



Planning Commission Minutes

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Wednesday, January 25, 2017, 7:00 P.M.

Please refer to the Planning Commission Procedural Items coversheet for information on all procedural matters.

Under "Items Set for Hearing," the items denoted with "**ITEM FOR COUNCIL ACTION**" will be scheduled for City Council review following the conclusion of hearings and recommendations by the Planning Commission. Due to timing of notices for Council hearings and the preparation of Council agenda reports, these items will not necessarily be heard on the date the minutes from this meeting are forwarded to the Council. Please contact the Planning Division Office for information on the schedule of hearings for these items.

1. PLEDGE OF ALLEGIANCE AND STATEMENT OF VALUES

Chair Kelly initiated the Pledge of Allegiance and Commissioner Reinhardt read the Statement of Values.

2. **ROLL CALL:** The following Commissioners responded to roll call: Raj Chahal, Yuki Ikezi, Suds Jain, Brandon Reinhardt, and Chair Steve Kelly (Commissioner Michael O'Halloran and Commissioner Jan-Yu Weng absent).

Motion/Action: Motion was made by Commissioner Chahal and seconded by Commissioner Ikezi to excuse Commissioner Weng, and Commissioner O'Halloran from tonight's meeting (5-0-2-0, Commissioners O'Halloran and Weng absent).

Staff present were: Assistant City Attorney Alexander Abbe, Planning Manager Lee Butler, Principal Planner John Davidson, Office Specialist IV Zoraya Garay, Assistant Planer I Steve Le, Associate Planner Anna McGill, and Development Review Officer Gloria Sciara.

3. DECLARATION OF COMMISSION PROCEDURES:

Chair Kelly reviewed the Planning Commission procedures for those present.

4. CONTINUANCE/EXCEPTIONS:

- None

5. CONSENT CALENDAR:

Consent Calendar items may be enacted, approved or adopted, based upon the findings prepared and provided in the written staff report, by one motions unless requested to be removed by anyone for discussion or explanation. If any member of the Planning Commission, staff, the applicant or a member of the public wishes to comment on a Consent Calendar item, or would like the item to be heard on the regular agenda, please notify Planning staff, or request this action at the Planning Commission meeting when the Chair calls for these requests during the Consent Calendar review. Items listed on the Consent Calendar with associated file numbers constitute Public Hearing items.

6. ITEMS SET FOR HEARING:

These items will be scheduled for Council review following the conclusion of hearings and recommendations by the Planning Commission. Due to timing of notices for Council hearings and the preparation of Council agenda reports, these items will not necessarily be heard on the date the minutes from this meeting are forwarded to the Council. Please contact the Planning Division office for information on the schedule of hearings for these items.

A. [File: PLN2016-11807 \(Rezone\), PLN206-11824 \(Vesting Tentative Parcel Map\), and CEQ2016-01009 \(MND\)](#)

Location: 2232 El Camino Real, a 2.74 acre project site comprised of two parcels on the south side of El Camino Real between Los Padres Drive and McCormick Drive, APNs: 290-10-090 and 290-10-091; project site is zoned Community Commercial (CC)

Applicant: Elaine Breeze, SummerHill Apartment Communities

Owner: Gangi Corporation

Subject: Adoption of a Mitigated Negative Declaration; Approval of a Rezoning from Community Commercial (CC) to Planned Development (PD); and Approval of a Vesting Tentative Parcel Map to allow the development of a five-story, mixed-use development with 10,000 square feet of commercial floor area and 151 apartment units.

CEQA Determination: Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program

Project Planner: Steve Le, Assistant Planner I

Staff Recommendation: Approved, subject to conditions

Notice of Item 6.A., was posted and mailed to residents within 500 feet of the project site.

Discussion: Steve Le provided a brief overview of the proposed project and spoke to a brief history of the project, the entitlement for rezoning, the Planned Development (PD), the site plan, and various other points.

Commissioners Ikezi and Reinhardt, and Chair Kelly disclosed that they had met with the applicant.

The Commission inquired about the need to rezone to PD. Staff noted that conventional zoning districts have height and setback limitations that are inconsistent with the vision for El Camino Real, and the PD zoning allows greater flexibility in said development standards.

The Commission commented on the need to update the General Plan and updating the zoning ordinance so residents can be informed.

The Commission inquired if zoning can be included in the El Camino Real Specific Area Plan. Staff stated the zoning is planned to be included in the Specific Plan and that the General Plan currently has specific goals and policies for the El Camino Real focus area.

The Commission inquired about the two-way entrance and why the west side entrance could not be designated just for entering and the east side just for exiting as this use would minimize traffic on El Camino Real. The Commission also inquired about the traffic signal timing and coordination.

