



Agenda Report

21-757

Agenda Date: 7/6/2021

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 4 to the Agreement for Professional Services with Perkins + Will for the Tasman East Specific Plan and Related Budget Amendment

COUNCIL PILLAR

Promote and Enhance Economic, Housing, and Transportation Development

BACKGROUND

In 2016, the City conducted a competitive Request for Proposal (RFP) for professional services to assist City staff with preparation of a Specific Plan and an associated Environmental Impact Report (EIR) for the Tasman East Focus Area. Through this process, Perkins + Will was selected and awarded an agreement with a completion date of September 30, 2017. (See attached Attachment #2 for Executed Original Agreement and Agenda Report.)

In October 2017, the agreement was amended to include additional traffic modeling to determine the Specific Plan's impact on greenhouse gas emissions and to incorporate those revisions into the EIR as well as the Specific Plan document. (See attached Attachment #3 for Executed Amendment No. 1 and Agenda Report.)

In January 2019, the agreement was amended to include additional outreach with key stakeholders and to finalize the environmental analysis that was needed to complete the Specific Plan process. (See Attachment #4 for Executed Amendment No. 2 and Report to Council.)

In August 2019, the agreement was amended for Perkins + Will to perform additional analysis related to maintaining the Primavera sewer lift station in its current location and reconfiguring the proposed Calle del Sol extension into a pedestrian paseo. (See Attachment #5 for the Executed Amendment No. 3 and Report to Council.)

The Tasman East Specific Plan was adopted by the City Council in November 2018. Of the 4,500 units supported through the adopted specific plan, developers have submitted applications for a total of 4,484 units on approximately two-thirds of the available land development area. Given the continued demand to provide new housing in the Tasman East area, the opportunity to gain additional unit yield within an area already planned for housing, and the benefit of building out a complete residential mixed-use neighborhood as envisioned within the Specific Plan, the City is considering creating additional capacity in the Tasman East area by preparing an amendment to the Specific Plan and conducting environmental clearance to add 1,500 residential units within the Tasman East Specific Plan boundaries. To undertake the process, the City is proposing to amend its contract with Perkins + Will, the planning consultants used for the original specific plan. The proposed contract amendment for \$275,000 would increase the not-to-exceed amount to

\$1,461,432 and extend the agreement through June 30, 2022. The scope of tasks and budget to develop a Specific Plan Amendment to allow up to an additional 1,500 residential units in Tasman East include:

- \$52,000 for the preparation of the Specific Plan Amendment document including the updated land use plan and diagrams;
- \$106,000 to conduct Level of Service and Vehicle Miles Traveled traffic analysis;
- \$6,500 to update existing utility conditions which may have changed since the original Specific Plan preparation and make recommendations for potential infrastructure upgrades or future analyses that may be required to accommodate the projected demands;
- \$84,984 to prepare the Subsequent Environmental Impact Report for the project in accordance with the California Environmental Quality Act; and
- \$25,516 to be available for contingency purposes.

In addition to the required environmental review for 1,500 additional units, the contract amendment would also include a transportation analysis that details the effects of additional traffic on surrounding roadways, and a building form study to determine if additional design controls are necessary as a part of updating the specific plan to create more residential capacity.

The proposed Amendment No. 4 was initially discussed at the March 9, 2021 City Council meeting. During the Council discussion some Councilmembers expressed concern with approving the contract and thus allowing preparation of an amendment to the Specific Plan that would allow up to an additional 1,500 housing units without first better understanding the City's strategy for providing amenities to support the additional housing growth. Because the Amendment costs would be funded by a grant received by the City, approval of the contract and associated budget action requires five affirmative votes from the City Council. Following the discussion on March 9, the City Council voted 4 -3 in favor of approving the contract Amendment and therefore did not approve the requested Amendment. The City Council then directed staff to return to the City Council with additional information on proposed amenities.

