

REPORT TO PLANNING COMMISSION

SUBJECT

..Title

Action on Tasman East Specific Plan, Creation of a new General Plan Designation and General Plan Amendment to Transit Neighborhood, Creation of New Tasman East Zoning District and Rezoning of the Tasman East area to that zoning district, Environmental Impact Report, and Mitigation Monitoring and Reporting Program

..Report

EXECUTIVE SUMMARY

The proposed Tasman East Specific Plan, which has been under development since 2016, enables the redevelopment of an approximately 45 acre industrial area bounded by Tasman Drive to the south, the Guadalupe River to the East, the Santa Clara golf course to the north, and Lafayette Street to the west. With its close proximity to Lick Mill Light Rail Station and ACE/Great America Station, the proposed Tasman East Specific Plan includes a land use framework to develop the area into a transit-oriented neighborhood with up to 4,500 residential units and 106,000 square feet of retail space. The draft Specific Plan also proposes a new publicly accessible community room and 10 acres of open space with connections to the Guadalupe River trail and other parks in the greater North Santa Clara area. The Plan area includes deliberate connections for pedestrians to the adjacent City Place entertainment and employment hub. The Specific Plan proposes an affordable housing strategy as well as incentives to achieve higher densities to maximize overall housing units.

The City began preparation of the Tasman East Specific Plan in 2016. The Specific Plan process has provided multiple opportunities for community input including four community meetings, five City Council study sessions, and one Planning Commission study session. Current property owners have been active participants in the Specific Plan process, including five developers interested in utilizing the Specific Plan to redevelop properties within the Plan area. Other community members have also participated and provided input through the community meetings and public hearings. The contents of the draft Specific Plan have been shaped through this stakeholder input as well as the direction provided by the City Council.

Staff is recommending adoption of the Plan so that development may move forward within the Specific Plan area to realize the vision set forth in the City's General Plan and to meet the City's goal of providing housing in an amenity rich urban environment that is close to transit and employment opportunities.

BACKGROUND

The Planning Commission is being asked to conduct a public hearing and make recommendations on four actions related to preparation of a Specific Plan for the City's Tasman East Focus Area:

- 1) Determination of the adequacy of the Environmental Impact Report (EIR) prepared to analyze the potential environmental impacts for the project;
- 2) Adoption of the Specific Plan;

- 3) Adoption of associated General Plan land use diagram and text amendments including the creation of the Transit Neighborhood General Plan Land Use Designation; and
- 4) Adoption of the Transit Neighborhood zoning district (as well as the establishment of correlating parking standards) into the Zoning Code and application of that zoning district to the Specific Plan project area as an implementation action for the Specific Plan.

The City of Santa Clara 2010-2035 General Plan identifies nine geographic Focus Areas within Santa Clara. The Focus Areas are intended to accommodate a significant amount of the City's growth and to directly support the City's quality of life and economic vitality. The Tasman East Focus Area is bounded by Tasman Drive to the south, Lafayette Street to the west, the municipal golf course to the north, and the Guadalupe River to the east, and is specifically intended to support new residential development in close proximity to jobs, retail, services and entertainment, and to support alternative travel modes based on its proximity to the Lick Mill and Tasman VTA Light Rail Stations and the ACE Great America station. The General Plan calls for the preparation of a Specific Plan to implement the City's vision for Tasman East and to implement related General Plan goals and policies (General Plan Policy 5.4.6-P19).

Project Description

Specific Plans can provide policy guidance, regulatory requirements, and design direction. The proposed Tasman East Specific Plan addresses each of these elements, including land use and design policies, land use and development standards, street width and street section standards, and design guidelines for bulk, massing and articulation of buildings.

Also proposed is an accompanying zoning district that is consistent with the Transit Neighborhood General Plan land use designation and the Specific Plan, and includes allowed land uses and development standards. The zoning district is described in the Creation of a Tasman East Zoning District section.

Individual development projects within the Specific Plan area would be subject to design approval by the City's Architectural Committee, with the possibility of appeal to the Planning Commission and City Council. To approve an individual development project, the Architectural Committee will be required to make findings that individual development proposals are consistent with the design direction of the Specific Plan.

The full draft Specific Plan is available at

<http://santaclaraca.gov/government/departments/community-development/planning-division/specific-plans/tasman-east>.

The Draft EIR prepared for the project was circulated from July 30 through September 13, 2018 and is available at:

<http://santaclaraca.gov/Home/Components/BusinessDirectory/BusinessDirectory/152/3649>.

