



Agenda Report

19-1634

Agenda Date: 5/21/2019

REPORT TO COUNCIL

SUBJECT

Public Hearing: Actions on Gateway Crossings project located at 1205 Coleman Avenue including General Plan Amendment to Santa Clara Station Very High Density Residential (51-120 du/ac) with a minimum commercial Floor Area Ratio (FAR) of 0.20, revision to the Climate Action Plan to add Transportation Demand Management (TDM) goals for the new land use designation, creation of a new Very High Density Mixed Use Zoning District and Rezoning to that District, Vesting Tentative Subdivision Map, Development Agreement, Environmental Impact Report (EIR), and Mitigation Monitoring and Reporting Program (MMRP)

BACKGROUND

The Gateway Crossing projects was considered by the Planning Commission on November 14, 2018. The Planning Commission voted unanimously to recommend approval of the project subject to additional requirements for increased density ranges, and additional climate action plan measures. Full details of the Planning Commission recommendations can be found in the previous City Council agenda report (Attachment #1).

The project was presented at the City Council meeting on December 4, 2018. Staff provided an overview of the development proposal, project benefits and concerns raised by the community at the Planning Commission meeting; which included the desire to see the proposed hotel constructed in an early phase of the project and requests for increased density, enhanced building architecture, and expanded community engagement. The staff report for the December 4 hearing is provided as Attachment #2.

Following presentations by staff and the applicant, 19 members of the public spoke on the project. Three individuals expressed support for the project as proposed. Thirteen individuals stated their opposition to the current proposal and views that the project was not ready for approval due to insufficient public engagement, the project architecture needed to be enhanced, the residential density could have been maximized, additional parking or measures to address traffic were necessary, and that the hotel construction should commence at the outset rather than a later phase.

Upon questions by City Council, Erica Roeks, representing the Valley Transportation Authority (VTA), confirmed that VTA has no plans to acquire any of the property on the project site for Bay Area Rapid Transit (BART) operations and is committed to construction of BART facilities as conveyed in the BART Phase II certified EIR. A follow-up letter from VTA is provided as part of the Correspondence received to date in Attachment 20.

Staff clarified that outreach for the project conformed to the City's public outreach policy with notices sent using a 1,000 feet notification area for public mailings and posting of three community meetings and public hearings for the project. Also, that additional outreach was provided through social media

and connecting directly with leadership of the Old Quad Neighborhood Association.

The applicant concluded their presentation emphasizing that they had followed City procedure and with a discussion of the ramifications of increased density on the site. Specifically, the applicant stated that increased density would require a change to Type 1 building construction resulting in costlier construction which needs increased unit rents not supported by the current market. The applicant also requested a reduction in the minimum commercial FAR requirement from 0.20 to 0.17 or 1.5 should development of the hotel be required to occur as part of the second phase of the project.

The applicant agreed to expand public outreach with the residents of the Old Quad. The City Council then took action to continue the item until the February 5, 2019 City Council meeting in order to have the applicant conduct a community meeting including the Old Quad neighborhood. During the City Council discussion, the Council expressed interest in addressing community desires to see increased density on the site, an enhanced architectural treatment including in particular the portion of the project oriented toward the Santa Clara Caltrain station, and a commitment by the developer to construct the proposed hotel in the first phase of the project.

DISCUSSION

The project site consists of two parcels totaling 21.4 acres located at the southwest corner of Coleman Avenue and Brokaw Road. The majority of the site (20.4 acres) is located in the City of Santa Clara and the Santa Clara Station Focus Area (APN: 230-46-069). A 1.0 acre portion at the southeastern corner of the site is located in the City of San Jose (APN: 230-46-070).

The applicant is requesting the following entitlements to facilitate development of the proposal :

- General Plan Amendment from the existing Santa Clara Station Regional Commercial, Santa Clara Station High Density Residential and Santa Clara Station Very High Density Residential to a new designation of Santa Clara Station Very High Density Residential (51-120 du/ac) with a minimum commercial FAR of 0.2;
- Amendment to the General Plan Land Use Map for the Santa Clara Station Focus Area to reflect the General Plan change;
- Revision to the Climate Action Plan to add TDM goals for the new land use designation;
- Amendment to the City's Zoning Code to create a new Very High Density Mixed Use Zoning District;
- Rezoning of the project site from Light Industrial (ML) to Very High Density Mixed Use (VHDMU);
- Vesting Tentative Subdivision Map; and
- Development Agreement

Planning application files for the proposed project include: PLN2016-12318, PLN2016-12321, PLN2017-12481 and CEQ2016-01025.

