



Agenda Report

22-69

Agenda Date: 3/22/2022

REPORT TO COUNCIL

SUBJECT

Action on the Patrick Henry Drive Specific Plan Including: Determination of the Adequacy of the Environmental Impact Report (EIR) and Adoption of a Statement of Overriding Considerations and an Associated Mitigation Monitoring and Reporting Program (MMRP); Adoption of the Patrick Henry Drive Specific Plan; Adoption of General Plan Amendments to Create New General Plan Land Use Designations and Change the General Plan Land Use Diagram from Light Industrial to Various Residential Designations; Waive First Reading and Introduce an Ordinance to Add a New Chapter 18.27 to the Zoning Code to Create Zoning Regulations for the Patrick Henry Drive Area Specific Plan and Rezoning of the Patrick Henry Drive Specific Plan Area

BACKGROUND

The proposed Patrick Henry Drive Specific Plan is intended to support the development of a new high-density, mixed-use urban neighborhood 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 within the Patrick Henry Drive Future Focus Area as identified in the General Plan. The Patrick Henry Drive 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. 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).

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.

The City Council is being asked to conduct a public hearing and take four actions related to preparation of a Specific Plan for the City's Patrick Henry Drive Focus Area:

- 1) Determination of the adequacy of the Environmental Impact Report (EIR) prepared to analyze the potential environmental impacts for the project and adoption of CEQA Findings, a Statement of Overriding Considerations, 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, along with the preexisting designation of Very High Density Residential (50-100 DU/AC); and
- 4) Adoption of Chapter 18.27 of the Zoning Code, Regulations for the Patrick Henry Drive Area

(PHD) 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.

DISCUSSION

The Planning Commission heard and deliberated on the Patrick Henry Drive Specific Plan on January 26, 2022. The following discussion summarizes the Planning Commission hearing discussion and actions. Additional staff analysis is provided in the attached Report to the Planning Commission (Attachment 2).

Staff provided a presentation on the proposed project and highlighted two letters from the public received prior to the hearing (Attachment 3). One letter, received from the attorney for O2Micro, addressed removal of the alternate land use diagram that includes a roadway connection from Patrick Henry Drive to the Mission College campus. The second letter, from the President of the Silicon Valley MEPS, a labor union representing local tradespeople, requested the inclusion of an additional planning principle within the Specific Plan encouraging the use of a local construction workforce, including apprentices from state-approved local training programs.

Public speakers at the Planning Commission meeting included Jonathon Evans and Jan Hintermeister, members of the Board of Library Trustees, Alicia Guerra, attorney for O2 Micro, reiterating the comments from her letter; and a half-dozen speakers endorsing the addition of local construction workforce language in the plan, including John Dalrymple, speaking for the Union of Electricians, Plumbers, Pipe Fitters and Sheet Metal workers.

Commission Deliberation

The Commission discussed several issues, including questions to staff, which were addressed as follows:

- Recommendation for a school within the plan area. Staff responded that the location of the school was contingent on the District's ability to purchase land;
- The location of a potential library. Staff answered that the City has analyzed the possibility of a 45,000 square foot library/community center at a programmatic level, but does not have a funding plan developed;
- The proposed character of the pedestrian connection to Mission College. Staff explained that the Plan includes a small park at that location which will also accommodate bicycle circulation;
- Treatment of archaeological resources encountered during construction. Staff noted that no resources were identified through a literature search with Sonoma State University, but that if any archaeological remains are discovered during construction, the EIR includes mitigation measures for avoidance and preservation of resources;
- Transportation Demand Management (TDM) measures and their implementation. Staff noted that the Specific Plan includes a requirement to provide a shuttle or other transit supportive service for Patrick Henry Drive and the wider North Santa Clara area. The Specific Plan will also require the creation of a Transportation Management Association (TMA), including the proposed triggers for the creation of a TMA, and the threshold and timing for the beginning of a shuttle service; and
- Locations for drop-off parking spaces, given the demand for food delivery services, especially

after work hours. Staff noted that this would be addressed as specific projects go through the entitlement process.

Following public testimony, Commissioner Cherukuru made a motion to recommend adoption of the Environmental Impact Report (EIR), and the motion passed unanimously. Chair Biagini then made a motion to adopt the Specific Plan, including the local workforce goal language endorsed by Commissioner Herro and several of the public speakers. The Planning Commission also recommended that the Affordable Housing requirement be a total of 15% affordable units split between three affordability levels, 50%, 80%, and 120% Area Median Income (AMI). That change is reflected in both the Specific Plan and in the Zoning Code amendment. Commissioner Saleme made a friendly amendment to the motion to request text changes to the document to clearly indicate that implementation of the alternate land use diagram, including the roadway connection to the Mission College campus, would require the approval of the Mission College Board of Trustees.

