



## Agenda Report

18-252

Agenda Date: 6/13/2018

### REPORT TO PLANNING COMMISSION

#### **SUBJECT**

Public Hearing: Action on a Mixed Use Project located at 575 Benton Street

#### **EXECUTIVE SUMMARY**

The applicant, Prometheus Real Estate Group, is proposing to develop a 6-story mixed-use apartment building, including 355 apartments and approximately 20,000 square feet of ground floor retail area, on the properties located on the blocks north of Benton Street between The Alameda and the El Camino Real. This property was previously entitled for the development of 318 apartments in 2016 by Irvine Apartment Communities (the "Mission Town Center" project).

The site is located within the General Plan Santa Clara Station Focus Area and would generally align with the goals and objectives set forth in the General Plan for the project site as discussed in the following report. The project has been the subject of an extensive community engagement process and the project design incorporates input from community stakeholders.

An Addendum #1 to the Mission Town Center Final Environmental Impact Report (FEIR) has been prepared for the proposed project (CEQ2015-01188). The EIR certified for the previously approved project, along with the prepared Addendum, adequately addresses the potential environmental impacts of this project as required under the California Environmental Quality Act (CEQA).

#### **BACKGROUND**

The proposed project would consist of up to 355 apartment units including 8 live-work units, 650 parking spaces, 1,601 square feet of leasing office space, a 346 square foot pet spa area, 1,528 square feet of bike amenity space, an amenity roof deck with 4,341 square feet of club room and a fitness center, three private courtyards and a public courtyard facing The Alameda. The proposed residential density of the project would be 61.7 dwelling units (DU) per acre. The project includes 19,985 square feet of retail space and potentially an additional 2,364 square feet of commercial space within 8 live-work units. The project site plan would allow preservation of two historic single-family houses located at 3410 The Alameda and 3370 The Alameda on the project site.

The project application consists of a General Plan Amendment (GPA) from Santa Clara Station High Density Residential to Santa Clara Station Very High Density Residential, a Rezoning to Planned Development (PD), approval of a Vesting Tentative Parcel Map, and approval of a Development Agreement (DA) for the project site to allow development of a proposed residential mixed-use project (PLN2017-12489, PLN2017-12574, PLN2017-12575, and PLN2017-12837).

The 5.75-acre project site is located at the northwestern corner of Benton Street and El Camino Real and consists of 12 parcels, which include APNs 230-07-002, -004, -009, -010, -013, -029, -031, -034, -038, -053, -059, -060 and a public right of way area, all together totaling 5.75 acres (Attachment 1).

Approximately 87 percent of the project site is currently developed with buildings, roadways, sidewalks, and parking lots including approximately 101,207 square feet of commercial and light industrial space, 10 residential units, portions of Fremont and Sherman streets, and site serving infrastructure. The existing public rights-of-way will need to be vacated by the City and acquired by the developer in order to implement the project.

#### Surrounding Land Uses

The area surrounding the project site is fully developed and consists mainly of residential and commercial uses. A medical office building and single-family residential uses along Harrison Street are located directly adjacent to the north/northwest. In addition, commercial uses are located to the north across Harrison Street. An apartment complex and the Santa Clara Police Department headquarters are located to the east across El Camino Real. Single-family residential uses are located to the south across Benton Street while single-family residential uses, a residence hall, and an auto repair shop are located to the west across The Alameda. Other major uses in the area include Santa Clara University, located one block to the south, and the Santa Clara Transit Center which is located approximately 500 feet to the southeast.

#### Santa Clara Station Focus Area

The project is located within the Santa Clara Station Focus Area. The Santa Clara Station Focus Area is the 244-acre portion located within the City of Santa Clara of a larger, multi-jurisdictional planning area. At the center of this Focus Area is the existing Transit Station, which is served by Caltrans, Altamont Commuter Express, and Valley Transportation Authority (VTA) bus service. The Station will include the Bay Area Rapid Transit (BART) terminus. The Station will be a major transit hub for the Bay Area and supports the Major Strategies to promote sustainability and economic vitality. The vision for the Santa Clara Station Focus Area offers an opportunity to establish a gateway into the City, as well as to expand the City's economic base with new office, hotel and retail uses and add high-density residential development in order to maximize the use of existing and planned transit as described in the General Plan. The Station Focus Area is intended to support the development of approximately 400 residential units and 130,000 square feet of non-residential development.

#### Prior Mission Town Center Entitlement

The Mission Town Center project originally proposed by the Irvine Company received approval of a GPA and a rezoning by the City Council on February 23, 2016. Irvine had initially proposed a more intense project which was fully analyzed in the Final Environmental Impact Report (FEIR) certified by the City. Although the original FEIR analyzed a project for 385 residential units, the Irvine project was approved for 318 residential units, approximately 10,000 square feet of conditioned amenity and leasing space, and approximately 22,000 square feet of ground floor retail space. The project analyzed in the FEIR is also more intense than the current proposal.

