



Agenda Report

22-718

Agenda Date: 6/15/2022

REPORT TO PLANNING COMMISSION

SUBJECT

Actions on a Proposed Multi-family Residential Project to Develop 60 units (40 Townhomes and 20 Flats) at 3141 - 3155 El Camino Real

EXECUTIVE SUMMARY

The applicant, Oak Investment Group, LLC, is proposing to construct a 60-unit residential development at 25 dwelling units per acre (du/ac) on two contiguous parcels totaling 2.41 acres. The site is currently developed with multiple commercial buildings totaling 21,780 square feet and paved surface parking areas. The proposal includes 60 for-sale residential units, a private street, visitor parking, common landscaped open space, and future private maintenance provisions with the establishment of a Homeowners Association (HOA) and Covenants, Conditions and Restrictions (CC&R's). The residential units are composed of 40 three-story townhomes and 20 flats. Nine units (15% of the 60 units) are to be provided as affordable housing units.

The project site is located in the El Camino Real Focus Area, a local and regional commercial and transportation corridor envisioned for high intensity commercial and residential development in the City's 2010-2035 General Plan. The proposal is generally consistent with the goals and policies set forth in the General Plan for the site as discussed in the following report; however, the three-story proposal does not follow the direction on height provided by the City Council during the summer 2022 consideration hearings on the El Camino Real Specific Plan.

BACKGROUND

The proposed project includes a Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP); a Rezone from Thoroughfare Commercial (CT) to Planned Development (PD); and Tentative Tract Map (File Nos. CEQ2020-01080, PLN2020-14674 and PLN2020-14705). These entitlements together would allow development of 40 townhomes and 20 flats, private street site access and circulation, landscaped open area for shared resident use, and off-site improvements that includes removal of the pedestrian bridge over Calabazas Creek adjacent to the project site.

A rezoning of the property is required to convert the existing use of the site from commercial to residential use. The applicant has proposed a PD zoning of the site in order to establish unique development standards for the project and a Tentative Tract Map for sale of the individual units.

The subject property is currently developed with a mixture of restaurant, retail and service commercial uses located within three one-story commercial pad buildings totaling 21,780 square feet in area. Adjoining uses are single-family residential to the north and a lot currently under construction for a four-story residential project to the east. Commercial uses are also located to the south, across El Camino Real, and to the west, across Calabazas Boulevard.

El Camino Real Draft Specific Plan

In 2017, the City Council initiated preparation of a Specific Plan for the El Camino Real Focus Area to provide a more detailed level of policy and design guidance to support the successful transformation of the corridor. A Citizen Advisory Committee (CAC) was appointed to guide the Specific Plan planning process. Preparation of a draft El Camino Real Specific Plan was completed in May 2021 and presented to the City Council for adoption at the June 15, 2021 City Council meeting. The draft Specific Plan included three proposed land use designations, as recommended by the CAC, supporting residential and mixed-use development at low (Corridor Residential), medium (Corridor Mixed Use) and higher (Regional Mixed Use) densities. The Corridor Residential designation was intended to support development of townhouse and stacked flat projects, while the Corridor Mixed Use and Regional Mixed-Use designations were intended to support mixed-use residential apartment or condominium style development.

As recommended by the CAC, the El Camino Real Specific Plan draft land use plan identified the project site as Corridor Mixed-Use allowing four- to five-story residential development at 45 to 65 dwelling units per acre (du/ac). The draft Specific Plan, including land uses, was presented for City Council adoption at the June 15, 2021 City Council meeting. The City Council directed staff to modify the proposed Specific Plan Land Use designations to establish reduced height limits and densities as follows: no more than two-stories for Corridor Residential, no more than three stories for Corridor Mixed-Use, and no more than four stories for Regional Mixed-Use. As part of the Council consideration of the item, the applicant requested that the subject property be designated as Corridor Residential to align with their desire to develop the site with a townhouse/stacked flat project rather than at the higher density of Corridor Mixed-Use, which would correspond to a higher density, mixed-use type of development. Three community members expressed support for this lower density, while other community members advocated that it be retained as commercial use. The City Council did not take action on this request but expressed support for a townhouse type development.

