



OFFICE OF COMMUNITY DEVELOPMENT

CITY HALL

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PLANNING COMMISSION STAFF REPORT

Agenda Item No. 1

Agenda Date: October 14, 2014

Application No.: GPA-2013-01, GPA-2013-02, SPA-2014-01, Z-2013-01 and MCA-2014-01
(EA-2013-03)

Applicant: City of Cupertino

Property Location: City-wide

SUBJECT

General Plan Amendment, 2014-2022 Housing Element, associated Rezoning, Zoning text amendments and Specific Plan Amendment.

RECOMMENDED ACTION

Staff recommends that the Planning Commission recommend that the City Council in accordance with the Draft Resolutions:

1. Approve Resolution Recommending Certification of an Environmental Impact Report, adoption of Findings and a Statement of Overriding Considerations, and adoption of Mitigation Measures and a Mitigation Monitoring and Reporting Program, (EA-2013-03) in substantially similar form to the attached Resolution 6760 (Attachment 1);
2. Adopt GPA-2013-01 in substantially similar form to the attached Resolution 6761 (Attachment 2):
 - a. Draft General Plan (Community Vision 2040); and
 - b. General Plan Map Amendments.
3. Authorize staff to, in substantially similar form to the attached Resolution 6762 (Attachment 3):
 - a. Forward the Draft 2014-2022 Housing Element to the State Department of Housing and Community Development (HCD); and
 - b. Use the prioritized list of Alternative Housing Element sites (in case one or more of the adopted sites are not accepted by HCD as Housing Element sites).
4. Approve Zoning Map Amendment, Z-2013-03, in substantially similar form to the attached Resolution 6763 (Attachment 4);

5. Approve Municipal Code Amendment, MCA-2014-01, in substantially similar form to the attached Resolution 6764 (Attachment 5); and
6. Approve Specific Plan Amendment, SPA-2014-01, in substantially similar form to the attached Resolution 6765 (Attachment 6).

BACKGROUND

On August 21, 2012, the City Council directed staff to begin a General Plan amendment in order to replenish citywide office, commercial, and hotel development allocations, consolidate individual requests from property owners, inform the Vallco Shopping District Specific Plan, update to address State law, and address any clean-up required.

In addition, in November 2013, the City initiated an updated of the State-mandated Housing Element of the General Plan. The 2012-2022 Housing Element, which is a required component of the General Plan, identifies policies and appropriate locations for future housing in Cupertino. The Housing Element Update was also combined with the General Plan Amendment process so the City and community could fully evaluate and discuss issues in one comprehensive outreach and planning process.

ALTERNATIVES

The General Plan Amendment process has involved over 18 months of extensive community discussions and input provided during several public meetings, workshops, online comment forms and surveys, and study sessions with the Housing Commission, Planning Commission and City Council. A detailed listing of the public input meetings is provided later in this report. The staff reports for the following study sessions: February 12, 2014 Housing Commission, February 19, 2014 Planning Commission, March 4, 2014 City Council, April 1, 2014 Joint Planning Commission/City Council are attached for both the General Plan and Housing Element projects (Attachment 7).

After extensive input from the community, property owners, the Housing Commission and the Planning Commission, the City Council authorized studying the following alternatives in the Environmental Impact Report (EIR) that was prepared for the project. A brief discussion of alternatives is provided below (see Attachment 8 for Concept Alternative maps). The EIR has a detailed description of each alternative. A table showing specific allocations is provided later in the Development Allocations discussion later in this report.

Alternative A

Alternative A consists of the following themes:

- Maintain the policies of the 2005 General Plan
- Increase office and hotel development allocations
- Streamline General Plan area boundaries

Alternative A identifies how growth would occur if the City largely continues the policies of the current 2005 General Plan, while making minor development allocation and boundary changes.

Under the land use standards in the 2005 General Plan, Vallco Shopping Mall would remain the same under this alternative. Alternative A increases city-wide office and hotel allocation but does not increase allocations in the commercial and residential categories.

Alternative B

Alternative B is derived from the following themes:

- Focus new growth along major mixed-use corridors
- Revise height standards at key nodes, gateways and sub areas along major mixed-use corridors
- Increase office, hotel and residential development allocations
- Support the redevelopment of the Vallco Shopping District by reallocating existing commercial allocation
- Streamline General Plan area boundaries

Alternative B identifies how the City can focus development along major mixed-use corridors in order to create more complete commercial, office and entertainment areas, and to address mid-term housing needs. It increases development allocations at a level above Alternative A in order to better capture retail sales leakage and regional demand for office development. This alternative also envisions the transformation of the Vallco Shopping Mall into a retail, employment, housing and entertainment destination.

