



Agenda Report

23-1115

Agenda Date: 10/25/2023

REPORT TO PLANNING COMMISSION

SUBJECT

Action on the Downtown Precise Plan, Downtown Form Based Zoning Code, Related Amendments to the General Plan, and Associated Environmental Impact Report and Mitigation Monitoring and Reporting Program.

COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development

EXECUTIVE SUMMARY

Following a five plus-year community engagement process, the City has developed a Precise Plan and a Form Based (Zoning) Code to implement the City of Santa Clara's 2010-2035 General Plan goals and policies for the Downtown Focus Area to promote the redevelopment of the City's historic downtown area. The Downtown Precise Plan is a long-range planning document that provides detailed guidance for future land uses, urban design standards, and public right-of-way design concepts. The Precise Plan and Form Based Code are intended to implement the General Plan's goals and policies for the Downtown Focus Area by establishing development regulations for the Plan Area. Adoption of the Precise Plan and Form Based Zoning Code will establish guidance and standards for new development within a portion of the Downtown Precise Plan Focus Area through policies, guidelines, and illustrations that implement the community vision and objectives for a vibrant, pedestrian-oriented destination Downtown. The Form Based Code will provide objective design standards to regulate new development projects.

Precise Plans, Form Based Codes and other focused land use regulations outline specific criteria for development in a designated area and are intended to convey a community's desire for how development should occur. Such regulations are tools that articulate clear ("objective") standards, with the hope that property owners, investors, and developers will align to those standards. As a benefit to aligning to the community's objective standards, the approval process for projects that are consistent with those standards is streamlined and generally avoid lengthy local/city processes for exceptions and code amendments. However, over the last 5-10 years, the State of California has adopted housing laws that bypass local approval processes. The stated intent for many of these laws are to: (1) increase the production of housing, (2) reduce barriers imposed by local agencies, (3) increase affordability, and (4) reduce processing times for planning entitlements and building permits.

Due to the myriad of State laws that allow local land use rules to be waived, local policy makers often balance community desires to impose regulations on development, with the alternatives provided by State housing laws. If local regulations are viewed as being too stringent, developers/property owners may seek to utilize State laws to waive local rules, thus limiting the effectiveness of tools such as precise plans and form based codes.

Through this report, its attachments, and the presentation(s) at the October 25, 2023 meeting, the

Planning Commission is being asked to conduct a public hearing and make recommendations on three actions for City Council consideration related to the adoption of a Downtown Precise Plan and Form Based Zoning Code for the City of Santa Clara:

- 1) Recommendation on the adequacy of the Environmental Impact Report (EIR) prepared to analyze the potential environmental impacts for the project and an associated Mitigation Monitoring and Reporting Program, set of CEQA Findings and a Statement of Overriding Considerations;
- 2) Recommendation to the City Council on the adoption of the Downtown Precise Plan and Related General Plan Amendments; and
- 3) Recommendation to the City Council on the adoption of an ordinance amending the zoning code to create the Downtown Form Based Zoning district.

BACKGROUND

The City of Santa Clara's 2010-2035 General Plan identifies focus areas for the City's growth throughout the City, including the Downtown area, to promote the City's diverse economic base and meet the demand for housing that addresses job growth in the City and region.

Downtown Planning Process

While the City has made previous attempts to plan for and redevelop its historic Downtown, efforts began anew after the adoption of the 2010 General Plan when in August 2015 the City Council adopted a Strategic Objective to evaluate a Santa Clara Downtown/Super Block project. The City then hired an urban design consultant to help facilitate a series of community workshops and meetings which took place between October 2015 and November 2017, and were used to gather input on a vision for the Downtown area's future development. Through this process, the community identified several objectives for the redevelopment of the Downtown area as a vibrant, pedestrian-oriented destination, including, as a primary objective, the restoration of Franklin Street as a public right-of-way open to vehicular traffic. These objectives were subsequently used as an input into a more rigorous planning effort which began in 2019.

The possibility of revitalizing the City's historic Downtown area energized City community members, including organizations such as Reclaiming Our Downtown (ROD) and the Old Quad Resident's Association (OQRA). In 2018, ROD began actively lobbying the City for a restoration of the City's historic downtown, and in particular the development of a theater. The community's interest in the preparation of a plan for near-term redevelopment and revitalization of the downtown grew to include other community members. In response to this community interest, the City Council included \$578,346 to support the preparation of a Downtown Precise Plan in the City's FY 2018/19 and 2019/20 Adopted Capital Improvement Program Budget. The Downtown Precise Plan was intended to provide guidance for new development within the Downtown area through policies, guidelines, and illustrations intended to implement the community's vision and objectives for a vibrant, pedestrian-oriented downtown destination. Following approval of this funding, the City issued a Request for Qualifications (RFQ) for consultant services to support the initiation of the Precise Plan preparation process. In October 2019, the City entered into an agreement with the selected consultant, WRT, for preparation of the Precise Plan. In June 2020, the agreement was amended to add \$100,000 for the study of additional land use options and their financial feasibility and additional meetings with stakeholders and the Task Force.

