

June 9, 2017

Mr. John Sherritt
Ponto Beachfront Development Review Committee
Carlsbad, CA

RE: Response to PBDRC Comments Date 1-27-17

Dear Mr. Sherritt:

We are providing this letter in response to PBDRC's comment letter dated January 27, 2017. We appreciate PBDRC's comments and communications with us. Many of your suggestions and our past meetings have led to design changes and revisions to the project, and we look forward to an ongoing dialogue and coordination with you as the process moves forward. Some of the key changes to the project that we have made in response to PBDRC's comments include the following:

1. We supported and formally requested a reduction in density in the General Plan from R30 to R23.
2. We have reduced the proposed number of units from a high of 227 to 136 residential homes, a reduction of over 40%.
3. We have agreed to not pursue an affordable housing density bonus.
4. We have eliminated roof top decks.
5. We separated the residential and commercial uses, and increased the square footage of the commercial buildings from 13,000 SF to 18,000 SF.
6. Enhanced the pedestrian connectivity along Avenida Encinas by replacing the existing standard 5-foot wide curb adjacent sidewalk with an 8-foot wide meandering sidewalk with a landscaped parkway separating the road from the sidewalk.
7. We have voluntarily proposed a U-turn option for northbound traffic on Carlsbad Blvd at Avenida Encinas intersection to eliminate the current illegal U-turns on Avenida Encinas.
8. Revised architecture to address community concerns and comments.
9. Committed to HOA CC&R restrictions to control the use of short-term rentals.
10. We have redesigned the residential area and eliminated the previously proposed apartment building.
11. Agreed to provide bike racks and surfboard racks at highly visible areas
12. We relocated the commercial buildings from fronting on Ponto Drive to the western portion of the commercial site.

We believe that the meeting between Shopoff and PBDRC on June 5, 2017 at the Cape Rey Hilton was helpful. We understand that the committee still has concerns over density, building height and architecture. As we discussed, we are happy to meet with PBDRC to review specific details on the architectural theme and design elements. We will be contacting you shortly to schedule a follow-up meeting on architecture.

Another item discussed at our meeting was the illegal placement of soil on the property near Avenida Encinas. Shopoff has hired a contractor to remove the soil, which is schedule to occur this week. We are considering options for preventing future incidents from occurring on the property.

Our responses to PBDRC's comment letter dated January 27, 2017 are provided on the following pages. Please note that, while we have provided responses to most of the comments raised by PBDRC, there are several design issues that require further study and will require future coordination and communication with PBDRC and the City of Carlsbad.

LAND USE DENSITY/INTENSITY

Our project is within the R-23 density range that was established for the property under Envision Carlsbad. Staff has provided an interpretation of the Land Use designations and Growth Control Point considerations below. Overall, on an objective basis, staff's analysis shows that the proposed project complies with all General Plan and Zoning standards.

"Current General Plan Land Use designations and Growth Management Control Points allow for the development of 124 residential units on the east side of Ponto drive and 12 residential units on the west side of Ponto Drive for a total of 136 residential units within Planning Area F. A density transfer of residential units from the site designated for General Commercial, to the site designated for R-23 Residential is permitted, provided that the overall density remains within the allowable density range for the R-23 Residential (15-23 du/ac) land use designation."

The current comment in your letter is in contrast to PBDRC's letter dated August 17, 2015 to the City Council and Planning Commission where PBDRC stated that *"We generally support the rezoning of Ponto East, the Townhome Residential to R-23, however would prefer a R-15 designation given the developer's intent to apply for a planning changes and density bonuses to increase density."*

In addition, it was PBDRC's desire to eliminate residential uses from the General Commercial parcel, which was allocated 12 units under Envision Carlsbad. We are not seeking a density bonus, nor any other increase in density, we have eliminated residential uses from the General Commercial parcel, and as such, we feel that we have met the original request of PBDRC in their August 17, 2015 letter.

SCALE/MASS/HEIGHT

With respect to mass and scale, we have taken extensive efforts to develop architecture that is not only reflective of the style called for in the Vision Plan, but that provides design elements such as massing breaks, vertical and horizontal articulation, incorporates the use of balconies to provide a scale and building mass that fulfills the vision of the PBVVP.

