



Agenda Report

18-1563

Agenda Date: 11/27/2018

REPORT TO COUNCIL

SUBJECT

Action on Adoption of Ordinance No. 1992 Amending the Zoning Code to create the Transit Neighborhood Zoning District including a minimum density of 100 DU/AC and maximum density of 350 DU/AC, creating standards for uniformly sized parking spaces (unistalls), rezoning the Project Site to the new district, and establishing affordable housing requirements and an additional affordability incentive based on density

BACKGROUND

Proposed Ordinance No. 1992 was passed for the purpose of publication on November 13, 2018. Pursuant to City Charter Sections 808 and 812, proposed Ordinance No. 1992 was published on November 21, 2018, and copies were posted in three public places.

DISCUSSION

The Tasman East Focus Area is bounded by Tasman Drive to the south, Lafayette Street to the west, the municipal golf course to the north, and the Guadalupe River to the east. On November 13, 2018, the City Council adopted the Tasman East Specific Plan for this Focus Area. The Specific Plan contemplates the development of up to 4,500 residential units, in close proximity to jobs, retail, services and entertainment, and to support alternative travel modes based on its proximity to the Lick Mill and Tasman VTA Light Rail Stations and the ACE Great America station.

The proposed ordinance establishes a zoning district for the Tasman East Focus Area. The proposed zoning district is flexible and allows for the variety of housing types the Specific Plan anticipates. Uses allowed in the Tasman East zoning district include residential uses, commercial uses, and live/work units. The district will be applied to all of the parcels in the Tasman East area, and will be effective thirty days after Council adoption of the proposed ordinance.

As with any zoning district, the ordinance establishes certain development standards, such as height, density, and parking. However, because Tasman East includes a variety of innovative housing types, including high-density mixed use, towers, and podium development, no setbacks have been included in the ordinance. The City intends to rely on the design direction in the Specific plan for private development and for the public realm. Outdoor seating and walk-up commercial uses are allowed by right. In general, consistent with the General Plan policies, development will have minimal setbacks with spaces between buildings and the public right-of-way designed to support active uses. This combination of zoning flexibility and strong design direction will steer the creation of a positive urban environment.

Because the Specific Plan is expected to be implemented over a 20-year timeline, the Tasman East zoning district also includes provisions for the continuation and possible expansion of existing industrial uses within the area. Once industrial parcels convert to residential uses, industrial uses on

those parcels will no longer be allowed and any proposed development shall conform to the Specific Plan.

The ordinance requires that a minimum of 10% of units within the first phase of development (for applications received through August 1, 2019) be provided to households that do not exceed 100% of area median income (AMI). For the second phase of development, the affordability requirement goes up to 15%. The ordinance also provides an incentive to construct higher-density housing. Developments that exceed 120 dwelling units per acre (du/ac) and 140 du/ac in density are subject to a lower minimum percentage of affordable units, for the increment of units that exceeds those density levels:

Project Density	Incremental Affordable Housing Requirement (Phase I - project applications filed through August 1, 2019)	Incremental Affordable Housing Requirement (Phase II - project applications filed after August 1, 2019)
Density ≤ 120 DU/AC	10%	15%
120 DU/AC < Density ≤ 140 DU/AC	8%	12%
Density > 140 DU/AC	5%	10%

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) was prepared for the Tasman East Specific Plan and related approvals (the “project”) in accordance with the California Environmental Quality Act (CEQA). The EIR analyzes program-level impacts of the Tasman East Specific Plan. The EIR and Notice of Availability were circulated for a 45-day period from July 30, 2018 to September 13, 2018 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 Tasman East, including land use compatibility and consistency with floodplain requirements (Policy 5.4.6 P8, 5.4.6 P9, 5.4.6 P10, and 5.4.6 P18).

The EIR found that there would be significant and unavoidable environmental impacts to:

- Air Quality emissions (criteria pollutant emissions)
- Biological Resources (bird strikes)
- Transportation (intersection and freeway levels of service and transit delays)

The project would also result in the following significant unavoidable cumulative impacts:

- Air Quality emissions (criteria pollutant emissions)
- Biological Resources (bird strikes)
- Transportation (intersection levels of service)
- Utilities (landfill capacity)

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).

The Draft EIR comment period ran from July 30, 2018 to September 13, 2018. A total of eleven

comments were received during the comment period, with comments from the Regional Water Quality Control Board and a joint letter from the Audubon Society and Sierra Club arriving after the close of 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 October 12, 2018, and have been forwarded on to all commenters on the Draft EIR.

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.

FISCAL IMPACT

Consultant costs borne by the City for the preparation of the Specific Plan have been financed through the City's permit fee revenue and are anticipated to be significantly recovered following the adoption of a proposed Specific Plan fee that will be brought forward for Council consideration after the adoption of the Specific Plan. The proposed change in land uses would significantly increase land values 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. While the City has not conducted a fiscal analysis for the Specific Plan, 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.

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>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Adopt Ordinance No. 1992 Amending the Zoning Code to create the Transit Neighborhood Zoning District including a minimum density of 100 DU/AC and maximum density of 350 DU/AC, creating standards for uniformly sized parking spaces (unistalls), rezoning the Project Site to the new district, and establishing affordable housing requirements and an additional affordability incentive based on density.

Reviewed by: Brian Doyle, City Attorney
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Ordinance No. 1992