



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: January 21, 2020

COUNCIL DISTRICT: 6

SUBJECT: FILE NO. GP17-015 GENERAL PLAN AMENDMENT, TO CHANGE THE LAND USE DESIGNATION FROM MIXED USE COMMERCIAL TO TRANSIT RESIDENTIAL (APN's 261-38-001, 261-38-004, 261-38-005, 261-38-030, 261-38-047, 261-38-048, AND 261-38-049).

FILE NOS. C18-034, T19-017, SP18-059 REZONING FROM THE HI HEAVY INDUSTRIAL ZONING DISTRICT TO THE R-M MULTIPLE-RESIDENCE ZONING DISTRICT; A VESTING TENTATIVE MAP TO MERGE SIX LOTS AND RECONFIGURE THEM INTO ONE PARCEL WITH THREE CONDOMINIUM LOTS; SPECIAL USE PERMIT TO ALLOW THE DEMOLITION OF TWO INDUSTRIAL BUILDINGS (THAT TOTAL APPROXIMATELY 11,380 SQUARE FEET), TWO ACCESSORY STRUCTURES (THAT TOTAL APPROXIMATELY 2,020 SQUARE FEET) REMOVAL OF THREE (3) ORDINANCE-SIZED TREES AND ONE NON-ORDINANCE SIZED TREE, FOR THE CONSTRUCTION A 100% AFFORDABLE HOUSING (EXCLUDING FOUR MARKET RATE MANAGER'S UNITS) PROJECT WITH UP TO 365 MULTI-FAMILY RESIDENTIAL APARTMENT UNITS WITH AN ALTERNATIVE PARKING ARRANGEMENT, BACK-UP GENERATOR, AND UP TO 12.5-FOOT TALL RETAINING WALL ON AN APPROXIMATELY 1.13-GROSS ACRE SITE. A STATE DENSITY BONUS IS REQUESTED TO ALLOW A 29% INCREASE IN DENSITY AND WAIVERS TO INCREASE THE BUILDING HEIGHT; REDUCE THE REQUIRED SETBACKS ALONG MCEVOY STREET, DUPONT STREET, THE WEST SAN CARLOS STREET BRIDGE, AND REDUCE THE AMOUNT OF REQUIRED MOTORCYCLE PARKING, APN'S 261-38-001, 261-38-004, 261-38-030, 261-38-047, 261-38-048, AND 261-38-049.

RECOMMENDATION

The Planning Commission voted unanimously (7-0) to recommend that the City Council take all of the following actions:

- (a) Adopt a resolution adopting the Addendum to the Diridon Station Area Plan Programmatic Environmental Impact Report (SCH#2011092022, Resolution No. 77096) and associated

Mitigation Monitoring and Reporting Program in accordance with the California Environmental Quality Act, as amended.

- (b) Adopt a resolution amending the Envision San José 2040 General Plan Land Use/Transportation Diagram designation (APN's 261-38-001, 261-38-004, 261-38-005, 261-38-030, 261-38-047, 261-38-048, and 261-38-049) from Mixed Use Commercial to Transit Residential on an approximately 1.22-gross acre site.
- (c) Approve an ordinance rezoning certain real property of approximately 1.13 gross acres, at northeast corner of McEvoy Street and West San Carlos Street at 699 West San Carlos Street (APN's 261-38-001, 261-38-004, 261-38-030, 261-38-047, 261-38-048, and 261-38-049) from the HI Heavy Industrial Zoning District to the R-M Multiple-Residence Zoning District.
- (d) Adopt a resolution approving, subject to conditions, a Vesting Tentative Map to consolidate six (6) parcels into one parcel for three (3) condominium lots for a 365-unit multi-family residential apartment development on an approximately 1.13-gross acre site situated north of West San Carlos Street between McEvoy Street and Dupont Street (699 West San Carlos Street).
- (e) Adopt a resolution approving, subject to conditions, the Special Use Permit and State Density Bonus to allow the demolition of two industrial buildings, two accessory structures, removal of three (3) ordinance-sized trees and one (1) non-ordinance sized tree, for the construction a 100% affordable housing (excluding four market rate manager's units) project with up to 365 multi-family residential apartment units with an alternative parking arrangement, back-up generator, and an up to 12.5-foot tall retaining wall, and concessions and waivers under State Density Bonus laws to increase density, increase the building height; reduce the required setbacks along McEvoy Street, Dupont Street, the West San Carlos Street bridge, and reduce the amount of required motorcycle parking, all on an approximately 1.13-gross acre site.
- (f) Adopt a resolution approving a Density Bonus Regulatory Agreement pursuant to San José Municipal Code Chapter 20.190.100.

OUTCOME

Should the City Council approve the Planning Commission's recommendation as outlined above, the project applicant may proceed with the building permit process.

Should the City Council deny the proposed project as outlined above, the project applicant will not be able to move forward with the building permit process.

BACKGROUND

On January 29, 2020, the Planning Commission held a Public Hearing to consider the adequacy of the proposed Addendum, General Plan Amendment, Rezoning, Vesting Tentative Map, Special Use Permit, and Regulatory Agreement.

Staff Presentation

Staff provided an overview of the proposed project and its conformance to the General Plan designation, the Diridon Station Area Plan, and San José Municipal Code, including Chapter 20.190 Affordable Housing Density Bonuses and Incentives. Staff provided a summary of the project details, community outreach, public comments, and the addendum, and provided a summary of responses to six public comment letters. Five of the letters were inquiries about the project or project status and one letter was in support of the affordable housing project

Applicant Presentation

The applicant gave a brief presentation of the history of the project and emphasized the importance of the transit-oriented affordable housing development to help address the City's affordable housing crisis.

