



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

SUBJECT: SEE BELOW

FROM: Planning Commission

DATE: June 5, 2020

COUNCIL DISTRICT: 6

SUBJECT: FILE NOS. PDC18-016 & PD19-011. PLANNED DEVELOPMENT REZONING FROM THE R-2 TWO-FAMILY RESIDENCE AND THE CO COMMERCIAL OFFICE ZONING DISTRICTS TO THE CP(PD) PLANNED DEVELOPMENT ZONING DISTRICT, AND A PLANNED DEVELOPMENT PERMIT TO ALLOW THE DEMOLITION OF THREE EXISTING BUILDINGS TOTALING APPROXIMATELY 19,000 SQUARE FEET, AND THE CONSTRUCTION OF A FOUR TO SEVEN-STORY MIXED-USE BUILDING WITH UP TO 226 RESIDENTIAL UNITS, UP TO A 45 PERCENT PARKING REDUCTION WITH TRANSPORTATION DEMAND MANAGEMENT MEASURES, AND APPROXIMATELY 1,400 SQUARE FEET OF GROUND-FLOOR COMMERCIAL, ON AN APPROXIMATELY 1.39-GROSS ACRE SITE LOCATED ON THE WEST SIDE OF MERIDIAN AVENUE, APPROXIMATELY 290 FEET NORTHERLY OF WEST SAN CARLOS STREET (259 MERIDIAN AVENUE; APN: 274-14-152)

RECOMMENDATION

The Planning Commission voted 6-0 to recommend that the City Council:

- a. Adopt a resolution adopting the 259 Meridian Avenue Residential Mixed-Use Development Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Plan (MMRP), in accordance with the California Environmental Quality Act (CEQA).
- b. Approve an ordinance rezoning the approximately 1.39-gross acre site located on the west side of Meridian Avenue, approximately 290 feet northerly of West San Carlos Street (259 Meridian Avenue), from the R-2 Two-Family Residence District and the CO Commercial Office Zoning Districts to the CP(PD) Planned Development Zoning District.
- c. Adopt a resolution approving, subject to conditions and with the deletion of condition of approval number 36.m.iv related to an emergency access driveway, a Planned Development Permit to allow the demolition of three existing buildings totaling approximately 19,000 square feet and the construction of a four to seven-story mixed-use building with up to 226 residential units, up to a 45 percent parking reduction with

Transportation Demand Management Measures, and approximately 1,400 square feet of ground-floor commercial square feet on an approximately 1.39 gross acre site.

OUTCOME

Should the City Council adopt the resolution adopting the Mitigated Negative Declaration and approve the Planned Development Rezoning and Planned Development Permit, the applicant will be allowed to file for subsequent Public Works clearances and building permits.

Should the City Council decide not to adopt the resolution adopting the Mitigated Negative Declaration and deny the Planned Development Rezoning and Planned Development Permit, the applicant will not be able to move forward in filing for subsequent Public Works clearances and building permits and the project could not be constructed.

BACKGROUND

On May 27, 2020, the Planning Commission held a public hearing to consider the Mitigated Negative Declaration, Planned Development Rezoning, and Planned Development Permit. The item was on the public hearing portion of the agenda. Six members of the public spoke on the project.

Staff Presentation

Staff gave an overview of the project description and its conformance to General Plan policies, West San Carlos Urban Village Plan, Residential Design Guidelines, and Zoning Ordinance. Staff also requested the Commission to recommend the deletion of condition of approval number 36.m.iv in the Planned Development Permit resolution because the emergency access driveway is not needed pursuant to Fire Department determination.

Applicant Presentation

Anthony Ho, the applicant representative and project architect, gave an overview of the project features including Transportation Demand Management (TDM) measures and architectural design and provided renderings showcasing the architectural transformation of the project over the course of the project review. The applicant stated that the number of units and building massing were reduced on the northern portion of the property to address privacy concerns raised by residents. The applicant stated that the project is including 15 percent affordable units to be constructed on-site within the 50 percent to 80 percent Area Median Income (AMI) levels, satisfying the Inclusionary Housing Ordinance (IHO) rental requirements.

Public Comments

Chair Ballard opened the public comment portion of the agenda.

Alex Shoor of Catalyze SV praised the applicant's commitment to working with Catalyze SV. He shared the organization supported the additional housing units within the area, TDM measures, and the parking reduction. He stated that he would like to see additional bicycle parking, a stacked automobile parking configuration, and additional green features, but was overall pleased with the project. Mr. Shoor inquired about the 15 percent affordable housing being incorporated on-site and stated that Catalyze SV would have provided the project with a higher score on its scorecard had they known the project included on-site affordable units.

