



## Agenda Report

19-753

Agenda Date: 11/13/2019

### REPORT TO PLANNING COMMISSION

#### SUBJECT

Actions on a Proposed 65 Residential Unit Affordable Housing Project at 2330 Monroe Street

#### EXECUTIVE SUMMARY

On February 21, 2019, Freebird Development Company, LLC (Freebird) filed a development application to amend the General Plan designation and rezone the parcel located at 2330 Monroe Street to develop the site with 65 affordable units in a mix of studios, one, two- and three-bedroom units. The subject site is a vacant City-owned property located at the southeast corner of Monroe Street and San Tomas Expressway.

All units within the project will be deed restricted for affordable housing. A unique aspect of the project reserves 25 percent of the units for intellectually and/or developmentally disabled persons. The proposed entitlements include a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program; a General Plan Amendment from Right of Way to Medium Density Residential and a Rezone from Single Family Residential (R1-6L) to Planned Development (PD). These entitlements together would allow construction of a 65-unit rental affordable housing development. The proposal is consistent with the goals and policies set forth in the General Plan for the site as discussed below.

#### BACKGROUND

After redevelopment agencies (RDA) were dissolved on February 1, 2012, the City, as Housing Successor to the dissolved RDA, assumed all housing assets (including land) of the former redevelopment agency and these assets were placed into a Housing Successor Fund. The parcel is a remnant of a larger parcel that was initially acquired by the County as part of the construction of San Tomas Expressway and subsequently acquired by the City's RDA as an affordable housing site once it became surplus land from the expressway project. This site was confirmed as a housing asset by the California Department of Finance on July 13, 2013.

Following an extensive community outreach process in 2017 and 2018, the City issued a Request for Proposals (RFP) for the development of an affordable housing project on the subject property. At the September 11, 2018 meeting, the City Council selected Freebird as the developer for the project and subsequently approved the Exclusive Negotiation Agreement (ENA) to allow the project to proceed on December 12, 2018.

On June 4, 2019, the City Council reviewed the proposed project, pursuant to the City's Early Consideration Policy for General Plan Amendments and indicated its support of a continued review of the proposal.

#### Existing Site Conditions

The project site is a single City-owned parcel that is currently vacant. It is located at the southeast corner of Monroe Street and San Tomas Expressway. San Tomas Aquino Creek and Trail are located adjacent to and west of San Tomas Expressway.

Surrounding land uses include single-family houses to the south, two-story multifamily residential uses across Monroe Street to the east, and San Tomas Expressway to the west and to the north. The site adjoins the rear yards of eleven (11) single family residential properties to the east and south on Sheraton Drive and El Capitan Avenue. A newly developed 2-acre City park is located across San Tomas Expressway to the west.

#### Project Description

The project would involve the development of an approximately 73,470 square-foot building ranging in height from two to three stories oriented towards the northern portion of the site along San Tomas Expressway and Monroe Street. The maximum height of the building would be 43 feet 4 inches. The project site will have a single point of ingress and egress from Monroe Street.

The 65 residential units consists of 7 studios, 23 one-bedroom units, 29 two-bedroom units and six three-bedroom units. All the units are designated as affordable allowing occupancy based on households at income tiers between 25-120 percent of area median income. The project utilizes one core floor plan for the studios, one- and three-bedrooms units, and two core floor plans for the two-bedroom units. There are few variations due to the design of the building shell, but generally studios range from 344 square feet to 390 square feet, one-bedroom units from 590 square feet to 629 square feet; two-bedroom units from 839 square feet to 900 square feet, and three-bedroom units from 1,180 square feet to 1,197 square feet. The Planned Development Rezoning includes conceptual architecture which may be further refined through subsequent architectural review, should the City Council approve the Planned Development Rezoning.

The project would include on-site amenities such as a fitness center located on the second floor, a game room on the third floor, a laundry room and a community room located on the ground floor that opens up to the outdoor community area. The project includes approximately 32,000 square feet of open space that will provide area for active recreational uses intended for use by building residents and guests.

The project would construct a 6-foot-high precast concrete sound wall along San Tomas Expressway and an 8-foot-high wooden privacy fence along the southern boundary, where the site abuts existing single-family homes. The privacy fence near the entrance to the site will be precast concrete to further attenuate the noise from the incoming vehicles.

#### **DISCUSSION**

The primary issues for the project are consistency with the City's General Plan, conformance with the Zoning Code criteria for a Planned Development Zoning and quality of the project architecture and site design.

