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REPORT TO PLANNING COMMISSION

SUBJECT

Action on: the Patrick Henry Drive Specific Plan; Creation of new General Plan Designations and General Plan Amendments to change the General Plan Land Use Diagram from Light Industrial to Various Residential Designations to Implement the Patrick Henry Drive Specific Plan; Creation of New Patrick Henry Drive Zoning Districts and Rezoning of the Patrick Henry Drive Area Using those Zoning Districts; an Environmental Impact Report and Statement of Overriding Considerations; and a Mitigation Monitoring and Reporting Program

EXECUTIVE SUMMARY

The proposed Patrick Henry Drive Specific Plan enables the redevelopment of an approximately 74 acre industrial area (62 acres net) bounded by Mission College to the south, Great America Parkway

to the east, the Hetch-Hetchy right-of-way to the north, and Calabazas Creek to the west. Because of its close proximity to the Tasman light rail line, the proposed Patrick Henry Drive Specific Plan includes a land use framework to develop the area into a transit-oriented neighborhood with up to 12,000 residential units and up to 310,000 square feet of non-residential uses. The Plan includes flexibility to allow new commercial development along Great America Parkway through a second scenario that substitutes office for high-density residential along the east edge of the Plan Area, amounting to an approximate total of 10,300 net new residential units, 785,000 net new square feet of office, and 310,000 net new square feet of other nonresidential uses.

The City began preparation of the Patrick Henry Drive Specific Plan in 2018. The Specific Plan process has provided multiple opportunities for community input including two general community meetings, eight City Council study sessions, and two Planning Commission study sessions. Plan area property owners and stakeholders have been active participants in the Specific Plan process, including multiple developers interested in utilizing the Specific Plan to redevelop properties. Other community members have also participated and provided input through the community meetings and public hearings. The contents of the draft Specific Plan have been shaped through this stakeholder input as well as the direction provided by the City Council.

Staff is recommending adoption of the Specific Plan so that development may move forward within the Specific Plan area to realize the vision set forth in the City's General Plan and to meet the City's goal of providing housing in an amenity rich urban environment that is close to transit and employment opportunities.

BACKGROUND

The Planning Commission is being asked to conduct a public hearing and make recommendations on four actions related to preparation of a Specific Plan for the City's Patrick Henry Drive Plan Area:

- 1) Determination of the adequacy of the Environmental Impact Report (EIR) prepared to analyze the potential environmental impacts for the project and an associated Mitigation Monitoring and Reporting Program;
- 2) Adoption of the Specific Plan;
- 3) Adoption of the following associated General Plan Land Use Designations: Village Residential (60-149 DU/AC), Urban Village (100-149 DU/AC), Urban Center (120-250 DU/AC), and High Density Flex (60-149 DU/AC, or up to 2.0 FAR), and application of those designations to the Specific Plan project area; and
- 4) Adoption of the Chapter 18.27 of the Zoning Code, Regulations for PHD, the Patrick Henry Drive Zoning Districts, including development standards, allowed uses and parking requirements for the following zoning districts: R5 - Very High Density Residential, VR - Village Residential, UV - Urban Village, UC - Urban Center, and HD Flex - High Density Flex; and application of those zoning districts to the Specific Plan project area as an implementation action for the Specific Plan.

The City of Santa Clara 2010-2035 General Plan identifies nine geographic Focus Areas within Santa Clara. The Focus Areas are intended to accommodate a significant amount of the City's growth and to directly support the City's quality of life and economic vitality. The Patrick Henry Drive Future Focus Area is bounded by Mission College to the south, Great America Parkway to the East, the Hetch-Hetchy right-of-way to the north, and Calabazas Creek to the west, and is specifically intended to support new residential development in close proximity to jobs, retail, services and entertainment, and to support alternative travel modes based on its proximity to the Tasman VTA Light Rail line. The General Plan calls for the preparation of a Specific Plan to implement the City's vision for Patrick

Henry Drive and to implement related General Plan goals and policies (General Plan Policy 5.4.7-P1).

Project Description

Specific Plans can provide policy guidance, regulatory requirements, and design direction. The proposed Patrick Henry Drive Specific Plan addresses each of these elements, including land use and design policies, land use and development standards, street width and street section standards, and design guidelines for bulk, massing and articulation of buildings.

