is a circulation element road to extend between Carlsbad Boulevard (Old Highway 101) and El Camino Real. Policy 5-5 of the certified Mello II LCP provides that Poinsettia Lane should be completed as a major arterial as indicated on the Local Coastal Program map. The proposed Poinsettia Lane alignment appears generally consistent with the alignment approved in the certified LCP.

Additionally, however, the City has used the Zone 20 Specific Plan as the standard of review for this project. That plan provides a master plan for the buildout of the City's Zone 20 planning area, which contains a number of environmentally sensitive areas. While the Zone 20 Plan has been approved at the local level, it has not been submitted to the Commission for review and certification. With regard to Poinsettia Lane, the Commission can accept impacts to dual criteria slopes for its construction as a circulation element road, with this permit approval, provided there are no feasible less environmentally damaging alternatives which could avoid such impacts.

Access alternatives from the Poinsettia Lane/Alga Road intersection to the project site were analyzed by the City in its review of the Specific Plan. While the analysis discussed two parallel alignments of Poinsettia Lane near the project site, neither alignment avoided the canyon where the bulk of the impacts would occur. The analysis found that any route besides the proposed route would not align properly with the existing Poinsettia Lane/Alga Road intersection on the west and the Black Rail Court/Poinsettia Lane intersection on the east, and a redesign would not be feasible in keeping design parameters associated with a major arterial. The Commission has previously approved these intersections in the Phase II and Phase III approvals of the Aviara Master Plan (CDP #6-91-46, and CDP #6-94-25).

In short, the City found that large, circulation element roads such as the proposed major arterial (Poinsettia Lane) can not be easily realigned because of radius and spacing requirements, and that the resource impacts to the coastal sage scrub in the canyon could be accepted with mitigation. The California Department of Fish and Game and the United States Fish and Wildlife Service have concurred with the City and have found that, as mitigated through the purchase of approximately 8 acres of mitigation credits in the Carlsbad Highland Mitigation Bank, the project could be found consistent with the NCCP program which is administered by the wildlife agencies. The applicant has submitted evidence that 8.00 acres of coastal sage mitigation has been purchased at the Carlsbad Highlands Conservation Bank, in accordance with the proposal. Thus, the Commission finds the proposed off-site impacts can be accepted in conformance with the provisions of the certified LCP and the NCCP program.
In a related issue, the Commission is concerned about resource impacts resulting from further extensions of the road system in the Zone 20 area. As noted, the Zone 20 Specific Plan has not been adopted by the Commission but is used by the City in review of development proposals in this area. The Commission is concerned that buildout of the surrounding area, including primary and secondary road alignments to serve adjacent properties in the area (Roesch, Shindler, Sakaria, etc.), may be planned by the City in a manner that is inconsistent with the certified LCP. Such roads could have resource impacts to dual criteria slopes, especially on the Schindler and Roesch sites which both contain large areas of coastal sage scrub, which would not be allowed by the certified LCP, or consistent with the NCCP program. The City indicates no tentative maps are being processed for these sites, however, the circulation map in the Zone 20 Plan indicates road alignments, such as the extension of Camino De Las Ondas east of Alga Road, which appear to be inconsistent with the LCP as presently certified. In any event, the Commission is concerned about a piecemeal or permit approach toward approval of a road system in Zone 20, rather than a pro-active planning approach. Examples of the Commission's concerns in the Zone 20 area follow.

In CDP #6-94-52, Bramalea, the Commission required a revised tentative map indicating that the northeast corner of the site be retained as open space rather than allowing the proposed extension of Camino de las Ondas, a local road, to continue east onto the Schindler site (which is almost totally comprised of coastal sage scrub) as proposed in the Zone 20 plan.

In CDP #6-94-131, Toyohara, the Commission again required a revised tentative map indicating that the proposed Cherry Blossom Avenue, a local collector, be realigned to avoid a finger canyon containing sensitive vegetation in the northwest corner of the site. The Zone 20 plan indicates the alignment through the finger canyon was necessary to provide access to surrounding properties. However, as approved by the Commission, the realignment avoided the canyon and the surrounding properties can be access without impacting coastal resources. The southeastern corner is also retained in open space not allowing the extension of Camino De Las Ondas east of Alga Road.