On July 6, 2021, the City Council affirmed their direction to staff to prepare an alternative form of the Specific Plan that reduces densities from the prior draft, and, at their meeting on October 19, 2021, it was again reiterated to proceed with modification of the Specific Plan to include the height limits as directed at the July meeting. At the October meeting, the City Council also directed staff to continue consideration of the first draft Specific Plan and to prepare an analysis comparing the economic feasibility of the two different land use plans. At the time of this staff report, the draft Specific Plan is awaiting approval of funding within the City's budget to allow staff to initiate the work program to modify the Plan per City Council's direction.

DISCUSSION

The primary issues for the project are conformance with the City's General Plan and consistency with the City Code for a Planned Development Zoning.

General Plan Conformance

The site is currently designated Community Mixed-Use in the General Plan and is within the El Camino Real Focus Area. This designation provides flexibility to allow development that is either entirely commercial, completely residential or a combination of commercial and residential at a minimum floor area ratio (FAR) of 0.10 for commercial use and between 20 to 36 dwelling units per acre (du/ac) for residential use.

The General Plan vision for El Camino Real is to transform this Focus Area from a series of automobile-oriented commercial uses to a tree-lined pedestrian and transit-oriented corridor with a mix of retail and residential uses at higher intensities of development.

As noted above, the City has prepared a draft Specific Plan for the El Camino Real corridor that would include changes to the land use designations and policies for development along the corridor. However, because the City has not acted on the draft Specific Plan, the site continues to be designated as Community Mixed-Use and governed by General Plan land use policies as it was designated in the 2010 General Plan update.

The proposed project is consistent with existing General Plan Policies as follows:

General Land Use Policies

- 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 conducted public outreach through mailings and a virtual community meeting to involve neighboring property owners in the design of the project. Notices were mailed by the applicant to property owners within 500 feet of the project boundaries and interested parties.

- 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.

Consistent with these policies, the project would aggregate two commercial properties for the construction of 60 for-sale residential units consisting of 40 townhomes and 20 flats thereby increasing the type and tenure of the City's housing supply. The project includes public and private improvements such as streetscape enhancements, private street and utilities, visitor parking, and landscaped open space to serve the development.

- 5.3.1-P10: Provide opportunities for increased landscaping and trees in the community, including requirements for new development to provide street trees and a minimum 2:1 on- or off-site replacement for trees removed as part of the proposal to help increase the urban forest and minimize the heat island effect.

Consistent with this policy, the proposed development plan includes landscaping of the site and street frontages with a variety of plant and tree species, and would replace the 16 trees removed with redevelopment at a ratio greater than the minimum requirement of 2:1, with a total of 90 trees.

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

Consistent with this policy, the project includes a tree-lined separated sidewalk along the street frontages of the project site to facilitate pedestrian access and link neighboring land uses.

- 5.3.1-P16: Consolidate curb cuts with new development on arterial roadways to minimize pedestrian/vehicle conflicts at driveway locations and improve traffic flow.

Consistent with this policy, the project would eliminate the existing driveways along El Camino Real fronting the project site and replace them with a separated sidewalk that includes a planter strip adjacent to the curb and sidewalk behind, consistent with Complete Streets design standards, which would minimize the pedestrian and vehicle interface and improve traffic flow. A new curb-cut and driveway for site access and circulation would be provided along the Calabazas Boulevard frontage of the project site.

- P.3.1-P29: Encourage design of new development to be compatible with, and sensitive to, nearby existing and planned development, consistent with other applicable General Plan policies.

Consistent with this policy, the proposed project employs the City's Transition Policies to taper mass and scale of the building clusters from three stories down to two stories in height at the rear where it interfaces with single-family residential development to the north. The proposed project is compatible in density and design of the three- and four-story residential development currently under construction abutting the project site to the east. One-story commercial development is located to the south across El Camino Real and east beyond Calabazas Creek.