The Final EIR prepared for the project was published on October 12, 2018, and is available at:

<http://santaclaraca.gov/Home/Components/BusinessDirectory/BusinessDirectory/152/3649>.

Plan Area Context

The Plan area consists of approximately 45 acres of land currently developed with low-intensity industrial and commercial businesses, including a mix of warehouse and light manufacturing buildings, commercial offices, a data center, and restaurants accommodated in one and two story structures. As noted above, the Plan area is bordered by Tasman Drive to the south and Lafayette Street to the west, and adjacent to VTA Light Rail and ACE train stations located respectively within these roadways. The Plan area is also bordered by the Guadalupe River to the east, with potential direct access to the bicycle/pedestrian trail that runs along the River's edge. The site is also adjacent on the north and west sides to the municipal golf course planned for development as the City Place project.

As the Plan area is located in the northern part of Santa Clara, it is generally proximate to a large number of employment uses, as well as the Santa Clara Youth Soccer Park, Levi's© Stadium, the City's convention center, the Great America theme park, and other potential major development projects along the Tasman Corridor. The site is also adjacent to an existing residential neighborhood to the south, including a mix of townhouses, single-family homes, Kathryn Hughes Elementary School, Fairway Glen Park, and the Ulistac Natural Area.

City Council Study Sessions

The City Council has conducted several study sessions to discuss and provide input on different content areas of the Specific Plan:

- April 11, 2017 – Placemaking
- June 6, 2017 – Open Space and Street Network
- February 6, 2018 – Open Space Strategy
- September 18, 2018 – Open Space, Connectivity, Community Benefits and Density Incentives

DISCUSSION

The primary issues for the Planning Commission to consider in evaluating the proposed Specific Plan are its consistency with the General Plan and the strength of the Plan's implementation framework to implement the Plan vision. Specific General Plan policies are set forth for the Plan area in Section 5.4.6 Tasman East Focus Area Goals and Policies (Attachment #7). The Planning Commission should also consider how the content of the Plan has been shaped through stakeholder input and direction provided by the City Council at previous Council study sessions.

In summary, the vision set forth for Tasman East in the General Plan and in the draft Specific Plan is to create a new high-density residential neighborhood in Santa Clara

focused on an inviting streetscape and urban amenities, including retail uses with outdoor seating, urban-scaled parks that complement the built environment, and a network of greenways that allow for additional pedestrian connections through the neighborhood (General Plan Goal 5.4.6-G1, Policy 5.4.6-P1, 5.4.6-P4, 5.4.6-P5 and 5.4.6-P20). Streets within the Specific Plan area will include wide sidewalks, park strips with trees, and ample space for businesses to place tables, chairs and umbrellas. Parks, plazas, and other open space amenities will have an urban character and are planned to support a wide variety of “placemaking” activities.

The following discusses the Plan content according to key topic areas.

Comparison to General Plan Growth Assumptions

A defining characteristic of the Specific Plan is the proposed residential capacity of 4,500 dwelling units. This number translates to an urban density higher than currently found in Santa Clara. While the General Plan anticipated the development of only 2,285 residential units within the Plan area, through the Specific Plan process and engagement with the City Council, 4,500 dwelling units was established as the target for the Specific Plan. The proposed General Plan Amendment will change the land use designation for the Plan area from High Density Residential (37 to 50 dwelling units per acre) to Transit Neighborhood (85 to 350 dwelling units per acre), corresponding to the increased capacity of a total of 4,500 units.

When adopted in 2010, the 2010-2035 General Plan anticipated and accommodated growth within Santa Clara for a total of 154,300 jobs and 60,345 residential units through the year 2035. Since adoption of the General Plan in 2010, the City has approved 15 General Plan Amendments that resulted in additional capacity for approximately 13,402 additional jobs and 4,180 additional residential units, raising the total General Plan planned capacity to 167,702 jobs and 64,525 residential units.

Adoption of the Tasman East Specific Plan would also support 106,000 square feet of new commercial uses. In combination with the increased capacity for 4,500 residents, this would add a net of 2,215 residential units and 265 jobs to the General Plan capacity. (No jobs are allocated for the existing High Density Residential designation).

In addition to the proposed Specific Plan, there are three other pending General Plan Amendments on file that, if approved, would cumulatively result in the addition of approximately 235 jobs and 762 residential units to the General Plan capacity.