Joe Herrity of Catalyze SV stated his support of the project and thought the project complemented the Midtown area nicely. He stated his appreciation that the developer worked with the community on the project. He had also stated a desire to see additional bicycle parking and sustainable features incorporated into the project.

Mr. Rivera (no first name given) expressed his concern about the effects of unbundled parking and parking impacts to the surrounding area and residents. He stated that the parking impacts on the neighborhood may lead to the need for a permit parking program for the existing area residents. He also expressed concerns about the proximity of the project to existing single-family homes.

Sean McFreely of Catalyze SV complimented the applicant for meeting with Catalyze SV on numerous occasions. He commended building additional housing units at a price point that is affordable and appreciated the low parking ratio. However, he desired to see additional bicycle parking. He sought clarification on the on-site affordable housing and expressed a desire for affordable housing to be built citywide to ensure inclusiveness.

Gavin Lohry of Catalyze SV and a San José State University student expressed his support for the project, particularly the unit types and affordability.

Marvel Ang of Catalyze SV echoed the praise of other Catalyze SV members and expressed his support for micro units and the affordability. He also stated that projects such as this will bring the West San Carlos Urban Village Plan to fruition.

Planning Commission Discussion

Commissioner Oliverio asked the applicant if including additional bicycle parking is possible, and what would need to be scaled back to provide additional bicycle parking spaces. The applicant stated that a large bicycle room is being provided but can consider adding additional bicycle racks in the bicycle room.

Commissioner Oliverio asked whether incorporating stacked vehicular parking would constitute a large project redesign as additional floor to ceiling heights may be required. The applicant confirmed that stacked vehicular parking would result in a large project redesign and expressed concern that there are not enough examples of stacked parking being used in an effective manner.

Commissioner Yesney asked if the project could incorporate additional bicycle parking in the future, after assessing demand, and if a tiered bicycle rack could be utilized. The applicant stated that the project is currently proposing a tiered bicycle rack in the bicycle room and can explore adding additional bicycle parking should the Commission desire.

Commissioner Bonilla asked if the affordable housing provided is 15 percent of the residential units and wanted to understand the rationale for this percentage. The applicant stated that the 15 percent is to comply with the Inclusionary Housing Ordinance and that the applicant entered into an agreement with the Housing Department to provide the affordable units.

Commissioner Caballero wanted clarification as to how the applicant chose the proposed TDM measures. The applicant stated that they desired to use TDM measures that were most effective and what worked with existing projects. The applicant stated that this was coordinated with City staff.

Commissioner Caballero commented that the proposed TDM measures did not include transit passes but included a monthly stipend for all occupants for a bike share passes. The applicant explained that the occupants could use the stipend for a bike share pass or for a transit pass.

Staff responded to the public comment regarding on-site affordable housing and confirmed that Condition of Approval number 35 requires the applicant to implement the Affordable Housing Compliance Plan submitted in accordance with the requirement of the Inclusionary Housing Ordinance. The Ordinance, as reflected in the Affordable Housing Compliance Plan with the Housing Department, states that the project will provide 15 percent on-site affordable housing at AMI levels of 50 percent to 80 percent. Twenty units will be at 80 percent AMI and 14 units will be at 50 percent AMI. Staff stated that constructing affordable units on-site was one way to satisfy the IHO requirements, though certainly not the only way. Other acceptable methods of satisfying the IHO include but are not limited to payment of an in-lieu fee or construction of 20 percent affordable units off-site.

Staff also responded to the public comment regarding parking and stated that the site is in an Urban Village, which is generally focused on increasing pedestrian activity and multi-modal transportation options. Staff recognized the need for parking and the concern of parking overflow and stated that there is a balance between parking and alternative modes of transportation.

Commissioner Oliverio made a motion to approve staff recommendation. Commissioner Caballero seconded the motion. Commissioner Oliverio stated his support of the project in alignment with staff's analysis.

Commissioner Caballero thanked the developer in working with the community to integrate the stepbacks and setbacks and creating an aesthetically pleasing project. She further stated her appreciation of reducing parking and incorporating TDM measures and bicycle parking. Lastly, she stated that this project will help address the housing shortage.

