



## Agenda Report

22-930

Agenda Date: 8/3/2022

### REPORT TO PLANNING COMMISSION

#### **SUBJECT**

Action on Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, General Plan Amendment and Rezone for the Property Located at 1601 Civic Center Drive

#### **REPORT IN BRIEF**

Applicant: Kathy Robinson, Charities Housing

Owner: Charities Housing

General Plan: Community Commercial

Zoning: General Office (OG)

Site Area: 1.4 acres (61,409 square feet)

Existing Site Conditions: The property is developed with a 28,950 square foot two-story office building, surface parking lot and site landscaping. The office building and site improvements were constructed in 1974. The existing site has a Floor Area Ratio (FAR) of 0.47.

Surrounding Land Uses:

- North: Church
- South: Civic Center Drive, hotel, and commercial development
- East: Lincoln Street and City Hall campus
- West: Townhome development

Issues: Consistency with the City's General Plan and Zoning Ordinance

Staff Recommendation: That Planning Commission approve resolutions recommending City Council adopt the Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP), approve the General Plan Amendment, and approve the Rezone for the property located at 1601 Civic Center Drive.

#### **BACKGROUND**

On September 2, 2021, Charities Housing ("Owner") filed an application to redevelop the property located at 1601 Civic Center Drive from office use to residential with a 100 percent affordable housing project that includes private and public amenities and on- and off-site improvements. The proposal requires a General Plan Amendment and Rezone of the property to change the land use designation and zoning of the site, and environmental analysis of potential impacts associated with project development as required by the California Environmental Quality Act (CEQA). The requisite applications have been submitted and are the subject of this staff report.

The original submittal proposed a six-story structure with podium parking at-grade and five stories above consisting of 110 affordable rental units at a residential density of 78 dwelling units per acre (du/ac) with podium parking and a small surface parking area for a total of 96 on-site parking spaces.

Access to parking and trash pick-up was provided by a single driveway on Civic Center Drive.

Following community outreach by Charities Housing, and in response to comments and concerns expressed by neighboring residents regarding building height and parking, the proposal was revised to a five-story structure with surface and podium parking at-grade and four-apartment floors above with a total of 108 affordable units at 76.6 du/ac and 82 on-site parking spaces. A driveway was added on Lincoln Street to distribute parking, limit access on Civic Center Drive, and relocate the trash enclosures for trash pick-up. While all comments and concerns conveyed by the neighboring residents are not integrated into the project, the Development Plans presented in Attachment 8 to this report reflect the changes made up to the time this staff report was prepared and is the project under review.

The project site is located adjacent to the El Camino Real Corridor. While it is not located in the El Camino Real Focus Area, it was encompassed in the Draft El Camino Real Specific Plan (Draft Specific Plan) that was initiated by the City Council in 2017 to provide a more detailed level of policy and design guidance to support the successful transformation of the El Camino Real corridor. A Citizen Advisory Committee (CAC) was appointed to guide the Specific Plan planning process. The Draft Specific Plan included three proposed land use designations, as recommended by the CAC, supporting residential and mixed-use development at low (Corridor Residential), medium (Corridor Mixed Use) and higher (Regional Mixed Use) densities. As proposed by the CAC, the project site was recommended to be designated as Corridor Mixed Use, allowing four- to five-story residential development at 45 to 65 du/ac.

The Draft Specific Plan was presented to City Council for adoption at the June 15, 2021 City Council meeting. At the conclusion of the City Council's consideration of the item, the City Council directed staff to modify the proposed specific Land Use designations to establish reduced height limits and densities as follows: no more than two-stories for Corridor Residential, no more than three stories for Corridor Mixed-Use, and no more than four stories for Regional Mixed-Use. On July 6, 2021, the City Council affirmed their direction for staff to prepare an alternative form of the Specific Plan that reduces densities from the prior draft. At their October 19, 2021 meeting, the City Council again directed staff to proceed with modification of the Specific Plan to include height limits; to continue consideration of the first Draft Specific Plan; and to prepare an analysis comparing the economic feasibility of the two different land use plans. At the time of this staff report, the additional Specific Plan work has been funded within the City's budget, and staff is now initiating a work program to modify the Plan per City Council's direction.

