



Agenda Report

21-1539

Agenda Date: 11/9/2021

REPORT TO CITY COUNCIL

SUBJECT

Action on a Budget Amendment for Revisions to the El Camino Real Specific Plan

COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development

BACKGROUND

Following City Council direction, staff has worked since 2017 with community members and a City Council appointed Community Advisory Committee to prepare a Specific Plan for the El Camino Real Focus Area identified in the General Plan. The intent of the Specific Plan is to provide policy direction for new land development along the El Camino Real Corridor, as well as for the future use of the El Camino Real road right-of-way.

A draft Specific Plan, including land uses as recommended by the Community Advisory Committee, was presented for City Council adoption at the June 15, 2021 City Council meeting. Although the proposed land use plan and land use designations had been previously reviewed and supported by the City Council, at the conclusion of the City Council's consideration of the item, the Council directed staff to significantly modify the proposed General Plan Land Use Designations for the Specific Plan so that the maximum heights for the three land use designations (Corridor Residential, Corridor Mixed Use and Regional Mixed Use) are 2, 3 and 4 stories respectively.

On July 6, 2021 staff returned to the City Council to provide additional information, and possible alternatives, and requesting direction on the next steps for the El Camino Real Specific Plan. Staff explained that the revised height limits would likely correspond to significant reductions in land density from what had been studied in the project Environmental Impact Report (EIR) and require additional funding for CEQA analysis.

On October 19, 2021 staff returned to the City Council to clarify the full scope of work required to implement the City Council direction. Staff also further evaluated possible options for the Specific Plan taking the City Council's questions and comments into consideration and accordingly identified two possible alternatives to implement the Council direction from the July 6, 2021 hearing.

At this hearing the City Council took action to direct staff to move forward with Alternative 1, detailed below, with the following modifications: leave the original proposal on the table along with the lower density plan, include an economic analysis in order to compare the original proposal and the lower density plan and ensure that the design standards for building articulation that were developed in the original plan are maintained. Inadvertently, the recommendation on the City Council agenda was not complete in that the item did not separate the budget action, which requires five affirmative votes to authorize staff to implement the required budget amendment. At that meeting, the City Manager

stated that the budget amendment would return a future Council meeting to make sure that it is separated and considered per City Charter Section 1305. Below is the language that was on the Council agenda:

- **Alternative 1:** Direct staff to conduct additional planning work to revise the draft Specific Plan per City Council direction. Authorize the City Manager to execute an agreement with Rami & Associates, Inc. to provide El Camino Real Specific Plan Consultant Services for an initial three-year term ending September 30, 2024, for a maximum compensation not to exceed \$750,000, subject to the annual appropriation of funds. Upon completion of the revised Specific Plan, staff will return to the City Council for adoption of the project Water Supply Assessment, project EIR, a modified Specific Plan, General Plan amendments, and a resolution to remove on-street parking for the El Camino Real corridor. Direct staff to bring forward budget amendments at a future date

DISCUSSION

To support the above-mentioned October 19, 2021 City Council action, staff is bringing back to the City Council a request for a budget amendment for revisions to the El Camino Real Specific Plan.

The City's Consultant has indicated that the scope of work for the revisions to the El Camino Real Specific Plan requested would cost up to \$750,000. In addition, to address the additional work required to prepare this alternative, staff is proposing to use contract planning services at an additional cost of \$150,000. Staff recommends that the budget amendment include an additional \$100,000 to cover costs for two economic feasibility analyses and contingency for any other additional costs related to the evaluation of the two Specific Plan options. Therefore, staff is requesting that funds in the amount of \$1,000,000 be allocated from the General Fund to cover the total cost of the Agreement and third-party staffing.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The total projected cost of the revisions to the El Camino Specific Plan is \$1,000,000. The use of the General Fund Land Sale Reserve is recommended to fund the revisions to the El Camino Specific plan as detailed below.

Budget Amendment FY 2021/22

	Current	Increase/ (Decrease)	Revised
<u>General Fund</u>			
<u>Use of Funds</u>			
Community Development Department	\$5,070,207	\$1,000,000	\$6,070,207
Land Sale Reserve	\$23,381,324	(\$1,000,000)	\$22,381,324

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

Consistent with City Charter Section 1305, "*At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the **affirmative votes of at least five members** so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget,*" approve the FY 2021/22 budget amendment in the General Fund to increase the Community Development Department appropriation by \$1,000,000 and decrease the Land Sale Reserve by \$1,000,000 (**five affirmative Council votes required for the use of unused balances**).

Reviewed by: Andrew Crabtree, Director, Community Development Department
Approved by: Deanna J. Santana, City Manager