Commissioner Allen expressed his gratitude for the approval of the Inclusionary Housing Ordinance.

City staff asked Commissioner Oliverio if his motion included the removal of Condition of Approval number 36.m.iv from the planned development permit resolution. Commissioner Oliverio amended his motion to include the removal of Condition of Approval number 36.m.iv and Commissioner Caballero agreed to the amended motion.

Commissioner Yesney stated that she appreciated the mid-century design and considered it to be a positive asset to San José.

Chair Ballard stated that there was nothing to criticize about the project and appreciated the bicycle parking and affordable housing. She also expressed her gratitude for the approval of the Inclusionary Housing Ordinance and her delight at the removal of a curb cut.

The Commission voted 6-0 in favor of staff's recommendation.

ANALYSIS

A complete analysis of the Planned Development Rezoning and Planned Development Permit, including conformance with the California Environmental Quality Act, General Plan, and Residential Design Guidelines is contained in the attached Planning Commission staff report and attachments, and the Mitigated Negative Declaration document.

CONCLUSION

The Commission voted 6-0 to recommend that the City Council:

- a. Adopt a resolution adopting the 259 Meridian Avenue Residential Mixed-Use Development Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Plan (MMRP), in accordance with the California Environmental Quality Act (CEQA);
- b. Adopt an ordinance rezoning the approximately 1.39-gross acre site located on the west side of Meridian Avenue, approximately 290 feet northerly of West San Carlos Street (259 Meridian Avenue), from the R-2 Two-Family Residence District and the CO Commercial Office Zoning Districts to the CP(PD) Planned Development Zoning District; and
- c. Adopt a resolution approving, subject to conditions and with the deletion of condition of approval number 36.m.iv related to an emergency access driveway, a Planned Development Permit to allow the demolition of three existing buildings totaling approximately 19,000 square feet and the construction of a four to seven-story mixed-use building with up to 226 residential units, up to a 45 percent parking reduction with

Transportation Demand Management Measures, and approximately 1,400 square feet of ground-floor commercial square feet on an approximately 1.39 gross acre site.

EVALUATION AND FOLLOW-UP

If the resolution adopting the Mitigated Negative Declaration and an ordinance of the City of San José rezoning the project site to CP(PD) Planned Development Permit are adopted along with approving the Planned Development Permit resolution, the project would be able to proceed with an application for Public Works clearances and building permits to allow construction activities to occur.

If the resolution adopting the Mitigated Negative Declaration, and an ordinance rezoning the project site to CP(PD) Planned Development Zoning District, and the Planned Development Permit resolution are denied, the project will not be able to move forward with any subsequent permits and the project would not be constructed.

CLIMATE SMART SAN JOSE

The project increases the density of new development and facilitates the choice of mobility choices other than single-occupancy, gas powered vehicles by building in a compact form, increasing the efficiency of land, and providing TDM measures to support a 45 percent parking reduction. Therefore, the recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

Staff followed Council Policy 6-30: Public Outreach Policy. 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. Staff conducted two community meetings for the project.

The first community meeting on May 15, 2019 was to discuss the Planned Development Zoning and the second community meeting on November 21, 2019 was to discuss the Planned Development Permit and the design changes. Approximately 37 members of the public attended the first community meeting and approximately 20 members of the public attended the second community meeting. Both community meetings were noticed at a 1,000-foot radius. At the community meetings, residents and stakeholders shared the following concerns: intensity of the proposal, inadequate on-site parking, impacts to neighborhood parking, traffic impacts, privacy concerns, building heights, height/massing concerns transitioning into the existing neighborhood, shade and shadow concerns, noise concerns, a desire for underground parking, and site access concerns from Norton Avenue.

Additionally, the applicant posted an on-site sign along Meridian Avenue. The sign was updated periodically to reflect the changing project description. The staff report was posted on the City's website and a project webpage was created. Staff has sent out email blasts to provide notification of the Planning Commission meeting and the City Council meeting. Staff has been available to respond to questions from the public.

COORDINATION

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

CEQA

A Mitigated Negative Declaration (MND) was prepared for the 259 Meridian Mixed-Use Project by the Department of Planning, Building, and Code Enforcement and is attached hereto.

/s/

Rosalynn Hughey, Secretary
Planning Commission

For questions, please contact Michael Brilliot, Deputy Director, at
Michael.Brilliot@sanjoseca.gov.

Attachments: [Planning Commission Staff Report, Attachments, and Correspondence](#)