## **DISCUSSION**

The proposed project includes a MND and MMRP (SCH#2022060217); a General Plan Amendment from Community Commercial to High Density Residential, and a Rezone from General Office (OG) to Planned Development (PD) (File No. PLN21-15206). These entitlements together, along with a Density Bonus, would allow construction of a five-story multi-family housing development with 108 affordable rental units at 30 to 50 percent Annual Median Income (AMI) levels, public and resident amenities, 82 surface and garage parking spaces, landscaping, and public and private improvements. The following analysis considers how the proposed project would or would not be consistent with the applicable City policies.

### **General Plan Conformance**

The site is currently designated Community Commercial and is intended for retail and commercial uses that meet local and neighborhood demands. Supported uses include shopping centers and supermarkets, professional offices, medical facilities, banks, restaurants, neighborhood services and gas stations. Development with this designation has a maximum FAR of 0.50 which would allow up to 30,705 square feet of community commercial uses with redevelopment of the project site and zoning consistency. The proposed project involves a General Plan Amendment to High Density Residential, which is intended for residential development from 37 to 50 du/ac adjacent to major transit corridors, transit or mixed-use. Development is foreseen as having an urban feel with mid-rise buildings, structured or below-grade parking, and shared open space.

### Density Bonus

The project includes a “super density bonus” to allow higher residential density with development of 100 percent affordable housing pursuant to the State’s Density Bonus Law (Government Code Section 65915, the “DBL”). The intent of the DBL is to facilitate the development of affordable and senior housing; and to provide developers incentives and concessions, such as higher densities, setbacks, and building heights, that allow these housing types to be economically feasible to construct. For 100 percent affordable projects, the DBL provides for a bonus of 80 percent of the number of units for lower income households. For a project building 100% affordable units at the maximum density allowed by the High Density Residential designation, this would allow for a density of up to 90 du/ac. Per Santa Clara City Code Section 18.78.060, a Density Bonus Housing Agreement must be approved prior to the issuance of building permits for the parcel or units.

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

### General Land Use Policies

- 5.3.1-P2: Encourage advance notification and neighborhood meetings to provide an opportunity for early community review of new development proposals.
- 5.3.1-P26: Support a community-initiated planning process so that existing neighborhoods can participate in developing more detailed plans for street, landscape and pedestrian facility improvements.

The applicant has conducted public outreach through meetings with Home Owner Association members residing in the surrounding neighborhood and three virtual community meetings to involve neighboring property owners and interested individuals in the design of the project; as well as to address specific design, environmental and property management concerns. Notices were mailed by the applicant to property owners within 500 feet of the project boundaries and interested parties.

- 5.3.1-P8: Work with property owners to improve or redevelop underutilized and vacant properties.
- 5.3.1-P9: Require that new development provide adequate public services and facilities, infrastructure, and amenities to serve the new employment or residential growth.

The project would redevelop an underutilized and currently unoccupied parcel to construct 108 affordable housing units and serve to the community. The project site is located in an urban environment surrounded by residential, commercial, and public uses, including recreation, and is served by existing public services, facilities, infrastructure, and amenities.

- 5.3.1-P10: Provide opportunities for increased landscaping and trees in the community, including requirements for new development to provide street trees at a minimum 2:1 ratio on- or off-site replacement for trees removed as part of the project to help increase the urban forest and minimize the heat island effect.

The proposed development plan includes landscaping of the site and the project frontages with a variety of plant and tree species and would replace the 19 trees removed with redevelopment at greater than the minimum 2:1 ratio requirement with a total of 74 trees.

- 5.3.1-P12: Encourage convenient pedestrian connections within new and existing developments.

The project includes the replacement of the existing sidewalks along the street frontages of the site with a landscape park strip and sidewalk consistent with the Complete Streets design standards. Street trees are proposed within the park strips and incorporate drought tolerant plantings. The tree-lined separated sidewalk is designed to facilitate pedestrian access and link neighboring land uses.