Although Irvine had sought approval of a more intensive project, in 2016 the City Council approved a reduced density version of the project which would conform to the Santa Clara Station High Density Residential designation with use of discretionary General Plan Policy 5.5.1-P6, which provided a 10% increase in residential density from 50 to 55 dwelling units per acre. At that time the City Council accordingly approved a change in the General Plan land use designation for the site from Santa Clara Station High Density Residential and Santa Clara Station Low Density Residential to Santa Clara Station High Density Residential. The City Council also approved the addition of a General Plan Policy (Policy 5.4.3-P21) to allow active retail uses at ground level on parcels designated Santa Clara Station High Density Residential within the Santa Clara Station Focus Area. The Irvine

entitlements included a Development Agreement. While a PD Rezoning was approved in 2016 for the development of 318 units, that entitlement expired two years after the approval date in February 2018 and the site has reverted to its prior zoning designation. The prior Development Agreement never became effective insofar as the previous developer, Irvine, did not satisfy the precondition to take control of the lands identified in the Development Agreement.

#### Vesting Tentative Parcel Map

A Vesting Tentative Parcel Map application accompanies the project, but is not subject to review by the Planning Commission. The project site consists of 12 parcels. The intent is to merge these parcels with the vacation of Fremont Street and Sherman Street to create a single legal parcel for the mixed-use project, one legal parcel for a public park, and one legal parcel for each historic single-family house on the site. The Parcel Map would result in four legal parcels. The proposed Vesting Tentative Parcel Map will be reviewed by the City Council for conformance with Santa Clara City Code Section 17.05.400.

#### Prior Project Hearings

The current project proposal was introduced to the Historical and Landmarks Commission (HLC) on September 7, 2017 and February 1, 2018. The project was recommended for approval by the HLC to the Planning Commission and City Council subject to conditions.

### **DISCUSSION**

The primary issues evaluated for the project are consistency with the General Plan and Santa Clara Station Focus Area policies, the quality of the project architecture and site design including circulation and parking, incorporation of community input and the proposed treatment of existing historic resources on the project site, General Plan consistency findings for a proposed street vacation, and the proposed terms for a project Development Agreement.

#### ***Consistency with the General Plan / Santa Clara Station Focus Area***

The project includes a GPA to change the General Plan land use designation for the site from Santa Clara Station High Density Residential (37-50 du/acre) to Santa Clara Station Very High Density Residential (51-100 du/acre) and to amend Figure 5.4-4 of the General Plan text to clarify the applicable density. The intent of these changes is to allow for a mixed use, high density residential development that maximizes residential development within walking distance of the Santa Clara Depot Station within the Santa Clara Station Focus Area. The General Plan change is required in order to increase the allowable density to a range that accommodates the proposed project density (61.7 DU per acre). The General Plan's Very High Density Residential designation allows for the following density and uses:

##### ***Very High Density Residential***

*This classification is intended for residential development at densities ranging from 51 to 100 units per gross acre. This density range is intended to take advantage of proximity to transit, offering an urban feel and typically comprised of mid- to high-rise buildings featuring structured or below-grade parking, as well as shared outdoor space. Additionally, retail and other compatible commercial uses that activate the street shall be permitted on the ground floor.*

Figure 5.4-4 of the General Plan already designates a portion of the Santa Clara Station Focus Area as Very High Density Residential; however, there is a minor inconsistency in the Figure because it shows the density as 51-90 du/ac. The proposed General Plan Amendment would correct this

diagram to reflect that the density of Very High Density Residential development is 51-100 du/ac.

The General Plan includes four primary goals for the Santa Clara Station Focus Area:

- 5.4.3 G1 Development in proximity to the Santa Clara Station that capitalizes on transit and results in high intensity uses.
- 5.4.3-G2 A mix of uses, with emphasis on office, hotel and residential development.
- 5.4.3 G3 A link between the Santa Clara Station and a variety of transit options that offer viable transportation alternatives throughout the City and the region.
- 5.4.3-G4 Pedestrian and bicycle priority within the Santa Clara Station Focus Area with transit and vehicular priority to access the Station.

The requested General Plan changes are a requirement for the project to proceed in that the project proposes higher density that allowed under the current General Plan designation. The proposed project aligns with the primary goals of the Santa Clara Station Focus Area in that the proposed project will replace lower density residential uses and lower intensity light industrial and commercial uses with a large scale mixed-use project within walking distance of Santa Clara Depot Station in support of the vision for the Santa Clara Station Focus Area. In addition, the proposed project would include pedestrian-oriented retail on Benton Street and El Camino Real. The proposed retail component will maintain the vision of the Focus Area by providing the area with pedestrian-oriented retail uses. Finally, the proposed project will also help address the City's longstanding jobs/housing imbalance.

The proposed mixed-use project includes approximately 20,000 square feet of ground floor retail uses at the corner of El Camino Real and Benton Street in addition to the live-work units with 2,364 square feet of commercial space along Benton Street to the corner of The Alameda. The buildings along Benton Street and El Camino Real would be oriented to the street level. The sidewalks along Benton Street, El Camino Real, and The Alameda would be widened to increase pedestrian activity. Street trees and planters would also be provided along Benton Street, The Alameda, and El Camino Real to be more pedestrian friendly

The proposed project is further consistent with General Plan Policies as follows:

#### Mixed-use Land Use Policies

- 5.3.4 P2 Encourage mixed use development in proximity to employment centers and residential neighborhoods throughout the City.
- 5.3.4-P4 Require mixed use development to meet the density and intensity specified in the land use classifications.