Staff stated there is a deceleration lane as there is extra space on the travel lanes. Drivers can pull over to the side, pull into the driveways, and continue on a travel path. Staff stated the synchronization of the signals did take into account the new trips. The environmental consultant provided further explanation on vehicular circulation.

The Commission commented that in order to have informed residents, the General Plan and Zoning Ordinances should be updated. The Commission further stated that the problem is being solved through the PD and residents are not informed of what should be built in their neighborhoods.

The Public Hearing was opened.

The applicant, Elaine Breeze of Summerhill Apartment Communities, provided an overview of their proposal noting the design aspects, the community outreach process, and the project's community benefits.

In response to Commissioner questions, the applicant indicated the lime stone tile is on the facade, the two-way entrance is preferred to support retailers in providing more customer access, and they anticipate having electric vehicle charging stations in both the retail and the residential. They currently provide one parking space for every unit and the balance is unbundled. The applicant further stated the retail width has been maximized and the 10,000 square feet of commercial space is what works to be efficiently leased. The applicant stated they cannot provide affordable housing on this site; however, other public benefits would be provided.

The Commission inquired about new ideas for TDM and if they will be implemented on this project.

The applicant stated the ideas for TDM include a resident web portal that links the property manager with residents to deliver transit information, including live transit data. The property manager can match residents at their work place to carpool or ride share. Other ideas include an onsite bike repair station, and an onsite TDM coordinator. For bike parking, the applicant stated they would like to continue with the class one bike parking that they are committed to and make up the balance with a variety of formats.

The Commission inquired about not having parking on El Camino Real in front of the building.

The applicant preferred to have the parking on El Camino Real.

In response to Commissioner questions, Douglas Oliver of Studio T Squared, commented on the pedestrian experience of the property, including seating, awnings, and glass. The CEQA Consultant, Shannon George, commented on the two-way entrance driveways stating it funnels the traffic better due to the retail parking intermixed with gated residential parking.

Speakers: Michele Healy, Santa Clara Unified School District; Tom Frietas; Mark Apton; Gary Alison; Linda Arms; and Mike Souza.

One member of the public spoke in favor of the project stating he liked the design and welcomes the retail. Five members of the public spoke against the project. These speakers expressed concerns about the project's negative effect to quality of life due to traffic congestion and overcrowding.

In rebuttal, the applicant stated the electric vehicle stations are prewired and commented on the traffic distribution impact studies. The applicant also commented on the project's contribution of school impact fees.

Staff discussed the California Green Building Standards Code requirements for electrical vehicle charging. Three percent of the spaces in a large multi-family development are to be prewired for electrical vehicle charging and not turnkey ready. For this project, the prewiring would be required for 3% of residential parking and 6% of non-residential parking spaces.

In response to the Commissioner's request, the CEQA Consultant comment on the traffic flow on Los Padres Boulevard, and the measurable effect of the project on traffic.

The applicant confirmed the electrical vehicle charging commitment to provide seven turnkey charging stations in residential, three prewired in residential, one turnkey in commercial, and three prewired in commercial for a total of 14, level two, electrical vehicle charging stations.

The Public Hearing was Closed.

In response to the Commission's inquiry on legally placing a cap on housing development, Staff stated some cities have been sued and lost when they mandated a cap, and that there is a Regional Housing Needs Assessment that requires the City to provide a certain capacity of residential housing growth over an eight year period in order to have a certified Housing Element. As a general rule, the City cannot mandate a cap on housing development as that ruling would be against state law.

The Commission inquired how areas are chosen for development. Staff responded that since El Camino Real is a major corridor, is situated close to jobs, and is proximate to public transportation that can minimize traffic, it was chosen for development as part of the new General Plan.

The Commission recommended that City Council accelerate the El Camino Real Specific Area Plan and to add the zoning designations needed to avoid PD zonings.

Motion/Action: Motion was made by Commissioner Ikezi and seconded by Commissioner Jain to recommend to the City Council adoption of a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program to allow the development of a five-story, mixed-use development with 10,000 square feet of commercial floor area and 151 apartment units. The motion was approved (4-1-2-0, Commissioner Chahal dissenting, Commissioners Weng and O'Halloran absent).

Motion/Action: Motion was made by Commissioner Ikezi and seconded by Commissioner Jain to recommend to the City Council approval of a Rezoning from Community Commercial (CC) to Planned Development (PD) with the condition to have seven installed turnkey electric vehicle level two charging stations in the residential area, plus prewiring for three additional level two chargers in the residential area, as well as one turnkey installed charger in the commercial area, plus three prewired in the commercial area, and a second condition of a commitment to unbundle parking with one parking spot per unit at no charge and the second parking spot would be at a charge. The motion was approved (4-1-2-0, Commissioner Chahal dissenting, and Commissioners O'Halloran and Weng absent).