#### *Residential Land Use Policies*

- 5.3.2-P1: Encourage the annual construction of the housing units necessary to meet the City's regional housing needs assessment (RHNA) by reducing constraints to housing finance and development.
- 5.3.2-P2: Encourage higher-density residential development in transit and mixed-use areas and in other locations throughout the City where appropriate.
- 5.3.2-P3: Encourage indoor and outdoor private and common spaces as part of all new residential developments, including clustering of units to maximize open space opportunities where appropriate.
- 5.3.2-P6: Provide adequate choices for housing tenure, type and location, including higher density, and affordability for low- and moderate-income and special needs households.
- 5.3.2-P7: Construct and preserve affordable housing for low- and moderate-income households through the use of public subsidies, regulatory incentives, and flexible development standards.
- 5.3.2-P9: Encourage senior, and group residential facilities, and affordable housing developments near neighborhood retail, support services and transit facilities.
- 5.3.2-P10: Create opportunities for affordable housing and housing to support special needs populations, including Extremely Low-Income households.

The project would contribute 108 multi-family residential units to the City's housing stock at 76.6 du/ac in proximity to public transportation and a mixed use corridor with ease of connection to local and regional transit facilities and access to neighborhood and community commercial uses, support services, and outdoor open space and recreation areas. The project would provide housing opportunities for individuals and families with income levels between 30 to 50 percent AMI and assist the City in achieving RHNA targets for production of affordable housing units as mandated by the State. The building footprint and height allow the project to maximize open space and private use by the residents, while providing housing at a higher density, and includes common space that is available to the community.

#### *Transition Policies*

- 5.5.2-P1: Require that new development incorporate building articulation and architectural features, including front door, windows, stoops, porches or bay windows along street frontages, to integrate new development into existing neighborhoods.
- 5.5.2-P3: Implement site design solutions, such as landscaping and increased building setbacks to provide a buffer between non-residential and residential 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 is 54'6" in height and is oriented toward the frontage of the property to provide a significant building setback of 67 feet from the neighboring residential property lines and incorporates patios, balconies, doors and windows in the design oriented to look-out onto the public streets and away from the adjoining residential neighborhood. The design also incorporates offsets along the building planes and a mixture of exterior materials and architectural features to create visual offsets and interest in the design to integrate into the surrounding neighborhood.

- 5.5.2-P9: Improve pedestrian amenities, including sidewalks and bicycle paths, to promote neighborhood compatibility.

The project includes pedestrian amenities such as complete street sections with separated tree lined park strips and landscape setbacks behind the sidewalk to link adjacent land uses. The landscape plan for the site also includes an outdoor courtyard at the front of the building (near the entry on Lincoln Street) as common space for resident and community gathering and seating.

- 5.5.2-P11: Restrict loading, trash and noise-generating activities to protect adjacent residential uses.
- 5.5.2-P12: Screen loading and trash areas to preclude visibility from off-site and public streets.

The trash enclosure serving the project is located at the northeast corner of the building inside the podium parking garage and is screened from public view. Pick-up of trash and recycling materials is to occur from Lincoln Street to protect the adjacent residences along the western property line of the project site from noise and disturbances.

### Zoning Conformance

The project site is currently zoned for General Office (OG) uses. The OG zoning designation is intended to provide an environment exclusively for and conducive to the development and protection of administrative facilities and business office centers. It is a heavy employment zone bordering and contiguous to the central business area or community and regional commercial area. This zoning district allows a maximum building height of up to 100 feet and lot coverage based on the OG building setback standards (no less than 15 feet along the front and rear of the property and 10 feet along the side property lines) and parking requirements set forth in Chapter 18.74 of the City Code.

The proposed rezone to PD would allow residential development of a 100 percent affordable housing development consisting of 108 apartment units within a five-story structure, on-site parking, resident and public amenities, and site and public right-of-way improvements and landscaping. Chapter 18.54 establishes a process and the requirements for PD zoning districts. PD zoning districts are intended to allow for creative design solutions and land uses not otherwise allowed in standard zoning districts while maintaining compatibility with the existing community. The proposed PD zoning would establish

standards for the multi-family residential development which take into consideration existing and approved land uses and development surrounding the project site.