The proposed phased development submitted to the City on April 15, 2019, as revised following expanded community involvement, includes 1,600 multi-family dwelling units, a 162,000 square foot hotel with 225 rooms, 25,000 square feet of ground floor supporting retail, surface and structured parking, private streets, landscaped open space, on- and off-site public and private right-of-way improvements, and site infrastructure to support the development. The project includes the

dedication, development and maintenance of two parks totaling 2.6 acres with the largest park being 2.1 acres in size.

Subsequent Community Outreach Meetings

Per the Council feedback additional community meetings were held. Two community meetings were held by the applicant at the Locatelli Student Activity Center on the Santa Clara University campus following the December 4, 2018 Council meeting. Notices of both meetings were provided to property owners within the Old Quad neighborhood, which encompasses approximately 4,800 properties, and were also posted on social media.

The first meeting was conducted on January 16, 2019 at 6:00 p.m. and was attended by 50 individuals. The applicant presented potential changes in the commercial floor area, residential unit count, parking ratios, park area, hotel phasing, building height, architecture and massing; the purpose of which was to engage a discussion and provide input for further refinement of the project consistent with the parameters analyzed in the circulated Draft Environmental Impact Report (DEIR). Community input focused on the desire to see increased residential density on the site and affordable housing units, park space and amenities (e.g. rooftop bar/restaurant) accessible to the community; and parking availability to park users and retail customers. Concerns were expressed that the project is designed to be inward facing with retail centered around the park. Some individuals also shared concerns that increases in residential density would worsen traffic conditions.

The second meeting took place on March 12, 2019 at 6:00 p.m. and was attended by 23 individuals. The developer highlighted changes made to the project in response to public input and presented two new alternatives for the public to review. The presented changes included an increase in commercial floor area; retail options in the park that have the potential to decrease park space; reduction in hotel size with the potential to affect room count; and breaks in building mass and the creation of view corridors into and through the site. Individuals overwhelmingly expressed the desire for larger park area over increased retail space and residential density as well as general support for construction of the hotel in the first phase with 225 rooms and residential unit count of 1,600 units within the project. Some attendees also expressed a desire to see micro-units integrated in the mix of residential unit types as an affordable housing option.

Revised Plans

In response to the feedback received by Council and the community, as well as the parameters previously analyzed in the circulated DEIR, the applicant has revised the project to include changes in the site layout and intensity of commercial development.

Changes in the hotel, residential and commercial components of the project are detailed in Attachment 6. The following is a summary of the changes to the project from the previous proposal as illustrated in the proposed Development Plans.

The proposed changes include:

- Reductions in resident and hotel parking
- Increased at-grade ancillary retail floor area
- Added park area
- Refinement of building architecture
- Modulations in building height among structures

- A commitment through the project Development Agreement to construct the hotel in the first phase of the project.

The project retains the 1,600 residential units but with a lower parking ratio of 1.2 spaces per unit, where 1.4 was previously presented. While the unit number is unchanged, the project now includes two residential high-rise towers, rather than one, allowing for more ground level open space.

The project retains the 225-room hotel with rooftop amenity deck, but the building architecture was revised to lower the height to eight stories, where 13 stories was previously proposed, and a lower parking ratio of 0.8 spaces per guest room, where 1 space per guest room was previously proposed. In addition, while the prior proposal did not make a commitment for the timing of the hotel, the proposed Development Agreement now includes a requirement that the hotel be built in the first phase of the project. Specifically, the developer has agreed that no building permit shall be issued for the construction of the second residential building in phase one, unless and until a building permit has first been issued for the hotel and construction activities started on the hotel.

The project increases commercial floor area from 15,000 to 25,000 square feet and includes a "Tavern on the Green" style restaurant on the centrally located 2.1-acre neighborhood park, facing Brokaw Road and retail flanking public park space. Parking for the commercial uses meet the minimum requirement of one space per 200 square feet of retail space, consistent with the previous proposal. The revised site plan adds a 0.46-acre linear park and promenade between Buildings 3 and 4, perpendicular to Champions Parkway and oriented toward the Santa Clara Caltrain station. The linear park and promenade along with a redesign of Buildings 3 and 4 modulate massing and scale of the structures and provide a viewshed into the site from the rail corridor (see Attachment 22).