Alternative C

Alternative C is derived from the following themes and reflects the property owners' requests:

- Support the redevelopment of the Vallco Shopping District by reallocating existing commercial allocation
- Revise density and height standards at key nodes, gateways and sub areas along major mixed-use corridors
- Increase office, hotel and residential development allocations
- Streamline General Plan area boundaries

Alternative C identifies a way to transform the Vallco Shopping Mall into a locally and regionally significant retail, employment, housing and entertainment destination, and account for a large portion of the City's RHNA. Under this alternative, the Vallco area becomes the "downtown" of Cupertino, serving the mixed-use hub for residents, workers and the larger region. Alternative C also increases development allocations at a level above both Alternatives A and B in order to fully capture retail sales leakage and regional demand for office and hotel development. Heights and densities in key nodes, gateways and sub-areas reflect areas along the five mixed-use corridors where City-wide development allocation in the General Plan may be located.

DISCUSSION

DRAFT GENERAL PLAN (COMMUNITY VISION 2040)

The General Plan is a State-mandated document and provides the vision for Cupertino's future. It sets the City's policy direction in a number of areas including land use, mobility, housing, open space, infrastructure, health and sustainability through goals, policies, and strategies. The following is a discussion of state and regional laws, best practices and community input that have shaped the draft General Plan (Community Vision 2040).

Community Vision 2040 has been informed by changes in Federal, State and regional regulations, best practices and community input, and achieving the community-building, sustainability and economic and fiscal goals in the Guiding Principles. The following section is a discussion of items that have been informed the Draft General Plan (Community Vision 2040).

State and Regional regulations and best practices

1. **Climate Change** - The Global Warming Solutions Act of 2006 (AB 32) set a target to reduce California greenhouse gas emissions to 1990 levels by year 2020. In addition, the Governor signed Executive Order S-3-05 to further require California to reduce greenhouse gas emissions (GHG) by 80 percent below the 1990 levels by year 2050 (EO, 2005). The policies in Community Vision 2040 are consistent with these regulations.
2. **Land Use and Transportation** - The Sustainable Communities and Climate Protection Act of 2008 (SB 375) calls on each of the state's 18 metropolitan areas to develop a Sustainable Communities Strategy to accommodate future population growth and reduce greenhouse gas emissions from cars and light trucks. Plan Bay Area, jointly adopted in 2013 by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC), is the region's first Sustainable Communities Strategy to meet the requirements of SB 375 through the year 2040. Community Vision 2040 is consistent with the principles of SB 375 by focusing growth along major transportation corridors and the City's Priority Development Area (PDA) along Stevens Creek and North De Anza Boulevards defined in Plan Bay Area.
3. **Complete Streets and Connectivity** – The California Complete Streets Act (2008) places the planning, designing, and building of complete streets into the larger planning framework of the General Plan by requiring jurisdictions to amend their Mobility Elements to plan for multimodal transportation networks.
4. **Performance Measures for Mobility** - Senate Bill 743 (2013) creates a process to change the way that transportation impacts are analyzed under the California Environmental Quality Act (CEQA) to promote the state's goals of reducing greenhouse gas emissions and traffic-related air pollution, promoting the development of a multimodal transportation system, and providing clean, efficient access to destinations. Specifically, SB 743 requires an alternative to automobile level of service (LOS) for evaluating transportation impacts.
5. **Sustainability** – Various elements in Community Vision 2040 incorporate goals and policies related to air quality and greenhouse gas emissions targets set by AB 32, SB 375 and the Bay

Area Air Quality Management District (BAAQMD). The Land Use and Community Design element focuses future growth along major transportation corridors consistent with past practice and SB 375. The focus on multi-modal transportation and complete streets in the Mobility element is consistent with past practice and recent State and regional regulations and guidance. A reference to the Climate Action Plan has been added to achieve State and regional greenhouse gas targets and municipal policies have been updated in the Sustainability element.

6. **Housing Element** – recent changes in Housing Element law have been incorporated in addition to the 2014-2022 Regional Housing Needs Allocation (RHNA) for the City. This section is discussed in greater detail later in this report.