The building height limit under the Planned Development Ordinance (C.M.C. Chapter 21.45) is 40 feet for residential homes with pitched roofs. We recently confirmed with the City that our plans meet the strictest definition of the building height limit. We have provided additional vertical and horizontal articulation to vary building heights and rooflines, which we are happy to review with you in person when we review the architecture in detail.

SHORT TERM RENTALS/PARKING

We concur with the PBDRC that short-term rentals, when improperly managed, can pose issues for any community. We propose to include the following provisions in the CC&Rs and/or the HOA regulation, as allowed by law (e.g., California Coastal Act, BRE):

- Restrict short-term rentals to a minimum of 30 days and provide HOA enforcement powers;
- Require that sales contracts disclosures clearly indicate that short-term rentals of less than 30 days are prohibited.

With respect to PBDRC's comments regarding parking, we are providing parking in excess of the City code requirements. The required parking per C.M.C. for the 136 homes on the R23 parcel is 295 parking spaces, including required visitor spaces. We are providing 360 parking spaces, which provides for an excess of 65 parking spaces, or 22% more than required. Currently, public parking is available on the east side of Ponto Drive. Our plan includes parking on both the east and west sides of Ponto Drive, which will retain the existing public beach parking. This parking will continue to be regulated and enforced by the City as public street parking. We strongly considered the use of angled parking on Ponto Drive, however, angled parking is not consistent with the street cross section established by the City and is not being pursued.

In regards to RV Parking, Carlsbad's Planned Development Ordinance does not require the provision of RV parking for projects developed in the RH General Plan designation. Based on our proposed product, we do not anticipate demand from future residents for RV storage and do not plan to include RV storage in our plan. RV storage will be prohibited under the CC&R's. In addition, the City already has restrictions in place on the amount of time a RV or other oversized vehicle can be parked on a public street. We do not feel a parking study is warranted.

PUBLIC FACILITIES/PSMP/LFMP

Our analysis has determined that the performance standards for all eleven local facilities, including parks, included in Zone 9 are currently being met. This is consistent with the City of Carlsbad's most recent Growth Management Plan Monitoring Report (Fiscal Year 2014-2015), which stated that performance standards for local facilities were being met citywide.

Our plan follows the current park provisions of the Poinsettia Shores Master Plan. The proposed project presently provides significant areas of privately-owned but publically accessible open space and gathering spaces in the General Commercial zone. Our plan meets and exceeds all park and recreation space requirements.

As we discussed at our last meeting with PBDRC, Shopoff is willing to work with PBDRC to incorporate the triangular open space on the westerly commercial parcel to create more open space and plaza area (aka the Ponto Commons concept). Based on comments received by PBDRC at our meeting on June 5th, PBDRC desires turf and bench seating areas to be included in the open space area. We will work to include your input into the programming of those areas. Our ability to include this land area is contingent on on-site habitat mitigation requirements and required water quality treatment basins.

Regardless, the privately-owned, public plaza and surrounding seating, landscaped and open space areas planned for the commercial parcel will provide for passive recreation opportunities for children, families and residents. Based on your comments, we have included bike and surfboard storage amenities within the project.

SITE LAYOUT AND ELEVATIONS

Building Setbacks:

- The westerly parcel is being developed per the requirements of Carlsbad's C-2 zone which is the implementing zoning for the site's General Plan designation of General Commercial. The C-2 zone does not require any setbacks from the Avenida Encinas right-of-way, however, the proposed plan provides a varied setback ranging from 14.5 feet to 29.5 feet for the restaurant along Avenida Encinas.
- The residential units on the easterly parcel will provide a minimum 30' setback from the existing Avenida Encinas right-of-way per Carlsbad's Planned Development Ordinance.

We have revised the layout of the commercial parcel to provide for additional public plaza space in between the restaurant and public market hall, which will provide room for additional public gathering space. We have provided a draft layout to PBDRC and would appreciate your input on programming and amenities to include in the public “commons area”.