The project conforms to these policies in that project sits is in proximity to residential neighborhoods located immediately to the west and south of the project site while Santa Clara University, a major employment center in the City, is located one block to the south of the project site. The project is located in an urbanized area served by existing municipal services and implements smart growth principles by redeveloping underutilized properties with higher density housing projects in mixed-use areas. Residential density on the project site would be consistent with the density specified in the Santa Clara Station Very High Density Residential land use classification should the requested amendment be approved.

- 5.3.4 P5 Encourage mixed use development site planning and design to implement the elements illustrated in Figures 7.3 2 and 7.3 3, including street tree planting along all streets.
- 5.3.4 P9 Encourage ground level windows and building entries that support a visual connection to activities.
- 5.3.4 P11 Foster active, pedestrian oriented uses at the ground level, such as retail shops, offices, restaurants with outdoor seating, public plazas or residential units with front stoops, in mixed use development.
- 5.3.4 P12 Prioritize pedestrian oriented streetscape and building design in mixed use development, including features such as wider sidewalks, street furniture, specialty planters, signage, public art, street trees, special paving materials, decorative awnings, enhanced entrances, colors, variety of materials and textures and distinctive building massing and articulation.

The proposed project includes articulated facades, canopies, awnings, and numerous windows and doors along the street level to maximize transparency. The proposed project would include ground-level windows and entries along the El Camino Real, Benton Street and The Alameda frontages that would support a visual connection to activities. Landscaping for the proposed project would include planting of new trees and shrubs.

- 5.3.4 P8 Encourage building heights of up to five stories in large mixed use developments along arterial street frontages, with the potential for taller buildings north of the Caltrain corridor.

The proposed building would be up to 86'6" feet tall to the top of the rooftop amenity area within the interior garage area, out of line of sight from the grade. Building heights at the building perimeter vary from 37 to 73'7" feet. Some portions of the building would be six stories tall (5 stories of residential above the podium level), but the project design includes architectural treatment to reduce the visual effects of building mass, create variation in roof height and scale down portions of the building nearest to sensitive uses.

- 5.3.4 P10 Require parking to be substantially below grade or in structures with active uses along streets.

The majority of the parking for the project will be located within a garage structure at the site interior and screened by residential units and retail spaces located at street level along Benton Street and El Camino Real.

#### Santa Clara Station Focus Area Policies

The project has been reviewed for consistency with General Plan policies specific to the Santa Clara Station Focus Area and found to conform with the following.

- 5.4.3 P3 Provide pedestrian oriented ground floor uses and a network of parks and public spaces to serve both residential and non residential development.
- 5.4.3 P5 Provide approximately of 7.0 acres of publicly accessible open space within the area

designated for residential and/or commercial uses.

Pedestrian-oriented ground floor retail uses would be provided at the corner of the El Camino Real and Benton Street. A public outdoor plaza would be located at the corner of El Camino Real and Benton Street facing Benton Street and one public open space would be located along The Alameda. The project would provide a publicly accessible plaza and 0.14 acres of publicly accessible open space. The project will be subject to the City's parkland requirements and a payment of development fees due in lieu of land dedication, minus the maximum credit of 50% for eligible on-site parkland recreational elements, would be required.

- 5.4.3 P6 Provide pedestrian oriented retail uses to serve new residential development, Station visitors and area employees.
- 5.4.3-P7 Provide appropriate transition between new development and adjacent uses consistent with General Plan Transition Policies.

The project would provide ground floor pedestrian-oriented retail and live-work units along El Camino Real and Benton Street. The proposed development would retain the two historic houses along The Alameda and by proposing a public open space adjacent to those houses would further reduce the massing along The Alameda and adjacent single-family houses across Fremont Street. The proposed massing would gradually increase from 2-stories to 3, 4 and 5 stories along Benton Street and to 5 and 6 stories along El Camino Real to transition between single-family houses and the proposed development. In addition, enhanced streetscape design consisting of street trees and landscaping along Benton Street would soften the edge between the proposed project and existing residential neighborhoods to the south.

- 5.4.3 P9 Encourage streetscape design with street trees, wider sidewalks, pedestrian oriented lighting, curb bulb outs and special paving and/or striping within the Focus Area to emphasize accessibility.
- 5.4.3 P10 Orient building street frontages to the ground level with residential entries, stoops and windows, and commercial store fronts.

Streetscape design along Benton Street, El Camino Real and the Alameda would include street trees. The sidewalks along Benton Street, El Camino Real, and The Alameda would also be widened with implementation of the project. The proposed development would include commercial spaces with storefronts and direct access from the sidewalk along El Camino Real and Benton Street retail spaces and live-work units.

- 5.4.3 P11 Encourage parking consolidation, alternate parking arrangements or reduced parking ratio within the Santa Clara Station Focus Area to promote the use of alternate transportation modes.
- 5.4.3 P12 Minimize surface parking by requiring below grade or structured parking facilities with active uses along street frontages.