Community Ideas and Best Practices

1. **Community Benefit** – The idea was first discussed by a community member and the Council was interested in exploring the possibility. The concept includes requiring community benefits for additional height. The concept is discussed later in this report.
2. **Walking and biking to schools, parks and shopping** – This idea was discussed by several community members in public workshops and is consistent with SB 375, AB 32 and Complete Streets and best practices.
3. **Design of mixed-use projects** – A “mixed-use village” concept is recommended for mixed-use projects that include residential development. The concept was developed from Council, Planning Commission and public input and best practices regarding mixed-use projects. These include provision of viable retail, gathering places, pedestrian-oriented architecture and streetscape improvements, improving connectivity and neighborhood buffers. A similar but limited discussion is provided for “neighborhood center” redevelopment.
4. **Vallco Shopping District** –Public input from workshops regarding the transformation of the Vallco Shopping District into an active community gathering place and regional destination have been included. A detailed discussion is provided later in this report.
5. **Calculation of residential density** – Council and a member of the public requested changing calculation from density of the gross lot area (which includes portions of adjacent streets) to density of the lot area (which does not include adjacent streets). This change has been made to the General Plan and the Zoning Ordinance. The density and residential yield of Housing Element sites reflects this change.

Chapters

1. **Planning Areas** - A section on Planning Areas has been added. It divides the Planning Areas into Special Areas (already part of the 2005 General Plan) and Neighborhoods (partially discussed in the 2005 General Plan). It highlights the special characteristics and the community vision for each planning area. Special Areas are generally consistent with the 2005 General Plan (and per changes discussed in the alternatives discussion) and include major mixed-use corridors where changes can be expected in the future. Neighborhoods are mostly residential areas that are intended to be preserved, with improved connections to

parks, schools and services and enhanced neighborhood centers, and buffers where there may be adjacent commercial development.

2. **Elements:**

- a. *Land Use and Community Design* – This section includes general policies as well as specific policies for the Planning Areas. It retains the policies in the 2005 General Plan of urban design, connectivity and pedestrian-oriented design. Consistent with previous policies and in compliance with state and regional requirements, growth is focused in transportation corridors and the PDA as discussed earlier. It also incorporates both, the Balanced Plan recommendations and a community benefits policy, discussed below.
 - b. *Housing* – This section contains the 2014-2022 Housing Element draft including policies and sites to meet State policy mandates and RHNA requirements. A detailed discussion is provided later in this report.
 - c. *Mobility (previously Circulation)* - The policies provide a vision to help implement a “complete streets” approach. This approach acknowledges the need for streets that are designed to be used by pedestrians, bicycles and transit modes, not just automobiles. This will help prioritize and direct future roadway improvements. Community Vision 2040 continues to encourage coordination with regional planning agencies to meet local transportation needs. It also meets the new State guidance by acknowledging that new methods are needed to monitor transportation conditions for all travel modes instead of the old standard of level of service (LOS).
 - d. *Recreation and Community Services (previously in Land Use and Community Design)* – This section primarily retains existing policies, while including principles of sustainability and master planning of parks and recreational programs. An option to evaluate a future increase in the City’s park standards from the current three acres per thousand persons is also included. New and planned parks have been added to the inventory. The trails section has been revised to reflect connectivity along trails in general and potential alternative trail options where decisions have yet to be made on the final routes.
 - e. *Infrastructure (previously in Environmental Resources/Sustainability)* – this section has been updated to include current information and includes principles of sustainability and master planning, when designing and implanting infrastructure projects.
 - f. *Sustainability (previously Environmental Resources/Sustainability)* – This section has been updated to comply with regional requirements and to reflect the City’s current policies and the Climate Action Plan.
 - g. *Health and Safety* – This section has been updated per new local and regional requirements.
3. **Other** - The discussion in each element has been consolidated to include a “context” section describing the existing situation, information on changes to the environment, and regulations and a “looking forward” section that outlines best practices that the City can incorporate to be better equipped for the future. General goals, policies and strategies are

outlined followed by specific planning area policies, where applicable. In addition a number of repetitions and redundancies have been removed and consolidated where feasible.

Balanced Plan

Development Allocation

Community Vision 2040 is a 25-year plan for the City's future that considers community goals for active gathering places, health, sustainability, economic development and fiscal reliance, as well as regional requirements and mandates, while balancing residents' need for minimizing traffic, air quality, and other environmental impacts.

- **Economic and Fiscal** – the City's goal for the next 25 years is to ensure that companies and businesses thrive and new businesses are attracted to the City and that property owners have incentives to maintain and enhance property. The City Council recognized this when they authorized the increase in development allocation as part of the General Plan process. Maintaining an adequate allocation for development will help revenues grow so that the City can continue to provide excellent community services.

A Market Study was conducted to see the realistic economic demand for various uses through 2035 (Attachment 9). It notes that existing commercial space in the City's General Plan Allocation pool is adequate to meet the high end of demand through 2035 and indicates market support for an additional 3.6 million net square feet for office space, 985 net hotel rooms and 4,420 residential units for the same period (close to Alternative C).