The elevated layout of the commercial site at the corner of Carlsbad Blvd. and Avenida Encinas is part of a design strategy to optimize the visual quality of the corner as an iconic community entry feature and to optimize coastal views from the restaurant. However, we fall well within the building height limit of 35 feet measured from existing grade. We have completed visual simulations to review with PBDRC. Additional view analysis will be completed as part of the CEQA review for the project.

TRAFFIC AND TRAFFIC IMPACT REPORT

Commercial Property Entrance - We appreciate PBDRC’s suggestion of including an entry to the commercial property from Carlsbad Boulevard. We met with City Planning and Engineering staff to discuss the potential to include an entrance to the commercial site from Carlsbad Boulevard, which staff strongly indicated that they cannot support. In order to provide enhanced circulation and ingress/egress to the commercial parcel, we continue to believe that ingress/egress off of Avenida Encinas is important. We have taken extensive consideration to the pedestrian safety at this entry and have included several design features to enhance pedestrian safety including: off-setting the pedestrian path away from traffic traveling on Avenida Encinas; incorporating a “pork chop” median island in the center of the access drive to calm traffic; the use of enhanced paving crosswalk to clearly designate the pedestrian travel path.

We have revised our plans based on your comment regarding the commercial driveway entry on Ponto Drive to allow for traffic to enter the commercial parking lot at a drive aisle.

The traffic from hotel site was included in the traffic study. As there is no formal application filed by Kam Sang, the traffic study uses the following land uses for the hotel property from Carlsbad Planning Staff as part of the scoping for the traffic study:

Hotel	280	Rooms
Timeshare	45	DU
Health Spa	20.000	TSF
Conference Facility	31.400	TSF
Restaurant	8.533	TSF

Traffic Calming Measures - While there is no nexus for providing off-site traffic improvements in relation to our project, we are voluntarily proposing several off-site improvements to enhance traffic circulation and promote traffic calming.

- First, we are proposing a roundabout at the intersection of Avenida Encinas and Ponto Drive.
- Second, we are also proposing the addition of a U-turn for northbound traffic on Carlsbad Boulevard at Avenida Encinas to facilitate a safe U-turn movement at the intersection that eliminates the need for illegal U-turns on Avenida Encinas.
- Lastly, we are proposing a small traffic-calming median on Avenida Encinas, just east of the train tracks for traffic calming and safe pedestrian crossing at the existing coastal trail.

Trucks - Our traffic consultant has completed an analysis of the turning movements that shows how trucks can safely maneuver through the site. A copy of the exhibit will be provided to PBDRC for your reference.

NOISE STUDY AND VIBRATION STUDY

We are working with your Committee to update our noise and vibration studies to address your comments regarding reverberation of noise and vibration from the railroad tracks back towards San Pacifico. Upon availability of the revised report, we will share the findings with PBDRC. In regard to the sound wall, we are revising our plan to provide a landscaped strip between the easterly property boundary and the sound wall to allow for suitable landscaping and maintenance. Expected traffic from the proposed resort south of Avenida Encinas will be included in the updated noise study.

VIEW PLANES/PUBLIC OPEN SPACE/TRAILS & LANDSCAPE

We agree with you that the corner at Avenida Encinas and Carlsbad Boulevard should be a marque landmark, and believe that our collaborative efforts will fulfill that vision. We look forward to working with you on programming this area. In response to the Committee's request to better understand the aesthetic and visual implications of the project, Shopoff has prepared visual simulations and renderings based on drone GPS technology and 3-D architectural plan. As requested, we have prepared view simulations showing sequential views of existing conditions, proposed conditions of architectural massing and fully rendered further view corridors, landscape and architectural design.

We appreciate PBDRC's time and thoughtful review and comment on our Ponto Beachfront project. We hope that our responses and the forthcoming revised plans will address the comments raised in your letter, and we look forward to collaborating with you on architectural design features of the project.

Sincerely,



Brian Rupp

Senior Vice President – Development
Shopoff Realty Investments

Cc: Jason Goff, Carlsbad Senior Planner
Don Neu, Carlsbad City Planner
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Honorable Mayor Hall and Carlsbad City Council Members
Carlsbad Planning Commission Members
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