In CDP #6-95-125, Pac West (as previously proposed on this site in CDP #5-85-514, Cobblestone) a local road was proposed within an open space area containing sensitive resources to provide secondary fire access to the subdivision. As approved in the later permit, this road was deleted and replaced with a gated connection in the southeastern portion of the development between the Pac West private street system and the Ocean Bluff site, with the Commission finding that plans for this additional access conformed with the CRP policies on grading of steep slopes (no encroachment on steep slopes is required for this access point).

As indicated above, the Zone 20 Specific Plan has endorsed a circulation system that is not always the most protective of coastal resources. The Commission has urged the City to submit the specific plan as an LCP amendment to address these issues, but it has not yet come before the Commission for approval. The Commission notes that based on the preceding it will not accept road alignments approved in the Specific Plan if they cannot be found
consistent with the resource protection provisions of the certified Mello II LCP. There are no additional circulation element roads in the area south of Palomar Airport Road, west of El Camino Real, east of Alga Road, and north of Poinsettia Lane identified in the certified LCP.

The Commission notes the present proposed alignment of Poinsettia Lane would not result in resource impacts inconsistent with the Mello II LCP or long-range planning options addressed in the City's draft Habitat Management Plan and the statewide Natural Communities Conservation Plan. However, buildout of the above described area must include an open space and circulation system designed to preserve environmentally-sensitive habitat areas, as contained in the certified LCP, unless an LCP amendment is approved which modifies the current standard of review. Given the current status of the City's Habitat Management Plan and the NCCP program, some modifications to the steep slope policies may be warranted; however, until that occurs, the City and the Commission must require conformance with the present LCP policies.

Regarding grading and erosion control, no significant direct impacts to coastal resources are proposed, as most of this area is unfarmed agricultural lands. The approximately 325,000 cubic yards of grading is proposed to be balanced on-site, resulting in a terraced hillside design. Excluded in these volumes is 54,600 cubic yards of cut grading and 91,200 cubic yards of fill for Poinsettia Lane which will be a circulation element roadway. The grading of the property, however, has the potential to indirectly impact sensitive off-site resources at Batiquitos Lagoon.

The City's approval requires the project to address downstream impacts to Batiquitos Lagoon. It requires the applicant demonstrate that runoff rates from the developed site will not exceed natural runoff rates resulting from a 10 year storm of moderate intensity. Special Conditions #2 and #3 require the submittal of final grading, drainage, and erosion control plans designed to avoid erosion and subsequent sedimentation impacts to the sensitive resources associated with drainage from the developed site. In addition, the condition prohibits grading during the winter months, when rain and resulting erosion is most likely to occur. The final drainage plans must be designed to assure no increase in the peak rate of runoff associated with the developed site when compared to undeveloped conditions. These requirements are consistent with the language contained in the Carlsbad LCP and past Commission precedent.

3. Agriculture. The project site supports agricultural uses and is located in the Coastal Agricultural Overlay Zone. The Mello II LCP requires mitigation when non-prime coastal agricultural land is converted to urban land uses. Sections 30241 and 30242 of the Coastal Act concern the protection of agricultural lands. In 1981, when the Carlsbad Mello II LCP segment was certified by the Commission, the two major concerns were preservation of agricultural uses and protection of environmentally sensitive habitats. Regarding agricultural preservation, a major issue was minimizing agricultural versus urban impacts by developing stable urban/agricultural boundaries. For the most part, the certified LCP accomplished this objective by concentrating development along I-5, Palomar Airport Road, and the El Camino Real transportation corridors and preserving the interior areas, where public infrastructure is lacking, for continued agricultural use.
Prior to major amendments to the LCP certified by the Commission in 1985, the subject site was identified in the LCP as being subject to the agricultural subsidy program, where agricultural lands were subsidized in order for them to continue as such. However, major amendments to the LCP certified by the Commission in 1985 significantly changed the policies of the LCP regarding agricultural preservation. Those amendments essentially allowed for conversion of almost all the agriculturally designated lands within the City's Mello I and Mello II segments. The LCP provides three mitigation options for such conversions for projects in Site II: (1) "Prime Land Exchange"; (2) "Determination of Agricultural Feasibility"; and (3) "Agricultural Conversion Mitigation Fee".

