



## Agenda Report

24-1095

Agenda Date: 11/6/2024

### REPORT TO PLANNING COMMISSION

#### **SUBJECT**

**PUBLIC HEARING CONTINUANCE:** Action on a Recommendation to City Council with respect to: an Environmental Impact Report and Mitigation Monitoring and Reporting Program, General Plan Amendment from High-Intensity Office/Research-and-Development to newly created Urban Center Mixed Use and Urban Center Residential Mixed Use land use designations, a Rezoning to PD - Planned Development, a Vesting Tentative Subdivision Map, and a Development Agreement for a Mixed Use Project at 3005 Democracy Way comprised of up to 1,800 units (approximately 1.8 million square feet of residential uses) , up to 3 million square feet of office/research-and-development, approximately 100,000 square feet of retail, and approximately 10,000 square feet of childcare facilities (“Option A”), with a project alternative (“Option B”) that allows for the flexibility of to up an additional 800 dwelling units (for a total of up to 2,600 residential units) with a corresponding reduction in office/research and development square footage to 2.2 million square feet.

#### **BACKGROUND**

On October 23, 2024, the Planning Commission considered the Mission Point by Kylli development proposal, which includes an Environmental Impact Report (EIR), General Plan Amendment, Rezoning to Planned Development, Tentative Map, and Development Agreement to allow Development of up to 1,800 Multi-Family Residential Units; 3 million Square Feet of Office/Research-and-Development (R&D); up to 100,000 Square Feet of Commercial Retail; and Open Space. The development is proposed in four site plan areas called Area A, B, C, & D. The current development plan allows for housing in Area D only Attachment 22 is the staff report (RTPC24-122) prepared for the October 23, 2024 Planning Commission meeting and includes the original proposal.

At the October 23<sup>rd</sup> meeting, the applicant’s presentation shared a plan alternative that had been studied in the EIR, but was not part of the description in the project application, to allow an additional 800 units of residential development in Area C, beyond the 1,800 units of what was initially proposed in area D. Before they acted on the project, the Planning Commission deliberated on the merits of adding another 800 residential units to the development program. Their discussion included the adequacy of parkland and parking, as well as affordable housing. The Planning Commission voted to continue the project until their next meeting on November 6, 2024 in order for the alternative development option, which would include an additional 800 units for a total of 2,600 units, to be more specifically noticed with documents updated, and more analysis conducted and presented on the alternate scenario.

#### **DISCUSSION**

The project site is divided into four development areas with the following approximate acreages: Area A (13.3 acres), Area B (8.9 acres), Area C (12.7 acres), and Area D (13.7 acres). Area D is proposed for the new Urban Center Mixed-Use General Plan land use designation that allows for high-density residential mixed-use requiring a residential density range of 60 to 250 dwelling units per acre. Areas

A, B, and C are proposed for the new Urban Center Mission Point General Plan land use designation that allows for office and R&D uses, light manufacturing, and commercial retail uses requiring a minimum Floor Area Ratio of 1.5.

As described above, the project that was reviewed by City staff and proposed by the applicant included residential units only in Area D. At the October 23, 2024 Planning Commission meeting, the applicant proposed the addition of an "Option B" to the project description, which would allow for the flexibility to develop up to an additional 800 dwelling units (for a grand total of up to 2,600 residential units) with a corresponding reduction in office square footage in Area C. The applicant is not proposing to change any other aspects of the proposed Planned Development Zoning plans.

For "Option B" the reduction in office square footage and the increase in residential units for the site is consistent with the General Plan as the mix of uses still supports high-density and intensity development within a quarter mile of transit hubs and stations, minimizing vehicle miles traveled, and is compatible with existing and proposed surrounding uses.

The request was also determined to be fiscally neutral when compared with "Option A". It would result in environmental impacts that are the same as or similar to those of the proposed project ("Option A"), with some Air Quality and Population and Housing impacts being less than those caused by the proposed project. No impacts under "Option B" would be greater than the proposed project.

#### Development Agreement

The project proposal includes a Development Agreement (DA) between the City and the property owner, Kylli, Inc. With the addition of the alternative development proposal (Option B), the applicant is proposing to add the following community benefits to the DA that was presented on October 23, 2024: (1) commitment to deliver a minimum of 1.5 acres of parkland in Area C upon development of residential on the site. This is in addition to the minimum of 1.5 acres of parkland in Area D at 500 units that is currently in the DA for "Option A"; (2) require a residential parking ratio of 1 space per residential unit on Area C and Area D of which up to twenty-five percent (25%) of these minimum parking spaces may be provided through shared parking; and (3) specify that projects proposed on Area B without a grocery store must demonstrate that the grocery will not be limited or precluded by the development. All other items in the DA would remain the same as with Option A.

#### ENVIRONMENTAL REVIEW

An Environmental Impact Report was prepared in accordance with the California Environmental Quality Act (CEQA) and circulated for a 45-day public review between November 17, 2023 and January 2, 2024. A total of eight comments were received during the comment period. Seven were from local/regional agencies: Caltrans, California Department of Toxic Substances Control, Santa Clara Unified School District, Santa Clara Valley Water District, San Jose Mineta International Airport, San Francisco Public Utilities Commission, and Santa Clara Valley Transportation Authority. The eighth letter received was from a law firm representing Silicon Valley Residents for Responsible Development. None of the comment letters provided substantial evidence that the CEQA analysis is otherwise inadequate and recirculation of the EIR is therefore not required. Responses to the Draft EIR comments, as well as minor text changes and clarifications, in the form of a Final EIR, were made available to the public through the City's website on March 13, 2024 and have been forwarded on to any commenters on the Draft EIR. A website link to the Final EIR, Mitigation, Monitoring and Reporting Program (MMRP), CEQA Findings, and Response to Comments is provided in Attachment

2 to this report.

