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REPORT TO COUNCIL

SUBJECT

Strategy for Additional Parkland in the Tasman East Specific Plan Area, in Conjunction with an Amendment to Add 1,500 Units to the Specific Plan

COUNCIL PILLAR

Promote and Enhance Economic, Housing, and Transportation Development / Enhance Sports, Recreation and Arts Assets

EXECUTIVE SUMMARY

Following City Council approval to proceed with the preparation of an Amendment to the Tasman East Specific Plan (TESP) to add up to 1,500 housing units, the City Council directed staff to increase the planned amount of parkland with the TESP as a requirement for this additional capacity. Staff is recommending that the City Council direct staff to move forward with a strategy to purchase parklands within the TESP area utilizing Parkland Dedication Ordinance (PDO) funds collected by the City from TESP development projects. Staff came to this recommendation in part after evaluating the potential for additional land dedication within the undeveloped portion of the TESP Plan area and determining that reliance upon land dedication to add parklands beyond those already in the TESP Open Space Framework would be undesirable.

BACKGROUND

The Tasman East Specific Plan was adopted by the City Council in November 2018 with the goal of establishing a new, urban residential neighborhood in north Santa Clara in proximity to jobs, transit and other planned amenities. The TESP covers approximately 45 acres of developable land area and with an anticipated average density of approximately 100 units / acre, supports the development of 4,500 residential units along with up to 106,000 square feet of supporting non-residential uses.

The City has received eleven project applications within the TESP area (Attachment 1). These applications essentially use up the existing TESP capacity, representing 4,485 of the 4,500 units available, but utilize only about 65% of the TESP land area. Notably, these projects 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 majority of these projects are located along the periphery of the TESP area, resulting in a central “island” of land that will remain in low-intensity industrial use while a new residential neighborhood develops around it. This island is undesirable in that it creates the potential for land incompatibility, interferes with some of the amenity areas envisioned in the TESP, and prevents the development of a cohesive residential neighborhood.

The TESP sets design standards for architecture and the provision of high-quality open space and amenities within the approved projects. Accordingly, the architecture and construction types vary among the projects and each includes a significant amount of programmed amenity space. The TESP also features a central “Main Street” and programmable paseo open space area to support the quality of life within the future neighborhood.

TESP Amendment

Full utilization of the Tasman East area is a beneficial strategy to meet the City’s obligations to provide more housing capacity given the opportunity it provides 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 Council thus provided direction to staff to prepare an Amendment to the Tasman East Specific Plan to add up to 1,500 units of additional capacity.

At the July 6, 2021 City Council meeting, while taking action on the consultant contract with Perkins + Will on the preparation of the Specific Plan Amendment, the City Council provided feedback to staff that additional parkland should be required from future developers utilizing the additional 1,500 units of capacity. City staff have been examining the appropriate additional parkland burden and the ways of obtaining a contiguous area of parkland in the near term to meet this need.

TESP Parks and Open Space

As part of the preparation of the original Specific Plan, staff reviewed the Plan’s parks and open space strategy with the City Council on multiple occasions and per the direction of the City Council, the amount of open space for the TESP was set at 10 acres, consisting of 5 acres of public parkland plus 5 acres of privately owned open space. For the privately owned open space, up to 50% of the area could be private common open space areas within projects while the remainder must be accessible to the public. This approach was formally adopted as the TESP Open Space Framework (Attachment 2). Per the TESP Open Space Framework (Framework), the TESP neighborhood will provide a mix of public parks, open spaces and private recreational amenities, including several public mini-parks and one neighborhood park. These open spaces will support a variety of active and passive recreational amenities, publicly accessible privately owned spaces (e.g., plazas and greenways), and private amenities (located within buildings and accessible to residents of the building).

Consistent with the Framework, pending or approved projects include dedication of approximately 3.78 acres of public parkland. This land dedication and the associated projects are located along the periphery of the TESP area (e.g., Hillside, River, Bridge, and Station districts). None of the one acre of parkland planned for the TESP Center District has been implemented due to the lack of projects in the area identified for this parkland. There is a shortfall of 0.22 acres outside of the Central District,

which is accounted for by use of an exception provided under State law by the 100% affordable St. Anton project to pay an in-lieu fee rather than provide land dedication.

Attachment 4 illustrates the combined parkland and open space area provided through the initial planning applications, with each project site plan overlayed upon the existing condition aerial photo. The diagram also illustrates the location of the one acre of parkland planned for the Center District.