A Downtown Community Task Force (DCTF) was appointed by the City Council to provide input on

the Plan throughout the planning process. The members of the DCTF include representation from a diverse range of backgrounds and perspectives including the OQRA, ROD, Santa Clara University, the Historical and Landmarks Commission, and the Cultural Commission. The DCTF is an advisory body that met over the course of the Downtown Precise Plan planning process. The purpose and mission of the Task Force was to provide input and help guide the Downtown Precise Plan planning process through:

- High-level strategic thinking on the direction of the plan at key points in the project;
- Review, interpretation, and guidance on the results of the public workshops and other engagement activities; and
- Recommendations on the vision, land use, circulation, and key policy topics for the project area.

As the planning process progressed, the DCTF proactively contemplated the next steps towards implementation of the Precise Plan with the goal of making sure that those steps lead to the best possible outcomes for a successful downtown. Accordingly, the DCTF requested the City Council to add the preparation of a Form Based Zoning Code for Downtown to the consultant scope of services. Form Based Codes are an alternative approach to zoning standards that are particularly applied to areas where a pedestrian-oriented environment and more traditional “Main Street” type of development is a priority. Form Based Codes may omit much of the land use regulations found in conventional zoning codes, thereby allowing for a mix of uses (e.g., residential above commercial) that would have been seen in a traditional Downtown environment, while also establishing very precise regulations for architectural form, such as specifications for minimum and maximum setbacks, location and size of building entries, allowable building materials and other architectural elements critical to the creation of a successful pedestrian environment.

In May 2021 the City Council approved a contract amendment to add the Form Based Zoning Code task to the consultant scope of work and planning process and added funding of \$300,000 for this additional work from the General Fund Capital Projects Reserve to cover the total cost of the amendment to the Agreement. This amendment brought the total to \$978,346 for the development of the Precise Plan and Form Based Code.

A consultant team headed by WRT was engaged to support the City in the preparation of the Downtown Precise Plan and the Form Based Zoning Code. The planning process started with an existing conditions analysis, followed by various forms of community outreach, further detailed in the community outreach section of this report below, to receive community input on visioning, land use, circulation, and design standards. Staff and the consultant team met with a developer stakeholder group and conducted an independent analysis to establish a framework for economic feasibility to inform the planning process with the intent that the Plan would support an adequate amount of new development capacity to promote near-term redevelopment. The process was further layered with review and input from the Downtown Community Task Force (DCTF), as well as internal City departments.

Project Timeline

The following are key milestones in the Precise Plan and Form Based Code planning process:

- October 2019: Consultant (WRT)/City Project Kick-Off Meeting
- May 2021: Added Tasks & Budget to Scope (Form Based Code - Sargent Town Planning)
- June 2021: Downtown Community Task Force (DCTF) Confirmed the Draft Land Use/Height

Plan Framework

- September 2021: City Council Confirmed Draft Land Use/Height Plan Framework
- October 2021: Community Outreach Complete
- May 2022: Draft Plan Complete (Revised Draft Completed 11-18-22)
- June 2022: Draft Form Based Code Complete (Revised Draft Completed 11-17-22)
- November 2022: Community Open House - Presentation of Precise Plan & Form Based Code
- May 31, 2023 - July 14, 2023: Environmental Impact Report (EIR) Circulation
- August 2023: Adoption Draft Precise Plan and Form Based Code Complete
- December 2018 through September 2023: Downtown Community Task Force (DCTF) Meetings - 42 Meetings

Preparation of the items now under consideration by the Planning Commission are the result of a nearly four-year community-based planning effort. This process has been largely focused on an appointed Downtown Community Task Force (DCTF) which has thoroughly reviewed all aspects of the proposed Precise Plan and Form-Based Code. The Planning effort began in late 2019 with conventional forms of community engagement (e.g., community meetings, workshops, “pop-up” activities at community events), and then transitioned in 2020, after approximately a six-month delay, to multiple forms of on-line engagement. In-person meetings resumed in early 2023 following the end of the Covid-19 emergency declaration. DCTF meetings have been held once or twice a month with a few breaks since September 2020 until the present time, with the most recent DCTF meeting held on Thursday, October 19, 2023. Agendas and materials for these 43 DCTF meetings are available on the City’s website. All of the DCTF meetings were open to the public and included participation by other community members. Broader community engagement took place through general community meetings, on-line surveys, workshops and other activities conducted at key stages in the planning process.