- **Office** – Since the 2005 General Plan was adopted, the City has drawn down about 525,000 square feet through Apple and Main Street and other office development in the City, and currently only has a balance of 17,113 square feet remaining in city-wide office allocation. To account for redevelopment at the Vallco Shopping District and new office development for the next 25 years, an increase of 2,000,000 square feet is proposed (consistent with Alternative B). In the Balanced Plan, office allocation is balanced with other land uses to reduce environmental impacts while recognizing the City's economic and fiscal goals.
- **Hotel** – Since the 2005 General Plan was adopted, the City has drawn down 303 hotel rooms from the allocation leaving 339 rooms at time of project initiation. Hotels bring in considerable revenue, which will help realize community goals of economic and fiscal stability. Consistent with the Market Study, the recommendation is to add 1,000 more hotel rooms to the allocation. This is also consistent with Alternative C.
- **Residential** – The State-mandated RHNA requirement is 1,064 units with about 1,400 recommended by the Housing consultant after consulting with the HCD. Subtracting 1,400 units from the remaining allocation of 1,895 units leaves only 495 units through 2040, which will not be enough to meet RHNA targets for the two additional housing element cycles through 2040 per Plan Bay Area. Alternative A, which is consistent with the 2005 General Plan and Alternative B which only meets 75% of the Plan Bay Area targets, do not achieve the regional target. However Alternative C meets 100% of the targets set by Plan Bay Area. To ensure that the City is consistent with these regional targets, the recommendation is to increase the residential development allocation by 2,526 units (to

4,421 units which includes the 1,400 recommended for the 2014-2022 Housing Element cycle). However, the City can adopt strategies for managing the amount and form of housing growth as follows:

- Selecting Housing Element sites for up to 1,400 units to meet the demand for the 2014-2022 RHNA period.
- Revising the General Plan so that on sites with a mixed-use residential designation, residential is a permitted use only on Housing Element sites. Conditional use permits will be required on mixed-use Housing Element sites that propose units above the allocation in the Housing Element, and on Non-Housing Element mixed-use sites. Related changes will have to be made to the Municipal Code, Specific Plans and Conceptual Plans.
- Form - The General Plan includes a “mixed-use village” strategy so that mixed-use residential sites provide substantial and viable retail, and also create a livable environment for residents, shoppers and workers on and around the site.

Table 1 below is a comparison of the Balanced Plan with other alternatives studied in the EIR.

Table 1 - Development Allocation Per Alternative (through 2040)						
Use	Built/ Approved	No Project/ 2005 General Plan	Alternative A	Alternative B	Balanced Plan	Alternative C
Office (sf)	8,929,775	540,231	1,040,231	1,040,231	2,540,231	4,040,231
Net Increase		0	500,000	1,000,000	2,000,000	3,500,000
Commercial (sf)	3,729,569	701,413	701,413	701, 413	701,413	701,413
Net increase		0	0	0	0	0
Hotel (rooms)	1,090	339	600	839	1,339	1,339
Net Increase		0	261	500	1,000	1,000
Residential (units)	21,339	1,895	1,895	3,316	4,421	4,421
Net Increase		0	0	1,421	2,526	2,526
<i>Notes:</i>						
1. Office – includes Major Company allocation of 523,118 sf.						
2. Commercial - assumes that the existing Vallco mall square footage (1,267,601 sf) will be demolished and 600,000 sf min. will be built at site, with the remaining (625,335 sf) moved to the City-wide pool.						
3. Residential - includes the 1,400 units recommended for the 2014-2022 Housing Element.						

Key Question 1: Development Allocation

1. What should the City plan for in terms of Development Allocation for office, commercial, hotel and residential units through 2040?

Community Benefits Program

As the City’s resident and worker population increases, additional amenities will be necessary to maintain and the livability of the community. The Community Benefit Program is one of the

key tools to help finance and achieve those amenities that maintain and increase the community's quality of life. The Program enables the community to get amenities in return for allowing additional specified heights within specified areas in the City. It also provides certainty as to what those additional heights might be and where they can be placed. It requires a Development Agreement, which means that the city has to agree to the benefits and amenities provided. Key elements of the program include:

1. The proposed level of benefit is equivalent to at least 15% of the project valuation attributed to the increase in height (decided through preparation of a project proforma).
2. Projects must provide a ground floor retail component; and one or more of the following benefits:
 - a. Transportation and Mobility Improvements (bike, pedestrian facilities, participation in a community shuttle program, etc.)
 - b. Public Facilities (land or space).
 - c. Senior Housing- 15% of housing that is not already targeted towards seniors.
 - d. Public Art and Cultural Facilities (new or expansion to museum, teen center, etc.)
 - e. Parks and Open Space (land/improvements within project or off-site)

In lieu of the benefits outlined in Item 2, a "Cash-in-Lieu Contribution" may be made to the City for purchase of land, capital improvements or operations related to items a, b, d, e, and towards the construction of affordable housing.