The first option is a determination of infeasibility of continued agricultural use based on area-wide, rather than site-specific studies of agricultural feasibility. The second option is participation in a mitigation program designed to preserve off-site prime agricultural lands elsewhere in the coastal zone. The third option for conversion is the payment of an agricultural mitigation fee of between $5,000 and $10,000 per acre of converted lands. The funds accrued from the fees of this are to be used in the restoration and enhancement of natural resources, public access opportunities, and preservation of agricultural lands in Carlsbad.

The implementing ordinances of the LCP, as modified in 1985, contain the specific requirements for implementing the three options of the LCP. The identified agricultural lands for which conversion requirements would be applicable were included in a Coastal Agriculture (C-A) Overlay Zone. Under the provisions of the C-A zone, the timing of the mitigation required varies depending on which of the three options of the LCP's conversion policies was chosen.

Under the last option, payment of a mitigation fee, the mitigation requirement is triggered at the time that a coastal development permit for "urban development" is considered. Specifically, subsection 21.070-c calls for such fees to be paid "prior to the issuance of building permits for the project". As noted, the subject property is located in the C-A zone and is, thus, subject to the requirements of the LCP regarding agricultural lands. The proposed use clearly constitutes an urban conversion. The City's approval contains a similar condition and the applicant has indicated the conversion fee option will be used. The Commission finds that acceptable provided evidence is submitted that the fee has been paid, consistent with the provisions of the attached Special Condition #5. Only as conditioned can the Commission find the subject project and conversion of agricultural lands consistent with the agricultural policies of the certified Mello II LCP.

4. Visual Impacts. Section 30251 of the Coastal Act and the certified Mello II LCP state that new development must be sited and designed to not adversely impact scenic features. Although this area is primarily agricultural land and surrounded by either existing medium density residential projects or planned medium density residential projects, development on this site may be visible from the beaches to the west as it contains a ridgeline.
The proposed grading would create building pads that are terraced for views and step down the slope. Most of the local streets and manufactured slopes are curving and aligned to follow existing contours. The City found the street alignments and curving landform graded slopes would reduce visual impacts created by the grading and help simulate the natural slope conditions. To further minimize the project's visual impact, the City found that all structures and roofs within the project will be earth tone in color, a percentage of the homes along the ridgeline will be one-story in height, and all homes would have varying rooflines. Finally, landscaping plans have been submitted which indicate that the site will be landscaped in accordance with the City's Landscaping Manual and no adverse visual impacts are anticipated. Therefore, the Commission finds that the subject development is consistent with the visual resource policies of the certified Mello II LCP.

5. Local Coastal Planning. Sections 30170(f) and 30171 of the Coastal Act were special legislative amendments which required the Commission to adopt and implement a Local Coastal Program for portions of the City of Carlsbad and County islands prior to specific statutory dates. In reviewing development proposals, the Commission must essentially act like local government and assess whether a project is consistent with the implementing zone and other policies of the certified LCP.

This coastal development permit application is accompanied by a companion Local Coastal Program Amendment to rezone the a 31.2 acre site from Exclusive Agriculture (E-A) to One-Family Residential (R-1). The proposed Ocean Bluff rezoning would potentially allow development of the site at a density which would exceed the certified land use plan designation and staff is recommending it first be rejected, then approved with a suggested modification to reinforce the land use plan density limits. The certified Mello II LUP designates the site as Residential Low Medium (RLM) which permits up to 4 dwelling units per acre (du/ac). The proposed R-1 zoning (7500 sq.ft. minimum lot size) would allow up to 5.8 du/ac, which is inconsistent with the density permitted in the LUP. Regardless, however, the proposed density is consistent with the density contained in the certified LUP; therefore, approval will not prejudice implementation of a certified LCP.

STANDARD CONDITIONS:

1. Notice of Receipt and Acknowledgement. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.

2. Expiration. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.

3. Compliance. All development must occur in strict compliance with the
proposal as set forth below. Any deviation from the approved plans must be reviewed and approved by the staff and may require Commission approval.

4. **Interpretation.** Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.

5. **Inspections.** The Commission staff shall be allowed to inspect the site and the development during construction, subject to 24-hour advance notice.

6. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.

7. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.