#### ***General Plan Conformance***

The General Plan Major Strategies identify the importance of maintaining a land use plan that supports, preserving the City's fiscal health, promoting quality of life, preserving and cultivating existing neighborhoods and promoting sustainability. Providing affordable housing is identified in the General Plan as an important element for the overall development of a healthy and sustainable

community.

The site is currently designated as Right of Way in the General Plan, reflecting the acquisition of the parcel and use of a portion of it for San Tomas Expressway. The project proposes to amend the General Plan designation to Medium Density residential which would support residential development at a density between 20 to 36 dwelling units per acre (du/ac). The proposed residential density of approximately 26 units/acre aligns with this General Plan land use designation.

By selling the land as surplus property, the County determined that additional right of way would not be needed at this location. The City as the housing successor assumed all former RDA housing assets (including land) with the intent to provide housing that is 100 percent affordable to persons and families of low and moderate income within five years after the Department of Finance confirmed the property as a housing asset.

The City has subsequently taken actions in support of residential use of the site consistent with the proposed General Plan Amendment, including actions by the Council on the Request for Proposals and Exclusive Negotiating Agreement. The City Council also determined that the application could proceed through the full entitlement process consistent with the City's Early Consideration policy for General Plan amendments.

The proposed project is also consistent with 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 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.

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Considering the high degree of interest and sensitivity related to use the site for affordable housing, the City conducted a community engagement program prior to issuing the RFP and engagement with the developer. Thereafter, the developer conducted public outreach through mailings and conducting four community meetings to involve neighboring property owners in the design of the project. Notices were mailed by the applicant to property owners within 1,000 feet of the project boundaries and interested parties. The project would utilize the currently vacant city owned property for the construction of 65 affordable units with onsite amenities and infrastructure improvements that include private street and utilities, guest parking, and landscape recreation and open space to serve the development.

- 5.3.1-P10: Provide opportunities for increased landscaping and trees in the community, including requirements for new development to provide street trees and a minimum 2:1 on- or off-site replacement for trees removed as part of the proposal to help increase the urban forest and minimize the heat island effect.
  - 5.3.1 P12 Encourage convenient pedestrian connections within new and existing developments.
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The proposed development plan includes landscaping of the site and the project street frontages with a variety of plant and tree species and would replace the four trees removed with redevelopment at a higher ratio for a total of 125 trees. The project includes the replacement of the existing sidewalks along Monroe Street fronting the project site with a landscape park strip and sidewalk consistent with the Complete Streets design standards including a 10-foot-wide sidewalk with a 4-foot-wide planter strip with street trees. Street trees are proposed within the park strips.

- 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.
- 5.3.1 P29 Encourage design of new development to be compatible with, and sensitive to, nearby existing and planned development, consistent with other applicable General Plan policies.

As mentioned previously, the community engagement process was initiated early on, in advance of the formal Planning application submittal. The single building ranging in height from 2-3 stories is oriented away from the existing single-family development to avoid any privacy concerns. The project would provide 94 surface parking spaces including six accessible spaces. In addition, there are three electric vehicle (EV) charging spaces and a paratransit loading stall, providing a ratio approaching 1.5 parking spaces per unit. Given that the 25 percent of the units are set aside for persons with developmental disabilities who mostly do not own cars, the ratio of available parking spaces to units is anticipated to be higher. The onsite parking provided addresses the public concerns about the parking spill over to the adjacent neighborhoods.

#### *Residential Land Use Policies*

- 5.3.2 G1 Equitable housing opportunities within the community for persons of all economic levels, regardless of religion, gender, sexual orientation, marital status, national origin, ancestry, familial status, race, color, age, source of income or mental or physical disability.
- 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-P10 Create opportunities for affordable housing and housing to support special needs populations, including Extremely Low-Income households.
- 5.3.2-P13 Participate in local, regional, State and federal programs that support affordable, transitional and permanent housing.

The project proposes to build 65 affordable units. All units will be deed restricted for use by households at income tiers between 25 to 120 percent of area median income and 25 percent of the units will be reserved for intellectually and/or developmentally disabled persons.

#### *Transition Policies*

- 5.5.2-P1: Require that new development incorporate building articulation and architectural features, including front doors, windows, stoops, porches or bay windows along street frontages, to integrate new development into the existing neighborhoods.

The project incorporates offsets along the building planes and a mixture of exterior materials, finishes

and architectural features to create visual breaks and interest in the design for compatibility with the surrounding neighborhood.

- 5.5.2 P4 Provide adequate separation between incompatible land uses in order to minimize negative effects on surrounding existing and planned development.
- 5.5.2-P3: Implement site design solutions, such as landscaping and increased building setbacks, to provide buffers between nonresidential and residential uses.
- 5.5.2 P5 Require that new development provide an appropriate transition to surrounding neighborhoods.
- 5.5.2-P9 Improve pedestrian amenities, including sidewalks and bicycle paths, to promote neighborhood compatibility.