The proposed project is providing residential parking at a ratio of 1.5 spaces per residential unit and sufficient bicycle parking per the City's standards. The project is located across the street from the Santa Clara Depot Station. Parking would be located in a parking structure at the center of the

project site. Residential units would be arranged around the central parking structure and the proposed retail uses would be located at street level along Benton Street and El Camino Real.

#### Transition Goals and Policies

The project conforms with the General Plan Transition Goals and Policies as follows.

- 5.5.2 P1 Require that new development incorporate building articulation and architectural features, including front doors, windows, stoops, porches or bay windows along street frontages, to integrate new development into existing neighborhoods.
- 5.5.2 P2 Implement design review guidelines for setback, heights, materials, massing, articulation and other standards to support Transition Policies and promote neighborhood compatibility

The proposed development fronts along El Camino Real, Benton and The Alameda. The commercial spaces along El Camino Real and Benton will include commercial storefronts with direct access from the sidewalk. The residential units along The Alameda will include stoops with direct access to the units creating the street level access desired. The Benton live/work units will have commercial storefronts with access to the live/work units from Benton which also creates the street level access desired for the Santa Clara Station Area. The proposed project would keep two historic single-family houses with a proposed 0.14 acre public open space along The Alameda. The new structure would be set back approximately 20 feet from The Alameda and the height of the structure would be reduced to 37' feet (3 stories) to be compatible with the existing residential neighborhood to the west.

- 5.5.2 P5 Require that new development provide an appropriate transition to surrounding neighborhoods.
- 5.5.2-P6 Adjust new building height, scale and massing along the site perimeter abutting planned lower intensity uses.
- 5.5.2-P7 For buildings of three stories or greater, increase the setback of upper stories where they abut lower intensity residential uses.

The proposed building would be set back 20 feet from The Alameda and the height of the structure would be reduced to 37 feet (3 stories) to be compatible with the existing residential neighborhood to the west. Proposed architectural features would result in a project that is cohesive with the architectural style of the surrounding properties. In addition, street trees and landscaping would be provided along this edge to soften the transition between the project and the nearby residential neighborhood.

- 5.5.2 P8 Encourage enhanced streetscape design and reduced building mass for non residential uses located across the street from lower intensity residential neighborhoods.
- 5.5.2-P9 Improve pedestrian amenities, including sidewalks and bicycle paths, to promote neighborhood compatibility.

Enhanced streetscape design, consisting of street trees and landscaping along Benton Street, would soften the edge between the proposed project and existing residential neighborhoods to the south. The sidewalks along Benton Street, El Camino Real, and The Alameda would be widened to increase pedestrian activity. The proposed project would also provide a bike lane along the Benton Street.

- 5.5.2 P13 Offer opportunities for developed neighborhoods to initiate planning efforts to provide a vision for future streetscape design and neighborhood character

The project applicant held several meetings with residents from the surrounding neighborhoods to discuss the proposed project. These discussions have resulted in project design changes to better integrate the project with existing neighborhoods.

#### General Land Use Goals and Policies

The project is consistent with General Plan goals and policies related to preservation.

- 5.6.1 G1 Preservation of historic resources and neighborhoods.
- 5.10.1 P4 Protect all healthy cedars, redwoods, oaks, olives, bay laurel and pepper trees of any size, and all other trees over 36 inches in circumference measured from 48 inches above grade on private and public property as well as in the public right of way.

The project is preserving the two existing historic houses on the project site within the neighborhood. The development will preserve the existing magnolia tree located along The Alameda.

#### Plan Bay Area

The City Council previously endorsed the designation of the Santa Clara Station Focus Area as Priority Development Area for the regional Plan Bay Area. The project would be consistent with Plan Bay Area, which notes that new projects in the planned development area (PDA) that encompasses the project site must have a density of 50 to 150 dwelling units/net acre. With a proposed density of 61.7 dwelling units/net acre, this project would meet that goal.

#### Cumulative Effects of proposed General Plan Amendments

At the March 2017 study session on the General Plan, the Council discussed the need to conduct an analysis of the cumulative effects of General Plan amendments within each calendar year. The City currently anticipates four General Plan Amendments that will be considered in 2018. Using the same methodology as used for the 2010 comprehensive update of the City's General Plan, the pending Amendments if approved would have the following impacts on the City's overall jobs and housing General Plan capacity:

- Moonlite Lanes - Remove 63 Jobs and 32 DU from the General Plan
- 575 Benton - Add 184 DU to the General Plan
- Coleman Gateway - Maintain Jobs and add 578 DU to the General Plan
- Tasman East Specific Plan - Add 2,215 DU to the General Plan

The cumulative effect of the proposed General Plan amendments would be to remove 63 jobs from the General Plan and to add 2,945 DU. Specific project applications have been submitted for each of these GPA areas that if approved could result in the construction of different amounts of square footage and dwelling units, but the changes listed here represent the change calculated using an equivalent methodology to the long-term forecasting methodology used in the General Plan process.

