



City of Santa Clara

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Agenda Report

22-841

Agenda Date: 7/12/2022

REPORT TO COUNCIL

SUBJECT

Public Hearing: Actions on a Multi-family Residential Project at 3141 - 3155 El Camino Real

COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development

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 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 2010-2030 General Plan. The site is developed with multiple commercial buildings totaling 21,780 square feet and paved parking areas.

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 (CEQ2020-01080, PLN2020-14674 and PLN2020-14705). These entitlements together would allow development of 60 for-sale residential units with resident and guest parking, private street site access and circulation, landscaped open area for shared resident use, and off-site improvements, which includes removal of one-way vehicular bridge over Calabazas Creek adjacent to the project site. The residential units are comprised of 40 townhomes and 20 flats. Nine (15%) of the total number of units are to be provided as affordable housing units and secured with an Affordable Housing Agreement with the City. Covenants, Conditions and Restrictions governed by a Homeowners Association are to be established and implemented for future private maintenance of the development.

BACKGROUND

The project 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 development at a minimum commercial floor area ratio of 0.10 and residential development between 20 to 36 dwelling units per acre.

The General Plan vision for the 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. To further this vision, in 2015, the City Council authorized the El Camino Real as a Priority Development Area (PDA) for the intensification of land uses along transit corridors. PDAs are locally designated areas within communities to focus compact and efficient growth and development that: 1) increases both the

housing supply, including affordable housing for low-income residents and jobs within the planning area; 2) supports and increases transit ridership and thereby reducing vehicle miles traveled by PDA residents, employees and visitors; 3) promotes multi-modal connections for residents, employees and visitors within the PDA; and 4) locates key services and retail within the planning area.

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 located to the south, across El Camino Real, and to the west, across Calabazas Boulevard. 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 Tentative Tract Map for sale of the individual units. The primary issues for the project are consistency with the City's General Plan and conformance with the City Code for a Planned Development Zoning.

The proposed project is consistent with the goals and policies set forth in the General Plan for the site, including the policies of the El Camino Real Focus Area, and the sites' land use designation of Community Mixed Use, as discussed in the Planning Commission staff report (Attachment 4). However, the three-story proposal does not follow the direction on height provided by the City Council during the consideration hearings on the El Camino Real Specific Plan in the Summer of 2021, as discussed below.

El Camino Real 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 townhomes and stacked flat housing 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 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, type of development. The City Council did not take action on this request but expressed support for a townhome 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. As part of the recent budget process the Council allocated funding to proceed with work on the Specific Plan and staff will be returning to City Council in the next month to further define the scope of this work.

DISCUSSION

The project was presented to the Planning Commission at a public noticed meeting on June 15, 2022. At this meeting, staff provided an overview of the proposal and was followed by the developer to present background information, planning process timeline and responses to comments by the Planning Commission. A single resident participated in the meeting to convey support of for-sale housing opportunities that include affordable units and responded to neighbor concerns regarding height and residential density in the design. Following the close of public hearing, the Planning Commission questioned and discussed off-site improvements by the applicant, including removal of the one-way vehicle bridge that spans Calabazas Creek located across from the site along Calabazas Boulevard, and the project and plans under study by the Valley Transportation Authority (VTA) and the City for future bike lanes along El Camino Real as a part of the draft Central Bikeway Study and its potential impact to the site if, and when, developed. The Planning Commission members also expressed concern regarding the loss of retail at this location with specific attention to the grocery market that serves the culturally diverse community. The Planning Commission concluded their deliberations with the following motions 7-0-0-0:

1. Adopt a resolution recommending that 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 recommending that Council rezone the project site from CT to PD to allow development of the project as proposed by the Developer, subject to the following conditions:
 - Preserve and upgrade the bridge for safety to avoid traffic and U-turn challenges on Calabazas Boulevard.
 - Evaluate the VTA bike plan in conjunction with the project proposed, including maintaining the eight-foot public right-of-way for future a bike path and planting of trees along the bikeway.
 - City to evaluate impact to local retail and address in the Specific Plan other opportunities for cultural relocation of displaced businesses.
 - Request that Traffic Engineering provide additional information to the Council on the requirements for the bridge removal.
3. Adopt a resolution recommending that Council approve the Tentative Tract Map to subdivide the land into residential condominiums and a common interest lot to serve the development.

The existing one-way vehicular bridge that spans Calabazas Creek is located on Calabazas Boulevard directly across from the project. This bridge is owned and maintained privately by the applicant, was permitted by the Santa Clara Valley Water District in the late 1960's and provides direct southbound left turn access to the previous development from Calabazas Boulevard. The

developer is proposing to remove this bridge so that they will not need to maintain it into the future. Public Works staff supports this removal to eliminate unnecessary midblock street openings due to the close proximity to the intersection of El Camino Real and Calabazas Boulevard. Adequate access to the project site from southbound Calabazas Boulevard can be accommodated through a U-turn at El Camino Real. The applicant has been coordinating with the Santa Clara Valley Water District regarding removal.

Regarding future VTA plans for bicycle facilities on El Camino Real (i.e. VTA's draft Central Bikeway Study), Public Works staff have been closely involved in this study. Although the Central Bikeway Study has not been approved by the City Council, staff did review both the development plans and the draft Central Bikeway Study plans and do not see any conflict between the plans or any need to limit sidewalks on El Camino Real to 8-feet as suggested by the VTA.

ENVIRONMENTAL REVIEW

A MND was 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 15, 2022, in accordance with CEQA requirements. The Planning Department received agency comments on the MND from Caltrans and Santa Clara Valley Transportation Authority and are provided as Attachment 2 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 MMRP for the proposed project.

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

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 or at the public information desk at any City of Santa Clara public library.

Public Notices and Comments

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 11 of this report.

Public Outreach Meeting

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 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 approve a 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. [Developer's Proposal]
3. Adopt a resolution to approve a rezoning from Thoroughfare Commercial (CT) to Planned Development (PD) to allow a two- and three-story-story development with 60 condominium units 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 approve the Tentative Tract Map to subdivide the land into residential condominiums and a common interest lot to serve the development.
5. 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. Deny the City Council the Tentative Tract Map to subdivide the land into residential condominium and four common interest lots to serve the development.

RECOMMENDATION

Alternatives:1, 2 and 4

1. Adopt a resolution to 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 approve a 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. [Developer's Proposal]
4. Adopt a resolution to 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. Initial Study (Web Link)
2. Mitigation Monitoring and Reporting Program
3. Responses to Comments received on the Mitigated Negative Declaration
4. Excerpt Draft Planning Commission meeting minutes of June 15, 2022

5. Planning Commission Staff report of June 15, 2022
6. Project Data
7. Resolution Recommending Council Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program
8. Resolution Recommending Council Approve the Rezone
9. Resolution Recommending the Council Approve the Tentative Subdivision Map
10. Conditions of Rezoning Approval
11. Conditions of Tentative Subdivision Map Approval
12. Correspondence
13. Development Plans
14. Tentative Tract Map