



Agenda Report

21-1075

Agenda Date: 12/7/2021

REPORT TO COUNCIL

SUBJECT

Preparation of the Santa Clara Station Area Plan and Related Budget Amendment

COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development

BACKGROUND

The City's General Plan, adopted in 2010, included the Santa Clara Station Area as a Focus Area. Focus Areas signify areas where the General Plan supports future growth through redevelopment and intensification of existing land uses. These areas include major corridors and destinations, new centers of activity around transit stations, and new residential neighborhoods. Because of their integral location, changes in these areas offer an opportunity to implement the General Plan Major Strategies to enhance the City's quality of life and foster economic vitality. Focus Areas are divided into near-term and Future Focus Areas. While several prerequisites, including the preparation of a comprehensive plan or Specific Plan apply to the Future Focus Areas, development may proceed in the near-term Focus Areas without preparation of a Specific Plan.

The Santa Clara Station Focus Area consists of 244 acres generally bounded by De La Cruz Boulevard, Reed Street, and Martin Avenue to the northeast, and Franklin Street and El Camino Real to the southwest as shown in Attachment 1. At the center of this area is the existing Santa Clara Transit Station, which is served by Caltrain and Altamont Commuter Express rail lines and Valley Transportation Authority (VTA) bus service. The station will also become the terminus for the planned extension of the Bay Area Rapid Transit (BART) system to Downtown San José and Santa Clara (BART Silicon Valley Phase II). The station will be thus become an increasingly important major transit hub for the Bay Area.

Existing development consists of predominantly low intensity retail, office, and light industrial uses. Recent development approvals in the Focus Area include intensifications of key opportunity sites, the 575 Benton Street mixed use project, the Gateway Crossing project at Brokaw and Champions Parkway, and the dual brand hotel at the corner of Brokaw and Coleman.

A previous effort to develop a Plan for the Santa Clara Station Area concluded in 2010 without the adoption of the plan by the City Council. However, elements of that planning effort were included in the 2010 General Plan update.

DISCUSSION

Recent development activity within the Station Area demonstrates market support for intensification of land uses within this key part of the City. The City Council has recently approved individual General Plan amendments for two significant projects (575 Benton and Gateway Crossings),

indicating support for greater densities that support economic development, transit use and the provision of housing in proximity to the City's Downtown core. The City Council and community members have also expressed interest in the preparation of a Station Area Specific Plan to further support and provide additional policy guidance for future development in this area.

The City has recently received two funding opportunities that collectively provide \$900,000 to support preparation of a Specific Plan for the Santa Clara Station Area. The VTA will provide \$500,000 from a Federal grant that has been awarded to fund consultant work to develop the Plan with oversight by the City of Santa Clara, and the Metropolitan Transportation Commission (MTC) will provide \$400,000 from its Planned Development Area (PDA) grant program toward city staffing and consultant work.

Preparation of the Specific Plan will rely upon a consultant team, as well as City staff, to conduct a planning process including community engagement, technical analysis and the preparation of land use policy documents. Community engagement will include a Task Force, targeted outreach to stakeholders, and opportunities for participation by the broader community. In preparation of the draft plan, the chosen consultants will prepare an updated existing conditions report, updated market/financial feasibility analysis, land use plan, traffic analysis, California Environmental Quality Act (CEQA) analysis, and objective development standards for new zoning districts that conform to the new Specific Plan. The plan will consider as a reference material, VTA's Transit-Oriented Communities playbook, which was developed in 2019 and included an existing conditions report, land use strategies, and a market feasibility analysis for the area. The Specific Plan will refine the City's General Plan vision for the planning area through a fine-grained land use and circulation diagram, context-specific development standards, and relevant, actionable implementation steps.

In the proposed Specific Plan, the City will also be considering strategies for new development that respects existing neighborhood and business interfaces. This may mean revising the boundaries of the existing focus area.

This planning effort will help provide developers and the community with more certainty about development densities and amenities, such as parkland and open space that are expected to be provided. This planning effort will also further the City's and the State's goals for increasing the housing supply, addressing greenhouse gas emissions, and promoting multi-modal connections within the area.

The \$500,000 in grant funds awarded to the VTA will be used for consultant costs for the preparation of the Specific Plan, and will be guided through a Transit Oriented Development Cooperative Agreement, which would be brought forward to City Council in early 2022 to set agency roles and expectations for the portion of the Specific Plan utilizing VTA grant funds. Due to the requirements of grant awarded to the VTA from the Federal Transportation Administration, the consultant will be procured and managed by VTA, however the City of Santa Clara will be part of the procurement process to select the consultant and handle the day-to-day management of the consultant.

Staff is exploring an efficient procurement process to select a consultant for the \$400,000 in funding awarded to the City by the MTC for the Specific Plan preparation so that it can leverage the procurement process led by the VTA and ideally result in one consultant that performs Specific Plan preparation tasks from both funding sources.

The scope of work shown below reflects the anticipated process and deliverables for the development of the Santa Clara Station Specific Plan.

- Winter 2022 - City and VTA execute Cooperative Agreement
- Winter 2022 - City appoints Santa Clara Station Area Taskforce
- Spring 2022 - VTA begins procurement process to select Consultant to prepare the draft Specific Plan
- Summer 2022 - Consultant selected, Taskforce commences, stakeholder outreach begins
- Fall 2022 - Existing conditions report completed, community outreach begins to develop the Vision
- Winter 2023 - Draft land use plan developed
- Spring 2023 - Environmental analysis begins, Notice of Preparation
- Summer 2023 - Draft Specific Plan available for public review
- Winter 2024 - Draft EIR circulates
- Spring 2024 - Refinements to Draft Plan and response to EIR comments
- Fall 2024 - Adoption hearings for Planning Commission and City Council
- Fall 2024 - MTC grant expires
- Summer 2025 - VTA grant expires

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(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment. An Environmental Impact Report will be prepared through the Santa Clara Station Specific Plan process.

FISCAL IMPACT

Of the \$900,000 in funding from other agencies to support the preparation of the Santa Clara Area Plan, the City will directly receive \$400,000 in the form of a reimbursable grant from the MTC, which will be used to fund a consultant. Since the selection process for the consultant is still underway, a subsequent memo will be brought forward to Council once the selection process for the consultant is complete for the execution of the contract. The recommended budget action below recognizes the grant funding from the MTC and establishes a Santa Clara Station Area Plan appropriation in the Engineering Operating Grant Trust Fund.

Budget Amendment FY 2021/22

	Current	Increase/ (Decrease)	Revised
Engineering Operating Grant Trust Fund			
<u>Revenue</u>			
Grant Funding	\$0	\$400,000	\$400,000
<u>Expenditure</u>			
Santa Clara Station Area Plan	\$0	\$400,000	\$400,000

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>>.

RECOMMENDATION

1. Accept and approve the \$400,000 in grant funding from the MTC for the preparation of the Santa Clara Area Plan; and
2. 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 related FY 2021/22 budget amendment in the Engineering Operating Grant Trust Fund to recognize grant revenue in the amount of \$400,000 and establish a Santa Clara Station Area Plan appropriation in the amount of \$400,000 (**five affirmative Council votes required to appropriate additional revenue**).

Reviewed by: Andrew Crabtree, Community Development Director

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Santa Clara Station Focus Area Boundaries