Parkland Dedication Standards

The adopted TESP Open Space Framework sets a different policy from that in the City's California Mitigation Fee Act parkland dedication standard. The Mitigation Fee Act standard sets a target of 2.6 acres of public parkland per 1,000 residents. Achieving this standard within the TESP area would require more than four times as much parkland as shown in the Framework to fulfill. This change in parkland standards was determined to be necessary to allow higher density development. It is not practical to provide this ratio of parkland to population when projects are developed at a density of 100 units to acre.

The development of 4,500 units would require approximately 26 acres to meet this Mitigation Fee Act ratio, more than half of the developable area within the TESP. The value of residential land where more than 50% of the site is required as park dedication would not financially support the desired conversion of commercial to residential land use needed to implement the TESP vision. This discrepancy is not unique to the TESP and results whenever higher density development takes place as traditional parkland standards based on acres per capita become infeasible. The City Council has also considered the access future residents would have to other open space areas and amenities, including the Guadalupe River Trail, Ulistac preserve and future large (30+ acre) park area planned on the adjacent Related Santa Clara development.

DISCUSSION

The City Council has directed staff to add more parkland within the TESP as a requirement for adding new residential units through the proposed TESP Amendment. Accordingly, staff has been evaluating, where, how much, and how to add open space to the TESP and has developed a proposed strategy described below. Staff is requesting that the City Council give direction to staff at the study session to proceed with this strategy.

Center District Location (Where)

Because the Center District is largely undeveloped, it seems clearly to be the best location for adding parkland. Attempting to add parklands in other areas is not a good strategy because those other areas are now almost entirely entitled with new residential projects, except for two parcels unlikely to redevelop for several years. (One is developed with a data center and the other is owned by a property owner with a long-term hold strategy.) Thus staff is focusing on the potential to increase the parkland within the Center District.

Parkland Amount (How Much)

Adding more parkland, per Council direction, will require that the total amount of park land within the TESP area be increased above the 5 acres shown on the Open Space Framework. At present the TESP Framework identifies an additional one-acre park to be implemented within the TESP Center District. Given the unlikely potential of new development and additional parklands in the other TESP districts, implementing Council direction to increase parklands as part of the TESP Amendment will require increasing the Center District park to more than the currently-planned one-acre.

The total amount of parkland that can be obtained within the TESP area is constrained by amount of remaining land within the Center District, the limitations of the City's Parkland Dedication Ordinance, the amount of funds available to the City to purchase parklands, and the need to maintain a feasible development site if the parkland is being obtained through land dedication. Taking these constraints into consideration, staff projects that the City could be able to implement between two and three acres of parkland within the Center District, with up to two acres through park land purchase and the remaining one acre through land dedication. This would be a significant increase over the one acre currently proposed and represents approximately 35% to 40% of the remaining land area.

Proposed Strategy (How)

Staff is requesting that the City Council provide input to staff on the potential next steps to pursue the purchase of up to two acres of available land from willing seller(s) within the TESP Plan area to be used for the development of public City-owned parkland. Staff intends to pursue the purchase of lands within the TESP Center District which do not currently have entitlements and which represent the best opportunity to create a larger, contiguous park area to support future TESP area residents. To successfully compete with other potential land purchasers, City staff needs flexibility to negotiate with willing sellers. The purchase of this parkland would be funded using Parkland Dedication Ordinance (PDO) fees collected from existing entitlements within the TESP area. This approach will help staff to implement the Council direction to increase parkland within the TESP area as part of the TESP Amendment process. With Council concurrence, staff will proceed with identifying a suitable property or properties, discussions with the property owners about potential purchase, preparation of an appraisal, environmental assessments, etc., and then return to City Council in Closed Session to discuss price and at an Open Session meeting to act on the purchase.

In formulating this recommendation, staff evaluated possible strategies for providing more parklands within and outside of the TESP area. To date, implementation of the TESP Open Space Framework has utilized the City's Parkland Dedication Ordinance to require land dedication as part of the land entitlement process. This has produced 3.78 acres of public parkland to be dedicated with the implementation of those entitlements as described above. Going forward, the City can continue to require land dedications as part of the entitlement process.

However, relying upon land dedication to implement the park land, particularly with an increased park area, has several disadvantages. First it is complicated to implement. Unlike the planned parks in other TESP districts (e.g, Hillside, River, etc.), staff does not have active developers with which to work to design a Center District park. Implementation would take place parcel by parcel as new development comes in and would be further complicated by the larger number of small parcels within the Center District compared to the other TESP districts.

Implementing a Center District park solely through proportional land dedications would necessarily result in a small amount of land dedication on each of several properties so that each property retains a sufficient developable area. These dedications could best be connected to each other by arranging them along the central spine area, currently depicted in the Framework as a paseo. However, this approach would result in a long, narrow park without public street access. This configuration is not desirable in terms of usability, access and public perception, as the park would be too narrow for many uses and have the appearance of a private open space in closer proximity to private buildings. Other configurations, such as locating the park dedication along the street frontage, would result in even smaller park areas and be complicated by the need to provide access through the park areas to the new development. Locating the Central Park along the center of the block is thus likely the best scenario for implementing a park through land dedication even though it has several disadvantages.