Key Question 2: Community Benefits

1. Should Cupertino have a Community Benefits Program?
2. If yes, does the Planning Commission have any revisions to:
 - a. Value of the community benefits?
 - b. Specific program items – retail requirement or other items?

Heights

Community Vision 2040 envisions keeping heights and development standards in most of the City consistent with those in the 2005 General Plan. However, recognizing that the City needs to achieve regional housing goals, economic reliance and fiscal goals, while ensuring that adequate sites are reserved for future housing element cycles, the Balanced Plan recommends targeted growth in certain gateways and nodes. Additionally, in order to achieve sustainability and connectivity principles, the plan recommends focusing growth in major transportation corridors.

Heights in the Balanced Plan are generally lower than those recommended in Alternative B. Additionally, consistent with the practice in the 2005 General Plan for the Vallco area, heights above the base height in key gateways and nodes require retail on the ground floor. Additional heights above that are specified in three nodes – N. De Anza Gateway (Cupertino Inn), N. Vallco Gateway West (Kimco and hotel area near Hwy 280), and the Vallco area (Vallco Shopping District to the east of Wolfe Road and South Vallco - north of Vallco Parkway) with

the provision of community benefits. In addition, the recommendation is to keep the Building Planes along all arterials at 1:1. Currently, the only area not consistent with this is in the South and North Vallco areas along Homestead Road and Stevens Creek Boulevard. The recommendation will keep consistent building streetscape along the street. No changes are recommended to the 35-foot setback in the Heart of the City Special Area.

If the Planning Commission does not recommend the community benefit program, the heights related to community benefits will not be applied. Table 2 below provides a comparison of heights in Special Areas only where they are recommended to be changed.

Table 2– Heights & Densities In Special Areas Per Alternative					
Planning Area	2005 General Plan	Alternative A	Balanced Plan (recommended)	Alternative B	Alternative C
Heart of the City Special Area					
<i>Oaks Gateway</i>	- 45 ft. - 25 du/ac	No change	- 45 ft.; or 60 ft. with retail - 25 du/ac - 35 du/ac if HE site	- 45 ft.; or 60 ft. with retail - 35 du/ac	- 60 ft.; or 75 ft. with retail - 35 du/ac
<i>North Crossroads Node</i>	- 45 ft. - 25 du/ac	No change	- 45 ft.; or 60 ft. with retail - 25 du/ac - 35 du/ac if HE site	- 45 ft.; or 60 ft. with retail - 35 du/ac	- 60 ft.; or 75 ft. with retail - 40 du/ac
<i>City Center</i>	- 45 ft. - 25 du/ac	No change	- 60 ft.; or 75 ft. with retail; or 90 ft. with community benefits on specific sites - 25 du/ac	- 60 ft.; or 75 ft. with retail; or 90 ft. with community benefits on specific sites - 25 du/ac	- 75 ft.; or 90 ft. with retail; or 110 ft. with community benefits on specific sites - 25 du/ac
<i>South Vallco Park</i>	- 45 ft.; or 60 ft. with retail - 35 du/ac	No change	No change	- 60 ft.; or 75 ft. with retail; or 110 ft. with community benefits - 35 du/ac	- 75 ft.; or 90 ft. with retail; or 160 ft. with community benefits - 35 du/ac
North De Anza Blvd Special Area	- 45 ft. - 25 du/ac	No change	- 60 ft. - 25 du/ac	- 60 ft. - 25 du/ac	- 75 ft. - 25 du/ac

Table 2– Heights & Densities In Special Areas Per Alternative

Planning Area	2005 General Plan	Alternative A	Balanced Plan (recommended)	Alternative B	Alternative C
Vallco Shopping District					
<i>West of Wolfe Road</i>	-45 ft.; or 60 with retail -35 du/ac	No change	-45 ft.; or 60 ft. with retail; or 75 ft. with community benefits (for a 200 ft. depth along the Wolfe Rd. property line and set back 200 ft. from the Stevens Creek Blvd. property line) -35 du/ac	-45 ft.; or 60 ft. with retail; or 75 ft. with community benefits along Stevens Creek Blvd. and Wolfe Rd. -35 du/ac	-60 ft.; or 75 ft. with retail; or 85 ft. with community benefits along Stevens Creek Blvd. and Wolfe Rd. -35 du/ac
<i>East of Wolfe Road</i>	-45 ft.; or 60 with retail -35 du/ac	No change	-60 ft.; or 75 ft. with retail; or 90 ft. with community benefits -35 du/ac	-60 ft.; or 75 with retail; or 110 ft. with community benefits -35 du/ac	-75 ft.; or 90 with retail; or 160 ft. with community benefits -35 du/ac
Homestead Special Area					
<i>North De Anza Gateway</i>	-45 ft. -35 du/ac	No change	-45 ft.; or 60 ft. with retail; or 90 ft. for a hotel and major convention center with community benefits -35 du/ac	-60 ft.; or 75 with retail; or 95 ft. with community benefits -35 du/ac	-60 ft.; or 75 with retail; or 145 ft. with community benefits -35 du/ac
<i>Stelling Gateway (east of Stelling)</i>	-45 ft. -35 du/ac	No change	-45 ft.; or 60 ft. with retail -35 du/ac	-45 ft.; or 60 ft. with retail -35 du/ac	-45 ft.; or 60 ft. with retail -35 du/ac