Jobs/Housing balance

One objective of the Tasman East Specific Plan is to assist in balancing the presence of jobs and housing in Santa Clara. The most common measure used to describe the jobs-housing balance is the jobs-to-employed-residents ratio. A balanced community would have a jobs-to-employed residents ratio of one. Specifically, one job would exist for each employed resident. Historically, the City of Santa Clara has not been balanced, with a greater proportion of jobs than employed residents, although that ratio has been improving over time. This imbalance translates to quality of life impacts such

as more congestion on local and regional roads as individuals travel longer distances to reach jobs in Santa Clara and to neighboring job rich cities to the west without sufficient housing opportunities to live within proximity to the regional concentration of jobs or a transportation network that can fully support this level of daily travel.

As recently as the year 2000, the jobs-to-employed residents ratio for the City was 2.22. However, the City's General Plan indicates that the ratio had improved to 1.90 as of 2008 (at the start of the most recent General Plan comprehensive update process). More recent job data is available from the US Census Bureau and the American Community Survey. The Census Bureau's 2017 data indicates that there are a total of 123,424 jobs and 67,240 employed residents in the City for a jobs-to-employed-residents ratio of 1.84 (123,424 / 67,240), a further decrease from 2008.

The City's General Plan identified opportunities for concentrated residential development in General Plan Focus Areas as a strategy to address Santa Clara's jobs-housing imbalance by providing significant amounts of new housing capacity in proximity to employment areas. However, the General Plan also anticipates and recognizes the benefits of strong jobs growth through the life of the General Plan, and supports intensification of other jobs areas so that under its current buildout scenario, the City would have a jobs-to-employed-residents ratio of 1.77 in 2035.

The most recent American Community Survey indicates that Santa Clara has 67,240 employed residents living in 43,159 housing units, or 1.56 employed residents per housing unit. Assuming a continuation of these demographic trends, the planned 4,500 dwelling units would add 7,000 employed residents, potentially lowering the City's jobs-to-employed-residents ratio to 1.66 (123,424/(67,240+7,000)). Adoption of the Plan would thus further the City's goal of improving its jobs-housing balance.

Land Use Designation

Consistent with Specific Plan capacity of 4,500 residential units and the envisioned urban character of the Plan area, residential densities in the neighborhood are planned to be a minimum of 100 dwelling units per acre. The Specific Plan area is approximately 45 acres in area, with 7 of those acres dedicated to the road network and an additional 10 acres planned for useable open space, leaving approximately 28 acres of land available for development and suggesting an average density of 160 dwelling units per acre (DU/AC) in order to achieve 4,500 units. Consistent with a more urban form of development and the General Plan Focus Area goals, the Specific Plan envisions a significant amount of neighborhood serving retail and amenity space mixed in with the new residential development (e.g., Goals 5.4.6-G1, and 5.4.6-G2, Policy 5.4.6-P1).

The Specific Plan land uses are proposed to be implemented through a new General Plan land use designation, Transit Neighborhood, which would be applied to the entire Plan area and allow residential densities from 85-350 dwelling units per acre (DU/AC), along with supportive commercial uses. This General Plan designation was designed to be flexible so that it may be applied within other similar Focus Areas within Santa Clara.

The density range accommodates a broad range of development types, including wood frame podium and wrap building, steel-frame tower and possibly reinforced concrete construction.

The Specific Plan Land Use diagram also identifies potential locations for park space, greenways, a mixed-use “main street”, and other public amenities, as shown in Attachment 8. The main street, at the center of the Specific Plan area along Calle del Sol, will be a focal point for the new neighborhood. A new Zoning District would be established along with the Specific Plan to facilitate development of the Specific Plan area consistent with its vision.

As provided for in the proposed Specific Plan and associated zoning district, the existing industrial and commercial uses within the Plan area can continue operation and even undergo expansion until redevelopment. New development would need to conform to the standards of the Specific Plan.

Roadways and Access

As noted above, a key feature of the Specific Plan will be a new main street along the existing Calle del Sol alignment, which includes an extension of the street north to connect to Calle del Mundo. The extension of Calle del Sol also serves to break up the city blocks in the Specific Plan into distances that are more comfortable to walk. Development of the Calle del Sol extension is contingent on obtaining the land needed for the proposed right-of-way, and on solving a number of infrastructure challenges, including relocation of the Primavera lift station, a major piece of sewer infrastructure, and the re-location of a privately owned cellular antenna.