The proposed building is oriented towards the northern portion of site, away from the existing single-family development along the southern and eastern boundary, providing increased setbacks. The space south of the proposed building is developed as open community space, parking, internal private street and landscaping to provide adequate separation and transition from multifamily to single family development.

### ***Zoning Conformance for a Planned Development Zoning***

The site is currently zoned Single Family Residential (R1-6L). The proposal to rezone to Planned Development (PD) would allow the construction of 65-unit rental multi-family affordable housing project, consistent with the requested General Plan designation and the intent to develop an affordable housing project on this site. The City Code indicates that the intent of the PD Zoning district is to “accommodate development that is compatible with the existing community” and meet one of four possible objectives, including utilization of “imaginative planning and design concepts that would be restricted in other zone districts”.

The proposed zone change to PD meets this intent in that it would allow imaginative planning and design concepts that would be restricted in other zone districts and provide necessary flexibility in site design development standards to allow an efficient design and for the project to be situated on the site in a manner that minimizes impacts to the adjacent neighborhood and maximizes the open space area available to future residents. The PD Zoning is also necessary given the site shape and configuration which requires that the site take access from a single point on Monroe Street. The project includes additional beneficial design measures to address neighborhood compatibility as described below.

### **Project Architecture**

The proposed building architecture would be reflective of a modern interpretation of farmhouse design. The proposed building would create the form of a L-shape with the longest length adjacent to, and set-back from, San Tomas Expressway, and shorter length along Monroe Street. Both ends of the L-shape building would be lower in height (two-stories), which would provide a step-up that would visually break up the bulk and height of the building. Overall, the building would contain a mix of exterior angles and materials, including cement panels with redwood finish, fiber cement lap siding with various color finishes, cementitious panels, decorative wall sconces, and perforated aluminum sunshades.

The mixture of material finishes applied to the exterior elevations, together with the offsets

incorporated into the building design provide varied textures and create 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 simplified roof forms provide breaks in mass and scale of the buildings and roof structures. Metal canopies are incorporated in the design over the entrance of the building adding to the visual interest.

#### Circulation and Parking

The project is accessed by a single point of ingress and egress from Monroe Street as the site cannot take access from San Tomas Expressway. The proposed 26-foot wide driveway would lead to the surface parking lot with a two-way drive aisle, also 26 feet wide. The surface parking lot would provide 94 universal parking stalls, 6 of which would be designated for ADA compliant use. In addition, there would be three stalls designated for future EV charging stations and a loading/drop-off/paratransit stall. There is no gate or fencing proposed along Monroe Street.

The proposed project would provide 37 bicycle parking spaces; 33 Class I bicycle parking spaces would be located within the building to serve residents, and four Class II bicycle parking spaces would be outdoors and uncovered to serve visitors.

The existing sidewalk along the project frontage on Monroe Street would be replaced with a separated 10-foot-wide sidewalk with a 4-foot-wide landscape strip next to the curb and sidewalk behind, enhancing the pedestrian access and connectivity to the adjacent neighborhood. The private street would provide access to the surface parking spaces, the units within the building, and the community amenities. The private street would also serve as a utility corridor and emergency vehicle access easement. Due to its relatively small size, the project would generate fewer than 100 peak-hour vehicle trips.

The project provides the parking at about one and a half parking spaces for each unit with 10 percent of the total parking spaces dedicated for guest parking. The standard Santa Clara parking ratio for is two vehicle parking vehicle spaces per unit. However, the project would involve the approval of a zoning amendment as a Planned Development (PD), allowing for exceptions to the standard parking ratio. Additionally, the State density bonus law and the City's density bonus ordinance both provide for reduced parking ratios for affordable housing developments such as the proposed project. Based on survey results of recent projects similar in size and with similar levels of transit service as the project, Fehr & Peers identified peak-parking demands of between 1.40 and 1.52 spaces per unit in the late evening. Accounting for 25 percent of units to house individuals with developmental disabilities (and therefore, unlikely to have a vehicle), only 49 of the units would generate parking and the corresponding peak parking demand would be much lower than other comparably sized developments. The proposed on-site parking would therefore, accommodate this parking demand.