Also proposed is an accompanying new chapter in the zoning code that is consistent with the Patrick Henry Drive General Plan land use designations and the Specific Plan, and includes allowed land uses and development standards which can be used to implement the Plan. The zoning chapter is described in the Creation of a Patrick Henry Drive Zoning Chapter section and includes the zoning districts relevant to the Patrick Henry Drive plan area.

Individual development projects within the Specific Plan area would be subject to architectural review approval through the City's Development Review Hearing, including the possibility of an appeal to the City Council. To approve an individual development project, the Director of Planning will be required to make findings that individual development proposals are consistent with the design direction of the Specific Plan.

The full draft Specific Plan is available at

<https://www.santaclaraca.gov/our-city/departments-a-f/community-development/planning-division/specific-plans/patrick-henry-drive>.

Plan Area Context

The Plan area consists of an approximately 74-acre industrial area (62 acres net) bounded by Mission College to the south, Great America Parkway to the East, the Hetch-Hetchy right-of-way to the north, and Calabazas Creek to the west. With its close proximity to the Tasman light rail line, the proposed Patrick Henry Drive Specific Plan includes a land use framework to develop the area into a transit-oriented neighborhood with up to 12,000 residential units and up to 310,000 square feet of non-residential uses. A second scenario would substitute office for high-density residential along the east edge of the Plan Area, amounting to an approximate total of 10,300 net new residential units, 785,000 net new square feet of office, and 310,000 net new square feet of other nonresidential uses.

As the Plan area is located in the northern part of Santa Clara, it is generally proximate to a large number of employment uses, as well as the Santa Clara Youth Soccer Park, Levi's© Stadium, the City's convention center, the Great America theme park, and other potential major development projects in northern Santa Clara, including Kylli immediately to the North, the Freedom Circle Focus Area/Greystar project across Great America Parkway, and the Related Santa Clara project and the Tasman East Specific Plan Area to the east on Tasman Drive.

City Council Study Sessions

The City Council has conducted several study sessions to discuss and provide input on different content areas of the Specific Plan:

April 9, 2019	Reviewed proposed objectives for the Specific Plan and directed staff to proceed
Dec 10, 2019	Reviewed a detailed project description prior to the City's issuance of (NOP) for

	EIR
Dec 17, 2019	Adopted a Resolution supporting the PHD area as one of six new ABAG/MTC PDAs.
April 28, 2020	Accepted a proposed land use plan, land use designations, circulation plan, and parkland and open space plan for preparation for the plan EIR
Dec 16, 2020	Approved an expansion of the contract with MIG to expand the scope of analysis in the EIR to include a land use plan without a Mission College roadway connection
August 24, 2021	Approved contract amendment to expand services on EIR, Traffic, & Sewer Model Run
April 20, 2021	Provided feedback at Study Session on more parkland; mobility options; breakdown of affordability levels
December 7, 2021	Provided input on the Land Use Plan, roadway network, parkland and open space strategy, public facilities, a local shuttle, and affordable housing

DISCUSSION

The primary issues for the Planning Commission to consider in evaluating the proposed Specific Plan are its consistency with the General Plan and the strength of the Plan's implementation framework to implement the Plan vision. The Planning Commission should also consider how the content of the Plan has been shaped through stakeholder input and direction provided by the City Council at previous Council study sessions.

In summary, the vision set forth for Future Focus Areas in the General Plan and in the draft Specific Plan is to create a new high-density residential neighborhood in Santa Clara focused on an inviting streetscape and urban amenities, including retail uses with outdoor seating, parks that complement the built environment and act as focal points for the neighborhood, and a network of greenways and low-speed streets that allow for additional pedestrian connections through the neighborhood (General Plan Goal 5.4.7-G1, Policies 5.4.7-P6, 5.4.7-P7, 5.4.7-P8, and 5.4.7-P9). Existing public streets within the Specific Plan area will include wide sidewalks, park strips with trees, and ample space for businesses to place tables, chairs and umbrellas. Parks, plazas, and other open space amenities will have an urban character and are planned to support a wide variety of placemaking activities.

The following discusses the Plan content according to key topic areas.

Comparison to General Plan Growth Assumptions

When adopted in 2010, the 2010-2035 General Plan anticipated and accommodated growth within Santa Clara for a total of 154,300 jobs and 60,345 residential units through the year 2035. Since adoption of the General Plan in 2010, the City has approved 16 General Plan Amendments that resulted in additional capacity for approximately 13,841 additional jobs and 7,102 additional residential units, raising the total General Plan planned capacity to 168,141 jobs and 67,447 residential units.