The Specific Plan incorporates the extension of Lick Mill Boulevard, planned as part of the CityPlace development, through the Specific Plan area from Tasman Drive northward to the future CityPlace development. In providing these new roadways, the Plan balances vehicular circulation needs with placemaking goals, providing a variety of street types that can accommodate regional and local vehicular traffic, bicyclists and pedestrians.

Street design guidelines incorporated into the Specific Plan provide sections for each of the streets in the Tasman East area, clearly delineating expectations for the sidewalk widths, tree wells and street life dimensions, and lanes of travel including bicycle lanes. These guidelines address depths of retail spill-out spaces and proposed lighting guidelines, as well as other design features that support an attractive pedestrian environment.

The Specific Plan land uses will leverage adjacency to the Lick Mill Light Rail Station, utilizing a robust Transportation Demand Management (TDM) Plan to minimize vehicle trips. As the Specific Plan is implemented, new individual development projects will be required to incorporate measures to address the evolving nature of transportation, including commuter behavior, availability of first and last mile connections to transit, and other advancements such as ride hailing and ride sharing technology. The vehicle miles

traveled (“VMT”) reduction goals proposed for the Transit Neighborhood General Plan land use designation include a total of 20%, with 10% coming from locational advantages (such as proximity to transit), and 10% coming from TDM strategies.

Collectively, these physical improvements and policy actions established within the Specific Plan will advance the goals set forth in the General Plan for the Tasman East Focus Area, encouraging alternative modes of transportation and reducing the impacts of new development upon the vehicular transportation network (e.g., Goal 5.4.6-G3, Policy 5.4.6-P4, 5.4.6-P7).

Park Spaces, Greenways and Other Open Space

Consistent with City Council input from the February 6, 2018 study session, the Specific Plan establishes an ambitious Park Space and Greenways plan to provide 10 acres of open space area. These open spaces are distributed over five smaller districts identified within the Specific Plan, with the open space areas in each district anchored by a publicly dedicated park. The five dedicated parkland districts and the size of their associated dedicated park are: Hill District (0.85 acres), River District (2.5 acres), Station District (0.15-acre urban plaza), Bridge District (0.5 acre), and Center District (1 acre). These parks will be connected to each other and to the Guadalupe River trail by a series of greenways, as shown in the Open Space Strategy & Regional Connectivity diagram in Attachment 10. The combination of publicly dedicated parkland, publicly accessible greenways and open spaces, and private amenity spaces (credited at 50% consistent with the City’s parkland dedication ordinance) will account for the 10 acres of outdoor amenity space under the Plan.

The Greenways will also form a pedestrian network between park spaces. The Greenways will be a minimum of 30 feet in width and include two parallel paths of travel. One path will be a 12 foot wide paved path or raised boardwalk and the second parallel path will be a six foot wide decomposed granite walking path. The greenways will include landscaping, and will be public in character, meaning that they will be visually open and designed to encourage pedestrian movement through them. The Greenways are located strategically to support connections beyond the Plan area to nearby regional open spaces such as the Guadalupe River trail, the Ulistac Natural Area, the future CityPlace Central Park, and the City of Santa Clara’s Youth Soccer Park.

Overall, the Plan supports a minimum of 10 acres of open space, consisting of 5 acres of publicly dedicated parkland, along with a mix of publicly accessible private open spaces and private open space. Each individual development project will be reviewed for opportunities to contribute to the public space realm and open spaces areas will be designed so as to support active uses. (Policy 5.4.6-P12).

Collectively these features will implement the General Plan policies to provide Tasman East residents with a high degree of access to open space (e.g., Policy 5.4.6-P1, 5.4.6-P5).

Multimodal Connectivity

Multimodal Connectivity is identified as a policy goal in the General Plan (e.g., Policy 5.4.6-P2, and 5.4.6-P3). The design of the Greenways, the requirements for active building frontages and retail at key locations, and the design of sidewalks all enhance and encourage walking within the Specific Plan area and to the nearby light rail stations. Bicycle paths will provide connections for the residents within the Specific Plan area to nearby employment and entertainment destinations, such as those planned in the City Place project.

The Specific Plan area has three major points of connection to the adjacent CityPlace project (Attachment 9). Pedestrians walking from Tasman East can access CityPlace most directly via the crosswalk at Lafayette and Calle de Luna, walking through the ACE Train/Great America station, and into CityPlace via the grand staircase that transitions to Stars and Stripes Drive. A second route into CityPlace would be to exit Tasman East northbound on Lick Mill Boulevard, proceed west on Second Street, and cross over Lafayette Street and the ACE rail corridor via the proposed Second Street overcrossing. A third pathway from Tasman East to CityPlace is to proceed west on Tasman Drive from Tasman East, and enter CityPlace from Centennial Boulevard. Sidewalks will be available along all of these routes.