Planning Commission Action

By a vote of 7-0, the Commission recommended approval of the Specific Plan and associated environmental clearance and land use changes as recommended by staff with three modifications:

- 1) Change the affordable housing inclusionary requirement from 15% at an average Area Median Income (AMI) of 80% to a requirement for 5% Very Low (50% AMI), 5% Low (80% AMI) and 5% Moderate (120% AMI) units;
- 2) Addition of clarifying language that a roadway connection to the Mission College campus was an alternative studied in the plan and not part of the proposed alternative; and
- 3) Addition of a planning principle within the Specific Plan encouraging the use of a local construction workforce, including apprentices from state-approved local training programs.

The Planning Commission recommendations are shown in the recommendation section below as Alternatives 5-8.

Staff Recommendation

The staff recommendation is presented below as Alternatives 1-4. The Staff Recommendation does not include the local workforce goal language, but it does include the other two Planning Commission amendments to the original staff recommendation.

Subsequent to the Planning Commission meeting, staff worked with the Patrick Henry Drive stakeholders to refine the language in the Transportation Demand Management section of the plan, Section 7.3. The changes to that section do not affect the triggers or requirements for transportation demand management, but they were made to more clearly delineate individual stakeholder responsibilities toward the Transportation Management Association (TMA). The changes agreed to by the stakeholders and staff have been incorporated into the February 2022 version of the plan, and a strikethrough and underline version of the affected pages is included as Attachment 4.

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 of 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). 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.

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.

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 and the property tax base 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 12, 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>>.

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, was attended by approximately 28 people. That early meeting helped to define the vision for the Patrick Henry Drive plan.

ALTERNATIVES

(Staff Recommendation)

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 that incorporates text in the Alternate Circulation Diagram (4.6.2-ALT: CIRCULATION) "Subject to the Approval of the Mission College Board of Trustees"; and incorporates affordable housing language as follows: 15% affordable units split equally between three affordability levels of 50%, 80%, and 120% AMI.
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. Waive first reading and introduce an ordinance amending the Zoning Code to create a new Chapter 18.27 of the Zoning Code, Regulations for the Patrick Henry Drive Area (PHD) 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, incorporating affordable housing language as follows: 15% affordable units split equally between three affordability levels of 50%, 80%, and 120% AMI.

OR:

(Planning Commission recommendation)

5. 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.
6. Adopt a resolution approving the PHD Specific Plan, a specific plan consistent with Government Code Sections 65450-65457, with the addition of a seventh principle to the Specific Plan: "7. Building a Vibrant Middle Class: Encourage the use of a local construction workforce and local business sourcing in the buildout within the Plan area. The employment of a local construction workforce that pays family-supporting wages will generate sales tax revenue for the City as those wages are recirculated within the City's business community. The availability of a trained construction workforce is essential for the success in implementing the Plan therefore the

employment of apprentices in State of California approved training programs will also be encouraged”; incorporate text in the Alternate Circulation Diagram (4.6.2-ALT: CIRCULATION) “Subject to the Approval of the Mission College Board of Trustees”; and incorporate affordable housing language as follows: 15% affordable units split equally between three affordability levels of 50%, 80%, and 120% AMI.

7. 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.
8. Waive first reading and introduce an ordinance amending the Zoning Code to create a new Chapter 18.27 of the Zoning Code, Regulations for the Patrick Henry Drive Area (PHD) 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, incorporating affordable housing language as follows: 15% affordable units split equally between three affordability levels of 50%, 80%, and 120% AMI.

OR:

9. Direct staff to return to City Council with a modified version of the proposed project.

RECOMMENDATION

Alternatives 1-4:

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 that incorporates text in the Alternate Circulation Diagram (4.6.2-ALT: CIRCULATION) “Subject to the Approval of the Mission College Board of Trustees”; and incorporates affordable housing language as follows: 15% affordable units split equally between three affordability levels of 50%, 80%, and 120% AMI;
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; and
4. Waive first reading and introduce an ordinance amending the Zoning Code to create a new Chapter 18.27 of the Zoning Code, Regulations for the Patrick Henry Drive Area (PHD) 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, incorporating affordable housing language as follows: 15% affordable units split equally between three affordability levels of 50%, 80%, and 120% AMI.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Office of the City Manager

ATTACHMENTS

1. Draft Patrick Henry Drive Specific Plan
2. Patrick Henry Drive Planning Commission Report
3. Letters received prior to the January 26, 2022 Planning Commission meeting
4. Transportation Demand Management Section of the Patrick Henry Drive Plan
(~~strikethrough/underline~~)
5. Environmental Impact Report
6. Patrick Henry Drive EIR Resolution
7. CEQA Findings and Statement of Overriding Considerations
8. Mitigation Monitoring or Reporting Program
9. Patrick Henry Drive Specific Plan Resolution (staff recommendation)
10. Patrick Henry Drive General Plan Amendment Resolution
11. Patrick Henry Drive Zoning Ordinance Amendments
12. Patrick Henry Drive Zoning Map
13. General Plan Future Focus Area Goals and Policies
14. Draft Plan Land Use Plan
15. Draft Plan Urban Design Framework
16. Street Section from the Patrick Henry Drive Plan
17. Patrick Henry Drive Specific Plan Resolution (Planning Commission recommendation)
18. Supplemental Correspondence Received