Staff asked the City's consultant to evaluate various scenarios to implement a central park through land dedication with an equal division of the burden for additional parkland among the remaining contiguous properties, all of which do not have a development project on file. The consultant identified three scenarios (Attachment 5): a 1.5 acre park, enlarged by a half-acre from the original 1-acre in the Framework (Option A); a 1-acre park, as proposed in the Specific Plan (Option B); and, a 100' wide open space creating a 1.65 acre park (Option C). Option A and Option C would generate a slight (0.5 to 0.65 acre) increase in parkland above the one acre shown in the current Framework.

Before evaluating additional scenarios that would generate more than 1.5 acres (e.g., more than 0.5 acres above the current one acre requirement), staff evaluated the feasibility of the 1.5 acre Option A. The amount of dedication required from each parcel to achieve this 1.5 acres raises several challenges, suggesting that even the 1.5 acre option is undesirable or infeasible as it would make future land use too expensive and inefficient to actually implement. First, the available properties are smaller than the TESP properties which have previously been required to provide parkland dedication, and will need to provide land dedication for parkland at a higher percentage. Second, after parkland dedication, the remaining developable land for each parcel will be shallow and narrow, making it difficult to provide an adequate development site for fire access and for an efficient parking deck with two double-loaded aisles for good circulation within the garage. For example, the Option A 1.5-acre park scenario leaves a developable parcel depth of only 155 feet. Third, it is also significant that it could take decades for all of the parcels in the island to convert to housing, significantly delaying the implementation of the Center District park, and as a result the parkland dedicated in the near-term could be isolated patches. Staff also met with industry representatives who provided similar feedback.

Following this analysis, staff concluded that growing the central, elongated park area to provide more parkland would significantly impact the developability of every parcel within the Center District, likely making such development infeasible and instead perpetuating the ongoing use of the land for low-intensity industrial use inconsistent with the TESP Vision and the City's desire to establish a new, cohesive residential neighborhood. At the same time it would not yield a significant increase in the amount of parkland above the current one acre requirement.

Next staff considered an alternative of using the PDO fees generated by the already entitled TESP projects to proactively acquire parkland. In contrast to a land dedication approach, purchasing entire parcels will result in better proportioned park sites with public street access. As multiple adjacent parcels are currently being offered for sale within the TESP area, it could be possible to purchase adjacent properties to develop a larger, cohesive park site. The City has collected sufficient PDO fees to purchase up to two acres of parkland. Purchased parklands could then subsequently be augmented through land dedications on adjacent parcels and connected to other open spaces through the planned Center District paseo.

Additional funds from TESP project PDO fees would need to be set aside for the design, engineering and construction of the proposed park. This action would be done at a later date as part of the standard Capital Improvement Project Budget allocation process. Given current market conditions and the availability of funds for this purpose, staff is recommending that we proceed to purchase ahead of the completion of the TESP Amendment process.

ENVIRONMENTAL REVIEW

The discussion regarding parkland does not constitute a project in and of itself, and is not subject to

CEQA under CEQA Guidelines Section 15262, Feasibility and Planning Studies. A Subsequent Environmental Impact Report (SEIR) that details the changes to the environment based on the amendment to the Tasman East Specific Plan Amendment is being prepared to inform the Council of the potential environmental impacts of the amendment prior to their taking action on the project.

FISCAL IMPACT

Requiring additional dedication of parkland from private property owners does not have a direct fiscal impact to the City. However, the action may disincentivize property owners from redeveloping their properties, which would mean fewer new housing units produced, and lower property tax revenues than the potential of higher density development.

The acquisition and development of parkland would reduce the unallocated balance of the City's in-lieu fees. However, this is the most appropriate use of these fees. The funds used for acquisition and development would not be available for other appropriate purposes such as improvement of the new North Santa Clara community park, which is proximate to the Tasman East plan area. There is an incremental increased cost for maintenance in the General Fund for new park facilities, unless covered by a maintenance agreement or community facilities district funding.

COORDINATION

This report has been coordinated with the Finance Department, Parks & Recreation Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by noticing the public meeting to property owners and residents within a ¼-mile distance from the Tasman East Specific plan area. The public meeting was also noticed 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>>

Reviewed by: Andrew Crabtree, Director, Community Development Department
Approved by: Rajeev Batra, City Manager

ATTACHMENTS

1. Tasman East Planning Applications
2. Tasman East Specific Plan Open Space Framework Diagram
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