



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Planning Commission

**SUBJECT:** SEE BELOW

**DATE:** July 21, 2008

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**COUNCIL DISTRICT:** 3

**SNI AREA:** Spartan-Keyes

**SUBJECT: PDC07-086. Planned Development Rezoning from CP Commercial Pedestrian Zoning District to A(PD) Planned Development Zoning District to allow up to 135 affordable housing multi-family attached residential units and approximately 11,101 square feet for retail commercial uses on a 1.16 gross acre site.**

## RECOMMENDATION

The Planning Commission voted 5-1-0-1 (Kinman opposed, Campos abstained) to recommend that the City Council adopt an ordinance to approve the subject Planned Development Rezoning from CP Commercial Pedestrian Zoning District to A(PD) Planned Development Zoning District to allow up to 135 affordable housing multi-family attached residential units and approximately 11,101 square feet for retail commercial uses on a 1.16 gross acre site, located on the southeast corner of South 2nd Street and Keyes Street (1140 S 2nd St.).

## OUTCOME

Should the City Council approve the Planned Development Rezoning, the subject 1.16 acre parcel would be developed as a mixed-use project, containing ground floor retail and 135 affordable housing units, consistent with the development standards for the subject rezoning. This future development would be subject to a Planned Development Permit.

## BACKGROUND

On June 11, 2008, the Planning Commission held a public hearing to consider the proposed Planned Development Rezoning. Staff gave a brief report describing the project. The applicant, Jeff Oberdorfer of First Community Housing, made a brief presentation including the projects green features and stated that this project had just been accepted into the LEED for Homes Mid-Rise Pilot Program. He indicated that they would pursue a LEED Gold rating for the project.

The first member of the public to speak on the project was Ms. Aurelia Sanchez, President of Spartan Keyes Neighborhood Action Committee, who emphasized that the community is not supportive of the project. She opposed the project because she was concerned that it did not conform to the Martha Gardens Specific Plan in the area of architecture, included too many units and would

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add to the existing traffic problems in the neighborhood. She also explained that the Martha Gardens neighborhood has a deficiency of parks, and how the project, because it is an affordable housing project, is exempt from either dedicating land or paying a fee towards parks. Another member of the neighborhood, Rita Torres, spoke later in the hearing, also in opposition. She stated she was opposed to the project because the scale of the project would block views into the neighborhood and would not be a 'gateway' building. She also expressed concern that that her neighborhood is saturated with affordable housing and felt that other neighborhoods needed to share in the responsibility.

A representative of the Silicon Valley Leadership Group, Bena Chang, and Sara Grignon and Fabi Delgado of the Housing Choices Coalition, spoke in support the project and the benefits of this type of affordable housing. Matt Regan of the Bay Area Council also spoke in support of the project and pointed out its progressive ecologically friendly and transit-oriented design. Tamon Norimoto, a neighborhood resident, stated that he felt that it was a good project and addition to the neighborhood, and that the existing traffic problems in the neighborhood were not the concern of this new project.

The applicant responded briefly to earlier comments, stating it was City policy to exempt affordable units from the parkland fee, and that the prepared traffic report shows no future impact from the proposed project.

Planning Commission then closed the public hearing. The Commission discussed the issue of park fees, the Eco-Pass program and the applicant's commitment to it, and green building. Staff responded to questions from the Commission related to the park fee issue by stating that the exemption from park fees for affordable units is City policy, and that staff has not singled out and separately conditioned any project contrary to that policy. Staff also indicated that the program for the proposal to provide Eco Passes and participate in the LEED for Homes Mid-Rise Pilot Program was voluntarily on the part of the applicant. They are positive aspects to the project but are not included into the development standards, and did not factor into the proposed parking ratio or other development standards.

Commissioner Jensen made the motion to recommend approval per staff and recognize the applicant's pursuit of LEED Gold certification. Commissioner Zito indicated that he would like staff to work with the applicant at the permit stage to "soften" the architecture, stating that the project as designed in his mind is a bit boxy and monolithic.

Commissioner Kinman indicated she would not be supporting the project as she felt the benefits of the project were outweighed by its deficiencies relating to the setbacks, parking, concern over affordable housing not generating park money, and the project not being in compliance with the Martha Gardens Specific Plan.

The Commission voted 5-1-0-1 (Kinman opposed and Campos abstaining) to recommend approval of the Planned Development Zoning as recommended by staff

## ANALYSIS

The proposed project, as a mixed use development with ground floor retail and residences above, conforms to MU-C Mixed-Use Commercial land use designation on the San José 2020 General Plan Land Use/Transportation Diagram. The proposed project also furthers the Housing and Growth

Management Major Strategies of the General Plan by providing affordable housing on an urban infill site.

The proposed project conforms to the residential density called for in the Martha Garden Specific Plan through the use of the Population-Dwelling Unit Equivalency formula. It also supports the stated goals of the Martha Gardens Specific Plan to provide for residential infill and intensification that reinforces a sense of neighborhood, and it encourages neighborhood serving commercial services.

For further analysis please see attached Staff Report.

### EVALUATION AND FOLLOW-UP

The applicant will be required to secure a Planned Development Permit from the Planning Director in order to implement the subject rezoning.

### POLICY ALTERNATIVES

Not Applicable

### PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, 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 1000 feet of the project site and posted on the City website. A sign was posted on the site. This staff report is also posted on the City's website. Staff has been available to respond to questions from the public.

A community meeting was held for the project on February 20, 2008. Approximately 22 members of the community were present. The primary issues of discussion at the meeting were traffic and parking impacts, over saturation of affordable housing in the neighborhood, the character of the retail going into the site, and the architecture of the building. Various members of the community pointed out that the neighborhood has an existing traffic problem and shortage of parking. They were concerned that 139 new units would increase already problematic traffic and those tenants and their guests would park on the street, exacerbating the parking shortage. Different members of the community also expressed concern that the neighborhood is oversaturated with low-income housing,

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and that such low-income housing would increase residents without contributing to the park land fees. Some community members had differing opinions on the architecture, stating among other things, that it was too boxy, was too large and industrial looking in comparison to the single family homes, and that it lacked color and interest. Finally, multiple community members were concerned about the type of retail that would go into the proposed building, specifically not wanting auto-related uses, liquor store, pawnshops and tattoo parlors, and desiring a grocery store.

In response to community concerns, staff wrote into the proposed development standards that the commercial uses allowed would be those permitted, conditional, and special uses in the Commercial Pedestrian Zoning District, and that pawnshops and vehicle related uses be purposefully excluded. The plans were subsequently amended to decrease the amount of retail, and elevations were stepped back and broken up nearest to the single-family homes, resulting in a reduction of four units. Parking and traffic analyses were completed for the project.

### **COORDINATION**

This project was coordinated with the Department of Public Works, Building Department, Fire Department, County of Santa Clara Roads and Airport Department, Parks, Valley Transit Authority, Environmental Services Department and the City Attorney.

### **FISCAL/POLICY ALIGNMENT**

This project is consistent with applicable General Plan policies and the Zoning Ordinance as further discussed in attached staff report.

### **COST SUMMARY/IMPLICATIONS**

Not applicable.

### **BUDGET REFERENCE**

Not applicable.

### **CEQA**

CEQA: Mitigated Negative Declaration

  
FOR JOSEPH HORWEDEL, SECRETARY  
Planning Commission

For questions please contact Jeannie Hamilton at 408-535-7800.