



## Agenda Report

21-1470

Agenda Date: 11/9/2021

### REPORT TO COUNCIL

#### SUBJECT

Action on an Agreement Containing Covenants and Restrictions with SANTANA TERRACE SENIORS, LLC for Project Located at 190 N. Winchester Boulevard

#### COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development

#### BACKGROUND

The subject property, located at 190 N. Winchester Boulevard, is a newly constructed, partially occupied 92-unit, multi-story apartment project originally permitted as an age restricted development limited to senior households age 55 and older. In September 2021, the City Council adopted a Resolution approving a rezone from Planned Development (PD) to Planned Development (PD) of the project site to remove the age restriction requirement language and instead allow resident occupation of all ages. (Planned Development zonings are customized zonings that contain unique standards applicable to a specific project. The approved rezoning modified the land use standards for the site as described.)

A General Plan Amendment from Regional Commercial to High Density Residential, Rezone from General Office to Planned Development and Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP) were previously approved in January 2016 entitling the original project.

The original entitlement allowed construction of the senior housing development consisting of two- and three-levels of rental housing units and resident amenities over a parking podium along with carports and reduced number of surface parking totaling 105 parking spaces. Construction was completed in June 2020, and as of September 2021, only 20 units are rented and occupied. According to the Applicant, marketing efforts to attract and achieve residency by seniors 55 years of age and older was severely hampered by the pandemic; resulting in low and slow occupancy of the development; whereas, the rental apartments available for residency of all ages were less impacted.

At the September 2021 meeting, the Applicant voluntarily offered to deed restrict 15% of the resident occupied units, which is 14 total units, at income that does not exceed one hundred percent (100%) of the Area Median Income for Santa Clara County (AMI). This restriction was included in the approved PD Zoning.

#### DISCUSSION

The proposed Agreement Containing Covenants and Restrictions with the Developer, Santana Terrace Seniors, LLC, USA Properties Fund, uses the City's standard form (Attachment 1) and will enable and guarantee the delivery of fourteen (14) affordable units for below market rent within Santa

Clara. The Agreement Containing Covenants and Restrictions fulfills an obligation placed upon the Developer through the City Council's desire to increase the number of affordable units in Santa Clara as conditions of approval for Developer's request for a Zoning Clarification.

Fourteen (14) of the Affordable Housing Units shall be rented to households with income levels at or below one hundred percent (100%) of the Area Median Income for Santa Clara County (AMI).

To maintain long-term affordability, the full term of the affordability covenants shall be for a total period of fifty-five (55) years (the "Affordability Period"), effective from the date the of the Agreement Containing Covenants and Restrictions is recorded on the Project.

Approval of the proposed Agreement Containing Covenants and Restrictions will help the City accomplish its goal of developing high-quality affordable housing units in the City.

### **ENVIRONMENTAL REVIEW**

In 2016, the City of Santa Clara, as Lead Agency, adopted the Santana Terrace Senior Apartments Mitigated Negative Declaration (MND). The MND analyzed the replacement of the then existing 65,000 square foot three-story office building with a 92-unit senior apartment housing community, where occupancy would be restricted to ages 55 and above.

An Addendum to the adopted MND and MMRP was prepared to analyze the proposed change to the approved project in accordance with the California Environmental Quality Act. The analysis concluded that the modified project would not result in any new impacts not previously disclosed in the MND and would not result in a substantial increase in the magnitude of any significant environmental impacts previously identified and mitigated to less-than-significant in the MND.

### **FISCAL IMPACT**

There is no cost to the City for processing of the proposed Agreement other than administrative staff time and expense.

### **COORDINATION**

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

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov).

### **RECOMMENDATION**

1. Approve and authorize the City Manager to execute the Agreement Containing Covenants and Restrictions with SANTANA TERRACE SENIORS, LLC for the Project located at 190 N. Winchester Boulevard; and
2. Authorize the recordation thereof.

Reviewed by: Andrew Crabtree, Director, Community Development

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. 190 N. Winchester Covenants and Restrictions