#### ***Rezoning to Planned Development:***

The project includes a rezoning of the properties to Planned Development (PD) to implement the proposed GPA. The City's Zoning Code currently does not have a zoning district consistent with the

proposed Santa Clara Station Very High Density Residential General Plan designation. Therefore, the project proposes to rezone the site from Light Industrial (ML), Single Family (R1-6L), Duplex (R2-7L), and Thoroughfare Commercial (CT) to Planned Development (PD). Approval of the proposed PD zoning would not result in an incompatible land use or a built environment on-site that would preclude the continued operation of the surrounding land uses. If the rezoning is not approved, the size and density of the project cannot be approved as proposed.

Chapter 18.54 establishes a process and requirements for the establishment of PD Zoning districts. PD Zoning districts are intended to allow for creative design solutions and land uses not otherwise allowed in other districts while maintaining compatibility with the existing community and allowing for greater community ownership. The PD should include design standards (e.g., requirements for on-site parking, landscaping, lot coverage, height, setbacks and separations between buildings and uses) and allow a density consistent with the General Plan land use designation.

The proposed PD Zoning would establish specific height limitations and setback requirements for the project site consistent with the proposed project design as depicted in the attached plan set (Attachment #13 and Attachment #14). The building setbacks are generally greater than 15 feet to the property line along Benton Street and El Camino Real. The building setback is generally greater than 20 feet to property line along the northern border. Setbacks along The Alameda are generally greater than 20 feet to property line. The parking standards, heights and setback details are provided in the Development Plans. As discussed above and in the following sections, the project design would be compatible with General Plan policies and the neighborhood context, as well as established standards for parking, landscaping, etc.

With the City Council's approval of the GPA to Santa Clara Station Very High Density Residential and the PD rezoning to allow up to 355 residential units, the project and proposed rezoning would be consistent with the General Plan designation and the Zoning Code as a result.

### ***Architecture and Site Design:***

The proposed project is massed to form a collection of appropriately scaled buildings that provide cohesion within the block. It would consist of a three to seven-story structure that would range in height from approximately 37' to 86' 6". Parking would be located in an eight level parking structure at the center of the projects site, seven levels of above-grade parking, and a roof deck with amenities on the seventh floor roof top. The roof deck amenity space includes 4,341 square feet of a club room and a fitness center within the interior garage area, out of line of sight from grade. Residential units and retail would be arranged around the central parking structure.

The project design incorporates a pedestrian-friendly scale at the street level, with articulated street-fronts for commercial space with high-quality materials along El Camino Real and Benton Street. The residential units along El Camino Real and The Alameda will include stoops with direct access to the units from street level. The live/work units along Benton Street will have commercial storefronts with access to the live/work units from Benton Street which also creates the street level access desired for the Santa Clara Station Focus Area.

Although not proposed by the applicant, in order to better meet community goals, staff recommends that the City require the project to include additional retail space at the northeast corner of The Alameda and Benton Street. Retail uses at this location would provide an appropriate transition between new development and the adjacent retail uses across the intersection of Benton Street and

The Alameda and promote pedestrian activity connecting the site to the Santa Clara University. The amount of retail could be increased up to 27,000 square feet of ground floor retail as was analyzed in the EIR for the Irvine project.

The proposed development would provide a 4,493 square feet courtyard with a fenced dog park, overhead shade structure, and a pet spa along El Camino Real; a public plaza in front of the retail uses at the corner of El Camino Real and Benton Street facing Benton Street; a 9,654 square feet courtyard surrounded by residential units with a lounge and BBQ area; a 6,219 square feet public open space with a lawn and seat walls along The Alameda; and a 5,278 square feet courtyard separated from the public open space with a transparent fence along The Alameda.

The project includes the planting of new trees and shrubs throughout the site. Based on the arborist report there are 26 existing trees on site. The proposed landscaping plan calls for installing approximately 285 trees, which would exceed the General Plan policy for a minimum 2:1 replacement for trees removed as part of the project.

#### Circulation and Parking

The project would provide within the parking structure 536 residential parking spaces, of which 472 are assigned to specific units, and 114 non-residential parking spaces. For the residential use, parking would thus be provided at a rate of 1.5 parking spaces per one-bedroom and two-bedroom dwelling unit (192 one-bedroom & 163 two-bedroom units) and guest parking would be provided in the garage at a rate of 18% of the total unit-count. Retail parking will be provided at minimum of 4 parking spaces per 1,000 square feet of floor area including any new restaurant uses. Outdoor restaurant seating will be limited to insure the project meets a 1 space for each three outdoor seat standard. Overall, Parking spaces with Electrical Vehicle (EV) charging stations will be provided based on code requirements. The applicant will provide additional EV charging stations up to 10% of the residential parking spaces as demand requires.

The applicant prepared a parking study based on several of their properties located in Santa Clara or adjacent cities (Attachment 10). The goal of these studies was to collect real-time data to better understand parking demand for existing apartment communities in and near Santa Clara in proximity to Caltrain stations. The applicant found the results of the parking counts were consistent among all studied communities with a parking demand ratio of 1.22 spaces per unit on the lower end to 1.29 spaces per unit on the higher end. The proposed parking ratio of 1.5 spaces per unit would thus provide adequate parking based upon observed demand levels.