Community Engagement

Over the course of the Downtown Precise Plan planning process, the planning team has received feedback from community members and stakeholders in the following ways:

- 43 Downtown Community Task Force (DCTF) meetings. Details of each meeting, including meeting materials and videos recordings can be found under the Task Force page of the Downtown Precise Plan website.
- Two online Survey’s on the topics of Land Use Concepts during May 2020 and Placemaking during October 2021.
- Two “Meeting in a Box” activities distributed to the community in January/February 2020 and June 2020. (“Meeting in a Box” provided community members with a set of community engagement tools that they could use to lead multiple small groups of community members through in person and on-line planning activities to inform preparation of the Precise Plan.)
- Downtown Retail 101 Community Workshop on January 16, 2020.
- A lunchtime student engagement workshop at Santa Clara University on January 29, 2020.
- Meetings with stakeholders and technical advisors from January through March 2020.
- Placemaking Community Workshop on October 12, 2021.
- Community Open House on November 19, 2022.

Summaries and meeting materials for all community engagement activities can be found on the Downtown Precise Plan website under community engagement reports at:
www.santaclaraca.gov/downtown

Community Design Principles

During the initial year of the planning process, beginning in December 2019, the City and the DCTF solicited community input and crafted and refined a preferred land use “framework plan” for achieving the community vision for Downtown. This is presented in the Precise Plan as an overall Vision for the Downtown that it be “Authentic Adaptable, and Affordable”. In this context, “Authentic” indicates that the Downtown should have a variety of forms that appear to have developed over-time and with multiple architectural styles, similar to the urban form of a traditional downtown. “Adaptable” indicates that the Precise Plan should be able to support development in a variety of economic conditions and accommodate changing social trends. “Affordable” indicates that the retail and the housing found within the Downtown will be at prices accessible to people at a variety of income levels. Collectively these elements suggest that the Downtown will be potential home to and an attractive destination for a wide variety of people from Santa Clara and surrounding communities.

The vision for the design of Downtown is further articulated under two headings, “community priorities for streets and public spaces”, and “urban form”. The vision emphasizes a restored street grid, open spaces for community gathering, human scale and pedestrian comfort, building height variation and a diversity of uses in the following text.

The Precise Plan seeks to achieve the following community priorities for streets and public spaces:

- A restored street grid;
- Multi-modal streets;
- Active and pedestrian-scaled Franklin Street;
- Parks and plazas for community gathering and community programs;
- Outdoor seating.

The urban form of Downtown should be characterized by:

- Human scale and pedestrian comfort (The Precise Plan and Form-based Code are intended to provide “Human Scale” architectural elements that reduce the perceived building mass to a comfortable level and provide visual interest as experienced by pedestrians on the street and roadway design that does not give automobile traffic priority over pedestrian comfort.);
- Building height variation and diversity;
- Buildings massing that supports urban life and steps down to the neighborhood context;
- Integration of traditional and contemporary building forms sensitive to nearby historic homes;
- A mix of building uses, including retail, cultural catalysts, housing and offices.

DISCUSSION

The primary issues for the Planning Commission to consider in evaluating the proposed Precise Plan and Form Based Code are consistency with the General Plan and the strength of the Plan’s policies and standards to implement the Plan vision. The Planning Commission, and subsequently the City Council, have the opportunity to review these policies and standards and identify areas where they may be enhanced, modified or further developed to address City objectives and priorities.

Additionally, both bodies should consider the new regulations in the context of State laws that allow local land use rules to be waived. As noted above, if local regulations are viewed as being too stringent, developers/property owners may seek to utilize State laws to waive local rules, thus limiting the effectiveness of tools such as precise plans and form based codes. Input and recommendations from the Planning Commission will be forwarded to the City Council for their consideration; direction from the City Council will be incorporated into the final, adopted version of the Precise Plan and Form Based Code.

General Plan Consistency

The Project is located within the Downtown Focus Area. Focus Areas identified in the 2010-2035 General Plan represent locations with opportunities for more intense development with limited impact on existing neighborhoods. The Downtown Focus Area provides direction through the following goals for achieving a unique destination in the City to serve both local and regional interests.

5.4.2 G1 A Downtown that serves as a primary, pedestrian oriented commercial and cultural destination.

5.4.2-G2 New Downtown development that is integrated with older existing development with respect to intensity, scale and character.

5.4.2-G3 Higher intensity development that is concentrated in the area designated as Downtown Core (located in the eastern portion of the Focus Area).

5.4.2-G4 Pedestrian and transit priority for mobility in the Downtown Focus Area.

The Precise Plan is consistent with these goals and provides much more detail, and direction on public streets and spaces, essential land uses, urban form, and development capacity.