Creation of a Tasman East Zoning District

As a part of the Tasman East planning process, the City is proposing to create a new Transit Neighborhood zoning district to be applied to the Tasman East Area. The proposed Zoning District is flexible and allows for the variety of housing types the Plan anticipates. Uses allowed in the Tasman East zoning district include residential uses, commercial uses, and live/work units. The zoning district has development standards for the maximum height and density of the district. The district will be applied to all of the parcels in the Tasman East area. The zoning will be effective on Tasman East properties thirty days after the Council adoption of the zoning ordinance creating the new district.

Because Tasman East includes a variety of innovative housing types, including high-density mixed use, towers, and podium development, no setbacks have been included in the ordinance. The City intends to rely on the design direction in the Tasman East plan for private development and for the public realm. Outdoor seating and walk-up commercial uses are allowed by right. In general, consistent with the General Plan policies, development will have minimal setbacks with spaces between buildings and the public right-of-way designed to support active uses (Policy 5.4.6-P11). This combination of zoning flexibility and strong design direction will steer the creation of a positive urban environment.

Because the Specific Plan is expected to be implemented over a 20-year timeline, the Tasman East zoning district also includes provisions for the continuation and possible expansion of existing industrial uses within the area. Once industrial parcels convert to residential uses, industrial uses on those parcels will no longer be allowed and any proposed development shall conform to the Specific Plan.

The parking provisions within the zoning district reflect the desired urban character of the district. Residential uses are parked at one space per unit regardless of the number of bedrooms. For units under 500 square feet in area, the required parking is proposed to be 0.5 parking spaces per unit. For developments subject to the standard parking ratio, the City is requiring developers to offer partially-unbundled parking, meaning each unit, regardless of size, will be rented with one parking space, and renters can choose to rent a second space, regardless of the number of bedrooms in their unit. For efficiency units subject to the 0.5 space parking requirement, parking will be required to be fully unbundled.

As an alternative, developers can implement a parking preference program, where prospective renters without cars are put on a separate waiting list from renters with cars, with renters being chosen alternately from the two lists. The list of renters without cars should be shorter and renters without cars should get a unit more quickly.

The required parking for commercial uses is one parking space per 250 square feet of retail space, regardless of use, including restaurants. In mixed-use buildings, up to 20% of the parking spaces provided can be counted towards both residential and retail uses.

To help achieve higher densities in smaller footprints, uni-stall dimensions are proposed at 8.5' x 17', as opposed to 9' x 18' standard-size spaces, and 8' x 16' compact spaces. Required driveway aisle widths are also proposed to be narrower at 24', instead of 26'.

Bicycle parking is required in the plan area consistent with the VTA bicycle design guidelines, including requirements for both Class 1 (enclosed, secured parking) and Class 2 spaces (racks).

Design Guidelines

While the Specific Plan and zoning regulations will establish some mandatory development or design criteria, the implementation of the Specific Plan's vision will be further accomplished through the use of design guidelines for issues that require flexibility based upon project context and the inter-relationship between design objectives.

The Specific Plan's building design guidelines provide additional design direction, both in terms of bulk and massing, and in terms of how buildings frame the public realm. The guidelines limit overall building length, encourage variation in building design, and allow tall buildings to frame, but not overwhelm, the neighborhood. Design policies are included to orient building entrances toward the street, avoid overly long, repetitive building facades, minimize garage frontages, and minimize curb cuts to encourage an inviting pedestrian environment. Parking will be provided in interior garages or as on-street parking, while surface parking lots will be avoided (Policy 5.4.6-P13, and 5.4.6-P15).

The building design criteria are specific to building typology, dependent on whether the building is a low rise (up to 65 feet in height), mid-rise (from 65 up to 85 feet in height),

or high rise (from 85 up to 220 feet in height). The guidelines specifically limit the size of building floor plates for taller buildings, require minimum separations between towers, and require certain building setbacks in order to reduce overall building bulkiness and avoid an overly dense built environment (Policy 5.4.6-P14).

