

Date: April 23, 2025

To: The Rancho Santa Fe Association Board of Directors and The Rancho Santa Fe Art Jury

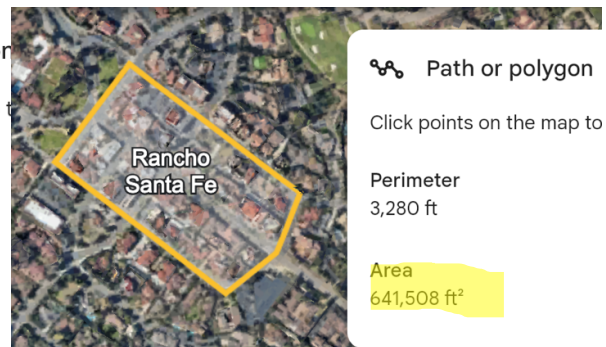
Cc: Dominique Albrecht, Rancho Santa Fe Association Manager

Subject: Given its Excessive Size, Bulk, Mass and Density, the Silvergate Project is Wrong for Rancho Santa Fe

Ladies & Gentlemen,

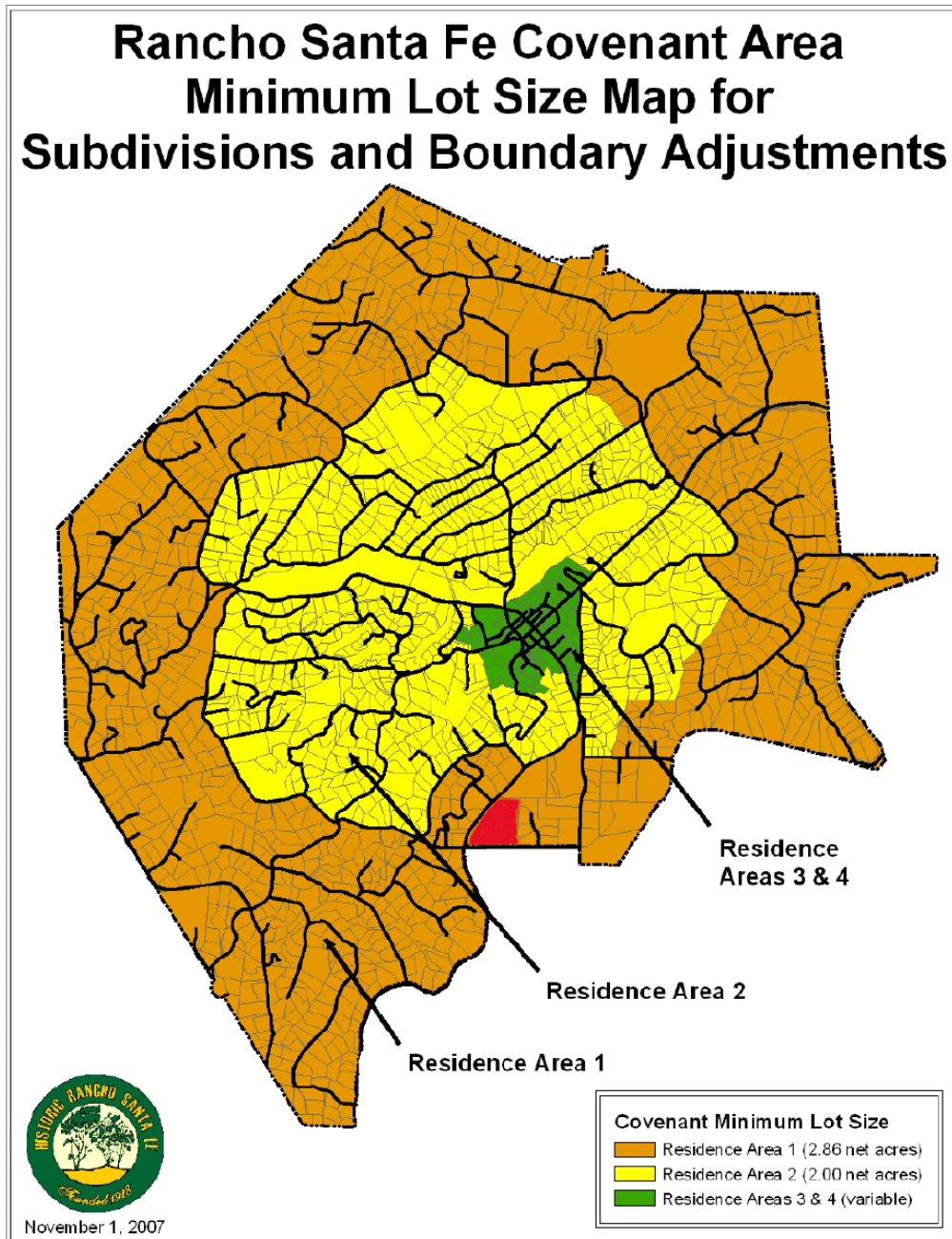
Silvergate's current 160+ unit senior/assisted living development proposal is by far the largest commercial project ever contemplated for approval by the Rancho Santa Fe Art Jury and Board of Directors since the inception of the Covenant almost a century ago. The project, in its current form, is almost DOUBLE the size of the four square blocks that comprise the center of the village of Rancho Santa Fe, and its proposed density far exceeds what is prescribed by the Rancho Santa Fe Covenant Area Minimum Lot Size Map.