El Camino Real Focus Area Policies

- 5.4.1-P2: Allow new development under Community Mixed-Use designation for exclusively residential or commercial uses provided that it meets the minimum requirements for Medium Density Residential or Community Commercial land use classifications.
- 5.4.1-P5: Provide appropriate transition between new development in the Focus Area and adjacent uses consistent with General Plan Transition Policies.
- 5.4.1-P6: Encourage lower profile development in area designated Community Mixed-Use in order to minimize land use conflicts with existing neighborhoods.

The project proposes exclusively residential development at 25 du/ac consistent with the density range of 20 - 36 du/ac for moderate density residential assigned to Community Mixed-Use General Plan land use designation for the site. Also consistent with the above policies, the design is compatible in height and density with existing and recently approved three- and four-story residential construction along the El Camino Real corridor. The project also transitions from three-stories along the streetscape to two-stories at the rear of the property where it interfaces, and is separated by, a landscaped setback from neighboring single-family homes.

- 5.4.1-P8: Orient ground floor retail and residential entries to the public sidewalk on El Camino Real.
- 5.4.1-P9: Residential development should include front doors, windows, stoops, porches, and bay windows or balconies along street frontages.

Consistent with these policies, the buildings fronting El Camino Real and Calabazas Boulevard (Buildings 1, 2 and 3 on the site plan) are designed with front doors, windows and outdoor patios facing the adjacent street frontages.

- 5.4.1-P11: Locate parking at the side or rear of parcels and active uses along street frontages.

Consistent with this policy, the project design includes an attached garage for each unit that is oriented to and accessed from the private street internal to the project site. Visitor parking spaces are also located along the private street.

- 5.4.1-P16: Facilitate the implementation of streetscape improvements consistent with those illustrated in Figures 5.4-2.

Transition Policies

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

Consistent with this policy, the project incorporates offsets along the building planes and a mixture of exterior materials and architectural features to create visual breaks and interest in the design for compatibility with the surrounding neighborhood. Buildings 1 - 3 integrate into the neighborhood with orientation of the front doors, windows, and outdoor patios towards the public domain. Pedestrian paths connect the units to the public sidewalk and neighboring properties.

- 5.5.2-P3: Implement site design solutions, such as landscaping and increased building setbacks, to provide buffers between nonresidential and residential uses.
- 5.5.2-P5: Require that new development provide an appropriate transition to surrounding neighborhoods.

See responses to policies 5.3.1-P29, 5.4.1-P5 and 5.4-P6 above.

Zoning Conformance

The project site consists of two parcels that are zoned Thoroughfare Commercial (CT). The CT zoning designation is intended for auto-oriented uses on a major commercial thoroughfare and does not allow residential uses. This zoning was established on the property prior to the City's General Plan update in 2010 and does not align with the current General Plan vision for the corridor. The El Camino Real Focus Area discourages auto-related uses and is intended to promote a mix of residential and retail uses (either horizontal or vertical) along a tree-lined pedestrian-oriented corridor. As the City's existing Zoning Code does not have a zoning district that would allow a for-sale residential development consisting of townhomes and flats, a rezone of the project site is necessary to construct the project.

The proposed rezone to PD would allow residential development consisting of townhomes and flats and would implement the General Plan vision for the current El Camino Real Focus Area. Chapter 18.54 establishes a process and the requirements for PD zoning districts. 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 and allowing for

homeownership. The proposed PD zoning would establish standards for the residential development that are compatible with existing and approved land uses and development surrounding the project site. While the current General Plan designation of Community Mixed-Use typically requires a commercial element, General Plan policies allow an entirely residential use for sites along El Camino Real.

Affordable Housing

The proposed project is subject to the City's inclusionary housing ordinance and would be required to designate nine of the 60 units to be reserved for qualifying home buyers based on an income level at or below the 100 percent of Area Median Income.