Table 2– Heights & Densities In Special Areas Per Alternative

Planning Area	2005 General Plan	Alternative A	Balanced Plan (recommended)	Alternative B	Alternative C
North Vallco Park Special Area					
<i>N. Vallco Gateway (west of Wolfe Rd.)</i>	- 60 ft. - 25 du/ac	No change	- 60 ft.; or 90 ft. (for a 200 ft. depth along Wolfe Road property line) for hotel and major convention center with community benefits - 25 du/ac	- 60 ft.; or 75 with retail; or 95 ft. with community benefits - 25 du/ac	- 60 ft.; or 75 with retail; or 145 ft. with community benefits - 25 du/ac
<i>N. Vallco Gateway (east of Wolfe Rd. – Hamptons site)</i>	- 60 ft. - 25 du/ac	No change	- 75 ft. (buildings located within 50 ft. of property lines abutting Wolfe Rd, Pruneridge Ave. & Apple Campus 2 site shall not exceed 60 ft.). - 25 du/ac - 65 du/ac if HE site	- 60 ft.; or 75 with retail; or 95 ft. with community benefits - 65 du/ac	- 60 ft.; or 75 with retail; or 145 ft. with community benefits - 110 du/ac
South De Anza Boulevard Special Area	Two areas: S. De Anza Blvd - 30 ft. - 25 du/ac S. Sunnyvale - Saratoga - 30 ft. - 15 du/ac.	Merge into one area for South De Anza Blvd - 30 ft. - 25 du/ac	Same as Alternative A	Same as Alternative A	Same as Alternative A
Building planes along arterials	- 1:1 along all arterials - 1:1.5 in South Vallco along Stevens Creek Blvd & North Vallco along Homestead Rd.	No change	1:1 along all arterials (No change to Heart of the City setback of 35 ft.)	1:1 along all arterials (No change to Heart of the City setback of 35 ft.)	1:1 along all arterials (No change to Heart of the City setback of 35 ft.)

Key Question 3: Building Heights

1. Does the Planning Commission have any recommended changes to the Balanced Plan heights recommended in the Special Areas?

Densities are discussed in the Housing Element sites discussion.

Vallco Shopping District

The Vallco Shopping Center has always been envisioned as a regional shopping destination and a key revenue generator for Cupertino. The mall, which was originally constructed between 1974 and 1979 functioned as a regional shopping destination and a source of revenue for the City. As discussed in the Retail Strategy Report (Attachment 10), the emptying of the mall continued from the 1990's into the mid 2000's. Due to reasons including the fractured property ownership, operating restrictions easement agreements, and the competitive nature of regional mall operation, leasing, and management, Vallco was unable to compete with the larger and more sophisticated operators of Stanford and Valley Fair. Incomplete development, defaults from prior ownerships, prolonged and unrealized redevelopment plans, management changes, and other setbacks have exacerbated the situation.

Throughout the outreach process, there was a consistent message from the community – to make Vallco a shopping, entertainment and dining destination and gathering place. Ideas for the area ranged from a re-tenanting and façade improvement program to re-imagining the site as a mixed-use pedestrian-oriented “town center-style” project.

The Retail Strategy outlined options for the Vallco Shopping Center including re-imagining the site as a “downtown” or “town center” with a mix of retail, hotel, office and residential uses. The other option included reducing and relocating the retail portion to the west side and opening the east side up to redevelopment with office, hotel and residential uses. The City has two basic options for Vallco with a variety of options in between.