Vehicular access to the site would be provided from Benton Street and El Camino Real. Both access points would provide access to the parking garage. The western most section of Fremont Street and the northern section of Sherman Street currently intersect on the project site. The sections of these two streets on the project site would be vacated and the land area utilized as part of the project development site. Because these street sections are not through streets and do not intersect El Camino Real, their vacation will not alter vehicular circulation patterns in the project area. No driveways to the garage are located on The Alameda.

Bicycle parking requirements are incorporated in the development plans and as conditions of approval. Bike racks that accommodate 48 bicycles would be distributed along El Camino Real, Benton Street, and The Alameda. The project will provide a 1,528 square feet bike amenity space including 248 bike lockers for use by residents and retail employees. The project would provide a

minimum 4.5' wide Class II bicycle lane (excluding the gutter pan) along Benton Street.

#### Historical Resources

A total of 13 buildings are located within the project site. Three buildings are less than 50 years old (the warehouse at 602 Fremont Street, the duplex at 611-613 Sherman Street and the commercial building at 3300-3340 The Alameda) and thus are not eligible under the criteria of the California Register or the City of Santa Clara "Criteria of Local Significance". DPR 523 forms have been completed for the ten buildings that are over fifty years old (three single-family houses at 1188 Sherman Street, 645 Benton Street, 625 Benton Street; three warehouses at 575 Benton Street, 660 Fremont Street and 1250 Sherman Street; office building at 3390 The Alameda, multi-unit residential at 663 Fremont Street). The two houses at 3370 The Alameda and 3410 The Alameda are eligible under the City of Santa Clara "Criteria of Local Significance" and Criterion 1 of the "Criterion for Architectural Significance." The house at 3370 The Alameda also is eligible under California Register Criterion 3 as an excellent example of Craftsman Bungalow architecture in Santa Clara.

The proposed project would preserve these two single-family houses on the project site by keeping the single-family house at 3410 The Alameda in place, and relocating the single-family house at 3370 The Alameda adjacent to 3410 The Alameda on the project site. Relocation of the single-family home at 3370 The Alameda would be performed in compliance with the State Historical Building Code (as set forth in Sections 18950 to 18961 of Division 13, Part 2.7 of Health and Safety Code), and subject to the rules and regulations of the California Historical Building Code (CHBC) (as set forth in 24 CCR Part 8).

A Cultural Resources Treatment Plan was also prepared for the project. The Treatment Plan was prepared by Albion Environmental, Inc. and Beyond Buildings. It summarizes the history of the project area in terms of occupation and development, previous archeological investigations in the vicinity of the project, research themes, protocols for identifying resources, and measures to mitigate the adverse effects of the proposed project.

#### Changes Made in Response to Community Input

A noticed community meeting was conducted to present the development proposal to neighbors and interested parties at the Senior Center from 6:00 p.m. to 8:00 p.m. on Tuesday July 11, 2017. Public Hearing notice of the meeting (Attachment 3) was mailed to property owners within 500 feet of the project site and posted on the City's Community Meetings webpage. The meeting was attended by approximately 45 community members. Attendees expressed general interest in the proposal and some concerns regarding the sufficiency of parking spaces, potential traffic created by the new residences, integration of sustainability initiatives, adequacy of water resources, and parking structure design flexibility for future reuse.

In the community outreach meeting, attendees requested that Prometheus cooperate with the City to restoring the section of Franklin Street that is currently within the Park Central development owned by Prometheus. Because this street section is located within the Downtown Revitalization area and not related to the current design proposal it will be addressed separately.

Following meetings with community members, the project applicant modified the proposed site plan and project architecture to preserve the existing residences on site and to utilize an architectural style suggestive of a historic industrial area that has been converted to residential use.

***Street Vacation***

The project includes the vacation of Fremont Street and Sherman Street Right of Way and sale of the road way to the developer. The project will vacate one block of Fremont Street and one block of Sherman Street in order to construct the proposed residential building. The eastern end of Fremont Street has already been vacated by the triangular lot now bounded by Benton Street, El Camino Real and Sherman Street. Sherman Street also has been vacated at Fremont Street, and does not provide vehicle access to El Camino Real. The sections that will be vacated provide access only to properties within the project site. The street vacation as part of the project will therefore not alter vehicle access and circulation in the project vicinity and there would be no traffic impacts due to street closure. Terms governing the Street Vacation would be established in the proposed Development Agreement as discussed below. The applicant is requesting to maintain the terms that the City previously agreed to as part of the Irvine entitlements.

Pursuant to California Government Code Section 65402, prior to the City Council vacating a street, the Planning Commission must make a report to the City Council as to whether the proposed vacation would be in conformance with the General Plan. The streets in question are not identified as a necessary component in the General Plan and their vacation would facilitate a project that implements the General Plan.