### **The proposed Silvergate development relative in size to the Village of Rancho Santa Fe**



**Measured using Google Earth tools, the site of Silvergate's proposed development was determined to cover an area of roughly 1,250,000 square feet. By comparison, THE CENTER FOUR BLOCKS OF DOWNTOWN RANCHO SANTA FE COVER ROUGHLY 641,500 SQUARE FEET, ABOUT HALF THE AREA COVERED BY SILVERGATE'S PROPOSED PROJECT**

The San Dieguito Community Plan and San Diego County General Plan prescribe defined development “Zones” for the Rancho Santa Fe Covenant, which expand radially outward from the center of “the village”. Residence Areas 3 & 4, which are centered on the village, define the highest density zones. Residence Area 2, which circumscribes Areas 3 & 4, is zoned for a minimum of 2.0 net acres per parcel. Residence Area 1, which encompasses the property where the proposed Silvergate project would reside, circumscribes the outer perimeter of RSF and is zoned for minimum subdivisions of 2.86 net acres.



The proposed Silvergate development location, highlighted in **RED**, is entirely in Residence Area 1, which, per the current San Dieguito Community Plan and San Diego County General Plan, requires a minimum lot size of 2.86 acres

The proposed Silvergate project, if approved in its current form, will cover over 28.6 acres in the southeast corner of Via de la Valle and Calzada del Bosque, arguably the busiest intersection in Rancho Santa Fe. **The entire project lies in Residence Area 1, which requires - per the San Dieguito Community Plan and San Diego County General Plan - minimum parcel sizes of 2.86 acres. The construction of 160 units on 28.6 acres pencils out to more than 5 units per acre**, which is a far cry from what the governing documents prescribe as appropriate for a property in that location.

Throughout its almost century long history, the Rancho Santa Fe Covenant carefully maintained its distinct, rural character by instituting well-defined and closely followed architectural and landscaping design rules for use when considering the approval of new development projects. When we built our current home on La Gracia, which was completed over 20 years ago, the Art Jury's design approval process lasted more than two years, and we were ultimately prohibited from constructing a second floor based upon what our "future neighbors" might think.

Larry Mabee publicly stated that he dreamed of developing what was then his property into a premium horse facility that would grace the entrance to Rancho Santa Fe. Regrettably, when Larry passed in 2012, his dream died with him. In the fall of 2013, David Petree, the President and CEO of Silvergate, made a presentation to the RSFA Board on behalf of the Mabee heirs and AmeriCare, the parent company of Silvergate. It's indicated in the minutes of that meeting that this project was "a joint venture between Golden Eagle Management (a Mabee family company) and AmeriCare Health and Retirement. Mr. Petree initially proposed a 28-acre step-down housing project of 120 units that the Board ultimately rejected due to its excessive size and density, with the Board stating, "this was not the type of development the community was looking for". \* The Mabee heirs ultimately filed a lawsuit against the RSF Association, which worked its way through the courts, and in 2018 the Court of Appeals ruled in the Association's favor. That was a fight worth having then and, if necessary, is a fight worth having again. \* (See attached RSFA Board mtg minutes, paragraph 15, dtd Oct 3, 2013)