First, the Plan provides direction on re-establishing the street grid for Downtown, and direction on how each street shall be designed to achieve the desired character and complement adjacent land uses and desired activities. For example, Franklin Street is designated as a pedestrian oriented street with wide sidewalks giving pedestrians the priority, a travel lane in either direction and a multi-use curb lane can be used for a variety of uses that are likely to change over time as the area changes, such as drop-off zones, delivery zones, bike share stations and on-street parking. This configuration differs from Benton Street which is designated as a community connector street that will have traffic and bicycle lanes in each direction separated by a center turn lane and on-street parking with standard sidewalks.

Second, the Plan builds up from the street grid by designating the location of publicly accessible open spaces and retail spaces, as well as retail ready spaces (spaces designed to be able to accept retail uses in the future when there is sufficient demand). The public spaces are linked together along Franklin Street and serve different purposes for Downtown, but all are to be visible from streets, well-lit, and address utilitarian demands while providing space and infrastructure for events and programs.

Third, the Plan provides standards for building form through the establishment of maximum building heights. Parcel-by-parcel, low-intensity land uses will be replaced by development projects that deliver housing and office space in taller buildings with context-appropriate building heights and massing. Proposed building heights will step down in height where the Downtown area abuts existing residential neighborhoods, while stepping up in height along the east end of the Downtown's central spine, Franklin Street. The Plan envisions that amenities will be most abundant along Franklin Street and at the Main and Franklin Street crossing, marking the Downtown's "civic axis" leading to City Plaza Park.

Additionally, the Precise Plan boundary generally aligns with the boundary depicted in for the Downtown Focus Area in the General Plan with the exception of the westernmost area along Franklin Street between Madison and Lincoln Streets. This area, which is included in the Focus Area, does not encompass a full block and only includes narrow/shallow parcels fronting on Franklin Street, of

which a majority are single-family residences and thereby determined to be not conducive to redevelopment.

Finally, the current General Plan Downtown Focus Area development capacity, corresponding to areas designated as High Density Residential, Community Mixed Use, and Downtown Core, is estimated to be 396 housing units and 130,000 square feet of non-residential development, not including civic uses. The proposed Precise Plan allows for a greater intensity of development with a capacity of up to 1,071 residential units, 531,720 square feet of office space, 197,900 square feet of commercial/retail space, and 44,300 square feet of public space.

Precise Plan

The proposed Precise Plan includes several chapters: Development Framework; Streets and Public Spaces; Ground Floor Uses; Urban Form; Historic Resources; and Implementation.

Development Framework

The Framework provides general guidance for the types of land uses and amount of development allowed within the Precise Plan. The Framework supports an approach to redevelopment that integrates the community's vision and priorities with the goal of providing sufficient flexibility for the redevelopment of the Downtown to be economically achievable.

A market study was conducted in 2020 to analyze the economic conditions and financial feasibility for the implementation of the Precise Plan. Based on this analysis, the City's consultant provided recommendations for types and densities of development that would be feasible within the Downtown context. This analysis was presented to the DCTF at DCTF Meeting #6 on March 9, 2020 and is included within the Draft Plan (Attachment #1 Precise Plan, pp 18-20; p. 22). This analysis indicates that feasible forms of development include residential townhouses (30 dwelling units / acre), residential condominiums (at 70 dwelling units per acre or higher), residential rental apartments (at 80 dwelling units per acre or higher), office (Downtown office at a Floor Area Ratio of 5.0). The consultant's analysis further states that these types of development may be feasible at slightly lower densities. The feasibility analysis for ground floor retail, which is required at some locations in the Precise Plan, indicates that it would be revenue neutral, neither adding to nor detracting from the overall feasibility of mixed-use development.

Market feasibility analyses are based upon a single point in time, but also take longer term trends into consideration. Since the analysis was completed in 2020, market conditions have changed in several ways, two of which are significant considerations for the Downtown. First, speculative office development has dropped significantly as developers remain unsure about the future demand for office space with increased telecommuting still a significant factor. While long-term trends suggest that the Silicon Valley will remain a strong economic driver so that office demand will return, it is unclear what the timing for that return will be. After an initial pause in 2020, demand for residential development has remained strong since 2020 until interest rates rose dramatically earlier this year. For residential development, the current combination of high interest rates, a lack of interested investors, stable or declining apartment rents, and high construction costs has cooled new market-rate apartment development projects. Townhouse and affordable housing development remains feasible in the current market conditions. Changes in external market conditions could easily return apartment development to feasibility or have other effects. To address these uncertain market conditions, the Precise Plan is intended to provide flexibility for land uses, a range of densities consistent with likely market demand, and land use policies that can be implemented over several

years as market conditions vary.

To provide flexibility in land development while supporting a traditional downtown form, the Framework focuses upon building form and height in place of a typical land use plan with various colors designating areas for different land uses. The maximum allowed building heights range from two stories to seven stories. Buildings may be used for housing, offices, hotels, civic or cultural uses, or a mix of these uses. The ultimate development capacity for the Precise Plan was determined based upon building heights and the expected capacity for various land uses within those building heights.