ALUC Review

At the September 26, 2018 Airport Land Use Commission (ALUC) meeting, the County Airport Land Use Commission found Tasman East Specific Plan to be consistent with the policies of San Jose Airport Comprehensive Land Use Plan (CLUP), in that the Tasman East plan area is outside of the airport safety zone and the noise contours of the airport area. The ALUC also found that any individual buildings proposed within the Specific Plan area that would be more than approximately 175 feet in height are required to obtain a No Hazard Determination from the Federal Aviation Administration.

Affordable Housing

The Specific Plan is proposed to include an affordable housing strategy for the Specific Plan area (consistent with Policy 5.4.6-P16). The City's recently adopted Affordable Housing Ordinance includes a pipeline provision so that residential project applications submitted to the City prior to August 1 of this year (2018) are not subject to the new 15% inclusionary requirement provided they complete the entitlement process prior to December 1, 2020. As drafted, the Specific Plan would extend this deadline by one year to August 1, 2019, accounting for the extended timeframe of the Specific Plan preparation, but also commit all projects filed prior to that date to meet a 10% inclusionary requirement following the same terms as set in the citywide ordinance. The City received a total of eight applications within the Tasman East Area prior to August 1, 2018 totaling 3,353 units that would fall under the pipeline provision and be expected to produce a minimum aggregate of 335 units of affordable housing per the Specific Plan. Other project applications may be submitted prior to the proposed August 1, 2019 cutoff and would also be subject to the 10% inclusionary requirement should the Plan be adopted as proposed.

Incentives for High Density

The Specific Plan's established target of 4,500 new residential units requires high density development. While it may be possible to maximize the development potential of wood-frame construction and achieve the minimum densities established within the Plan, it would be better if new development utilized a mixture of construction types including steel and concrete. Use of only one construction type will tend to result in buildings all of the same or similar height and mass. Use of multiple construction types will enable higher densities and mid-height and high-rise towers. Use of slender towers can also decrease the overall sense of building mass. Higher-density development will also enable the City to better utilize limited land resources to meet residential needs.

Alternate construction types (e.g. Type I or Type III, which make use of steel and/or concrete) are more expensive to construct than wood frame and extend construction schedules, resulting in greater risk that market conditions will change during construction. The more expensive construction may be financially supported by higher

rents and/or increased revenue from more units if market conditions are favorable. Generally the absence of new Type I or Type III construction for residential use in Santa Clara is an indication that developers do not consider the more expensive construction types to be supported by the market conditions. More expensive construction types are also advantageous to the City in that they produce a higher land value base for property taxes. In some cases, to realize these benefits, cities have provided incentives for high-rise development to offset higher construction costs. For example, San Jose has completely waived either park impact fees or affordable housing requirements to support the construction of towers within its Downtown. All eight project applications currently under review for the Specific Plan area are anticipated to have densities in excess of 100 dwelling units/acre. The initial phase of most projects utilizes wood-frame construction in a variety of construction types (e.g., three to five stories of wood-frame over one to three story concrete podium structures). One project applicant is proposing to use a light steel construction material for their phase one project. Three projects include reinforced concrete structures as part of a later phase. The project applicants have indicated they are anticipating a combination of higher rents in the future and some sort of City incentive program (discussed below) before they move forward with the reinforced concrete or steel frame construction projects.

At the last two study sessions, the City Council discussed an incentive program that would grant a reduction in the affordability requirements for portions of a project built at densities greater than 120 dwelling units/acre or 140 dwelling units/acre. The intent of this incentive is to increase both the total number of units and the total number of affordable units produced within the Plan area. It is important to note that the current applications were filed prior to the deadline to be subject to the new Citywide affordable unit inclusionary requirement, but would be subject to a 10% inclusionary requirement per the Plan requirements. Also, per the Plan requirements, projects filed after August 1, 2019 would be subject to a 15% inclusionary requirement. The proposed reduction also follows the two phases based on filing dates:

- Phase 1 includes all residential projects with applications filed prior to August 1, 2019 and that receive planning entitlements prior to December 1, 2021.
- Phase 2 includes all residential projects filed on or after August 1, 2019, and residential projects filed prior to August 1, 2019 that did not receive planning entitlements prior to December 1, 2021.

Table: Proposed Incentive – Progressive Reduction in Affordability Requirements

Density Range	Phase 1: Required % Inclusionary (100% AMI)	Phase 2: Required % Inclusionary (100% AMI)
≤120 DU/AC	10%	15%
>120 DU/AC & ≤ 140DU/AC	8% for portion of project over 120 DU/AC	12% for portion of project over 120 DU/AC
> 140 DU/AC	5% for portion of project	10% for portion of project

Density Range	Phase 1: Required % Inclusionary (100% AMI)	Phase 2: Required % Inclusionary (100% AMI)
	over 140 DU/AC	over 140 DU/AC

All of the affordable units provided in each residential project in both Phases 1 and 2 would need to meet an average 100% Area Median Income affordability level, which is the affordability level required in the City’s Affordable Housing Ordinance.