In April 2021 the American Planning Association California Chapter Northern Section selected the Tasman East Specific Plan as the 2021 winner of the Chapter's Award of Excellence for a Large Jurisdiction Comprehensive Plan. In nominating the Specific Plan for this award the City highlighted the Plan's focus on placemaking and amenities that contribute toward the development of a complete neighborhood.

DISCUSSION

At the March 10, 2021 City Council meeting, in response to the Council's questions about the proposed contract amendment and overall planning approach for the Tasman East Specific Plan, staff provided the following information:

1. The proposed amendment would allow staff to engage a consultant and begin the process of preparing an update to the Specific Plan.
2. The planning process would provide opportunity to address the Council's concerns regarding planning for parklands and amenities as part of the proposed Specific Plan amendment.
3. The number of units to be added to the Specific Plan has not been finalized. The contract amendment is described as allowing up to 1,500 residential units to be added to the 4,500 already supported by the Specific Plan.
4. The City Council previously reviewed staff proposal to amend the Specific Plan to add more

- units and approved the City's application for a grant to fund the planning work.
5. The City received a grant of \$310,000 from the State for the proposed Specific Plan amendment. This grant would fully fund the consultant costs and is intended to be applied to project's that add to the City's housing capacity.
 6. Implementation of the Specific Plan has been very successful, with 4,485 units (of the 4,500 available) in the permitting process, including two 100% affordable projects, one of which is now under construction (Attachment 1).

Following discussion, the City Council directed staff to continue the item for a full presentation at a future meeting. Staff will provide a presentation at the July 6, 2021 City Council hearing. The following additional information is being provided in advance of the meeting to support the presentation.

Development Activity

The City has received eleven project applications within the Tasman East Specific Plan area (Attachment 2). These applications generally account for all of the units available (4,485 of 4,500), but utilize only about 65% of the Plan area. Notably, these include two 100% affordable projects and a senior housing project that will provide a mix of traditional senior units, as well as assisted and memory care units. The architecture and construction type also varies considerably between the projects.

Public Parklands and Open Space

The Tasman East Specific Plan will include a mix of public and private amenities. Public amenities include public park space, publicly accessible privately owned spaces (e.g., plazas, parklets and greenways), and private amenities (located within buildings and accessible to residents of the building). As part of the development of the Specific Plan, staff reviewed the Specific Plan open space strategy with the City Council on multiple occasions and per the direction of the City Council, the amount of open space was increased from 5 acres (public parkland) to 10 acres (5 acres of public parkland plus 5 acres of privately owned open space with private open spaces areas counted as 50% of their area). This approach was formally adopted as the Specific Plan Open Space Framework (Attachment 3).

Pending or approved projects include dedication for approximately 3.78 of the 5.0 acres planned for the area. This is consistent with the Open Space Framework in that 1.0 of parkland is planned for the Central area which has not yet had project in the vicinity of the planned park. The balance of 0.22 acres is accounted for by the fact that the 100% affordable St. Anton project utilizes an exception to the City's dedication requirement as allowed under State law for 100% affordable housing projects.

Eventual development within the Central area would be expected to deliver the 1.0 acres of dedicated parkland planned for that area. However, as part of the proposed process to prepare an Amendment to the Specific Plan, staff is recommending that the appropriate amount of parkland be evaluated and increased along with the proposed addition of residential units.

Applications on file as designed would deliver 4.58 acres of Open Space as defined in the Specific Plan. Like the planned park areas, one component of the Open Space, the greenways, is also tied to specific areas of the Plan and would be further expanded as development proceeds within the Central and Station districts. A significant portion of the Open Space area is however tied to

development and so a greater portion has been achieved with the initial applications. As with the parkland, the planned amount of open space could be increased as part of the preparation of a Plan amendment.

Attachment 4 illustrates the combined parkland and open space area (8.36 acres) provided through the initial planning applications which each project site plan overlayed upon the existing condition aerial photo.

On-site Amenities

Each of the projects includes a considerable amount of on-site amenities for their residents. As an illustration of this, the amenities for five of the projects are listed in Attachment 5. Residents will have access to swimming pools, BBQ facilities, co-working space, a variety of lounges, fitness centers, game rooms, etc.