***Development Agreement***

The project proposal includes a Development Agreement to allow development of the project and its associated facilities and improvements. Prometheus has requested that the City of Santa Clara ("City") enter into the type of agreement contemplated by the Development Agreement Act with its affiliate, Benton and El Camino, LP. While this would be a new Development Agreement, Prometheus has proposed that the Development Agreement incorporate the same terms as were in the Mission Town Center Development Agreement (that was previously approved by City Council) with the following changes:

- Change Developer name to "Benton and Camino, LP";
- Establish General Plan designation as Very High Density Residential;
- Increase number of apartment units from 318 to 355;
- Increase the allowed height from 73 feet to 86 feet, 6 inches;
- Reduce conditioned amenity space from 10,000 square feet to 5-6,000 square feet of interior or roof top amenity space;
- Eliminate relocation of the two historic houses from the project site; instead, one historic house will remain in situ and the other will be relocated to another position on the project site;
- Reduce the amount of dedicated parkland from 0.15 acres to 0.14 acres, consolidated from two separate plazas into a single public plaza;
- Update the park impact fees, consistent with the City's ordinances, to reflect the increase in the number of dwellings and the current fee schedule (Developer will pay \$5,572,832 in lieu of \$4,170,000 in the prior Development Agreement);
- Make transportation improvements up to \$310,000 in value (in lieu of a mandated payment of \$310,000);
- In lieu of an objective to attain LEED Gold building standards or an equivalent, the Project will seek to attain GPR Silver standards or an equivalent; and

Terms that would be maintained from the prior DA include:

- Provide 10% of units as affordable units, with 30% of those units affordable to Low Income households (defined as households with 80% or less of the Area Median Income) and 70% as affordable to Moderate Income households (defined as households with 120% or less of the Area Median Income)
- Payment by the developer of applicable City review fees including cost of preparing the Development Agreement;
- Curation of any archeological resources found on the project site;
- Install landscaping improvements in a public plaza on the project site;
- Maintain the public park areas on the project site for a minimum of 40 years;
- Pay Regional Traffic Fees at a rate of \$2.50 per square foot for retail space;
- Make right-of-way dedications and improvements along the project frontage;
- Implement a Transportation Demand Management (TDM) program based on a 20% reduction in Vehicle Miles Travelled (VMT) for trips generated by the project, half of which would come from TDM measures;
- Make various improvements to City utilities in the project vicinity; and
- Compensate the City for vacation of portions of Fremont Street and Sherman Street based on established terms.

While some of the proposed changes from what was previously agreed to between the City and Irvine are favorable to the current developer (e.g., increased amount of development capacity and building height), they are relatively minor and other important components, such as the incorporation of affordable units including low income units would be the same. The project would also maintain two historic residences on site as preferred by the community and the increased number of units would result in more park impact fees and a greater number of affordable units. The project developer has also suggested that the Development Agreement as previously approved imposed too much cost on the project, resulting in project infeasibility, and that some changes are necessary in order for the City to implement the General Plan goals and objectives for the project site.

### **FISCAL IMPACT**

There is no cost to the City to act on the proposed entitlement actions other than administrative staff time and expense which are offset by permit application fees. The proposed increase in residential density would have a small incremental increase in demand for City services (e.g., police and fire calls) associated with the population growth and which would be offset by increases in property values and sales tax revenue. Residential development generally incurs a net fiscal cost to the City, however, the site has already been planned for residential use. Generally higher density residential development generates less of a fiscal impact as the compact nature of the development reduces per capita service costs.

### **ENVIRONMENTAL REVIEW**

On February 23, 2016, the City Council certified the Final Environmental Impact Report (FEIR) and adopted the Findings and the Mitigation Monitoring Program pursuant to California Environmental Quality Act (CEQA) for the Mission Town Center project.

The Mission Town Center Project analyzed in the FEIR included the demolition of the existing buildings on the project site and the construction of a mixed-use residential development that would consist of 385 apartment units, three distinctive private open spaces, approximately 27,000 square feet of ground floor retail, 6,000 square feet of amenity space, three courtyards, 4,000 square feet of

leasing space, and 839 parking spaces. The current project includes fewer residential units than were analyzed in the Mission Town Center FEIR 355 rather than 385) as well as less retail space and parking spaces.

The City of Santa Clara prepared an Addendum#1 to the Mission Town Center FEIR that concluded that the proposed project is substantially the same as the previously evaluated project and that the potential environmental effects of the proposed development project were adequately analyzed in the Mission Town Center FEIR, certified in February 2016, and that there are no changes in circumstances or substantial new information that would trigger the need for further environmental review under CEQA.

Traffic studies conducted as part of the Mission Town Center FEIR concluded the Mission Town Center project would result in some significant and unavoidable traffic impacts. Since the proposed project is generally similar to but smaller than the originally proposed Mission Town Center project, its potential transportation and traffic impacts would be similar to or less than the impacts previously analyzed in the Mission Town Center FEIR. The City Council adopted a statement of overriding considerations when the FEIR was certified.

The FEIR Addendum concludes that the proposed project would not result in any new significant adverse environmental impacts, nor would it result in an increase in the severity of any previously identified significant environmental impacts identified and studied in the FEIR.

### **COORDINATION**

The contents of this report and the subject land use entitlement actions were prepared in coordination with the City Attorney.