A defining characteristic of the Specific Plan is the proposed residential capacity of 12,000 dwelling units. While the General Plan anticipated the development of only 2,550 residential units within the Plan area, through the Specific Plan process and engagement with the City Council, 12,000 dwelling units was established as the maximum capacity for the Specific Plan. The proposed General Plan Amendment will change the land use designation for the Plan area from High Density Residential (37 to 50 dwelling units per acre) to four residential land use designations and one flexible residential/commercial designation:

- Very High Density (51-100 du/ac)
- Village Residential (60-149 du/ac)
- Urban Village Residential (100-150 du/ac)
- Urban Center Residential (120-250 du/ac); and
- High Density Flex designation (60-149 du/ac or up to a 2.0 floor area ratio of commercial development).

Adoption of the Patrick Henry Drive Specific Plan would also support 310,000 square feet of new non-residential uses, which could support retail and institutional uses such as a school, library, and community center. In combination with the increased capacity for 12,000 units, this would add a net of 9,450 residential units and 451 jobs to the General Plan capacity.

Jobs/Housing balance

One objective of the Patrick Henry Drive Specific Plan is to assist in balancing the presence of jobs and housing in Santa Clara. The most common measure used to describe the jobs-housing balance is the jobs-to-employed-residents ratio. A balanced community would have a jobs-to-employed resident ratio of one. Specifically, one job would exist for each employed resident. Historically, the City of Santa Clara has not been balanced, with a greater proportion of jobs than employed residents, although that ratio has been improving over time. This imbalance translates to quality of life impacts such as more congestion on local and regional roads as individuals travel longer distances from residential areas to reach jobs in Santa Clara and to neighboring job rich cities to the west without sufficient housing opportunities to live within proximity to the regional concentration of jobs or a transportation network that can fully support this level of daily travel.

As recently as the year 2000, the jobs-to-employed residents ratio for the City was 2.22. However, the City's General Plan indicates that the ratio had improved to 1.90 as of 2008 (at the start of the most recent General Plan comprehensive update process). More recent job data is available from the US Census Bureau and the American Community Survey. The Census Bureau's 2020 data indicates that there are a total of 120,323 jobs and 79,262 employed residents in the City for a jobs-to-employed-residents ratio of 1.51 ($120,323 / 79,262$), a further decrease from 2008.

The City's General Plan identified opportunities for concentrated residential development in General Plan Focus Areas as a strategy to address Santa Clara's jobs-housing imbalance by providing significant amounts of new housing capacity in proximity to employment areas. However, the General Plan also anticipates and recognizes the benefits of strong jobs growth through the life of the General Plan, and supports intensification of other jobs areas so that under its current buildout scenario, the City would have a jobs-to-employed-residents ratio of 1.77 in 2035.

The most recent American Community Survey (2020) indicates that Santa Clara has 79,262 employed residents living in 50,229 housing units, or 1.57 employed residents per housing unit. From discussing development plans and timeframes with Patrick Henry Drive stakeholders, the City is expecting 7,200 dwelling units to be built by 2035, which is the time horizon of the General Plan. Assuming a continuation of these demographic trends, the anticipated 7,200 dwelling units would add 11,300 employed residents, potentially lowering the City's jobs-to-employed-residents ratio to 1.32 ($120,323 / (79,262 + 11,300)$). Adoption of the Plan would thus further the City's goal of improving its jobs-housing balance.

Land Use Designations

Consistent with the Specific Plan capacity of 12,000 residential units, the envisioned urban character of the Plan area and the goal of providing flexibility for a variety of housing types, allowed residential densities in the neighborhood are planned to range from 51 to 250 dwelling units per acre (DU/AC). The area of the developable parcels within the Specific Plan is approximately 67 acres, with 5 of those acres dedicated to private road network and sidewalk easements and an additional 14.5 acres planned for parks and useable open space, leaving approximately 47.5 acres of land available for development. The area available for development suggests a net density of 250 dwelling units per acre (DU/AC) to achieve 12,000 units.

The proposed General Plan land use designations will accommodate a broad range of development types, including wood frame podium and wrap buildings, steel-frame towers and possibly reinforced concrete construction. Buildings in all the General Plan density ranges are expected to be 5-12 stories in height, with the exception of the Urban Center Residential designation (120-250 DU/AC), where buildings are expected to be 12-25 stories in height.