The revised plans have been analyzed with regards to the issues raised at the December 4, 2018 City Council meeting and community meetings on January 16 and March 12, 2019. The issues raised are as follows:

Density: Increasing density up to 120 du/ac for a total of 2,568 units would trigger additional park/open space and on-site parking requirements that would require significant revisions to the site plan and a new evaluation of environmental considerations and recirculation of the CEQA document to disclose any new impacts associated with the increased density. The applicant's revised proposal includes 1,600 residential units. The revised plans are consistent with the impacts discussed in the environmental analysis as circulated through the EIR prepared for the project.

Hotel Phasing: The developer has modified the terms of the proposed Development Agreement to require that the proposed hotel be constructed as part of the first phase of the project. Specifically, the Development Agreement would require the developer obtain issuance of a building permit for the hotel prior to initiating construction on the second residential building in Phase 1 of the project.

Park Design: The revised project includes modifications to the proposed public park areas that would increase the total park acreage by approximately 0.5 acres by creating a secondary paseo/park element on the portion of the site closest to the Caltrain station access. Providing two park areas will support placemaking efforts by allowing each park area to have a different character that would collectively support a larger variety of outdoor activities, as well as allowing more landscaping and sunlight within the project interior.

Commercial Use / Retail: The proposed commercial components of the project have been modified to include construction of a restaurant on the project's Brokaw Road frontage at the western end of the neighborhood park and the first floor elevations of Buildings 3 and 4 fronting the linear park. The restaurant and added retail floor area are intended to support placemaking goals by placing active uses open to the public adjacent to the two public parks.

Staff Recommendation

The staff recommendation is presented below as Alternatives 1, 2, 4, 6, and 7.

The staff recommendation includes recommendations made by the Planning Commission at their meeting on November 14, 2018 which have been agreed to by the applicant and are supported by staff. These include the Planning Commission recommendation for a higher allowable density range (51 du/ac to 120 du/ac) within the General Plan Amendment resolution and Zoning Code Amendment ordinance, a 10% inclusionary affordable housing requirement, enhanced TDM requirements, an increased number of bicycle parking spaces, the installation of electric outlets in the bicycle parking facilities, operation of car share and bicycle share programs, and provisions for electric scooter parking.

ENVIRONMENTAL REVIEW

Environmental consultants, David J. Powers & Associates, Inc., prepared a Draft Environmental Impact Report (DEIR) in accordance with California Environmental Quality Act (CEQA) requirements. The DEIR analyzed two development scenarios for the project site:

Option 1: Construct up to 1,400 residential dwelling units and up to 215,000 square feet of commercial uses, or

Option 2: Construct up to 1,600 residential dwelling units and up to 215,000 square feet of commercial uses

The proposed project is Option 2.

The CEQA process and conclusions of the environmental analysis are discussed in more detail in the attached Report to the Planning Commission (Attachment #3).

An analysis of the environmental impacts of the revised project (1,600 residential units and 187,000 square feet of commercial uses), was completed comparing the effects of the revised proposal with those identified in the Draft EIR. The analysis found that the revised project would not result in new or substantially more significant impacts than disclosed previously in the Draft EIR circulated for public review. A description of the revised project and analysis of the environmental impacts are incorporated into the Final EIR as supplemental text revisions provided as Attachment 9.

FISCAL IMPACT

There is no cost to the City on the proposed entitlement actions other than administrative staff time and expense which are offset by permit application fees. A broader analysis is provided in the prior Council agenda report (Attachment #1).

COORDINATION

This report has been coordinated with the City Attorney's Office and the Finance Department.

PUBLIC CONTACT

On May 10, 2019, the notice of the public hearing for this item was posted within 300 feet of the project site and mailed to property owners within 1,000 feet of the project site and to approximately 4,800 properties within the Old Quad. A notice was published in the Weekly on May 8, 2019. The full administrative record is available for review during normal business hours in the Planning Division office at City Hall.

Public contact was also 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 or at the public information desk at any City of Santa Clara public library.

To date, the Planning Division has received 31 letters in support of the project and are included in Attachment 20.