Public Hearing

Alex Shoor, Executive Director of Catalyze SV, indicated that the project was given the highest rating of any project it has reviewed to date. Catalyze SV scored the proposed project a 4.6 out of 5.0 because it is 100% affordable, maximizes density under State Bonus Density laws, has quality design elements, and will provide transit passes to future tenants.

Tessa Woodmansee indicated that as a bicycle rider, a crosswalk should be installed near the project.

The applicant responded indicating that they have been working with Department of Public Works and Department of Transportation on public improvements and that the bridges and alignment are under discussion. The applicant also indicated that they are providing four times the number of required bicycle parking as this is a bicycle-oriented development.

Planning Commission Discussion and Staff Response

Commissioner Oliverio made a motion (Commissioner Bonilla seconded) to recommend approval of the project to the City Council. The Commissioners were in support of more affordable housing projects and commended the architect on the design stating that they liked the colors and look of the façade, the rooftop garden, and play areas. They also stated that more affordable housing was needed in San Jose and throughout the state. Commissioner Oliverio reminded the applicant and requested that City Council consider requiring a contribution to fund a nearby light rail stop, but that a contribution would not affect his support of the project.

The video recording of the Planning Commission hearing is available on the City's website at the following link: https://sanjose.granicus.com/ViewPublisher.php?view_id=51.

ANALYSIS

Analysis of the proposed CEQA clearance, General Plan Amendment, Rezoning, Vesting Tentative Map, and Special Use Permit and State Density Bonus, including conformance with the California State Density Bonus Law, General Plan, and City Council policies are contained in the attached staff report.

EVALUATION AND FOLLOW-UP

Should the City Council approve the Planning Commission's recommendation as outlined above, the project applicant may proceed with the building permit process.

Should the City Council decide not to adopt approve the recommendations set forth above, the project applicant will not be able to move forward with the building permit process.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum aligns with one or more Climate Smart San José energy and water goals. The project would increase the density of the site and connects pedestrian and bicycle connections by providing a public paseo along West San Carlos Street. Additionally, sidewalks are provided along McEvoy Street and Dupont Street. These improvements will help provide access to Diridon Station.

PUBLIC OUTREACH

Staff followed Council Policy 6-30: Public Outreach Policy to inform the public of the proposed project. A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. The staff report is also posted on the City's website.

A community meeting was held to discuss the project on March 29, 2019. Comments received during the community meeting and project review are further discussed in the attached Planning Commission Staff Report. The community meeting was coordinated with Council District Office 6 and Council District staff attended the community meeting.

The staff report is posted on the City's website. Staff has been available to respond to questions from the public.

COORDINATION

Preparation of this memorandum has been coordinated with the City Attorney's Office.

CEQA

The Director of Planning, Building and Code Enforcement prepared an Initial Study in support of an Addendum to the Diridon Station Area Plan (DSAP) Programmatic Environmental Impact Report (PEIR) for the McEvoy Affordable Housing Project which includes a General Plan Amendment to change the land use designation from Mixed Use Commercial to Transit Residential, a conforming rezoning from Heavy Industrial (HI) district to Multiple Residence (R-M) district, and a Special Use Permit for development of the proposed project. The DSAP PEIR contains sufficient information to provide project-level environmental clearance for certain impacts by including standard measures that apply to all projects in San José. The Initial Study did not identify any new impacts beyond those analyzed in the DSAP PEIR. Therefore, the proposed project meets the criteria of an Addendum pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15164 and was completed in compliance with CEQA to reflect the independent judgement of the City.

The Initial Study identified relevant mitigation measures included in the DSAP PEIR for potential impacts to air quality during construction, nesting birds, buried and unknown archaeological resources, contamination during and after construction, and construction vibration impacts on adjacent buildings and businesses. In addition, standard permit conditions are included in the permit approval. These standard permit conditions include best management practices for controlling dust and exhaust during construction, tree replacement, compliance with the Habitat Plan, uncovering buried archaeological or historic resources and human remains during construction activities, preventing impacts from lead-based paint and asbestos during demolition activities, preventing stormwater pollution during construction, managing mechanical equipment noise, and interior noise levels. The mitigation measures are included in the Mitigation Monitoring and Reporting Program (MMRP) and both the mitigation measures and standard permit conditions are included in the permit.

The Initial Study concluded that the proposed project would not result in a substantial increase in the magnitude of any significant environmental impact previously identified in the DSAP PEIR. Therefore, a supplemental or subsequent EIR is not required, and an Addendum to the DSAP PEIR is the appropriate level of CEQA clearance for the project.

HONORABLE MAYOR AND CITY COUNCIL

January 21, 2020

Subject: File Nos. GP17-015, C18-034, T19-017, SP18-059

Page 6

The Addendum and supporting Initial Study, associated technical studies (in appendices to the Initial Study) are available on the Planning Division environmental review webpage at: www.sanjoseca.gov/ActiveEIRs.

/s/

ROSALYNN HUGHEY, SECRETARY
Planning Commission

For questions, please contact Robert Manford, Deputy Director, at (408) 535-7900.

Attachments: Planning Commission Staff Report and associated attachments