1. *Keep Existing Zoning* – The 2005 General Plan encourages redevelopment as a mixed-use site with residential and retail uses. However, the zoning, which is a combination of General Commercial (CG) and Planned Regional Shopping does not currently allow residential or office uses. As discussed in the Retail Strategy Report, retail rents alone will not attract the kind of investment needed to adapt the center to the changing needs of today's retail environment. Therefore, without the introduction of other more profitable uses, such as office or residential, the center will most likely continue to deteriorate. The City's goals of economic and fiscal stability and providing a cohesive and vibrant, shopping, dining and entertainment destination are not likely to be met.
2. *General Plan and Zoning Amendment* – the inclusion of office and residential uses along with a substantial retail/entertainment component would help to create a vibrant, high-quality, community gathering place, and entertainment and lifestyle shopping destination. However, partial redevelopment has not been successful in the past. Therefore, a successful development strategy for the site will have to include: complete redevelopment of the site, a

Master Developer, and adoption of a Specific Plan with phasing and infrastructure improvements, and a “Town Center” format. Based on the Retail Strategy Report, a successful mix of uses would include 500,000-600,000 square feet of retail with a mix of residential, hotel and office uses.

The Draft General Plan (Community Vision 2040) recommends 600,000 square feet of retail uses (30% of which can be entertainment use), 600 units, 375 hotel rooms and about 1,000,000 square feet of office space for the Vallco Shopping District. It also requires a Specific Plan and the components discussed above. The Specific Plan process would be able to include a robust community participation component. This would allow the City to achieve community goals for a shopping and dining destination, economic and fiscal goals, and a portion of the City’s Housing Element requirement.

Key Question 4: Vallco Shopping District

Does the Planning Commission agree on the Specific Plan and “town-center” concept with a mix of retail/entertainment, residential and office in the Vallco Shopping District?

Other Revisions to the Land Use Designations

The following changes are being recommended related to Land Use designations

- **PG&E site** (Homestead Road east of Blaney Avenue) – The General Plan Land Use designation is recommended to be amended from Quasi-public/Institutional to Commercial/Quasi-Public/Institutional. While PG&E does not currently anticipate any changes to their current operations, they are not opposed to the change as long as it allows them to continue the use at the current site. The revised designation would allow PG&E to continue the use at the site, while allowing a future commercial opportunity, if PG&E chooses to sell it in the future.
- **Mirapath** (Blaney Avenue) – As requested by the applicant and property owners, the General Plan Land Use designation on this site has been revised from Industrial to Commercial/Industrial. The amendment is being requested since the site is small and can’t incorporate industrial uses successfully. The amendment will allow the site to be used for commercial office and continue to allow light manufacturing uses.
- **Other Minor changes:** Revisions to sites to ensure that the General Plan Land Use designations and zoning are consistent. A complete list of sites is in Table 3-22 in the Environmental Impact Report.

HOUSING ELEMENT

Context

In accordance with State law, General Plans in California cities must contain a Housing Element. State law requires that each city and county update its Housing Element on a regular cycle established in the Government Code. The Housing Element for the 2007-2014 planning period was adopted in 2010 (see Attachment 11). For the current cycle, the updated Housing Element must be adopted by January 31, 2015 (plus a 120-day grace period). If this adoption

deadline is met, the planning period for this cycle extends from adoption to January 31, 2023 (or eight years). Otherwise, the City must update the Housing Element again in 2019 (every four years). State law also requires that the Element be reviewed by a State agency—the Department of Housing and Community Development (HCD)—to certify compliance with State law.

Housing Element Content Requirements

The Housing Element is the City’s primary policy document regarding the development, rehabilitation, and preservation of housing for all economic segments of the population. Per State Housing Element law, the Housing Element must be periodically updated to:

- Examine the local need for housing with a focus on special needs populations (Needs Assessment)
- Analyze potential constraints to new housing production (Constraints Analysis)
- Describe goals, policies and implementation programs to achieve local housing objectives (Housing Plan)
- Outline the community’s housing production objectives consistent with State and regional growth projections per the Regional Housing Needs Allocation (RHNA) and identify adequate sites for the production of housing serving various income levels (Housing Resources)
- Evaluate the Housing Element for consistency with other General Plan elements (Consistency with General Plan)
- Evaluate accomplishments in implementing programs in the previously adopted 2007-2014 Housing Element, and evaluate the effectiveness and appropriateness of continuing these programs in the 2014-2022 Housing Element (Review of Previous Housing Element)

A detailed discussion of these topics is provided in Attachment 12 – Housing Commission staff report dated August 28, 2014

Housing Resources & Regional Housing Needs Allocation (RHNA)

One of the primary requirements of State Housing Element law pertains to the Regional Housing Needs Allocation (RHNA). The RHNA is an estimate of state-wide projected housing construction needs and is based on regional allocations provided by the Department of Housing and Community Development (HCD) to regional councils of government. The Association of Bay Area Governments (ABAG) conducted the process to determine RHNA allocations for the 101 cities and nine counties in the Bay Area.