Site Design and Architecture

The project consists of 60 residential units distributed among eight three-story buildings that transition to two-stories at the rear of the property. Buildings 1 and 2 include a mix of flats and townhomes that front El Camino Real. The flats are located on level 1 with the townhomes above on levels 2 and 3. Building 3 consists of townhomes and is oriented to front onto Calabazas Boulevard. Buildings 4 - 8 are composed of townhomes and located perpendicular to the rear property line in rows behind the private street. The maximum building height is 43.3 feet at top of stairwells and steps down to an average roof height of 36.8 feet for the three-story units. The end units of Buildings 5 - 8 terrace down to two stories (25.5 feet in height) where they interface with the single-family homes to the north. The buildings are located at landscaped setbacks that vary from 1.3 feet to 9.3 feet along El Camino Real, 21.4 feet along the northern property line adjacent to single-family homes and 10 feet along the east property line abutting new townhome development. Alternating private drive aisles and common landscaped paseos separate the building structures.

The unit mix includes four floor plan types made up of two bedroom units with either two or two and one-half baths ranging in size from 1,320 to 1,520 square feet of living area and three bedroom units with two and one-half or three baths with 1,445 to 1,740 square feet of living space. Each unit has private outdoor space in the form of either an enclosed outdoor patio, balcony, or rooftop deck ranging in size from 60 to 338 square feet.

The proposed building architecture has a modern design aesthetic that incorporates a mixture of stone veneer, composite lap siding and stucco finish with metal trellis, entry canopies and balcony railings for 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, recessed windows, and varied roof forms (e.g. flat and shed) provide breaks in mass and scale of the buildings and roof structures.

Circulation and Parking

The existing curb-cuts and sidewalks along the project frontage would be removed and replaced with a single curb-cut along Calabazas Boulevard for site access and separated sidewalks along both street frontages that include a landscape strip next to the curb and sidewalk behind. Sidewalks along the project frontages and interior to the site would provide pedestrian access to the site and link adjacent land uses.

The development provides a mix of at-grade garage parking arrangements that include one-car parking, side-by-side two-car parking and tandem two-car parking for a total of 110 covered parking spaces and 10 open surface parking spaces distributed throughout the site.

As the use of the site is residential, the tandem parking garages are anticipated to be functional as residents would be familiar with their garage design and manage their household parking needs. The proposed conditions of approval require that every garage be accessible for parking at all times and that each be wired to allow for electrical vehicle charging.

Landscaping and Open Space

The project includes a landscape plan for the site and public right-of-way 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. The 16 trees removed with demolition of existing conditions on-site would be replaced in excess of the 2:1 requirement with a total of 90 trees. A new eight-foot good neighbor fence is proposed along the north and east property lines of the project site abutting adjacent development.

An accessible recreation space for shared public use is proposed at the southwest corner of the project site fronting Calabazas Boulevard. This area totals 2,396 square feet and includes landscaped open space, shade trees, accent paving, bench, and bike racks for use by the residents and the community.

As a condition of project approval, an HOA is to be established and CC&R's recorded to manage and maintain on- and off-site improvements (including buildings, street, utilities, landscaping and fencing) in good condition for the life of the project.

City Council direction on height from June 2021

As noted above, in June of 2021, while discussing the El Camino Real Specific Plan, the City Council gave direction to staff to limit the height of the proposed Residential Corridor designation to a maximum height of two stories. The Residential Corridor designation supports townhouse development as proposed under the current project and so the City Council's intention through this direction is to limit the height of townhouse development to a maximum of two stories. While the proposed Specific Plan includes height restrictions along the interface between new development and the existing single-family residences immediately to the north of the project site, the City Council did not consider these sufficient to avoid a potential land use incompatibility and further expressed concerns about the height of new development along the corridor having too great of a visual impact. Accordingly, The Council directed staff to limit heights on Residential Corridor sites to a maximum of two stories in the next version of the draft Specific Plan.

As the current project is a Planned Development Zoning proposal, the City Council has the discretion to impose a similar height limit of two stories upon the subject project. However, the applicant has proposed to develop up to three stories on the site, as is common with contemporary townhouse development, and a three-story development would be consistent with the current General Plan designation.

Draft Specific Plan Commercial Requirement

During the City Council hearing in June 2021, several community members expressed concern over the loss of commercial uses that would occur with the development of the Specific Plan. Preserving commercial activity along the El Camino Real corridor has been an ongoing community objective and the draft Specific Plan identifies several sites that would be subject to a ground floor commercial requirement within new mixed-use development, but this requirement would not apply to the subject

property.