The Specific Plan Land Use diagram also identifies potential locations for park space, greenways, the requirement for mixed-use buildings along the eastern end of Patrick Henry Drive and other public amenities, as shown in Attachment 10. The 5.25-acre park at the center of the Specific Plan area will be a focal point for the new neighborhood. Ground floor retail can be proposed anywhere in the plan area; however retail and active uses are required on the ground floor along the southern stretch of Patrick Henry Drive, which will provide retail with the highest visibility location in the Specific Plan and also provide for a lively street presence with areas for spill over seating.

As provided for in the proposed Specific Plan and associated zoning chapter, the existing industrial and commercial uses within the Plan area can continue operation and even undergo expansion until redevelopment. New development would need to conform to the standards of the Specific Plan.

Roadways and Access

The Land Use Plan makes use of the existing street rights-of-way but also identifies new vehicular and multimodal circulation roads and/or paseos throughout the plan area. These new circulation routes will allow additional routes of travel within the Plan area, promote pedestrian and bicycle use, and break up the superblock layout of the existing light industrial area to support the creation of a mixed-use neighborhood. The new roads are intended for low-speed vehicular use, emphasizing shared facilities where pedestrians, bicycles and cars all have an equal ability to use the rights-of-way. New greenway connections are also proposed in the interior of the central block to promote pedestrian and bicycle circulation and break up the massing of future development.

As mentioned in the January 10, 2022 Study Session report, the Mission College Board of Trustees meeting voted unanimously to not approve a proposed connection between the Patrick Henry Drive and the Mission College private driveway from the Patrick Henry Drive plan area. The recommended alternative of the Patrick Henry Drive plan has been adjusted to reflect the decision by the Mission College Board of Trustees to not support the connector roadway.

Street sections incorporated into Chapter 5, the Design Guidelines of the Specific Plan, clearly delineate expectations for the sidewalk widths, tree wells and street life dimensions, and lanes of travel including bicycle lanes. These guidelines address depths of retail spill-out spaces and proposed lighting guidelines, as well as other design features that support an attractive pedestrian environment. See Attachment 12 for a representative street section from the plan.

The Specific Plan land uses will leverage proximity to the Tasman Drive Light Rail line, utilizing a robust Transportation Demand Management (TDM) Plan to minimize vehicle trips (Chapter 7.3 of the plan). All development projects are required to participate in a Transportation Management Agency (TMA) to help coordinate VMT-reduction programs between multiple property owners. All development projects will also be required to participate in a local shuttle program or micro-transit solution that connects residents with commercial, transit, and employment centers.

As the Specific Plan is implemented, new individual development projects will be required to incorporate measures to address the evolving nature of transportation, including commuter behavior, availability of first and last mile connections to transit, and other advancements such as ride hailing and ride sharing technology. The vehicle miles traveled (“VMT”) reduction goals proposed for the Patrick Henry Drive General Plan land use designations include a total of 20%, with 10% coming from locational advantages (such as proximity to transit), and 10% coming from TDM strategies.

Collectively, these physical improvements and policy actions established within the Specific Plan will advance the goals set forth in the General Plan for the Future Focus Areas, encouraging alternative modes of transportation and reducing the impacts of new development upon the vehicular transportation network (e.g., Policy 5.4.7-P9).

Transportation Management Association

Through the development of the Specific Plan, property owners will demonstrate advancement of the formation and implementation of a privately funded and administered Transportation Management Association (TMA). The TMA will be launched by property owners implementing projects in the Patrick Henry Drive Specific Plan but will also include funding and participation by other pipeline projects in North Santa Clara. The TMA will implement a fixed shuttle or on-demand micro transit option that will reduce single occupant vehicle trips within the Northern Santa Clara area. The shuttle or micro transit option will begin implementation prior to the issuance of certificate of occupancy for the 3,300th unit in the PHD Specific Plan or prior to the issuance of the Certificate of Occupancy for the 1,500th unit in the PHD Specific Plan Area when a minimum of 5,000 units (inclusive of units issued Certificates of Occupancy in the PHD Specific Plan) contributing to the TMA funding and/or administration have been issued Certificates of Occupancy. Prior to the completion of the first four years of operation, the TMA will be evaluated by the City and alternative methods of single vehicle trip reduction could be considered.

