



Agenda Report

21-990

Agenda Date: 9/7/2021

REPORT TO CITY COUNCIL

SUBJECT

Action on a Rezone from Planned Development (PD) to Planned Developed (PD) of the property located at 190 N. Winchester Boulevard

COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development

BACKGROUND

The proposal is a rezone of the project site to remove the age restriction requirement language for occupancy to senior households age 55 and older to instead allow resident occupation of all ages in a constructed and partially occupied 92-unit, multi-story apartment complex. A General Plan Amendment from Regional Commercial to High Density Residential, Rezone from General Office to Planned Development and Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP) were approved in January 2016 entitling the original project. The entitlement allowed construction of the senior housing development consisting of two- and three-levels of rental housing units and resident amenities over a parking podium along with carports and reduced number of surface parking totaling 105 parking spaces.

Construction was completed in June 2020, and to date only 20 units are rented and occupied. According to the Applicant, marketing efforts to attract and achieve residency by seniors 55 years of age and older is being severely hampered by the pandemic; resulting in low and slow occupancy of the development; whereas the applicants maintain that rental apartments available for residency of all ages are less impacted.

The Planning Commission staff report analyzing the rezone proposal is Attachment 4 of this report.

DISCUSSION

Planning Commission Meeting

The Planning Commission reviewed the proposed project request at a public noticed meeting on July 12, 2021. Both staff and the applicant provided presentations and responded to Commission questions followed by public comment and deliberation. Three individuals from the public provided comments on the project. One member of the public, a nearby nonresidential property owner, expressed support for the change in tenancy as he articulated that a fully occupied building would deter vandalism and crime in the area. A majority of the public and Commission expressed concerns regarding the change in tenancy from senior housing to housing for all ages and its impact on the existing residents and the availability of the City's senior housing stock. They also expressed concerns about adequate on-site parking given that the project currently provides 1.1 spaces per unit, where market rate multifamily/apartment projects serving all ages are constructed with higher parking ratios and no additional parking is proposed. The Commission further voiced concern

regarding any precedent this may set for future affordable or senior housing developments once built. The Commission acknowledged the impact that the pandemic has had on development and society as a whole and a desire for the Applicant to reexamine marketing efforts and strategies to attract seniors and reduce the monthly rental rate to increase senior occupancy. Some Planning Commissioners said the proposal would be more appealing if affordable units were made available. The applicant responded that providing affordable units would not be feasible. Following deliberation, the Planning Commission voted 6-1-0-0 to recommend that the Council deny the proposed rezoning to remove the age restriction requirement language for occupancy to senior households age 55 or older to instead allow residents of all ages. The excerpt Planning Commission meeting minutes and staff report are attached for review. The minutes include the Planning Commission findings for the denial recommendation.

A rezone of the project site from PD to PD as requested would remove the age restriction of occupancy to 55 years of age and older and instead allow residency of the rental apartment units to all ages. The proposal does not include any changes to the site, building, parking or provision of amenities and no further entitlements or building permits would be required beyond a rezoning of the property. A change in tenancy from senior households to general population households has the potential to impact the current apartment residents who occupied the units with the expectation that the development was restricted to seniors 55 years and older. At this time the apartment complex is 19 percent occupied and according to the Applicant would take two to two and a half more years to fill the remaining units at the current rate in tenancy of this housing development.

Applicant's Post Planning Commission Proposal

On August 16, the applicant communicated to staff that while although they recognize they are not required through the City's Affordable Housing Ordinance to provide affordable units with the proposed rezoning of this constructed project, they are voluntarily offering to deed restrict 10% of the resident occupied units, which is 9 total units, at the following affordability levels as part of the approval for the proposed Planned Development rezoning :

- 5 Units at 100% Area Median Income (4 one bedroom units and 1 two bedroom unit)
- 4 Units at 120% Area Median Income (3 one bedroom units and 1 two bedroom unit)

As mentioned in the Planning Commission staff report (Attachment #4) the City's Affordable Housing Ordinance is not applicable to the project as it was originally entitled in 2016, which was prior to the City's current Affordable Housing Ordinance being adopted and taking effect, and the Affordable Housing Ordinance is applicable only to new construction projects, not projects already constructed such as this one. For reference the City's current Affordable Housing Ordinance requires new construction projects provide 15% of units as deed restricted affordable to households at 100% Area Median Income.

ENVIRONMENTAL REVIEW

In 2016, the City of Santa Clara, as Lead Agency, adopted the Santana Terrace Senior Apartments Mitigated Negative Declaration (MND). The MND analyzed the replacement of the then existing 65,000 square foot three-story office building with a 92-unit senior apartment housing community, where occupancy would be restricted to ages 55 and above.

An Addendum to the adopted MND and MMRP was prepared to analyze the proposed change to the

approved project in accordance with the California Environmental Quality Act. The analysis concluded that the modified project would not result in any new impacts not previously disclosed in the MND and would not result in a substantial increase in the magnitude of any significant environmental impacts previously identified and mitigated to less-than-significant in the MND.

FISCAL IMPACT

There is no fiscal impact to the City for processing the requested application other than administrative staff 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

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>>.

On August 27, 2021, a notice of public hearing on this item was posted in three conspicuous locations within 300 feet of the project site and mailed to property owners within 1,000 feet of the project site. The Planning Department has received comments on this item and are provided as Attachment 10. At the time of this staff report, Planning staff has not received public comments in support or opposition to the proposed project.

ALTERNATIVES

1. Adopt a Resolution to approve a rezone from Planned Development (PD) to Planned Development (PD) of the property located at 190 N. Winchester Boulevard.
2. Adopt a Resolution to deny a rezone from Planned Development (PD) to Planned Development (PD) of the property located at 190 N. Winchester Boulevard.

RECOMMENDATION

There is no staff recommendation on the application to rezone the project site from PD to PD to modify the project by removing the restricted occupancy requirement from senior households age 55 years and older in order to allow occupancy for residents of all ages.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Addendum to the Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP)
2. Resolution Approving a Rezone from PD to PD
3. Resolution Denying a Rezone from PD to PD
4. Planning Commission Special Meeting excerpt minutes of July 12, 2021
5. Planning Commission Special Meeting Staff Report of July 12, 2021
6. Conditions of Rezoning Approval

- 7. Development Plans
- 8. Hexagon Transportation Consultants, Inc. Report
- 9. Applicant Justification Letter
- 10. Public Comments