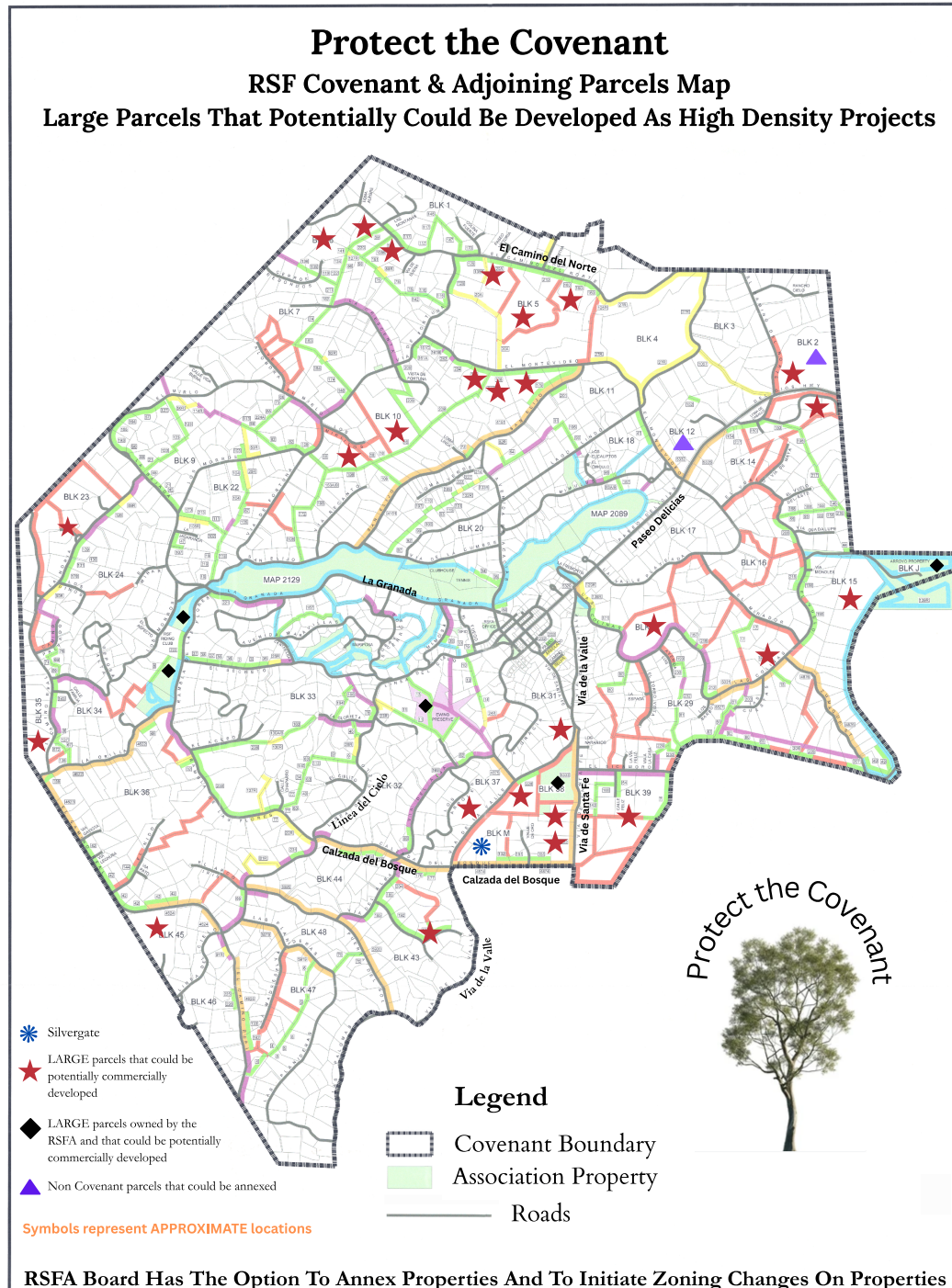
Given the Silvergate project was much more massive, dense, and out of character with anything else in the Covenant, and in violation of both governing documents and County regulations, the Art Jury and staff should have sent the project back to the developer with instructions to SIGNIFICANTLY reduce the project's size, bulk, mass and density before undertaking it for further review. If they'd studied the history of the property, the Art Jury and staff would have been familiar with the two previously proposed, smaller projects, that were both rejected by RSFA Boards, over a decade before, due to their excessive size and density, with the latter rejection resulting in the RSFA having to defend itself in court.

