



# City of Santa Clara

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## Agenda Report

23-663

Agenda Date: 7/13/2023

### REPORT TO PLANNING COMMISSION

#### **SUBJECT**

Action on Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, General Plan Amendment and Rezone for the Property Located at 2655 The Alameda to Allow the Development of a Four-story Multi-family Housing Development with 39 Rental Units, and 1,500 Square Feet of Ground Floor Commercial Space.

#### **REPORT IN BRIEF**

Applicant / Owner: Anjuli Habbas, Kapital Alameda, LLC

General Plan: Neighborhood Mixed Use

Zoning: Neighborhood Commercial (CN)

Site Area: 0.4 acres

Existing Site Conditions: The property is a fenced triangular vacant parcel

Surrounding Land Uses:

- North: Santa Clara University campus
- South: Safeway shopping center and parking lot
- East: The Alameda and Santa Clara University campus
- West: Park Avenue and a mix of residential and commercial uses

Issues: Consistency with the City's General Plan and Zoning Ordinance

Staff Recommendation: That Planning Commission approve resolutions recommending the City Council adopt the proposed Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP), General Plan Amendment, and Rezone for the property located at 2655 The Alameda.

#### **BACKGROUND**

On August 10, 2022, Anjuli Habbas with Kapital Alameda LLC ("Owner") filed an application to develop the vacant, unimproved property located at 2655 The Alameda. The proposed development would be a mixed-use, 39-unit, multi-family residential building, including private and public amenities and off-site improvements. The proposal requires a General Plan Amendment and Rezone of the property to change the land use designation and zoning of the site to allow residential development with ancillary neighborhood retail/commercial uses at a density consistent with the City's General Plan Very High Density Residential land use designation.

VTA Frequent Route 22 bus service occurs along El Camino Real/The Alameda at 15 minute headways and has northbound and southbound bus stops located within the vicinity of the site. The nearest bus stop is located approximately 1,400 feet (approximately ¼ mile) south of the project site and links with additional local bus routes and regional rail service at the Santa Clara Transit Center.

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The Transit Center is located approximately 0.6 miles from the project site and connects with Caltrain, Altamont Corridor Express and Capitol Corridor rail service.

### **DISCUSSION**

The proposed project includes a General Plan Amendment to change the General Plan Land Use Diagram designation for the subject property from Neighborhood Mixed Use (10-36 Dwelling Units per Acre) to Very High Density Residential (51-100 DU/AC). The Neighborhood Mixed Use designation requires neighborhood serving retail, service commercial and/or local office uses at a minimum Floor Area Ratio (FAR) of 0.10. The proposed Very High Density Residential designation would allow a higher density residential development, while allowing retail and other compatible commercial uses that activate the street on the ground floor. The project also includes a Rezone from Neighborhood Commercial (CN) to Planned Development (PD) (File No. PLN22-00448) to establish uses and development standards specific to the proposed project. To fulfill the requirements of the Californian Environmental Quality Act (CEQA), a Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP) (SCH# 2023040354) have been prepared for the project.

These entitlements collectively would allow for the construction of a four-story multi-family housing development with 39 rental units, 1,500 square feet of ground floor commercial, public and resident amenities, 42 on-site parking spaces, landscaping, and public and private on- and off-site improvements. The project would be subject to the City's affordable housing ordinance, which requires that of the 39 rental units, 15 percent (5.85 units) would be provided at affordable rental prices to lower-income households (at an average income level of 100% area median income (AMI)). Because the affordability requirement will result in a fractional (0.85) unit, the developer has the option of either providing six affordable units, or providing five units and paying an in-lieu fee for the fractional unit.

The proposal has been evaluated for conformance with the City's General Plan and Zoning Code as discussed below.

### **General Plan Conformance**

General Plan Amendments are evaluated for consistency with the goals and policies of the General Plan to determine if the proposed General Plan land use diagram change will align with the overarching intent of the General Plan.

The site is currently designated Neighborhood Mixed Use on the General Plan land use diagram. This designation supports medium density pedestrian-oriented residential-commercial mixed-use development, with a focus on ground-level neighborhood serving retail, service/office or local office uses, at a minimum 0.10 FAR. For properties that are less than one-acre, such as the subject site, the allowed residential density range is 10-36 DU/AC. Auto-oriented uses are not considered appropriate in this designation.