In addition to an overall building form diagram, the Framework is accompanied by diagrams for Streets and Public Spaces, Ground Floor Uses, and Urban Form that collectively support the Precise Plan goals and policies, design standards and guidelines, and implementation measures.

Streets and Public Spaces

This chapter provides direction for the re-establishment of the street grid, and the design of a hierarchical street network by providing cross sections for four street types: Major Thoroughfare, Community Connectors, Pedestrian Oriented, and Service Oriented, described in more detail below. The cross section for each street type includes a total right-of-way width and a dimensioned depiction of the elements that are to be included within that right-of-way. The Precise Plan prioritizes bike-friendly designs for the new or modified streets within the Downtown by maintaining bike lanes on Monroe Street, Benton Streets, and Homestead Road, and calling for a new continuous bicycle route on Washington Street, where bikes and slow-moving vehicles can share lanes. The four street types are described as follows:

Major Thoroughfare - 10-foot sidewalk, 5-foot landscape strip, street parking, travel lane in either direction, and a center turn lane

Community Connectors - 11-foot sidewalk, 7-8-foot multi use lane (landscape bulb out and/or street parking), 5-foot bike lane, travel lane in either direction, and a center turn lane

Pedestrian Oriented - 10-foot sidewalk, 7-foot multi use lane (landscape bulb out, street parking, drop-off zones, service and delivery zones, bike share stations), travel lane in either direction shared by bikes and cars

Service Oriented - 18-foot sidewalk with a 5-foot landscape strip down the center and against the curb, 7-foot multi use lane (landscape bulb out, street parking, drop-off zones, service and delivery zones), and a travel lane in either direction shared by bikes and cars

To make Downtown a vibrant place and attractive destination, the Plan includes policies for the creation of public spaces including, parks, plazas, paseos, and other publicly accessible spaces. These spaces should be flexible, while also providing amenities and public art. There are three required plaza and park locations indicated in the Plan, strategically placed along Franklin Street, with unique features distinguishing each space as described below:

Arts Commons, a “town square” near where Franklin Street and Lafayette Street will intersect, where City-owned land can be leveraged to create a flexible, amenity-rich plaza to accommodate public gatherings and events, such as viewing outdoor films.

Central Green, a common open area located on the four corners at the intersection of Franklin and Main Streets, to activate and visually unify the four corners with multi use lawns and trees.

Franklin Plaza, a small plaza located in front of and north of the historic Post Office, sufficient in size to host Downtown's weekly farmers market when combined with adjacent streets that can be temporarily closed.

Ground Floor Uses

Franklin Street is planned to be a continuously lively and welcoming centerpiece for Downtown with active uses and attractive shopfront architecture. As such, this Chapter provides detail on where ground floor retail and "retail-ready" ground floor spaces are required. "Retail-ready" spaces are ground floor spaces which will have shopfront architecture and appropriate building infrastructure to support future retail use, but the use need not be retail at the outset. These spaces can be converted to retail uses as market demand allows.

Urban Form

This Chapter provides more detailed guidance on how the intensified massing of new development will be designed to be compatible with the existing Downtown context. Per the Urban Form standards, new building heights and forms will be sensitively and specifically designed to respond to the context of the conditions along and within the Precise Plan boundary. Building heights will step down in the north along the Benton Street boundary and to the southwestern boundary along Homestead Road to provide a transition down to the neighborhood scale. More intense mass and density are allowed in a concentrated area at the central civic axes of Main and Franklin Streets and at the east end around the Arts Commons at Lafayette Street. Finally, building heights will also step down to respond to the scale of historic structures at the west end of the Precise Plan area including the post office and historic homes located in the blocks between Monroe and Madison Streets.

The density allowed in the Plan is of a sufficient height and intensity to support new residential and employment development within the Downtown thereby increasing patrons, foot traffic, and market support for Downtown retail, restaurants, and services. Prohibiting auto oriented and other low intensity uses will further leverage the Downtown's potential for activation. Allowing greater building heights within the Downtown will also reduce the community's overall environmental footprint, as focusing growth into mixed-use, walkable districts generates less traffic and greenhouse gas per capita than more car-reliant districts. To promote this type of walkable environment, new development will be required to achieve a minimum density of 35 units per acre cumulatively within the Precise Plan area. The overall density will be monitored, and new development will be required to maintain this overall minimum threshold for cumulative density or intensity of development.