### Site Design and Architecture

The project is a five-story structure designed with podium parking that is wrapped by residential units, tenant amenity services, common areas and building operations on the first floor, with four floors of residential above. The building is oriented toward Lincoln Street and Civic Center Drive and is setback from neighboring homes at a distance of 67 feet by a driveway aisle, perpendicular parking stalls and landscape buffers. An outdoor courtyard is located at the front of the building facing Lincoln Street for tenant and public use that is integrated into the landscaped setback.

The four floors of residential units are divided into two wings that are separated by a shared outdoor area on the second level and linked by bridged corridors. The unit mix includes studio, one-, two-, and three-bedroom apartments with private outdoor patios on the first level and balconies on levels 2 - 5. The average unit size ranges from 379 square feet to 1,139 square feet of living area. The outdoor patios and balconies range in size from 63 square feet to 190 square feet and face the public streets to the east and south and church property to the north; they do not face the residential properties to the west. Rooftop mechanical equipment is screened from view along the public right-of-way by a roof parapet. Maximum building height is 54'6" at the top of parapet.

The proposed building architecture has a modern design aesthetic that is clad with a stucco finish and integrates a mixture of stone veneer, cement board, wood siding into the exterior finish and decorative metal panels and railings to provide textural and visual interest. The use of divided light windows and alternating use of materials provides a rhythmic cohesion and symmetry in the design. Offsets in the building elevations, recessed windows, and varied roof planes provide breaks in mass and scale of the structure.

### Circulation and Parking

The existing curb-cut on Civic Center Drive and sidewalks would be replaced with a new curb-cut, two-way drive aisles and separated sidewalks along both frontages that include a tree-lined landscape strip next to the curb and sidewalk behind. Sidewalks along the project frontages and interior to the site would provide pedestrian access to the site and link adjacent land uses.

The driveway on Civic Center Drive serves the surface lot with 32 parking spaces at the rear of the building. The driveway on Lincoln Street provides access to the podium parking garage with 50 vehicle spaces, bike room with 80 bicycle spaces, and access to the trash enclosure. Of the 82 parking spaces provided, eight are identified as electrical vehicle (EV) parking stalls. The number of parking spaces is appropriate for an affordable housing project located adjacent to a major transit stop. In discussions with neighboring residents, Charities Housing has agreed to install an electronic gate across the Civic Center Drive entrance for access to the site and to provide and manage assigned tenant parking.

### Landscaping and Open Space

The project includes a landscape plan for the site that incorporates a mixture of plant species and trees for planting the common areas and setbacks, as well as the planter strips fronting the project site. There are 19 trees on-site and all are proposed for removal with project development; 13 of which are protected trees (11 olive trees and two trees greater than 11 inches in diameter as measured from 48-inches from grade). The project includes a tree replacement plan, as part of the

landscape plan, that exceeds the minimum 2:1 requirement with 24-inch box trees for mitigation with 60 trees on-site and 14 street trees along the project frontage, ranging in size from 15 gallon accent trees and 24-inch and 36-inch box specimen trees.

The project provides common open space that is shared specifically for the tenants and open space that is shared with the public. A 6,711 square foot common outdoor open space for active and passive uses is provided on the second level (above the podium) for use by the residents. This area is designed with landscaping, barbeques, break-out space with seating, and recreation area with a ping-pong table. This area is designed to be screened from view by adjacent land uses. A 1,377 square foot Community Room is available for shared use with the public on the first floor and an 8,479 square foot outdoor courtyard at the front of the building (near the entry on Lincoln Street) is a landscaped open space for community gathering and seating.

### Conclusion

As discussed above, the proposed project would be consistent with City policies and help to achieve the City's goal of providing much needed affordable housing. Based upon this analysis, staff recommends that the Planning Commission recommend approval of the requested actions.