The applicant is requesting a General Plan Amendment for the site to Very High Density Residential. This designation supports residential development ranging from 51 to 100 DU/AC with the goal of taking advantage of proximity to transit. This designation allows retail/commercial uses on the ground floor of new development without a minimum FAR requirement. It is intended for development of mid-to high-rise buildings with an urban feel, structured or below grade parking and shared outdoor space. The proposed project would be consistent with the intent of this designation as it would be a four-

story mixed-use building with 1,500 square feet of ground floor retail/commercial space at an FAR of 0.09 and 39 rental apartment units at density of 97.5 DU/AC with shared common space and subgrade and first floor parking.

The proposed project is consistent with General Plan Policies as analyzed below:

#### *Residential Land Use Policies*

- 5.3.2-P1: Encourage the annual construction of the housing units necessary to meet the City's regional housing needs assessment (RHNA) by reducing constraints to housing finance and development.
- 5.3.2-P2: Encourage higher-density residential development in transit and mixed-use areas and in other locations throughout the City where appropriate.
- 5.3.2-P3: Encourage indoor and outdoor private and common spaces as part of all new residential developments, including clustering of units to maximize open space opportunities where appropriate.
- 5.3.2-P6: Provide adequate choices for housing tenure, type and location, including higher density, and affordability for low- and moderate-income and special needs households.
- 5.3.2-P7: Construct and preserve affordable housing for low- and moderate-income households through the use of public subsidies, regulatory incentives, and flexible development standards.
- 5.3.2-P9: Encourage senior, and group residential facilities, and affordable housing developments near neighborhood retail, support services and transit facilities.

Consistent with the above policies, the project would contribute 39 multi-family residential units to the City's housing stock at 97.5 DU/AC in proximity to public transportation with convenient connection to local and regional transit facilities, as well as neighborhood commercial and public/quasi-public uses, and outdoor open space and recreation areas. The project supports a mix of residential opportunities within the community by providing one- and two-bedroom apartment units and with 15 percent restricted to be at affordable rental rates for lower income households. The project would thus contribute to the City's type and tenancy of housing and assist in achieving the assigned Regional Housing Needs Allocation (RHNA) targets required by the State of California for the production of affordable housing units.

#### *General Land Use Policies*

- 5.3.1-P8: Work with property owners to improve or redevelop underutilized and vacant properties.
- 5.3.1-P9: Require that new development provide adequate public services and facilities, infrastructure, and amenities to serve the new employment or residential growth.

The project would result in the development of a vacant parcel with a new building that would provide needed housing and commercial uses to the community. The project site is located in an urban setting surrounded by residential, commercial, and public / quasi-public uses and is served by existing public services, facilities, and infrastructure.

- 5.3.1-P10: Provide opportunities for increased landscaping and trees in the community, including requirements for new development to provide street trees at a minimum 2:1 ratio on- or off-site replacement for trees removed as part of the project to help increase the urban

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forest and minimize the heat island effect.

Consistent with the above policy, the project includes a landscape plan for the site and street frontages with a variety of plant species and a total of thirteen (13) 36-inch box street trees to reduce the heat island effect, enhance the pedestrian experience and visually improve the streetscape. The proposed development would require the removal of one tree and exceed the required 2:1 replacement ratio with project development.

- 5.3.1-P12: Encourage convenient pedestrian connections within new and existing developments.

Consistent with this policy, the project includes the replacement of the existing sidewalks along the street frontages of the site with a landscape park strip and sidewalk consistent with the Complete Streets design standards. Street trees are proposed within the park strips and incorporate drought tolerant plantings. The tree-lined separated sidewalk is designed to facilitate pedestrian access and safety, link neighboring land uses and visually improve the streetscape.

- 5.3.1-P2: Encourage advance notification and neighborhood meetings to provide an opportunity for early community review of new development proposals.
- 5.3.1-P26: Support a community-initiated planning process so that existing neighborhoods can participate in developing more detailed plans for street, landscape and pedestrian facility improvements.