The EIR identified potential environmental impacts associated with project and identified traffic, greenhouse gas, energy, biology, geology and soils, cultural resources, tribal cultural resources, utilities, water quality, and hazards and hazardous materials as having impacts that with the incorporation of mitigation measures would be reduced to less than significant. The EIR also identified air quality and noise as having a significant unavoidable impact with mitigation incorporated. Attachment 3 includes a Statement of Overriding Considerations regarding impacts that cannot be mitigated.

A detailed discussion of the potential impacts and mitigation measures to be applied are specified in the EIR and would be implemented through project conditions of approval and the MMRP for the proposed project.

### **FISCAL IMPACT**

There is no fiscal impact to the City other than administrative staff time and expense to prepare this report.

### **COORDINATION**

This report has been coordinated with the City Attorney's Office

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

### **ALTERNATIVES**

1. Adopt a resolution to recommend the City Council certify the Final EIR prepared for the Mission Point Project (SCH # 2018072068) and adopt a Mitigation Monitoring and Reporting Program, CEQA Findings, and a Statement of Overriding Considerations.
2. Adopt a resolution to recommend the City Council approve a General Plan amendment to add new land use designations, Urban Center Mixed-Use (UCMU) and Urban Center Mission Point (UCMP), and to change the land use designation for the project site from High Intensity Office/Research & Development (HI O/R&D) to UCMU (on Area D) and UCMP (on Areas A, B, and C).
3. Adopt a resolution to recommend the City Council approve a General Plan amendment to add new land use designations, Urban Center Mixed-Use (UCMU) and Urban Center Mission Point (UCMP), and to change the land use designation for the project site from High Intensity Office/Research & Development (HI O/R&D) to UCMU (on Areas C and D) and UCMP (on Areas A and B).
4. Adopt a resolution to recommend the City Council approve the Planned Development Rezoning from HO-RD - High-Intensity Office/Research and Development to PD - Planned Development with land use "Option A".
5. Adopt a resolution to recommend the City Council approve the Planned Development Rezoning from HO-RD - High-Intensity Office/Research and Development to PD - Planned

- Development, with land use “Option A” and “Option B”.
6. Adopt a resolution to recommend the City Council approve a Vesting Tentative Subdivision Map.
  7. Adopt a resolution to recommend the City Council adopt an ordinance approving the Development Agreement.
  8. Recommend the City Council deny a General Plan Amendment to add 2 new land use designations Urban Center Mixed-Use (UCMU) and Urban Center Mission Point (UCMP), and decline to change the land use designation for the project site from High Intensity Office/Research & Development (HI O/R&D) to UCMU and UCMP.
  9. Recommend the City Council deny the Planned Development Rezoning from HO-RD - High-Intensity Office/Research and Development to PD - Planned Development.
  10. Recommend the City Council deny a Vesting Tentative Subdivision Map.
  11. Recommend the City Council decline to adopt an ordinance approving the Development Agreement.

### **RECOMMENDATION**

Alternative:

1. Adopt a resolution to recommend the City Council certify the Final EIR prepared for the Mission Point Project (SCH # 2018072068) and adopt a Mitigation Monitoring and Reporting Program, CEQA Findings, and a Statement of Overriding Considerations.
2. Adopt a resolution to recommend the City Council approve a General Plan amendment to add 2 new land use designations, Urban Center Mixed-Use (UCMU) and Urban Center Mission Point (UCMP), and to change the land use designation for the project site from High Intensity Office/Research & Development (HI O/R&D) to UCMU (Area D) and UCMP (Areas A, B, and C).
3. Adopt a resolution to recommend the City Council approve the Planned Development Rezoning from HO-RD - High-Intensity Office/Research and Development to PD - Planned Development.
4. Adopt a resolution to recommend the City Council approve a Vesting Tentative Subdivision Map.
5. Adopt a resolution to recommend the City Council adopt an ordinance to approving the Development Agreement.

Prepared by: Lesley Xavier, Planning Manager

Reviewed by: Alexander Abbe, Assistant City Attorney

Approved by: Reena Brilliot, Acting Director of Community Development

### **ATTACHMENTS**

1. Land Use Table
2. Web Links to the PD Rezoning, Final Environmental Impact Report, Mitigation, Monitoring, and Reporting Program, CEQA Findings, Response to Comments
3. Final EIR Resolution Option A
4. CEQA Findings and Statement of Overriding Considerations Option A
5. Final EIR Resolution Option B
6. CEQA Findings and Statement of Overriding Considerations Option B
7. Final EIR Attachment 3 Impacts of Option B
8. General Plan Amendment Resolution Option A
9. General Plan Amendment Resolution Option B

10. PD Rezoning Resolution Option A
11. PD Rezoning Conditions of Approval Option A
12. PD Rezoning Resolution Option B
13. PD Rezoning Conditions of Approval Option B
14. Tentative Subdivision Map Resolution Option A
15. Tentative Subdivision Map Resolution Option B
16. Tentative Subdivision Map Conditions of Approval
17. Development Agreement Resolution Option A
18. Development Agreement Option A
19. Development Agreement Resolution Option B
20. Development Agreement Option B
21. Public Correspondence
22. October 23, 2024 Planning Commission Staff Report