So, while the Art Jury members and staff currently focus diligently on implementing marginal architectural and landscaping changes to the Silvergate project, they have yet to address the proverbial "elephant in the room", the necessity to reduce the unprecedented size, bulk, mass and density of this project. The adage about "rearranging the deck chairs on the Titanic", while the ship founders, comes to mind.

Surprisingly, given the historical size, mass, bulk and density of Silvergate's current project, the present RSFA Board remains uninclined to hold any type of "Town Hall" public discussion about whether this massive, high-density project is appropriate for Rancho Santa Fe. While Silvergate was provided several opportunities to make presentations to the Art Jury and to the Board, both bodies have denied the growing group of Association Members that opposes this project any opportunity to make formal presentations. Being accorded three minutes to speak as individuals at a meeting is a far cry from being provided the opportunity to make a formal presentation.



Further, if the Silvergate project is approved in its current form, it will set a precedent that will likely open a floodgate of proposals for other high-density developments around and within the Covenant, particularly given the Board's power to annex and to initiate zoning changes. The following map indicates locations of numerous other large Covenant and adjacent, non-Covenant parcels, which are subject to possible annexation, that could become candidates for higher density developments in the future. Just this month, the owners of the 39 acre Quantum property, which lies within the Covenant, requested, and, as matter of course, were granted a two-year extension from the San Dieguito Planning Group. A possible reason for the requested extension may be to provide additional time for Quantum's owners to consider the feasibility of increasing the density of their already approved seven parcel subdivision after learning what happens with Silvergate.





Take a step back and ask yourselves this question: In what universe does it make sense that a 120 unit proposal, which is reduced in size to fewer than half that number of units while working through the Board process, is denied in 2013 because of its excessive size and density, then, a decade later, a 160+ unit development, proposed for the same piece of property, is fast tracked for approval by the same governing bodies, and, if approved, will encourage proposals for other high density developments in and around the Covenant?

Over 300 Covenant members, including my wife and me, signed a petition, which was delivered to the RSFA Board, indicating that we strongly oppose the proposed Silvergate project in its current form. Our numbers will continue to grow as more Covenant members become familiar with Silvergate's project.

I urge the Art Jury and RSFA Board of Directors to closely follow both the **letter and intent** of Rancho Santa Fe's Protective Covenant and other governing documents during your future deliberations, and that both bodies adhere to the lot size restrictions prescribed by The San Dieguito Community Plan and San Diego County General Plan, and RSFA's own governing documents.

I look forward to a response from the RSFA Board as to when it intends to hold a public meeting on the Silvergate project, where Covenant members are afforded the opportunity to voice their opinions and concerns. A perfect time to do hold such a forum would be when the story poles are up on the proposed project.

I also look forward to learning, from both the RSFA Board and the Art Jury, your rationale for not providing opportunities for the group of Association Members opposed to the Silvergate project to give formal presentations to your respective bodies.

Please provide me with a copy of the Superior and Appellate Courts' rulings on the Mabee versus RSFA litigation that concluded in 2018. I would also like to be provided a copy of total breakdown of the legal costs of the Association's defense in that case.

**If the Art Jury and RSFA Board of Directors continue down your current path, and approve the Silvergate project without significant downsizing, you will collectively be responsible for the acceleration of the unraveling of the uniquely rural lifestyle enjoyed by generations of Covenant residents for almost a century. Is this the legacy you desire?**

Sincerely,

Russ Penniman