Park Spaces, Greenways and Other Open Space

Public parkland or publicly accessible privately maintained open space is proposed to constitute a minimum of 22% of the land area available within the Specific Plan area, consistent with the approach taken with the adopted Tasman East Specific Plan, and endorsed by the City Council. The Patrick Henry Specific Plan will provide public parkland and accessible open space amenities through two strategies: 1) dedication of parkland to the City through the City’s Parkland and Recreational Amenities Dedication Ordinance (PDO); and 2) the incorporation of private open space areas, including privately owned public open space areas (POPOS). At least 11% of the net site area of the Plan area will be dedicated Parkland and in combination with other various types of private open space, a minimum of 22% of the Plan area will be open space. The net site area of a parcel is the area after roadway dedications and public sidewalk easements are excluded from the total.

The proposed dedicated Parkland includes a centrally located neighborhood park running north/south through the center of the new neighborhood and three smaller parks distributed within the Specific Plan area, and a proposed Art Garden on the SummerHill property.

The net site area of the Specific Plan area is 62.3 acres, and 22% is 14.5 acres. The Land Use Plan includes parkland as follows:

- A 5.25 acre central park shared across four properties including Menlo Equities, Marriott Center Owners Association, Z&L Properties, and Sares-Regis.
- A 1.75 acre park on the west side of the north-south leg of Patrick Henry Drive, which will provide more direct access to the Calabazas Creek pedestrian bridge from the plan area.
- A 1.1 acre park on the Pearlman property, to be developed if the property is redeveloped with residential uses.
- A new 1.25 acre park has now been added on the southeast corner of the plan area, split proportionally between properties owned by Dollinger and New Hope Church.
- Summerhill, located along the center southern portion of the plan area also now is providing 9,250 square feet (0.21 acres) of dedicated parkland along the western border of their site, adjacent to a proposed public use community room.
- Drawbridge on the northeast corner of the plan area has offered approximately 13,000 square feet of land (0.30 acres) that staff is analyzing for the feasibility of for park use.
- A new 15,800 square foot park (0.36 acres) on the O2 Micro property, substituting for the roadway connection that was not supported by the Mission College Board of Trustees. This parkland is immediately adjacent to the parkland dedication on the Summerhill property, which will create one contiguous park of 0.57 acres. A potential bicycle and pedestrian path through this park connecting to Mission College's property will be explored during the park design phase. Such a path would require coordination and support of Mission College.

Assuming the Drawbridge land dedication is feasible, the added areas would create a total of 10.23 acres of dedicated parkland. The remaining private open space obligation provided in part through POPOS to meet the 22% target, is 2.94 acres. At full build-out of the Land Use Plan, the amount of POPOS will exceed this amount as individual developers provide paseos and private open space in fulfillment of Specific Plan requirements.

Staff has begun working with the stakeholder group to further develop the design, treatment and amenities to be included within the publicly accessible, private open space areas. Private open space areas include a greenway along Patrick Henry Drive that would utilize an existing gas line easement that does not allow structures, and other internal greenways that will help to break up the massing of buildings, support pedestrian and bicycle circulation, and provide amenity space.

Collectively these features will implement the General Plan policies to provide Patrick Henry Drive residents with a high degree of access to open space (e.g., Policy 5.4.7-P6, 5.4.7-P8).

Public Facilities & Recreational Amenities - New Library, Gymnasium, Community and Senior Center

The City Council previously reviewed objectives for the Patrick Henry Drive Specific Plan that included measures to support the quality of life for future residents by providing a new branch library as part of the Specific Plan. At the subsequent City Council meeting on December 17, 2019, during review of the proposed Notice of Preparation for the Plan, the Council, noting that one of the Plan area developers, Z&L, was proposing to develop at a density significantly higher than otherwise allowed within the Plan, suggested that the addition of a library within the project could be tied to the Z&L proposal as a "community benefit" justification for granting the increased density.

Staff subsequently met several times with Z&L to discuss the incorporation of a library space of up to 40,000 square feet within their project. While Z&L initially expressed an openness to this approach and hired an architect to explore it with the City, Z&L has since indicated that due to evolving market conditions they have reconsidered the project's feasibility and will not be moving forward with a high-rise project in the near-term or with a library within their project. At the same time, staff considered that it would be appropriate to develop a joint library-community center as a stand-alone facility that would be located within the new central neighborhood park within the Plan area.

Staff has conducted a preliminary analysis of developing a new joint 47,000 square foot public facility containing space for library, gymnasium, community and senior serving recreation programs and parking as part of the Plan's implementation.