ALTERNATIVES

1. Adopt a resolution to approve and Certify an Environmental Impact Report (EIR) and adopt CEQA Findings and a Statement of Overriding Considerations (SOC) and the Mitigation Monitoring and Reporting Program (MMRP);
2. Adopt a resolution to approve the General Plan Amendment #87 from Regional Commercial, High Density Residential and Very High Density Residential to Very High Density Residential with a minimum commercial FAR of 0.2 with an allowable density of 51 du/ac to 120 du/ac; amendment to the General Plan Land Use Map for the Santa Clara Station Focus Area to reflect the General Plan change; and revision to the Climate Action Plan to add TDM goals for the new land use designation;
3. Introduce an ordinance to approve the Rezone from Light Industrial (ML) to Very High Density Mixed Use (VHDMU) to allow phased construction of a mixed use development consisting of 1,600 residential units, 182,000 square foot full-service hotel, 15,000 square feet of supporting retail, park and open space, surface and structured parking facilities, private streets, and site improvements, subject to conditions;
4. Introduce an ordinance to approve the Rezone from Light Industrial (ML) to Very High Density Mixed Use (VHDMU) to allow phased construction of a mixed use development consisting of 1,600 residential units, 162,000 square foot hotel, 25,000 square feet of supporting retail, park and open space, surface and structured parking facilities, private streets, and site improvements; subject to conditions that include additional pedestrian, decorative paving and landscape enhancements to the 30-foot wide north-south private street on the west side of the public park and Building 2 that connects Brokaw Road to Champions Way; or
5. Introduce an ordinance to approve the Rezone from Light Industrial (ML) to Very High Density Mixed Use to allow phased construction of a mixed use development consisting of 1,400 residential units, 182,000 square foot full-service hotel, 15,000 square feet of (VHDMU) supporting retail, park and open space, surface and structured parking facilities, private streets, and site improvements, subject to conditions;
6. Adopt a resolution to approve the Vesting Tentative Subdivision Map for the purpose of developing four mixed use parcels, two commercial parcels, two dedicated park parcels, and

- six common lots for site access/circulation and utility corridors to serve the development; and
7. Introduce an Ordinance to approve the Development Agreement.

RECOMMENDATION

Alternatives 1, 2, 4, 6, and 7:

1. Adopt a resolution to approve and Certify an Environmental Impact Report (EIR) and adopt CEQA Findings and a Statement of Overriding Considerations (SOC) and the Mitigation Monitoring and Reporting Program (MMRP);
2. Adopt a resolution to approve the General Plan Amendment #87 from Regional Commercial, High Density Residential and Very High Density Residential to Very High Density Residential with a minimum commercial FAR of 0.2; amendment to the General Plan Land Use Map for the Santa Clara Station Focus Area to reflect the General Plan change; and revision to the Climate Action Plan to add TDM goals for the new land use designation
4. Introduce an ordinance to approve the Rezone from Light Industrial (ML) to Very High Density Mixed Use (VHDMU) to allow phased construction of a mixed use development consisting of 1,600 residential units, 162,000 square foot hotel, 25,000 square feet of supporting retail, park and open space, surface and structured parking facilities, private streets, and site improvements; subject to conditions that include additional pedestrian, decorative paving and landscape enhancements to the 30-foot wide north - south private street on the west side of the public park and Building 2 that connects Brokaw Road to Champions Way;
6. Adopt a resolution to approve the Vesting Tentative Subdivision Map for the purpose of developing four mixed use parcels, two commercial parcels, two dedicated park parcels, and six common lots for site access/circulation and utility corridors to serve the development; and
7. Introduce an Ordinance to approve the Development Agreement.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. City Council Agenda Report of December 4, 2018
2. Planning Commission Excerpt Meeting Minutes of November 14, 2018
3. Planning Commission Staff Report of November 14, 2018
4. Project Data Table
5. Applicant Letter of Justification
6. Changes to Prior Project Proposal
7. The Gateway Crossings CEQA (DEIR, FEIR, MMRP) Documents
8. Post FEIR Comments and Responses to Late Comments
9. Supplemental Text Revisions to the FEIR
10. CEQA Findings and Statement of Overriding Considerations (SOC)
11. Resolution Certifying the Final EIR and Adoption of the SOC and MMRP
12. Development Agreement
13. Development Agreement Ordinance
14. Resolution Approving the General Plan Amendment
15. Rezoning Ordinance
16. Conditions of Rezoning Approval
17. Vesting Tentative Subdivision Map
18. Resolution Approving a Vesting Tentative Subdivision Map

19. Conditions of Vesting Tentative Subdivision Map Approval
20. Correspondence as of December 4, 2018
21. Development Plans
22. Coleman Gateway Design Changes Diagram