Historic Resources

This Chapter identifies the historic resources in the Precise Plan area and provides policies as to their preservation and reuse. The Post Office is designated as a building of notable character and five properties within the blocks west of Monroe are designated as historic resources on the City's Historic Resources Inventory (HRI). The Precise Plan provides direction to conserve historic resources to promote a sense of history, while allowing building use to change over time. Additionally, the Precise Plan requires new development to be designed to be compatible with the historic resources, consistent with the Secretary of the Interior Standards and City regulations, by designing with similar proportion, scale, facade modulation, and step downs.

Implementation

The vision for Downtown presented in the Precise Plan will require implementation actions by the City, other Downtown property owners, arts and cultural organizations, business owners, and residents, over many years.

The Precise Plan is intended to provide land use policies that provide both sufficient flexibility and sufficient direction so that the Downtown vision can be successfully realized piece by piece over time. The Precise Plan includes a brief summary of potential opportunities and challenges for implementation (Attachment 1 Precise Plan p. 22). Implementation Measures are provided throughout the Precise Plan and collectively presented in the Implementation Chapter, which provides a table to summarize these implementation measures needed to achieve the outcomes described in the Precise Plan (Attachment 1 Precise Plan p. 110).

Uncertain economic conditions and a growing number of State laws that override local land use authority both present potential challenges to the realization of Precise Plan vision. Changing economic conditions are not a new phenomena and planners have learned that both a clear vision and flexibility are important for a plan to stand up over time so that it is ready to be implemented when favorable economic conditions are present. At the same time, developers are increasingly provided through State legislation with the means to bypass local regulations when those are perceived as too onerous. At present, taking advantage of State legislation generally requires a slightly higher level of affordable housing to be incorporated into a project than otherwise required by the City, and in some cases may require use of more expensive labor. These add some additional costs for the developer, but if the Precise Plan is too restrictive in terms of height or density, a developer may choose to take on those costs in order to achieve an economically viable development project. Given that new legislation intending to promote housing production is adopted each year at the State level, it is quite possible that future legislation will further undermine the City's land use authority.

The City owns approximately six acres within the Downtown area (primarily Blocks A and B; see Attachment 1 Precise Plan p. 37) that could be made available for development in the near-term to help implement the Precise Plan and serve as a catalyst for advancing the overall objective to reestablish the Downtown. However, the City is also subject to State regulation of the surplus land process that could be an obstacle to realization of the Precise Plan and Form-based Code. For example, the State process prioritizes sale to affordable housing developers over market rate developers and it should be noted that affordable housing developers have the ability to waive elements of both the Precise Plan and Form-based Code. The City also owns the parking that supports the Franklin Mall area, but with a large number of other property owners, the Precise Plan does not anticipate the redevelopment of Franklin Mall (Blocks H and G) in the near term, but considers the continued presence of Franklin Mall as compatible with the planned redevelopment of other blocks. Other properties within the Precise Plan area are likely not available for development in the near future. These include Blocks C and E, which currently are developed with a high-value residential use, and Block D, which is partially owned by the State Court system and partially encumbered with an obligation to provide parking for the courthouse. These challenges were extensively discussed through the planning effort and are addressed within the Precise Plan, with a recognition that the Precise Plan will need to be both a flexible and in some cases a long-term plan.

Form Based Code - Downtown Zoning District

While the Precise Plan describes the vision for a revitalized Downtown and policies and implementation measures to achieve that vision, the Form Based Zoning Code (Code) will be the primary implementation tool to realize this vision by providing detailed development standards for all new private and public improvements within the Downtown Precise Plan boundaries. A form-based zoning code differs from a traditional zoning code by focusing on form rather than land use. Accordingly, the proposed Code will establish very precise regulations for architectural form, such as detailed specifications for minimum and maximum setbacks, location and size of building entries, allowable building materials and other architectural elements critical to the creation of a successful pedestrian environment.

Character Overlays

To achieve the vision of the Precise Plan the Code includes four Character Overlays, (1) Shopfront Overlay, (2) Retail-Ready Overlay, (3) General Overlay, and (4) Neighborhood Edge Overlay. The intent of these overlays is to calibrate the standards and guidelines of the Code to the desired character for these specific urban environments as envisioned in the Precise Plan. This includes standards intended to concentrate street life at key locations within the center of Downtown while regulating the form of development to provide a smooth transition to the existing neighborhood context at the edges of Downtown.