Commissioner Chahal made dissenting votes as the applicant did not include a voluntary contribution of affordable housing; a General Plan Amendment eliminating the requirement for commercial space on site; and the traffic impacts to San Tomas Expressway, Scott Boulevard, and Los Padres.

Motion/Action: Motion was made by Commissioner Ikezi and seconded by Commissioner Jain to recommend to the City Council approval of a Vesting Tentative Parcel Map to combine two parcels and create a single 2.74 acre lot. The motion was approved unanimously (5-0-2-0, Commissioners O'Halloran and Weng absent).

The Commission corrected the resolution for rezoning on Item 3.D., fourth line, residential ownership project should be changed to occupancy.

The Commission recommended to the City Council to expedite completion of the El Camino Real Specific Area Plan to add the zoning categories to avoid the necessity for designating developments as PD. Developers should be encouraged to create a Transportation Management Association for the entire El Camino Real.

The Commission recommended to the City Council to encourage a voluntary 10% affordable housing component to projects on El Camino Real in advance of the results of the Nexus Study.

B. [Project Name: Affordable Housing Requirements Update](#)

Location: City-Wide

Project Description: Review of Affordable Housing Requirements and consideration of potential residential and non-residential fees (2016 Santa Clara Affordable Housing Nexus Study) to support provision of Affordable Housing.

Discussion: Associate Planner Anna McGill provided an overview of the Affordable Housing Requirements Update and the results of the Affordable Housing Nexus Study and stated that the Nexus Study was a multi-jurisdiction nexus study with participation from 12 jurisdictions across Santa Clara County and Alameda County. She noted that the basic idea of the Nexus Studies is to look at affordability levels that would meet the needs for persons working and living in Santa Clara, and the subsidies that would be required to achieve those levels. She briefly reviewed the City's current affordable housing policy, listed some of the ways impact fees could be used, listed considerations on setting fees, and summarized the comments from outreach meetings.

In response to Commissioner questions, Staff reported on fees from other cities, the approach of other jurisdictions, the option of raising fees with a cost escalator for market adjustments, and that staff consider a tiered impact fee for with lower proportional fees for smaller projects.

The Commission expressed concern over the lack of impact fees for retail and hotel establishments, and stated that comparing Santa Clara to San Jose is not an equitable comparison. San Jose needs more jobs in their city and the City of Santa Clara needs more housing. The Commission encouraged being competitive with neighboring cities as a goal, with San Jose being an exception.

Staff stated that retail and hotel uses provide general fund revenues, which then fund services across the city.

The Commission inquired about the meaning of total jobs generated per 100 housing units created.

Staff stated that for jobs generated, the rates are created by analyzing the number of additional jobs that are created in service industries when employers add jobs. A few examples of the service jobs provided are retail services, restaurant services, and transit oriented services.

The Commission inquired about the meaning of New Worker Households per 100 housing units created.

Staff stated it is a calculation to account for the fact that many households have more than one worker, and that the number of housing units needed corresponds to households as opposed to workers.

The Commission inquired about the Nexus Study's logic and how the fee will assist housing needs among low income jobs that would be generated as a result of the new housing created.

Staff explained that the Nexus study demonstrates linkages between the development of new market rate residential units and new non-residential buildings and the need for additional affordable housing in the City of Santa Clara. This is done by analyzing the number of market rate units sold and jobs created through non-residential building types and the demand that has on services across the city. It then looks at the service jobs created from this demand, which vary across compensation levels, and the housing needed to support these varying compensation levels. In order to support the City's goals of reducing commute trips and relieving congestion, there is a need to provide affordable housing within the Santa Clara.

The Commission inquired about the meaning of Maximum Supported fee per square foot.

Staff stated the Nexus Study establishes an affordability gap and uses it to determine per square foot the maximum rate that could be charged to fill that gap.

The Commission inquired about the affordability gap and how the number is derived.

Staff stated that Keyser Marston Associates (KMA) determined the affordability gap by setting key assumptions for median house price across the city and number of jobs created through new non-residential building types and the service jobs that would be created based on this demand. KMA then looked at average wages across these service jobs, and determined the affordability gap between market rate housing and compensation levels. .

The City will then look at its Regional Housing Needs Assessment to determine how much affordable housing is needed to fill the requirements for very low, low and moderate AMI levels.