Local Context

Calle de Luna will serve as the new 'main street' for the Tasman East neighborhood, including a mix of restaurants and other retail uses. It is also significant that the neighborhood is adjacent to the Related Santa Clara development which will provide ready access to a wide variety of restaurants and other recreational amenities.

Reason for Contract Amendment

While the original contract with Perkins + Will was intended to be comprehensive, the first two amendments (Amendment No 1 and Amendment No 2) were necessary to address the need for additional environmental analysis identified through the initial environmental review process and to address changes in CEQA requirements. As the City undertook implementation of the Specific Plan, it further became apparent that modifications to the Plan would be helpful to achieve the City's objective of supporting the near-term development of much needed housing while also maintaining the overall Plan goals and objectives. The current amendment is desirable as it would allow the City to further achieve those goals and objectives by allowing additional residential development within the Plan area. Amendments to Specific Plans are not unusual as issues can be identified through implementation of the Plan that were not anticipated at the beginning of the planning process when the original contract scope was developed. In this case, the success of the Plan and the strong housing market have resulted in an accelerated implementation process and the need to amend the consultant contract to make amendments to the Plan in the near term.

ENVIRONMENTAL REVIEW

The Tasman East Specific Plan was analyzed under an EIR adopted and certified by the City Council on November 13, 2018. An addendum to the Environmental Impact Report that provided additional analysis related to the Calle del Sol paseo was prepared in conjunction with Amendment No. 3, which was adopted by the Council on November 17, 2020. A Subsequent Environmental Impact Report (SEIR) that details the changes to the environment based on the expanded scope will be prepared in accordance with the scope of work proposed under this Amendment.

FISCAL IMPACT

The project is being funded through the State's Planning Grants program. The proposed amendment was specifically funded by the Planning Grants Program, and the City of Santa Clara was awarded \$310,000 for this purpose (Attachment 6). This is a reimbursable grant, so the following budget

amendment is recommended to appropriate the full grant award. As the City meets deliverables within this grant, staff will apply for reimbursement of costs. The remaining \$35,000 of the grant funding will be used to cover costs related to City-completed Water and Sewer technical reports, recordation fees, mailings, public outreach, and other project expenses.

FY 2021/22 Budget Amendment

	Current Budget	Increase / (Decrease)	Revised Budget
Other City Departments Operating Grant Trust Fund			
<u>Revenue</u>			
Grant Funding - State's Planning Grants Program	\$0	\$310,000	\$310,000
<u>Expenditures</u>			
Planning Grants Program	\$0	\$310,000	\$310,000

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>>

RECOMMENDATION

1. Consistent with **City Charter Section 1305**, "At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the **affirmative votes of at least five members** so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget," approve the FY 2021/22 budget amendment in the Other City Departments Operating Grant Trust Fund to recognize grant revenue in the amount of \$310,000 and establish a Planning Grants Program appropriation in the amount of \$310,000 (five affirmative council votes required to appropriate additional revenue); and
2. Authorize the City Manager to execute Amendment No. 4 to the Agreement with Perkins + Will for professional services to prepare the Amendment to the Tasman East Specific Plan to allow up to 1,500 additional units in the Tasman East area, along with preparation of the associated environmental clearance by increasing the amount of the agreement by \$275,000 and extending the term of the agreement through June 30, 2022 for a revised not-to-exceed maximum compensation of \$1,461,432.

Reviewed by: Andrew Crabtree, Director, Community Development Department

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Tasman East St. Anton Project under construction
2. Tasman East Planning Applications
3. Tasman East Specific Plan Open Space Framework Diagram
4. Tasman East Green Spaces
5. Tasman East Project Amenities
6. Amendment No. 4 with Perkins + Will
7. Original Executed Agreement and Agenda Item #13.B
8. Amendment No. 1 and Agenda Item #13.B6
9. Amendment No. 2 and RTC 19-1515
10. Amendment No. 3 and RTC 19-736
11. Planning Grants Program (PGP) Award Letter