As shown in the following table, the overall result of this incentive would be to produce both more market rate and more affordable units by encouraging developers to build at higher densities.

Table: Units and Affordable Units Produced by Example Project at Different Densities

Project Density	Total Units (1 Acre Site)	Total Affordable Units Phase 1 Project*	Total Affordable Units Phase 2 Project*
120 DU/AC	120	12	18
140 DU/AC	140	13	20
160 DU/AC	160	14	22

*Where fractions of a whole unit are part of the required number of units, developers are given the option to either provide a proportional in-lieu fee for the fraction of affordable housing unit required or provide an additional unit.

Community Meeting Spaces

Providing public amenities will be an important part of the Specific Plan placemaking strategy. As presented at the most recent City Council study session, the Specific Plan would require that one community room (2,000 sq. ft.) be made available for use by the general public on weekday evenings (Monday – Thursday) and Saturday mornings and a proposed plaza area would be designed to support library services in the form of a docking station for a book mobile. In addition to making a room available to the broader community, active developers within Tasman East have indicated that each project would include common areas for use by building residents and their guests to meet this need within the community. Further, one developer has proposed a community book sharing area, which is to function as a robust version of a “Little Free Lending Library” within a proposed retail (likely café) space.

Infrastructure Fee

Should the City Council approve the Specific Plan, staff will bring forward a subsequent infrastructure fee for City Council review and approval. The infrastructure fee will require individual developers to contribute a pro-rata share of the costs of the various infrastructure improvements, such as the extension of Calle del Sol and the relocation of the Primavera lift station, that are required to implement the Specific Plan vision and are best borne collectively by all development within the Specific Plan area. Although projects and estimates are not complete, the total infrastructure package could be in the

\$25 to \$35 million range. In addition to the Primavera lift station it also includes potable water lines, recycled water, and transportation improvements, and street improvements to support residential development.

Specific Plan Fee

Per Government Code Section 65456, after a Specific Plan is completed, the City is permitted to recoup the costs of preparation of a Specific Plan by collecting a Specific Plan fee. The costs of preparing, adopting, and administering the Specific Plan can be collected from beneficiaries of the Specific Plan on a prorated basis. Staff will bring a Specific Plan fee resolution forward after the adoption of the Tasman East plan to recoup consultant costs for preparation of the Specific Plan.

Conclusion

The draft Tasman East Specific Plan, accompanying zoning district and project EIR have been prepared through an extensive planning process which has provided a significant amount of time for discussion of the various components of the Specific Plan. The Specific Plan will provide a land use policy framework to support the development of a new high-quality urban district within Santa Clara consistent with the City's vision and the goals and policies set forth in the General Plan.

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) was prepared for the Tasman East Specific Plan and related approvals (the "project") in accordance with the California Environmental Quality Act (CEQA). The EIR analyzes program-level impacts of the Tasman East Specific Plan. The EIR and Notice of Availability were circulated for a 45-day period from July 30, 2018 to September 13, 2018 in accordance with CEQA requirements. The EIR provides a comprehensive analysis of the potential environmental impacts for the project, and addresses topics identified within the General Plan policies for Tasman East, including land use compatibility and consistency with floodplain requirements (Policy 5.4.6-P8, 5.4.6-P9, 5.4.6-P10, and 5.4.6-P18).

The EIR found that there would be significant and unavoidable environmental impacts to:

- Air Quality emissions (criteria pollutant emissions)
- Biological Resources (bird strikes)
- Transportation (intersection and freeway levels of service and transit delays)

The project would also result in the following significant unavoidable cumulative impacts:

- Air Quality emissions (criteria pollutant emissions)
- Biological Resources (bird strikes)
- Transportation (intersection levels of service)
- Utilities (landfill capacity)

All of the other potentially significant impacts can be mitigated to a less than significant

level. The mitigation measures are included in their entirety as a part of the proposed Mitigation Monitoring and Reporting Program (MMRP).

The Draft EIR comment period ran from July 30, 2018 to September 13, 2018. A total of eleven comments were received during the comment period, with comments from the Regional Water Quality Control Board and a joint letter from the Audubon Society and Sierra Club arriving after the close of the comment period.