Development Standards and Guidelines

The standards and guidelines of this Code are both “place-based” and “form-based,” with all standards and guidelines mirroring the public realm plan in the Precise Plan. The Code assigns specific building height standards, building setback standards, building use standards, and building form and design standards and guidelines on a street-by-street and block-by-block basis to systematically, cohesively and predictably implement the community’s vision. The Code also prescribes the permitting processes for new development within the Precise Plan boundary. Design standards will be established through the Code for the following:

- Building placement, height, massing, and width
- Building facades, scale, and character
- Vertical organization of doors and windows
- Building frontage design at the public realm
- Architectural projections
- Privacy
- Retail design
- Signage

The proposed Precise Plan establishes specific limitations on height throughout the Downtown plan area that are intended to raise overall development capacity and thereby also provide sufficient economic benefit to promote redevelopment of the Plan area (See Attachment #1 Precise Plan p. 99 Figure 5-4). Allowable building heights are reduced at some locations from the current General Plan, which sets a generic maximum height of 50 feet over the entire Downtown. In the Precise Plan lower maximum heights of 28 feet or 40 feet are established at the interface between new and existing land uses that would be most sensitive to an adjacent, higher-density development. These lower height limits are located on portions of Blocks H, I and J and along the outside edges of most blocks. However, the height limit is increased on every block to some degree, with maximum heights of 59 to 98 feet allowed at various locations. The Precise Plan anticipates the ability for further increases in height with the provision of a community benefit, but the terms that would allow this have not been

included at this time. While the maximum heights have been reduced at some locations, the new maximums would still allow a significant intensification over existing land uses, much of which are one-story, and are intended to provide sufficient intensification to support economic feasibility while meeting the need to minimize impacts on adjacent, primarily single-family residential development. As discussed elsewhere, developers may also take advantage of State legislation which grants increased densities when the project meets affordability criteria. On the whole, the proposed maximum heights implement a careful balance of community interests in maintaining land use compatibility while also providing a land use framework conducive to new development activity.

Community Benefits Program

At the onset of the community planning process, the community wanted to include in the Precise Plan a Community Benefit Program. The DCTF discussed this concept and different methodologies for its implementation, but concluded that additional work was necessary before it could be incorporated into the Precise Plan. Specifically, the DCTF preferred a fee-based program that would require preparation of a supporting nexus study. Accordingly, the draft Precise Plan under consideration does not include a community benefits program and the DCTF has stated a desire to continue working on this topic after adoption of the Precise Plan and Form-based Code so that development might proceed according to the base densities allowed within those documents while the community develops a specific system for granting increased heights and densities. Further work by the DCTF and preparation of a nexus study would both require additional appropriation and direction by the City Council.

Based on community and DCTF discussion to this point, the community benefits program is envisioned to allow additional development rights through increased allowances for building height in exchange for the provision by the developer of a defined community benefit. The preliminary list of community benefits that could qualify a developer for such a height increase includes provision within the project of one or more of the following desired community amenities: movie theater, cultural arts center, market (food) hall, public parking garage, and visual and performing art venues. The DCTF also discussed community benefit being established through conservation of historic resources or contributing buildings to historic districts, land dedication for public realm that exceeds standard requirements, and enhanced public realm or transit infrastructure contributions beyond those otherwise required. To procedurally achieve the Community Benefit and resulting height increase, a developer would need to apply for, and execute with the City Council, a Development Agreement that would set the terms of delivering the benefit. It was intended that the building height increase granted would be commensurate with the level of community benefit contribution as determined at the City's discretion.

With the review of the draft Precise Plan, the community voiced concern over the approval of a Community Benefit Program that would be subject to City discretion to implement as it would not be adequately predictable or knowable to the community or the developer. The City's consultant provided alternative ideas and examples for achieving community benefits, and the DCTF agreed on an alternative direction with a more quantified structure, including the potential establishment of a community benefit fee. However, this alternative would require preparation of a nexus study, which is not part of the current project scope. Therefore, the DCTF voted unanimously to remove the community benefits program from the current version of the otherwise completed Precise Plan and Form Based Code draft documents.

Conclusion

The Downtown Precise Plan, accompanying Form Based Zoning Code, and project EIR have been prepared through an extensive community-based planning process, which has provided a significant amount of time for discussion of the various components of the project. The Precise Plan attempts to provide a development framework to support the implementation of a grid street system, connected public spaces, and essential land uses that implement a sensitively and specifically designed urban form consistent with the Community's vision and the goals and policies set forth in the General Plan.

ENVIRONMENTAL REVIEW

The action being considered takes into account the potential environmental impacts of the project through the preparation of an Environmental Impact Report (EIR) for the project. The EIR was prepared in accordance with the California Environmental Quality Act (CEQA) and circulated for a 45-day public review between May 31, 2023 and July 17, 2023. A total of three comments were received during the comment period. Two were from a local/regional agency, Valley Water and Santa Clara Valley Transportation Authority. The third letter received was from an organization, the Judicial Council of California. None of the comment letters identified a new significant impact or have provided substantial evidence that the CEQA analysis is otherwise inadequate. Recirculation of the EIR is therefore not required. Responses to the Draft EIR comments, as well as minor text changes and clarifications, in the form of a Final EIR, were made available to the public through the City's website on October 11, 2023, and have been forwarded on to any commenters on the Draft EIR. A website link to the Final EIR, MMRP, CEQA Findings, and Response to Comments is provided in Attachment 1 to this report.

