



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Pam Foley
Councilmember Sergio Jimenez
Councilmember Raul Peralez
Councilmember Maya Esparza

SUBJECT: SEE BELOW

DATE: February 19, 2021

Approved

Date: 2/19/2021

SUBJECT: GP20-003 - General Plan Amendment for Certain Property Located at 1975 Cambrianna Drive.

RECOMMENDATION

1. Approve the General Plan amendments as proposed by the applicant.
2. Direct the Planning Director to work with the future developer(s) in the development review process to ensure
 - a. Inclusion of on-site affordability in any residential development at the 1975 Cambrianna Drive site that meets the current inclusionary housing ordinance of 15% affordable units with a maximum 80% AMI restriction, and,
 - b. Construction of at least 14 accessory dwelling units (ADUs) at the 1975 Cambrianna Drive site. These ADUs should be restricted through covenants, conditions, and restrictions (CC&R's) to disallow their use as short term rentals.
3. Direct Staff to explore policy changes for public school land conversions that could provide more opportunities for affordable housing. Additional considerations should also be given to school districts for the generation of education revenue. Staff will report back to the Planning Commission and City Council with policy options no later than the next General Plan Amendment process at the end 2021.

BACKGROUND

The subject site located at 1975 Cambrianna Drive, hereafter referred to as ‘Metzler C’, is a 2.7-acre site that has a frontage on Cambrianna Drive, a residential street. Metzler C is also bordered by single family homes and the remainder of the Metzler property (Metzler A and Metzler B) which are currently occupied by tenants including the California Sports Center, the 7 Magic Flowers, and ALTC preschool. Metzler C itself is currently vacant and generates no revenue for the Cambrian School District, which owns the property. The general plan amendment proposal by the School District is intended to provide a long-term and ongoing revenue source for the District. Metzler A and B will retain the PQP designation. The District is planning on constructing a fifty-unit memory care facility on Metzler A.

Metzler C is currently designated as Public/Quasi-Public. The District is proposing to amend the General Plan to allow residential development on Metzler C. The District will then trade Metzler C with a developer for an income-generating property of comparable value.

ANALYSIS

Staff recommends denial of the general plan amendment because the General Plan discourages the conversion of Public/Quasi-Public land to residential uses. The intention of this General Plan policy is to preserve employment uses. While we generally agree with Staff’s interpretation of the General Plan, we also believe that it is the responsibility of this Council to exercise a certain amount of discretion in land use decisions.

The District had considered commercial or employment uses on Metzler C but determined that due to the dimensions and location such a use would not be viable. If there is no viable commercial or employment use at the site, then the policy of employment preservation is not applicable. To contrast, Metzler A, which does have frontage on a major street, has plans for a fifty-unit memory care facility. Additionally, the District has carefully planned an arrangement that will provide a significant amount of ongoing unrestricted general funds for the District to ensure that their children continue to receive a quality education. These funds will make up for a lack of funding from the State. It is now up to the City to approve their proposed general plan amendment so that the District can secure the much-needed funding, while providing various levels of housing to meet the needs of the City.

The General Plan states that the City should “collaborate with school districts, the community, post-secondary institutions, businesses, and industry to ensure availability of necessary resources to meet student needs.” To that end, the City should work with the Cambrian School District by approving this General Plan Amendment.

San José, as well as the entire Bay Area, is in a dire housing affordability crisis. Any construction of housing helps alleviate the housing shortages we currently face as well as is an opportunity for affordable housing. We urge the District to include on-site affordable housing in residential construction on Metzler C with 15% of the units set aside as affordable restricted at a maximum 80% AMI. In addition to deed restricted affordable units, we also recommend that the District construct at least 14 ADUs, which will contribute to further density on the site. While not deed-restricted, ADUs by design are more affordable than traditional single-family homes. Affordable units here could potentially serve as housing for teachers and staff at the Cambrian

School District. With the combination of traditional dwelling units and ADU's we believe that Metzler C can support at least 35 units. The 35 units create density without being entirely incompatible with the surrounding neighborhood. Additionally, the planned Cambrian Park Plaza development, within half a mile of Metzler C, will provide a significant amount of housing and density for the area in the amount of 378 dwelling units not including the additional planned senior housing.

While the city works on a universal plan, Council should not delay acting on this proposal as the school district pursues this as one avenue to balance its budget by providing necessary funding to preserve its core business, which is to teach our children. Additionally, these are general unrestricted funds meaning that they can be used to maintain staffing levels.

We recognize the need for a universal framework for land conversions for public schools. However, while this policy is being crafted the City should continue to work with school districts on land conversions that are necessary to achieve their educational goals as well as provide opportunities for affordable housing.