None of the comment letters have identified a new significant impact, or have provided substantial evidence that the CEQA analysis is otherwise inadequate. 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, was made available to the public through the City's website on October 12, 2018, and have been forwarded on to any commenters on the Draft EIR.

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

FISCAL IMPACT

Consultant costs borne by the City for the preparation of the Specific Plan have been financed through the City's permit fee revenue and are anticipated to be significantly recovered following the adoption of a proposed Specific Plan fee that will be brought forward for Council consideration after the adoption of the Specific Plan.

The proposed change in land uses would significantly increase land values as well as demand for services, having both positive and negative fiscal impacts upon the City. The addition of retail services and an increased local population will add to more sales tax revenue for the City. While the City has not conducted a fiscal analysis for the Specific Plan, it is understood that residential land uses generally have a net negative fiscal impact (as increased land value revenue does not completely offset increased costs for service), but infill development and higher density development, particularly utilizing Type I or Type III construction, provides for more efficient delivery of services and can be revenue neutral or even positive in some circumstances. Furthermore, the Plan will include private maintenance of park spaces and a significant private investment for infrastructure that will also provide fiscal benefits. On the whole, implementation of the Specific Plan is expected to have a relatively minor net fiscal impact to the City and will provide housing necessary for Santa Clara's ongoing economic vitality.

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 or at the public information desk at any City of Santa Clara public library.

In addition to City Council and Planning Commission study sessions, the City held four community meetings on the plan: June 6, 2016, which was a general orientation to the area and the Specific Plan process; July 21, 2016, which presented options for residential density, the street network and character of parks; September 19, 2016, which presented the proposed planning framework; and June 7, 2018, where the draft specific plan was discussed. Attendance at these community meetings ranged from 15 to 40 people.

ALTERNATIVES

That the Planning Commission adopts Resolutions recommending that the City Council:

1. Adopt a resolution approving and certifying the Final EIR prepared for the Tasman East Specific Plan (SCH #2015022059), including CEQA Findings and a statement of overriding considerations.
2. Adopt a resolution approving the Tasman East Specific Plan, a specific plan consistent with Government Code Sections 65450-65457.
3. Adopt a resolution approving a General Plan text amendment creating the Transit Neighborhood land use designation (85-350 Dwelling Units/Acre), updating the Climate Action Plan to recognize the Transit Neighborhood Land Use Designation, and amending the General Plan Land Use diagrams for Phases II and III to reflect the land use designations in the Tasman East Specific Plan.
4. Adopt an ordinance amending the zoning code to create the Transit Neighborhood Zoning district, creating standards for uniformly sized parking spaces (unistalls), and making other clarifying changes, and rezoning the Project Site to the new district.

or

5. Provide direction to staff to make modifications to the Specific Plan and/or Zoning district for City Council consideration.

..Recommendation

That the Planning Commission adopt Resolutions recommending that the City Council:

1. Approve and certify the Final EIR prepared for the Tasman East Specific Plan (SCH #2015022059), including CEQA Findings and a Statement of Overriding Considerations.
2. Approve the Tasman East Specific Plan, a specific plan consistent with Government Code Sections 65450-65457.
3. Approve a General Plan text amendment creating the Transit Neighborhood land use designation (85-350 Dwelling Units/Acre), update to the Climate Action Plan to

recognize the Transit Neighborhood Land Use Designation, and amend the General Plan Land Use diagrams for Phases II and III to reflect the land use designations in the Tasman East Specific Plan; and

4. Adopt an Ordinance amending the Zoning Code to create the Transit Neighborhood Zoning District, creating standards for uniformly sized parking spaces (unistalls), and make other clarifying changes, and rezoning the Project Site to the new district.

..Staff

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Walter C. Rossmann, Chief Operating Officer

ATTACHMENTS

1. Tasman East Planning Commission EIR Resolution
2. CEQA Findings and Statement of Overriding Considerations
3. Tasman East Planning Commission Specific Plan Resolution
4. Tasman East Planning Commission General Plan Amendment Resolution
5. Transit Neighborhood Planning Commission Zoning Resolution
6. Transit Neighborhood Zoning Ordinance
7. General Plan Tasman East Goals and Policies
8. Draft Plan Land Use Framework
9. Draft Plan Open Space and Greenways Diagram
10. Draft Plan Tasman East-CityPlace Pedestrian Connectivity Diagram