Pertaining to the impact fee rollout, the Commission recommended instead of the proposed flat six-month rollout, the rollout timeline should be based off the evidence of the site control documents, as purchase prices are negotiated, based on the fee structure in place at the time of purchase. The Commission further stated the rollout could be phased in with a three-year expiration date on a documented purchase agreement or option contract that was in place prior to the adoption of the ordinance, and if in three years the developer has not completed specific steps in the development process, the grandfather clause would end. The Commission also recommended keeping a six month period between approval and adoption so as to let the general public and developers know of upcoming changes but extend the grandfathering period to three years, as described.

The Commission reiterated that fees should be tiered to reflect size and scale of projects. Having the scaled fee would probably make it less prohibitive for small retailers.

The Commission recommended setting the rates in line with KMA's suggestions at \$10-15 for office uses and \$5-10 for other non-residential uses (Hotel, Retail, Light Industrial). These fee levels would not hinder development that would otherwise come forward and give the City the opportunity to collect meaningful funds. To remain competitive with other jurisdictions, Commissioners suggested setting fee levels slightly below neighboring jurisdictions.

The Public Hearing was opened.

Brianna Bohonok, representing Urban Planning Partners and on behalf of Rethink Development, stated a concern with anything that would discourage or inhibit development in the City. She stated that the proposed residential rental impact fee would make rental development difficult and infeasible in some areas, particularly with smaller projects. The size of the development firm needs to be considered as smaller firms do not have the same ability to handle these fees as larger firms. The fees proposed encourage non-residential development, and could potentially deter residential development. Lastly, she noted that market rate home prices, rental rates, and the cost of living will increase as a result of the proposed fees.

Sarah McIntire, representing Mid Pen Housing Corporation, stated amidst the jobs housing imbalance, the housing impact fee is a key tool that cities are implementing to be able to address the need for local funding of affordable housing. Since the Governor dissolved cities' redevelopment agencies in 2012,

affordable housing lost the largest source of local financing, and the mandate for providing housing at all levels still remains. She stated support of the proposed residential housing impact fee.. She is also in support of the proposed fee levels for residential for sale projects and recommends a higher fee for office and light industrial. She further stated local funding dollars are key to leveraging outside funds in making affordable housing work. She encouraged the City to target the majority of these impact fees to providing affordable housing at 60% and below of the Area Median Income.

A member of the public expressed support of the Nexus Study.

Meredith Rupp, representing Greenbelt Alliance, stated they are in support of an impact fee of \$25 to \$35 per square foot on the rental housing. This helps provides homes for those most in need without discouraging development. The fees will assist in addressing the jobs housing imbalance.

The Public Hearing was closed.

Chair Kelly summarized their recommendations:

- Lower impact fee level for rental residential (more closely in line with nearby jurisdictions at \$17-20/ sq. ft.).
- Higher impact fee level for office and light Industrial building types (more closely in line with KMA's recommendations at \$10-15 for Office and \$5-10 for Light Industrial). Do not compare to San Jose.
- Set an impact fee level for hotel and retail in line with KMA's recommendations and nearby jurisdictions.
- Scaling fees based on project size and/or density.
- Grandfathering period: Developers would be exempt from fees if they are able to demonstrate site control within this grace period.

7. PUBLIC PRESENTATIONS:

Members of the public may briefly address the Commission on any item not on the agenda.

- None

8. REPORTS OF COMMISSION/BOARD LIAISON AND COMMITTEE:

- A.** Announcements/Other Items
- B.** Appointment of Board or Committee Assignments
- C.** Architectural Committee
- D.** Commissioner Travel and Training Reports; Requests to Attend Training
 - Commissioners expressed desire to attend the APA conference in Sacramento, California.

9. DIRECTOR OF COMMUNITY DEVELOPMENT REPORTS:

- A.** Upcoming Agenda Items

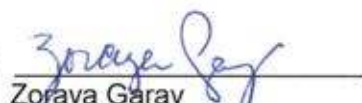
B. City Council Actions

- The Claremont appeal was sent back to the Architectural Committee for minor modification to the façade to make it more in keeping with the surrounding area.
- Great America will address some of the noise concerns and the applicants scaled back the proposal leading to rides only operating between midnight and 1:00 a.m. 30 nights per year. Council approved the project. Council also addressed the applicant on being a good neighbor and got their commitment on addressing some immediate issues. Also, in the future, rides and attractions would be going to the Architectural Committee as the developments are proposed.

10. ADJOURNMENT:

- A.** The meeting was adjourned at 11:00 p.m. The next regular scheduled meeting is on Wednesday, February 8, 2017, at 7:00 p.m. in the City Hall Council Chambers.

Prepared by:


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