Given the central location, access, adjacent roadways and compatible uses, a site identified for the public facility (library/community center) would be provided on land shown as dedicated public parkland to accompany future development of the Z&L and Sares Regis properties.

In addition to the joint library-community center facility, the Specific Plan includes a proposed 5,000 square foot visual arts center for the public incorporated within the Summerhill project located at southern center of the plan area. Summerhill would provide a cold shell space within the ground floor of their project that would be dedicated to the City to program for classroom, studio, and gallery space. The City would manage this visual arts space, which would be adjacent to Summerhill's dedicated parkland, and which could function as an area for periodic outdoor art displays curated by the City.

Creation of Patrick Henry Drive Zoning Districts

As a part of the Patrick Henry Drive planning process, the City is proposing to create a series of new zoning districts that are consistent with the proposed General Plan land use designations. The proposed Zoning Districts are flexible and allow for the variety of housing types the Plan anticipates. The zoning code chapter includes development standards for the maximum heights and densities of the district. The districts will be applied to all the parcels in the Patrick Henry Drive area, consistent with the proposed zoning map (Attachment 8). The zoning will be effective on Patrick Henry Drive properties thirty days after the Council adoption of the zoning ordinance creating the new district.

Because Patrick Henry Drive supports a variety of housing types, including high-density mixed use, towers, and podium development, setbacks that reflect the urban context have been included in the ordinance. In general, consistent with the General Plan policies, zoning districts will require 10-foot setbacks for residential buildings and zero setbacks for mixed-use buildings.

The Specific Plan is expected to be implemented over a 20-year timeline and accordingly the Patrick Henry Drive zoning district includes provisions for the continuation and possible expansion of existing industrial uses within the area. Once industrial parcels convert to residential uses, industrial uses on those parcels will no longer be allowed and any proposed development shall conform to the Specific Plan.

The parking provisions within the zoning district reflect the desired urban character of the district. Generally residential uses are required to provide a minimum of one space per unit regardless of the number of bedrooms. For units under 500 square feet in area, the required parking is proposed to be 0.5 parking spaces per unit. For developments subject to the standard parking ratio, the City is

requiring developers to offer partially-unbundled parking, meaning each unit, regardless of size, will be rented with one parking space, and renters can choose to rent a second space, regardless of the number of bedrooms in their unit. For efficiency units subject to the 0.5 space parking requirement, parking will be required to be fully unbundled. As an alternative, developers could implement a parking preference program, where prospective renters without cars are put on a separate waiting list from renters with cars, with renters being chosen alternately from the two lists. The list of renters without cars should be shorter and renters without cars should get a unit more quickly.

The required parking for office uses in the High-Density Flex District is one parking space per 500 square feet of gross floor area. For ground floor retail and office space in mixed use buildings, no additional parking is required.

Bicycle parking is required in the plan area consistent with Council direction to provide Class 1 parking (enclosed, secured parking) at a rate of one Class 1 space per residential unit. Required bicycle parking ratios are also specified for Class 1 spaces for mixed use and office projects and for Class 2 spaces (racks) for all uses, at rates equivalent to the VTA's Bicycle Technical Guidelines.

Design Guidelines

While the Specific Plan and zoning regulations will establish some mandatory development or design criteria, the implementation of the Specific Plan's vision will be further accomplished through the use of design guidelines for issues that require flexibility based upon project context and the inter-relationship between design objectives.

The City intends to rely on the design direction in the Patrick Henry Drive plan for private development and for the public realm. Chapter 5 of the Patrick Henry Drive plan includes dimensioned street sections for both roadways in the existing street network and for proposed new private roadways in the plan area. These street sections were vetted through a rigorous inter-departmental process with stakeholders to ensure both a positive public realm and constructability.

Affordable Housing

An objective of the Specific Plan is to promote a range of housing options and affordability levels to realize the vision for a mixed-use, mixed-income community along the corridor. As such, this Plan includes an inclusionary housing policy that goes above and beyond the City's Affordable Housing Ordinance to promote the provision of units at deeper levels of affordability within the Patrick Henry Drive plan area. Specifically, the inclusionary requirement will be that 15% of the new units be designated as affordable rental units with a mix of units affordable for extremely low, very low, low, and moderate-income households. The affordability requirement could be based on all units conforming to an average of 80% of Area Median Income (AMI) or alternatively, as previously discussed by the City Council, require that 5% of units be designated as affordable at each of the three levels (e.g. 50% AMI for very low, 80% AMI for low and 120% AMI for moderate). Either approach represents a deeper level of affordability than required by the citywide ordinance which requires 15% of units be affordable at an average of 100% of AMI.