#### Landscaping and Open Space

The project would implement a landscape plan for the site and public right-of-way that includes a mixture of plant species and trees for planting the common areas and setbacks as well as the planter strips fronting the project site. The three trees removed with demolition of existing conditions on-site would be replaced in excess of the 2:1 requirement with a total of 125 trees which are to be planted around the entire perimeter of the site and within the common open space area. The replacement plan includes native and climate-adapted trees, many of which would serve to screen/line the project site perimeter. Of the nine species, six are proposed to be drought tolerant.

The project includes approximately 32,000 square feet of open space that will provide area for active recreational uses intended for use by building residents and guests. Included are a universal design (all abilities) outdoor play area, a landscaped and furnished park-like quiet area with half size bocce court, recreational community gardens, a family barbecue area, a fitness pathway with outdoor fitness equipment, and a putting green (artificial turf).

### **ENVIRONMENTAL REVIEW**

A Mitigated Negative Declaration (MND) was prepared for the project in accordance with the California Environmental Quality Act (CEQA). The MND and Notice of Availability were posted on the City's website at [www.santaclaraca.gov/ceqa](http://www.santaclaraca.gov/ceqa) and circulated for 30-day review on September 25, 2019 and closed on October 25, 2019, in accordance with CEQA requirements. The Planning Department received agency comments in response to the MND, which are attached to this staff report for review. Copies of the MND are available in the Planning Division office at City Hall.

The MND examined environmental impacts associated with project development and identified potential air quality, biological, cultural resources, geology and soils, 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 staff 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**

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) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### ***Public Notices and Comments***

On November 1, 2019, the notice of public hearing for this item was posted in three conspicuous locations within 300 feet of the project site and mailed to property owners within 1,000 feet of the project site. Newspaper notice of this item was published in *The Weekly* on October 30, 2019. At the time of this staff report, no public comment has been received.

### ***Public Outreach Meetings***

A total of four neighborhood community meetings were conducted to engage neighbors in the planning process of the proposed 65 affordable unit development. Two noticed community meeting

were conducted to present the development proposal to neighbors and interested parties and engage public input. The meetings were held at the City Hall Cafeteria from 6:00 p.m. to 8:00 p.m. on February 21, 2019 and July 30, 2019; each meeting was attended by approximately 20-25 community members each time. Public notice of the community meetings was mailed to property owners within 1000 feet of the project site and posted on the City's Community Meetings webpage.

Prior to submitting an application with the City, the developer conducted two additional noticed community meetings on October 17, 2018 and November 5, 2018 at the City Hall Cafeteria at 6:00 p.m. Both the meetings were well attended by community members, who expressed general interest in the proposal with concerns mostly regarding the impact of the project on the adjacent residential development.

### **ALTERNATIVES**

1. Adopt a resolution to recommend the City Council adopt the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Affordable Housing Project at 2330 Monroe Street.
2. Adopt a resolution to recommend the City Council approve a General Plan amendment from Right of Way to Medium Density Residential to allow development of 65 rental affordable residential units, landscaped open space, surface parking and site improvements.
3. Adopt a resolution to recommend the City Council approve a rezoning from Single Family Residential (R1-6L) to Planned Development (PD) to allow development of 65 rental affordable residential units, landscaped open space, surface parking and site improvements.
4. Recommend the City Council deny the General Plan amendment from Right of Way to Medium Density Residential for the development of 65 rental affordable residential units, landscaped open space, surface parking and site improvements.
5. Recommend the City Council deny the rezoning from Single Family Residential (R1-6L) to Planned Development (PD) for the development of 65 rental affordable residential units, landscaped open space, surface parking and site improvements.

### **RECOMMENDATION**

Alternatives 1, 2, and 3: That the Planning Commission adopt resolutions for the Affordable Housing Project located at 2330 Monroe Street recommending that the City Council:

1. Adopt a resolution to recommend the City Council adopt the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Affordable Housing Project at 2330 Monroe Street.
2. Adopt a resolution to recommend the City Council approve a General Plan amendment from Right of Way to Medium Density Residential to allow development of 65 rental affordable residential units, landscaped open space, surface parking and site improvements.
3. Adopt a resolution to recommend the City Council approve a rezoning from Single Family Residential (R1-6L) to Planned Development (PD) to allow development of 65 rental affordable residential units, landscaped open space, surface parking and site improvements.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. 2330 Monroe St Affordable Housing Development Mitigated Negative Declaration and



Mitigation Monitoring and Reporting Program

2. Responses to Comments Received on the Mitigated Negative Declaration
3. Project Data
4. Resolution Recommending Council Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program
5. Resolution Recommending Council Approve the General Plan Amendment
6. Resolution Recommending Council Approve the Rezoning
7. Conditions of General Plan and Rezoning Approval
8. Planned Development Plans