The EIR identified potential environmental impacts associated with project and identified air quality, biological, cultural resources, geology and soils, hazards and hazardous materials, noise, and tribal cultural resources as having impacts that with the incorporation of mitigation measures would be reduced to less than significant. The EIR also identified Greenhouse Gas Emissions as having a significant unavoidable impact with mitigation incorporated and Land Use and Planning as having a significant unavoidable impact.

For Greenhouse Gas Emissions, the EIR identifies that the Precise Plan is not fully consistent with the development assumptions of the 2022 Climate Action Plan (CAP), in that only a portion of the Plan's development capacity was accounted for in the 2022 CAP assumptions. As such, projects approved prior to January 1, 2031 would be required to demonstrate conformance with the 2022 CAP measures and projects approved after December 31, 2030 would not be covered by the 2022 CAP and will be required to implement Mitigation Measures GHG-1.1 and GHG-1.2 as outlined in the EIR. For Land Use and Planning, the EIR identifies that even with implementation of the Greenhouse Gas Emissions Mitigation Measures GHG1.1 and GHG-1.2, projects initiated after 2030 could conflict or otherwise interfere with the statewide GHG reduction measures set forth by SB 375. As a result, implementation of the Precise Plan would result in a significant unavoidable land use impact.

A detailed discussion of the potential impacts and mitigation measures to be applied are specified in the EIR and would be implemented through project conditions of approval and the Mitigation Monitoring and Reporting Program (MMRP) for the proposed project.

FISCAL IMPACT

There is no fiscal impact to the City other than administrative staff time and expense to prepare this report.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library. Furthermore, public outreach for the project is consistent with City Council Resolution No. 17-8456, regarding public outreach policy.

On October 11, 2023, a notice of public hearing of this item was posted in three conspicuous locations within 1,000 feet of the project site. A notice of public hearing was also published in the Weekly, a newspaper of general circulation in the City, on October 11, 2023. As of the time of this report, the Community Development Department has not received any comments on the project. However, public input has been received and considered throughout the planning process as described in more detail below.

Community Outreach

Over the course of the Downtown Precise Plan planning process, the planning team has received feedback from community members and stakeholders in the following ways:

- 42 Downtown Community Task Force (DCTF) meetings. Details of each meeting, including meeting materials and videos recordings can be found under the Task Force page of the Downtown Precise Plan website.
- Community Open House on November 19, 2022.
- Placemaking Community Workshop on October 12, 2021.
- Two online surveys on the topics of Land Use Concepts during May 2020 and Placemaking during October 2021.
- Two "Meeting in a Box" activities distributed to the community in January/February 2020 and June 2020.
- A lunchtime student engagement workshop at Santa Clara University on January 29, 2020.
- Downtown Retail 101 Community Workshop on January 16, 2020.
- Meetings with stakeholders and technical advisors from January through March 2020.

Summaries and meeting materials for all the community engagement activities can be found on the Downtown Precise Plan website at: www.santaclaraca.gov/downtown.

ALTERNATIVES

1. Provide alternate direction regarding the adoption of a resolution approving and certifying the Final EIR prepared for the Santa Clara Downtown Precise Plan (SCH # 2022010282), including CEQA Findings and a Statement of Overriding Considerations.
2. Provide alternate direction regarding the adoption of a resolution approving the Downtown Precise Plan.
3. Provide alternate direction regarding the adoption of a resolution approving a General Plan text amendment to modify the Downtown Core land use designation, and amending the

General Plan Land Use diagrams for Phases II and III to reflect the Downtown Precise Plan.

4. Provide alternate direction regarding the adoption of an ordinance amending the zoning code to create the Downtown Zoning district.

RECOMMENDATION

That the Planning Commission adopt Resolutions recommending that the City Council:

1. Adopt a resolution approving and certifying the Final EIR prepared for the Santa Clara Downtown Precise Plan (SCH # 2022010282), including CEQA Findings and a Statement of Overriding Considerations.
2. Adopt a resolution approving the Downtown Precise Plan.
3. Adopt a resolution approving a General Plan text amendment to modify the Downtown Core land use designation, and amending the General Plan Land Use diagrams for Phases II and III to reflect the Downtown Precise Plan.
4. Adopt an ordinance amending the zoning code to create the Downtown Zoning district.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Jōvan D. Grogan, City Manager

ATTACHMENTS

1. Web Links to the Precise Plan, Form Base Zoning Code, Environmental Impact Report, CEQA Findings, Statement of Overriding Considerations, Downtown website
2. Final EIR Resolution
3. Downtown Precise Plan Resolution
4. General Plan Amendment Resolution
5. Form Based Zoning Code Resolution