ENVIRONMENTAL REVIEW

An Initial Study and a Mitigated Negative Declaration (MND) were prepared for the project by the environmental consultant firm David J. Powers & Associate, Inc., in accordance with the California Environmental Quality Act (CEQA). The MND and Notice of Availability 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 February 14, 2022 and ending on March 16, 2022, in accordance with CEQA requirements. The Planning Department received agency comments on the MND from Caltrans and Santa Clara Valley Transportation Authority, and they are provided as Attachment 3 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, and hazards and hazardous materials 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.

CONCLUSION

The proposed project for the construction of a three-story residential development at 25 du/ac is consistent with the aforementioned General Plan land use policies, including the policies of the El Camino Real Focus Area, and the sites' land use designation of Community Mixed Use, and therefore staff is recommending approval of the project as proposed by the Applicant. Nevertheless, the proposal is not consistent with the direction by City Council to lower the building heights within a future draft of the El Camino Real Specific Plan. A two-story residential project at this location would likely require reconfiguration of the site and building plans to achieve the proposed density of 25 du/ac and require a redesign and resubmittal for processing, review and subsequent action.

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 2, 2022, 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 500 feet of the project site boundaries. Newspaper notice of this item was published in *The Weekly* on June 1, 2022. Public comments have been received and are provided in Attachment 10 of this staff report.

A virtual public outreach meeting was conducted by the applicant on December 16, 2021 at 6:00 p.m. to present the proposed project and engage the neighborhood community in the planning process. Notices of the meeting were mailed by the applicant to property owners within 500 feet of the project

boundaries and interested parties and was also posted on the City's website.

ALTERNATIVES

1. Adopt a resolution to recommend the City Council adopt the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the 3155 El Camino Real Residential Project.
2. Adopt a resolution to recommend the City Council approve a rezoning from Thoroughfare Commercial (CT) to Planned Development (PD) to allow a 60 condominium unit development consisting of 40 townhomes and 20 flats, private street, landscaped open space, surface parking and site improvements, at a height of two and three stories. [Developer's Proposal]
3. Adopt a resolution to recommend the City Council approve a rezoning from Thoroughfare Commercial (CT) to Planned Development (PD) to allow a 60 condominium unit development consisting of 40 townhomes and 20 flats, private street, landscaped open space, surface parking and site improvements, but modified to limit the height to two stories. [Reduced Height Alternative]
4. Adopt a resolution to recommend the City Council approve the Tentative Tract Map to subdivide the land into residential condominiums and a common interest lot to serve the development.
5. Recommend the City Council deny the rezoning from Thoroughfare Commercial (CT) to Planned Development (PD) to allow development of 60 condominium units consisting of 40 townhomes and 20 flats, private street, landscaped open space, surface parking and site improvements.
6. Recommend the City Council deny the Tentative Tract Map to subdivide the land into residential condominiums and a common interest lot to serve the development.

RECOMMENDATION

Alternatives: 1, 2 and 4

1. Adopt a resolution to recommend the City Council adopt the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the 3155 El Camino Real Residential Project.
2. Adopt a resolution to recommend the City Council approve a rezoning from Thoroughfare Commercial (CT) to Planned Development (PD) to allow a 60 condominium unit development consisting of 40 townhomes and 20 flats, private street, landscaped open space, surface parking and site improvements, at a height of two and three stories. [Developer's Proposal]
4. Adopt a resolution to recommend the City Council approve the Tentative Tract Map to subdivide the land into residential condominiums and a common interest lot to serve the development.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Rajeev Batra, City Manager

ATTACHMENTS

1. Mitigated Negative Declaration
2. Mitigation Monitoring and Reporting Program
3. Responses to Comments received on the Mitigated Negative Declaration
4. Project Data

5. Resolution Recommending Council Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program
6. Resolution Recommending Council Approve the Rezone [Developer's Proposal]
7. Resolution Recommending the Council Approve the Tentative Tract Map
8. Conditions of Rezoning Approval
9. Conditions of Tentative Tract Map Approval
10. Correspondence
11. Development Plans
12. Tentative Tract Map