ALUC Review

At the September 23, 2021 Airport Land Use Commission (ALUC) meeting, the County Airport Land Use Commission found the Patrick Henry Drive Specific Plan to be consistent with the policies of San Jose Airport Comprehensive Land Use Plan (CLUP), with the following modifications:

- Prior to approval of project specific development within the Urban Village, Urban Center or

High-Density Flex areas, City staff shall check with the FAA to ensure a No Hazard Determination is not required. If a No Hazard Determination is required, one shall be obtained prior to the issuance of a building permit.

- Future project-specific development within the Airport Influence Area of San Jose International Airport, shall be required to obtain an Avigation Easement prior to the issuance of a building permit.

These requirements will be implemented through the land use entitlement process for specific projects.

Infrastructure Fee

Should the City Council approve the Specific Plan, staff will bring forward a subsequent infrastructure fee for City Council review and approval. The infrastructure fee will require individual developers to contribute a pro-rata share of the costs of the various infrastructure improvements, such as the costs of sewer improvements and new private roadways that are required to implement the Specific Plan vision and are best borne collectively by all development within the Specific Plan area. In addition to the new private roadways, the fee also includes potable water lines, recycled water, and transportation improvements, and street improvements to support residential development.

Conclusion

The draft Patrick Henry Drive Specific Plan, General Plan Amendments, accompanying zoning districts and project EIR have been prepared through an extensive planning process which has provided a significant amount of time for discussion of the various components of the Specific Plan. The Specific Plan will provide a land use policy framework to support the development of a new high-quality urban district within Santa Clara consistent with the City's vision and the goals and policies set forth in the General Plan.

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) was prepared for the Patrick Henry Drive Specific Plan and related approvals (the "project") in accordance with the California Environmental Quality Act (CEQA) (Attachment 1). The EIR analyzes program-level impacts of the Patrick Henry Drive Specific Plan. The EIR and Notice of Availability were circulated for a 45-day period from July 30, 2021 to September 13, 2021 in accordance with CEQA requirements. The EIR provides a comprehensive analysis of the potential environmental impacts for the project, and addresses topics identified within the General Plan policies for Patrick Henry Drive including land use compatibility and provision of public facilities and parks and open space (Policy 5.4.7-P6, 5.4.7-P7, 5.4.7-P8, and 5.4.7-P9).

The EIR found that there would be significant and unavoidable environmental impacts to:

- Air Quality emissions (toxic air contaminant emissions)
- Potential destruction or degradation of Historic Resources
- Noise (increases in traffic noise levels from Specific Plan development)

The project would also result in the following significant unavoidable cumulative impacts:

- Air Quality emissions (criteria pollutant emissions)

All the other potentially significant impacts can be mitigated to a less than significant level. The mitigation measures are included in their entirety as a part of the proposed Mitigation Monitoring and

Reporting Program (MMRP).

The Draft EIR comment period ran from July 30, 2021 to September 13, 2021. A total of five comments were received during the comment period.

None of the comment letters have identified a new significant impact, or have provided substantial evidence that the CEQA analysis is otherwise inadequate. Recirculation of the EIR is therefore not required.

Responses to the Draft EIR comments, as well as minor text changes and clarifications, in the form of a Final EIR, was made available to the public through the City's website on January 12, 2022, and have been forwarded on to any commenters on the Draft EIR.

A detailed discussion of the potential impacts and mitigation measures to be applied to the project is specified in the EIR and would be implemented through project conditions of approval and the MMRP for the proposed project.

FISCAL IMPACT

Consultant costs borne by the City for the preparation of the Specific Plan have been funded through a reimbursement agreement with the stakeholders of the Patrick Henry Drive plan area.

The proposed change in land uses would significantly increase land values as well as demand for services, having both positive and negative fiscal impacts upon the City. The addition of retail services and an increased local population will add to more sales tax revenue for the City. It is understood that residential land uses generally have a net negative fiscal impact (as increased land value revenue does not completely offset increased costs for service), but infill development and higher density development, particularly utilizing Type I or Type III construction, provides for more efficient delivery of services and can be revenue neutral or even positive in some circumstances. Furthermore, the Plan will include private maintenance of park spaces and a significant private investment for infrastructure that will also provide fiscal benefits. On the whole, implementation of the Specific Plan is expected to have a relatively minor net fiscal impact to the City and will provide housing necessary for Santa Clara's ongoing economic vitality.