### **PUBLIC CONTACT**

The notice of the public hearing for this item was posted within 1,000 feet of the project site and mailed to property owners within 1,000 feet of the project site. A notice was published in the Santa Clara Weekly on April 25, 2018. The full administrative record is available for review during normal business hours in the Planning Division office at City Hall. Planning staff has not received written comments from members of the public during the preparation of this report.

### **Historical Landmarks Commission**

The project proposal was presented to the Historical and Landmarks Commission (HLC) on September 7, 2017. The Commission reviewed the staff report, the Cultural Resources Treatment, and the Mission Town Center FEIR Addendum#1. The HLC recommended adoption of the Cultural Resources Treatment Plan including the preservation of the two historic homes with the tree and associated landscaping and to add a recommendation to integrate a concept of defining the street grid line in the courtyard landscaping if possible.

The project was scheduled for an additional hearing by the HLC on February 1, 2018 to allow HLC review of changes to the project architectural design at the corner of El Camino Real and Benton Street. The Commission recommended approval of the project design subject to the following condition:

- The corner building design must be revised and enhanced to create more visual interest. This enhancement can be done by implementing architectural treatment such as façade surface

composition, building setbacks for upper floors, special corner treatment, and façade indentation.

Since then the applicant has presented a revised corner building design. The corner building design has improved and can be further reviewed through the architectural review process for the project.

#### **ALTERNATIVES:**

1. Adopt a resolution recommending to the City Council adoption of an Addendum#1 to the Mission Town Center Final Environmental Impact Report (FEIR).
2. Adopt a resolution recommending to the City Council approval of the General Plan Amendment (GPA) from Santa Clara Station High Density Residential to Santa Clara Station Very High Density Residential.
3. Adopt a resolution recommending to the City Council approval of the rezoning from Light Industrial (ML), Single-Family (R1-6L), Duplex (R2-7L) and Thoroughfare Commercial (CT) to Planned Development (PD) to allow the development of 355 apartment units, 24,000 to 27,000 square feet of retail space including retail in proximity at the northeast corner of The Alameda and Benton Street, and approximately 6,000 square feet of amenity and leasing space, and thereby increasing the amount of retail space from 19,985 square feet.
4. Adopt a resolution recommending to the City Council adoption of an Ordinance to approve the Development Agreement.
5. Adopt a resolution recommending to the City Council that the proposed vacation of portions of Fremont Street and Sherman Street would be consistent with the General Plan.
6. Adopt a resolution recommending to the City Council approval of the rezoning from Light Industrial (ML), Single-Family (R1-6L), Duplex (R2-7L) and Thoroughfare Commercial (CT) to Planned Development (PD) to allow the development of 355 apartment units, 19,985 square feet of retail space, and approximately 6,000 square feet of amenity and leasing space.
7. Adopt a resolution recommending to the City Council denial of the proposed rezoning and General Plan Amendment.

#### **RECOMMENDATION**

Alternatives 1, 2, 3, 4, and 5:

1. Adopt a resolution recommending to the City Council adoption of an Addendum#1 to the Mission Town Center Final Environmental Impact Report (FEIR).
2. Adopt a resolution recommending to the City Council approval of the General Plan Amendment (GPA) from Santa Clara Station High Density Residential to Santa Clara Station Very High Density Residential.
3. Adopt a resolution recommending to the City Council approval of the rezoning from Light Industrial (ML), Single-Family (R1-6L), Duplex (R2-7L) and Thoroughfare Commercial (CT) to Planned Development (PD) to allow the development of 355 apartment units, 24,000 to 27,000 square feet of retail space including retail in proximity at the northeast corner of The Alameda and Benton Street, and approximately 6,000 square feet of amenity and leasing space, and thereby increasing the amount of retail space from 19,985 square feet.
4. Adopt a resolution recommending to the City Council adoption of an Ordinance to approve the Development Agreement.
5. Adopt a resolution recommending to the City Council that the proposed vacation of portions of Fremont Street and Sherman Street would be consistent with the General Plan.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Reserved for Planning Commission Report
2. Site Plan
3. Development Plans
4. Tentative Parcel Map
5. Application - Letter of Justification
6. Application - Development Agreement Amendment Letter
7. Application - Parking Study Memo
8. Neighborhood Meeting Notice
9. Correspondence - Muwekma Ohlone Indian Tribe Comments
10. Correspondence - Response Letter to Muwekma Ohlone Indian Tribe
11. Resolution recommending approval of the Addendum to the FEIR
12. Resolution recommending approval of the General Plan Amendment
13. Resolution recommending approval of the Rezone
14. Resolution recommending adoption of an Ordinance for the approval of a Development Agreement
15. Development Agreement Ordinance
16. Development Agreement
17. Resolution recommending approval of the Street Vacation and General Plan Finding
18. Final Environmental Impact Report Addendum
19. Conditions of Rezoning Approval
20. Conditions of Tentative Parcel Map
21. Public Comments
22. Project Data Tables
23. February 23, 2016 Council Staff Report
24. February 23, 2016 Council Meeting Minutes