Consistent with these policies, the applicant has conducted public outreach through mailings and two virtual meetings to present the project. The applicant has also met with Santa Clara University representatives and students and presented to the City's Neighborhood University Relations Committee (NURC). The meetings and presentations were conducted to inform and involve neighboring property owners, residents and interested individuals in the project design, as well as to address site, traffic and environmental concerns. Notices were mailed by the applicant to property owners in the Old Quad District and interested parties.

#### Transition Policies

- 5.5.2-P1: Require that new development incorporate building articulation and architectural features, including front door, windows, stoops, porches or bay windows along street frontages, to integrate new development into existing neighborhoods.

Consistent with this policy, the proposed building is designed to address the adjacent public streets with an urban aesthetic and to activate this public space. Front entries at the ground floor and windows, patios and balconies along the building elevations look onto the public streets. Offsets along the building planes and roof line break up massing and a mixture of materials and architectural features create visual breaks and interest that are compatible with the surrounding built environment.

- 5.5.2-P9: Improve pedestrian amenities, including sidewalks and bicycle paths, to promote neighborhood compatibility.

Consistent with this policy, the project includes pedestrian amenities such as complete street sections with a separated tree lined park strip and landscape setbacks behind the sidewalk to link

adjacent land uses. The landscape plan for the site also includes an outdoor courtyard at the intersection of Park Avenue and The Alameda as common outdoor space for community gathering and seating in front of the commercial space.

Additionally, at the project frontage corner, a new traffic pole with luminaire aligned with the crosswalk across Park Avenue will be installed, a new curb ramp will be constructed to improve connectivity and remove physical barriers to walking at that road crossing, and the existing pedestrian signals will be replaced with countdown pedestrian signals across Park Avenue and Bellomy Street.

The project is also conditioned to provide a fair share contribution for relocating the existing crosswalk across on The Alameda to be perpendicular with the roadway. This modification will require new curb ramps, modification of the median island on The Alameda, and new traffic signal pole with pedestrian push button and equipment.

- 5.5.2-P11: Restrict loading, trash and noise-generating activities to protect adjacent residential uses.
- 5.5.2-P12: Screen loading and trash areas to preclude visibility from off-site and public streets.

Consistent with these policies, the trash enclosure serving the project is located within the parking garage at the first level and is screened from view along the public right-of-way. Pick-up of trash and recycling materials is identified to occur in the loading zone on Park Avenue during prescheduled pick-up dates and times to avert noise impacts to residents.

### Zoning Code Conformance

The applicant is proposing to rezone the property to a Planned Development (PD) zoning district. The project site is currently zoned Neighborhood Commercial (CN). The CN Zoning standards are discussed here as a point of reference. The CN zoning designation is a limited commercial zone for the provision of retail goods and services for convenience of the immediately adjacent neighborhood and does not allow for residential development. This zoning district establishes standards appropriate for neighborhood commercial development including a 35-foot building height limit, and 15-foot front and side setbacks, and no rear setback, as set forth in Chapters 18.34 and 18.74 of the City Code.

PD zoning districts are intended to allow for creative design solutions and land uses not otherwise allowed in standard zoning districts while maintaining compatibility with the existing community. Chapter 18.54 establishes a process and the requirements for PD zoning districts. The proposed PD zoning would establish standards for mixed-use development, which take into consideration existing and approved land uses and development surrounding the project site. The proposed rezone to PD would allow a mixed use development consisting of subgrade and first floor parking, ground floor retail, residential units on all four floors, outdoor tenant common space, and shared public open space utilizing flexible site/building design and parking standards for the project, as shown in the Development Plans (Attachment 9).

### Parking

The project proposes to provide 42 parking spaces, allocating 3 parking spaces to the retail/commercial use and 39 spaces to the residential tenants. Per State law, projects within proximity to transit are exempt from any local parking requirements, but in this case the developer is voluntarily providing parking as described. For reference, the mixed use zoning districts in the City

Code have a parking requirement for multi-family residential of one space for each studio; one and one-half spaces for each one bedroom unit; two spaces for each two-plus bedroom unit and 1 space per 200 square feet of commercial, which would equal a requirement of 54 parking spaces with 2 of the spaces allocated to the commercial use and 52 spaces for resident use based on the bedroom count. The applicant's rationale for the proposed parking count is that it will meet demand based on anticipated tenancy by students, and proximity to the Santa Clara University campus, neighborhood commercial uses, and local and regional transit services.

