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## REPORT TO CITY COUNCIL

### SUBJECT

Direction to Staff on Alternatives for Revisions to the El Camino Real Specific Plan; Possible Action on the Consultant Contract with Rami & Associates and budget amendment for Revisions to the El Camino Real Specific Plan

### COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development

### BACKGROUND

Following City Council direction, staff has worked since 2017 with community members and a City Council appointed Community Advisory Committee to prepare a Specific Plan for the El Camino Real Focus Area identified in the General Plan. The intent of the Specific Plan is to provide policy direction for new land development along the El Camino Real Corridor, as well as for the future use of the El Camino Real road right-of-way.

A draft Specific Plan, including land uses as recommended by the Community Advisory Committee, was presented for City Council adoption at the June 15, 2021 City Council meeting. Although the proposed land use plan and land use designations had been previously reviewed and supported by the City Council, at the conclusion of the City Council's consideration of the item, the Council directed staff to significantly modify the proposed General Plan Land Use Designations for the Specific Plan so that the maximum heights for the three land use designations (Corridor Residential, Corridor Mixed Use and Regional Mixed Use) are 2, 3 and 4 stories respectively.

On July 6, 2021 staff returned to the City Council to provide additional information, and possible alternatives, and requesting direction on the next steps for the El Camino Real Specific Plan. Staff

explained that the revised height limits would likely correspond to significant reductions in land density from what had been studied in the project Environmental Impact Report (EIR) and require additional funding for CEQA analysis.

Based upon discussions with the City's consultant, staff projected that this would require a General Fund appropriation of \$200,000 to support preparation of a Vehicle Miles Traveled (VMT) analysis and recirculation of the EIR, economic feasibility analysis, and the rewriting of development standards for the Plan. Staff also explained that several projects that had been waiting to make use of the completion of the Specific Plan CEQA analysis would be delayed while they prepared their own CEQA analysis or wait for the completion of the City's process. Staff presented four options for the Council to consider:

1. Proceed with a significant modification of the Specific Plan, including revision to and recirculation of the project EIR, extending the schedule into 2022 and requiring additional budget appropriation.
2. Proceed with an alternative that would significantly reduce the Specific Plan density but not below a density that would allow use of the current EIR;
3. Discontinue preparation of the Specific Plan; or
4. Prepare City initiated CEQA analysis to support pending project applications.

The Council voted to direct staff to proceed with option 1, modification of the Specific Plan to include the height limits as previously directed by the City Council.

During the City Council discussion on July 6, some Council members indicated that adoption of objective design standards for the El Camino Real corridor continues to be an important City priority and asked staff if there were alternative ways to adopt such standards. Councilmembers also indicated continued support for the removal of on-street parking in order to create bicycle lanes along the corridor.

## **DISCUSSION**

Since the July 6 meeting, staff has worked with the consultants to clarify the full scope of work required to implement the City Council direction. Staff has also further evaluated possible options for the Specific Plan taking the City Council's questions and comments into consideration. Staff has accordingly identified two possible alternatives to implement the Council direction:

1. Significantly revise the Specific Plan to fully align with the vision of a lower density land use plan for the El Camino Real corridor. The revised plan would include new land use designations and design standards based on approximately one-third of the residential density proposed in the current draft Plan. This effort would include additional community outreach and Community Advisory Committee meetings, as well as an update and recirculation of the project EIR. This approach requires a budget appropriation of \$900,000.
2. Implement the new height limits through a rezoning of the El Camino Real corridor. The rezoning can include adoption of the objective design standards and adoption of a Corridor Roadway Plan to add bicycle lanes. In this alternative the Specific Plan would not be adopted, but key elements could be adopted without additional CEQA work or consultant costs if the design standards are used in their current form, or with some additional funding the design standards could be updated by the consultant to fully align with the new height limits.

### **Alternative 1: Redo the Specific Plan for a lower density**

The City could undertake a significant modification of the Specific Plan based upon the City Council's direction to reduce density to approximately one-third of the number of residential units supported by

the current Draft Plan. The height limit changes to the Specific Plan as directed by the City Council indicate significant revisions to the land use development types and densities, which further trigger substantial revisions to the entire Plan including:

- Revising vision/goals/policies
- Rewriting development standards for all designations
- Revising design standards
- Replacing or revising images, graphics, and maps as needed

To ensure that the changes to the development types and densities are feasible, an Economic Feasibility Analysis will be conducted.