COORDINATION

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

PUBLIC CONTACT

Public contact was made by publishing a hearing notice in the Santa Clara Weekly on January 13, 2022, and by mailing a hearing notice to properties within a 500-foot radius of the plan area. The Planning Commission agenda was also posted 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>> or at the public information desk at any City of Santa Clara public library.

In addition to City Council and Planning Commission study sessions, the City held two community meetings on the plan: A virtual community meeting was held on March 11, 2021 to present the draft plan to the community. There were approximately 70 attendees. Speakers at the meeting

expressed concern with traffic impacts, the potential roadway connecting the plan area to Mission College Boulevard, and planning for future pandemics. An earlier community meeting, held on February 25, 2019 for the City North Area, and was attended by approximately 28 people. That early meeting helped to define the vision for the Patrick Henry Drive plan.

ALTERNATIVES

That the Planning Commission adopts Resolutions recommending that the City Council:

1. Adopt a resolution approving and certifying the Final EIR prepared for the Patrick Henry Drive Specific Plan (SCH # 2019120515), including CEQA Findings and a statement of overriding considerations.
2. Adopt a resolution approving the PHD Specific Plan, a specific plan consistent with Government Code Sections 65450-65457.
3. Adopt a resolution approving General Plan text amendments creating the following land use designations: Village Residential (60-149 DU/AC), Urban Village (100-149 DU/AC), Urban Center (120-250 DU/AC), and High Density Flex (60-149 DU/AC, or up to 2.0 FAR), updating the Climate Action Plan to recognize those Land Use Designations, and amending the General Plan Land Use diagrams for Phases II and III to reflect the land use designations in the Patrick Henry Drive Specific Plan.
4. Adopt an ordinance amending the Zoning Code to create of the Chapter 18.27 of the Zoning Code, Regulations for PHD, the Patrick Henry Drive Zoning Districts, including development standards, allowed uses and parking requirements for the following zoning districts: R5 - Very High Density Residential, VR - Village Residential, UV - Urban Village, UC - Urban Center, and HD Flex - High Density Flex, and rezoning the Project Site using the new districts as indicated in the Patrick Henry Drive zoning map.
or
5. Provide direction to staff to make modifications to the Specific Plan and/or Zoning districts for City Council consideration.

That the Planning Commission adopt Resolutions recommending that the City Council:

1. Approve and certify the Final EIR prepared for the PHD Specific Plan (SCH # 2019120515), including CEQA Findings and a Statement of Overriding Considerations.
2. Approve the Patrick Henry Drive Specific Plan, a specific plan consistent with Government Code Sections 65450-65457.
3. Approve a General Plan text amendment creating the following land use designations: Village Residential (60-149 DU/AC), Urban Village (100-149 DU/AC), Urban Center (120-250 DU/AC), and High Density Flex (60-149 DU/AC, or up to 2.0 FAR), updating the Climate Action Plan to recognize those Land Use Designations, and amending the General Plan Land Use diagrams for Phases II and III to reflect the land use designations in the Patrick Henry Drive Specific Plan; and
4. Adopt an ordinance amending the Zoning Code to create of the Chapter 18.27 of the Zoning Code, Regulations for the PHD, the Patrick Henry Drive Zoning Districts, including development standards, allowed uses and parking requirements for the following zoning districts: R5 - Very High Density Residential, VR - Village Residential, UV - Urban Village, UC - Urban Center, and HD Flex - High Density Flex, and rezoning the Project Site using the new districts as indicated in the Patrick Henry Drive zoning map.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Environmental Impact Report
2. Patrick Henry Drive Planning Commission EIR Resolution
3. CEQA Findings and Statement of Overriding Considerations
4. Patrick Henry Drive Planning Commission Specific Plan Resolution
5. Patrick Henry Drive Planning Commission General Plan Amendment Resolution
6. Patrick Henry Drive Planning Commission Zoning Resolution
7. Patrick Henry Drive Zoning Ordinance Amendments
8. Patrick Henry Drive Zoning Map
9. General Plan Future Focus Area Goals and Policies
10. Draft Plan Land Use Plan
11. Draft Plan Urban Design Framework
12. Street Section from the Patrick Henry Drive Plan
13. Draft Patrick Henry Drive Specific Plan