### ENVIRONMENTAL REVIEW

A Mitigated Negative Declaration was prepared for the project by the environmental consultant firm David J. Powers & Associates, Inc., in accordance with the California Environmental Quality Act (CEQA). The MND and Notice of Availability were posted on the City's website at <https://www.santaclaraca.gov/our-city/departments-a-f/community-development/planning-division/environmental-review-ceqa> and circulated for 30-day review on June 13, 2022 and ending on July 13, 2022, in accordance with CEQA requirements. The Planning Department received agency comments on the MND from Valley Water, Santa Clara Valley Transportation Authority, Department of Toxic Substances Control and public comments from Jamie Lau, Keyhan Sinai, Jean Song and David Bayto which are provided as Attachment 2 to this report, along with responses to comments for review.

The MND examined potential environmental impacts associated with project development and identified air quality, biological, cultural resources, geology and soils, hazards and hazardous materials, and noise impacts that with incorporation of mitigation measures into the project would reduce all potential impacts to less than significant. A detailed discussion of the potential impacts and mitigation measures to be applied to the project are specified in the MND and would be implemented through project conditions of approval and the Mitigation Monitoring and Reporting Program (MMRP) for the proposed project.

### FISCAL IMPACT

There is no fiscal impact to the City for processing the requested application other than administrative time and expense typically covered by processing fees paid by the applicant.

### COORDINATION

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

### PUBLIC CONTACT

On July 21, 2022, the notice of public hearing for this item was posted in three conspicuous places within 300 feet of the project site and was mailed to property owners within 1,000 feet of the project

site boundaries. A notice of public hearing was also published in the Weekly, a newspaper of general circulation in the City, on July 20, 2022. The Planning Department has received comments on the project and are provided in Attachment 7 to this report for review.

### Community Meetings

Virtual public outreach meetings were conducted by Charities Housing on November 10, 2021, June 29, 2022, and July 20, 2022 to engage the neighborhood community in the planning process. Notices of the meeting were mailed by the applicant to property owners within 1,000 feet of the project boundaries and interested parties and was also posted on the City's website. These meetings provided the community the opportunity to convey their concerns to Charities Housing regarding their property management (both past and future); the type and density of housing proposed for the site; five-story building height and shade/shadow effects on neighboring residential properties; driveway access on Civic Center Drive; impacts of reduced parking and off-site parking on Civic Center Drive; construction related impacts and enforcement of mitigation measures to reduce potential impacts; noise from construction and tenants following occupancy; and crime and security.

### ALTERNATIVES

1. Adopt a resolution to recommend the City Council adopt the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Civic Center Family Housing Project.
2. Adopt a resolution to recommend the City Council approve a General Plan Amendment from Community Commercial to High Density Residential.
3. Adopt a resolution to recommend City Council approve a Rezone from General Office (OG) to Planned Development (PD) to allow a five-story affordable housing development with 108 rental units, on-site parking and amenities, landscaping, and off-site improvements.
4. Recommend the City Council deny a General Plan Amendment from Community Commercial to High Density Residential.
5. Recommend City Council deny a rezone from General Office (OG) to Planned Development (PD) to allow a five-story affordable housing development with 108 rental units, on-site parking and amenities, landscaping, and off-site improvements.

### RECOMMENDATION

Alternatives: 1, 2 and 3

1. Adopt a resolution to recommend the City Council adopt the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Civic Center Family Housing Project.
2. Adopt a resolution to recommend the City Council approve a General Plan Amendment from Community Commercial to High Density Residential.
3. Adopt a resolution to recommend City Council approve a Rezone from General Office (OG) to Planned Development (PD) to allow a five-story affordable housing development with 108 rental units, on-site parking and amenities, landscaping, and off-site improvements.

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Reviewed by: Alexander Abbe, Assistant City Attorney

Approved by: Lesley Xavier, Planning Manager



**ATTACHMENTS**

1. Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program
2. Responses to Comments received on the Mitigated Negative Declaration
3. Resolution Recommending Council Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program
4. Resolution Recommending Council Approve the General Plan Amendment
5. Resolution Recommending the Council Approve the Rezone
6. Conditions of Rezoning Approval
7. Public Correspondence
8. Development Plans