#### *Site Design and Architecture*

The four-story structure is designed with one level of subgrade parking; first floor garage parking, commercial lease space, residential units, lobby and building operations. The peak height of the structure is 55.5 feet. Residential units are located on the three floors above and are designed to encircle an open courtyard that is located on the second floor for resident use. The unit mix of the residential units is a combination of one bedroom/one bath units ranging in size from 554 square feet to 732 square feet and two bedroom/two bath units from 807 to 1,266 square feet. In total there are 26 one bedroom/one bath units and 13 two bedroom/two bath units. Each unit either has an exterior patio (first floor units) or balcony (floors 2 - 4). The building occupies the majority of the lot (80%) with setbacks of four feet along the street frontages and six feet along the rear abutting the Safeway parking lot. The proposed clear ceiling height of the first floor is 15 feet, sufficient to support the use of the commercial tenant space. The overall building height, massing, setbacks and building articulation are thus consistent with traditional urban setting design.

The proposed building architecture has a modern design aesthetic that is clad with a stucco finish and incorporates wood paneling, lintels and trim details into the exterior finish and decorative metal canopies, railings and wood trellis features to provide textural and visual interest. The use of divided light windows and alternating use of materials provides a rhythmic cohesion and symmetry in the design. Offsets in the building elevations and varied roof planes and dentil features provide breaks in mass and scale of the structure. Rooftop mechanical equipment is screened from view along the public right-of-way by a roof parapet. With these elements, the building will have a level of articulation and visual interest consistent with the City's Zoning Code standards.

#### *Circulation and Parking*

The project is accessed by a two-way driveway on the Park Avenue and The Alameda frontages. These driveways provide ingress and egress to first floor parking and the subgrade parking garage. The project provides a total of 44 parking spaces that consist of 33 non-EV car parking spaces, 5 electric vehicle parking spaces, and 6 motorcycle spaces. A secure bicycle storage room for 57 bicycles is located on the first floor inside the garage. Bike racks are also provided adjacent to the commercial tenant space entry along Park Avenue. A loading zone is also located along Park Avenue near the driveway for deliveries, passenger pick-up/drop-off, moving, and trash staging and pickup.

#### *Landscaping and Open Space*

The project includes a landscape plan for the site that incorporates a mixture of plant species and trees for planting the common areas and setbacks, as well as the planter strips fronting the project site. There is only one tree on-site currently which is not a protected tree and would be removed with project development. The project includes the installation of 13 street trees and 15 on-site trees, greater than the 2:1 minimum replacement requirement, and provides landscaping in the outdoor common space areas.

The project provides common open space that is shared specifically for the tenants and open space that is shared with the public. Common outdoor space for tenant use is centrally located on the second level and is open to above. The area includes landscaping with tree and plant species, seating areas, workspace, a barbeque and a ping-pong table for passive and active uses. Shared public space is provided in front of the commercial tenant space at the northern tip of the project site where Park Avenue and The Alameda meet. This area is designed as a gathering area for individuals to congregate or pass through and includes raised planter beds for seating and landscaping.

### Conclusion

Staff recommends approval of the proposed project as it would implement several General Plan policies, providing for new housing that meets the community's needs, while being appropriately programmed and designed to complement the surrounding neighborhood.

### ENVIRONMENTAL REVIEW

A Mitigated Negative Declaration (MND) was prepared for the project by the environmental consultant firm David J. Powers & Associates, Inc., in accordance with the California Environmental Quality Act (CEQA). The MND and Notice of Availability (NOA) were posted on the City's website at <https://www.santaclaraca.gov/our-city/departments-a-f/community-development/planning-division/environmental-review-ceqa> and circulated for 30-day review on April 13, 2023 and ending on May 15, 2023, in accordance with CEQA requirements. The Planning Department received agency comments on the MND from San Jose Mineta International Airport, California Department of Transportation and Valley Water which are provided as Attachment 2 to this report, along with responses to comments for review.