The City would also evaluate the potential for retaining some sites for exclusive commercial use. The need for this evaluation is prompted by the loss of commercial square footage in mixed-use development that is no longer feasible at the lower densities. Reducing the overall density would make it easier to incorporate lower density commercial density development while creating opportunities for redevelopment on other sites.

This alternative includes an update of the project EIR, including:

- A new Vehicle Miles Traveled (VMT) Analysis to update the model for the revised land uses; and
- Air quality remodeling

A significant revision of the Specific Plan should provide additional community engagement, including reconvening the Citizen Advisory Committee as well as general community workshops. Once the revisions to the specific plan are completed, community outreach on the changes will be conducted and then the revised Specific Plan will be brought back to the City Council for action along with approval of the EIR, General Plan amendments, a rezoning ordinance and removal of the on-street parking along the El Camino Real corridor.

Once the Specific Plan is complete, the City would next embark on a rezoning of the properties along the corridor to conform to recent State law requirements expanding the requirement for alignment of zoning and General Plan to apply to Charter Cities. The City would initiate rezoning of the properties within the Plan area to change the zoning to new designations that align with the new Specific Plan land use designations. This work will occur once community outreach has been conducted, including the notification of property owners.

The benefit of this alternative is that it would allow the City to complete a Specific Plan that presents a clear and comprehensive vision and closely correlated implementation policies for El Camino Real. This approach also allows for more technical analysis and community engagement. However, of the two alternatives, it has a much greater impact in terms of both costs and schedule delays. The anticipated costs is \$900,000, including both consultant costs and the use of contract planner to serve as the City's project manager.

#### Alternative 2: Implement the Council direction through a Roadway Plan and Rezoning

An alternative to making the revisions to the Specific Plan is to maintain the existing General Plan land use designations for the El Camino Real and implement the Council direction on maximum building heights through rezoning of the properties. As mentioned above the City is required to rezone the corridor so that the zoning and General Plan are in alignment. Rather than invest further in the Specific Plan, the City could incorporate the height limits and objective design standards into

two new zoning districts that align with the current General Plan designations. Whereas the draft Plan includes three land use designations, the two-story and three-story height limitations could be applied to those districts based upon proximity to single-family residences or other criteria. Based on the current General Plan, the rezoning would implement the following land use standards.

<i>Land Use Designation</i>	<i>Density</i>	<i>Commercial FAR</i>	<i>Building Height</i>	<i># of Stories</i>
Community Mixed Use	20-36 DU/AC	0.1	NA	2 to 3
Regional Mixed Use	37-50 DU/AC	0.15	NA	3 to 5

Coupled with this work would be to use portions of Chapter 5, Transportation and Public Spaces, of the proposed El Camino Real Specific Plan to create an El Camino Real infrastructure Plan/Streetscape Plan supporting the addition of a bicycle lane on El Camino Real. With this alternative, recirculation of the EIR is not required and instead CEQA clearance would be satisfied by the reuse of the 2010-2035 General Plan EIR.

This alternative would result in Council action to amend the zoning code to create the El Camino Real Zoning districts, adoption of an El Camino Real Infrastructure Plan/Streetscape Plan, and a resolution allowing the removal of on-street parking on El Camino Real. Similar to Alternative 2, the City would then follow up to rezone all the property within the draft Specific Plan boundary to be consistent with their respective land use designations. This work will occur once community outreach has been conducted, including the notification of property owners.

As part of this approach, the City could either engage the City’s consultant to update the objective design standards prepared for the draft Specific Plan so that they align well with the lower height limits and current General Plan designations, or the City could make use of the design standards in their current form. The consultant has indicated that it would cost approximately \$50,000 to update the standards. If the standards are not updated, to the degree that the design standards in their current form would require interpretation to apply to lower height residential projects, their applicability could be limited if they are no longer clearly “objective” where the use of design standards is limited to objective standards. The latter approach, using the design standards in their current form, would result in greater need to interpret the design standards, so that they might be considered less objective, but would avoid the need for additional consultant costs. Note, however, that under recent amendments to the Housing Accountability Act, the City can no longer utilize subjective design criteria for residential developments and for mixed-use developments where at least two-thirds of the square footage is residential. Subjective design criteria could only be applied to commercial developments.

The benefits of this alternative are that they allow the City to adopt height limits per the City Council direction along with the adoption of objective design standards and a plan to replace on-street parking with bicycle lanes, without the need for additional CEQA review and lesser impacts upon staff resources and the City budget. This alternative would not result in the adoption of a Specific Plan and would continue to make use of the two current General Plan land use designations rather than the three more refined designations developed through a community-based planning process.

**ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no

potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

### **FISCAL IMPACT**

The fiscal impact varies between the alternatives. Alternative 1 has a greater fiscal impact (approximately \$900,000 to redo the Specific Plan and EIR) than Alternative 2 (approximately \$50,000 to update the design standards). For Alternative 1, the City's Consultant has indicated that the scope of work for the revisions to the El Camino Real Specific Plan requested would cost up to \$750,000. In addition, to address the additional work required to prepare this alternative, staff is proposing to use contract planning services at an additional cost of \$150,000. Therefore, staff is requesting that funds in the amount of \$900,000 be allocated from the General Fund to cover the total cost of the Agreement.

The budget amendment for Alternative 1 below allocates funding from the General Fund account to the El Camino Real Specific Plan in the amount of \$900,000. The budget amendment for Alternative 2 below allocates funding from the General Fund account to the El Camino Real Specific Plan in the amount of \$50,000.

### **COORDINATION**

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

### **PUBLIC CONTACT**

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

### **ALTERNATIVES**

1. Direct staff to conduct additional planning work to revise the draft Specific Plan per City Council direction. Authorize the City Manager to execute an agreement with Rami & Associates, Inc. to provide El Camino Real Specific Plan Consultant Services for an initial three-year term ending September 30, 2024, for a maximum compensation not to exceed \$750,000, subject to the annual appropriation of funds. Approve the related budget amendment recognizing appropriations of an additional \$900,000 in FY 2021/22 General Fund account to support consultant work and the use of contract planning staff. Upon completion of the revised Specific Plan, staff will return to the City Council for adoption of the project Water Supply Assessment, project EIR, a modified Specific Plan, General Plan amendments, and a resolution to remove on-street parking for the El Camino Real corridor. Direct staff to bring forward budget amendments at a future date.
2. Direct staff to create two new zoning districts with objective design standards that align with the existing General Plan land use designations for the El Camino Real corridor and to prepare an El Camino Real Infrastructure Plan/Streetscape Plan for the creation of bicycle lanes along the corridor. . Authorize the City Manager to execute an agreement with Rami & Associates, Inc. to provide El Camino Real Specific Plan Consultant Services for a one-year term ending September 30, 2022, for a maximum compensation not to exceed \$50,000, subject to the annual appropriation of funds. Approve the related budget amendment

recognizing appropriations of an additional \$50,000 in FY 2021/22 General Fund Staff will return to City Council for adoption of zoning districts, a resolution to remove on-street parking for the El Camino Real corridor, and adoption of an El Camino Real Infrastructure Plan/Streetscape Plan.

## **RECOMMENDATION**

1. Direct staff to proceed with either:

**Alternative 1:** Direct staff to conduct additional planning work to revise the draft Specific Plan per City Council direction. Authorize the City Manager to execute an agreement with Rami & Associates, Inc. to provide El Camino Real Specific Plan Consultant Services for an initial three-year term ending September 30, 2024, for a maximum compensation not to exceed \$750,000, subject to the annual appropriation of funds. Approve the related budget amendment recognizing appropriations of an additional \$900,000 in FY 2021/22 General Fund account to support consultant work and the use of contract planning staff. Upon completion of the revised Specific Plan, staff will return to the City Council for adoption of the project Water Supply Assessment, project EIR, a modified Specific Plan, General Plan amendments, and a resolution to remove on-street parking for the El Camino Real corridor. Direct staff to bring forward budget amendments at a future date or

**Alternative 2:** Direct staff to create two new zoning districts with objective design standards that align with the existing General Plan land use designations for the El Camino Real corridor and to prepare an El Camino Real Infrastructure Plan/Streetscape Plan for the creation of bicycle lanes along the corridor. . Authorize the City Manager to execute an agreement with Rami & Associates, Inc. to provide El Camino Real Specific Plan Consultant Services for a one-year term ending September 30, 2022, for a maximum compensation not to exceed \$50,000, subject to the annual appropriation of funds. Approve the related budget amendment recognizing appropriations of an additional \$50,000 in FY 2021/22 General Fund Staff will return to City Council for adoption of zoning districts, a resolution to remove on-street parking for the El Camino Real corridor, and adoption of an El Camino Real Infrastructure Plan/Streetscape Plan.

Reviewed by: Andrew Crabtree, Director, Community Development Department

Approved by: Deanna J. Santana, City Manager