The MND examined potential environmental impacts associated with project development and identified air quality, biological, cultural resources, geology and soils, hazards and hazardous materials, and noise impacts that with incorporation of mitigation measures into the project would reduce all potential impacts to less than significant. A detailed discussion of the potential impacts and mitigation measures to be applied to the project are specified in the MND and would be implemented through project conditions of approval and the Mitigation Monitoring and Reporting Program (MMRP) for the proposed project.

### FISCAL IMPACT

There is no fiscal impact to the City for processing the requested application other than administrative time and expense typically covered by processing fees paid by the applicant.

### COORDINATION

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

### PUBLIC CONTACT

On June 28, 2023, a notice of public hearing for this item was published in the *Weekly*, a newspaper of general circulation in the City.

On June 29, 2023, the notice of public hearing for this item was posted in three conspicuous places within 300 feet of the project site and was mailed to property owners within 1,000 feet of the project site boundaries in the Old Quad District. The Planning Department has received comments on the project, which are provided in Attachment 7 to this report for review.

Community Meetings

Virtual public outreach meetings were conducted by the Property Owner and Project Architect on November 10, 2021 and May 24, 2023 to engage the neighborhood community in the planning process. Notices of the meeting were mailed by the applicant to property owners in the Old Quad District and interested parties (resulting in 5,950 mailings for each meeting) and was also posted on the City's website. These meetings provided the community the opportunity to review and comment on the proposal and revised changes made to the proposed building and site design resulting from community input. As well as to share comments and concerns regarding the on-site parking count, overuse of street parking in the project area, pedestrian safety, and traffic generated by the project.

ALUC Meeting

The project site is located in the San Jose International Airport (SJC) Influence Area. As the proposed project requires a General Plan Amendment and Rezone of the property, it was referred to the Santa Clara County Airport Land Use Commission (ALUC) for review and finding of consistency with the SJC Comprehensive Land Use Plan (CLUP). The project was reviewed by the ALUC at a regularly scheduled meeting of May 24, 2023. Following staff presentation and public testimony, the Commission approved a finding of consistency that the General Plan Amendment and Rezone for development of the project proposal is consistent with the policies contained in the SJC CLUP. The ALUC finding of conformance is provided as Attachment 6. Consistent with ALUC 's determination, the following condition is added to the Conditions of Rezoning Approval (P5 in Attachment 8):

- *Prior to the issuance of building permits, pursuant to SJC CLUP policy G-5, an Avigation Easement shall be dedicated to the City of San Jose on behalf of San Jose International Airport.*

ALTERNATIVES

1. Adopt a resolution to recommend the City Council adopt the MND and Mitigation Monitoring and Reporting Program for The Alameda Mixed Use Project.
2. Adopt a resolution to recommend the City Council approve a General Plan Amendment from Neighborhood Mixed Use to Very High Density Residential.
3. Adopt a resolution to recommend City Council approve a Rezone from Neighborhood Commercial (CN) to Planned Development (PD) to allow construction of the four-story mixed use development as proposed.
4. Recommend the City Council deny a General Plan Amendment from Neighborhood Mixed Use to Very High Density Residential.
5. Recommend City Council deny a rezone from Neighborhood Commercial (CN) to Planned Development (PD) to allow construction of a mixed use development as proposed.

RECOMMENDATION

Alternative: 1, 2 and 3

1. Adopt a resolution to recommend the City Council adopt the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the 2655 The Alameda Mixed Use Project.
2. Adopt a resolution to recommend the City Council approve a General Plan Amendment from Neighborhood Mixed Use to Very High Density Residential.
3. Adopt a resolution to recommend City Council approve a Rezone from Neighborhood Commercial (CN) to Planned Development (PD), subject to conditions.

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Reviewed by: Alexander Abbe, Assistant City Attorney,  
Approved by: Lesley Xavier, Planning Manager

**ATTACHMENTS**

1. Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program
2. Responses to Comments received on the Mitigated Negative Declaration
3. Resolution Recommending Council Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program
4. Resolution Recommending Council Approve the General Plan Amendment
5. Resolution Recommending the Council Approve the Rezone
6. ALUC Finding of Conformance
7. Correspondence
8. Conditions of Rezoning Approval
9. Development Plans