The City of Cupertino’s RHNA allocation is 1,064 new housing units between 2014 and 2022. The City can take credit for a total of 62 units (30 units approved and 32 second units anticipated). As a result, the City has to identify sites for the construction of the balance or 1,002 units. HCD typically requires jurisdictions to provide a moderate surplus of units in case sites are not developed, or are developed at densities lower than those expected in the Housing Element. This is more so the case, when a good portion of a jurisdiction’s sites are in mixed-use zones and could be developed without residential uses. In the past, three of the 2007-2014

Housing Element sites were developed with non-residential uses (portion of Apple Campus 2, Kiddie Academy, and Saich Way Station). Based on past discussions with HCD and experience with Housing Elements for other jurisdictions, and since the majority of the City's sites are in mixed-use zones (approximately 68%), the City's consultant recommends an additional 25-40 percent above the City's remaining housing need or a total of 1,250-1,400 units.

Draft 2014-2022 Housing Element

The Draft 2014-2022 Housing Element (see Attachment 3) draws strongly from the 2007-2014 Housing Element. The input received after several community meetings (including stakeholder interviews in 2013, three community workshops/open houses, and four study sessions—outlined in more detail below under Public Noticing and Outreach), very closely reflects the input received during preparation of the previous Housing Element. As a result, the draft 2014-2022 Housing Plan reflects minimal changes from the 2007-2014 Housing Plan. The following changes are recommended (most are for compliance with State and regional requirements):

- Policies and programs have been reformatted to reduce redundancy and reorganized for ease in reading and implementing;
- Programs have been revised to ensure that the 2014-2022 Housing Element complies with State law. Specifically, programs were revised to encourage housing opportunities for extremely low-income households (AB 2634) and persons with developmental disabilities (SB 812). Programs were also added to reflect amendments to the zoning ordinance related to density bonuses, emergency shelters, and farmworker and employee housing to comply with State law and to amend the Heart of the City Specific Plan to revise the method in which residential density is calculated in mixed-use developments.
- A new goal to highlight City efforts in energy conservation regarding new and existing development has been added;
- An existing general plan policy related to mixed-use development to encourage development near transportation facilities and employment centers has been added to the Housing Plan;
- Amendments have been made in the following areas to comply with State Law and the outcome of recent litigation:
 - *Redevelopment Funding*: Redevelopment Agency (RDA) housing set-aside funds, which used to be a primary local funding source for affordable housing in the past, are no longer available to assist in new affordable housing development or acquisition/rehabilitation of existing units for conversion into affordable housing. This loss is associated with the Governor's 2011 State budget revisions and subsequent court cases, making funding sources for affordable housing significantly more constrained.
 - *Housing Mitigation Program*: The City's affordable housing program—the Housing Mitigation Program—has been amended to comply with recent litigation. A 2009 court-case (Palmer vs. the City of Los Angeles) has resulted in cities suspending or amending the portion of their Housing Mitigation program requiring affordable units to be included in market-rate rental developments.

- *Housing Preservation Program:* The existing Rental Preservation Program has been amended to provide mitigation for impacts on displaced tenants in developments with four or more units.

Housing Sites

The Housing Commission, Planning Commission, and City Council have conducted multiple study sessions and community workshops to review potential housing sites to meet the RHNA. On April 1, 2014, the City Council authorized staff to prepare environmental review for three alternatives (A, B and C) for a maximum of nineteen (19) sites based on the criteria outlined below. On August 28, 2014, the Housing Commission recommended adoption of the Draft 2014-2022 Housing Element and the Low-High priority listing for the sites.

HCD Criteria for Site Selection

HCD reviews each Housing Element's sites inventory to determine if adequate sites have been identified to meet the RHNA. Preparation of a "site suitability analysis" is an important step in addressing the adequate sites requirement. This analysis must demonstrate that identified sites can accommodate the housing needs—by income level—within the current planning period of the element (2014-2022). The criteria are listed below and discussed in detail in Attachment 12 – Housing Commission staff report dated August 28, 2014.

- Existing Use on the Site
- Realistic Potential for Recycling
- Site Size and Ownership Patterns
- Development Density (to meet the minimum affordability criteria of 20 units/ac at 85% of maximum density)

Other Criteria for Site Selection

In addition to the State-wide criteria, the Sustainable Communities Strategy/One Bay Area Plan (discussed earlier) contributes additional criteria regarding what makes a desirable housing site in the ABAG region. The City's General Plan policies are generally consistent with the strategies in the One Bay Area Plan. In addition, criteria, consistent with the City's 2005 General Plan, have also been identified in order to ensure functional and attractive development occurs on the sites selected. Key themes include:

- Locate development along major transportation routes with access to transit or within ½ mile of a VTA Priority Development Area (PDA).
- Locate higher density housing in closer proximity to employment and activity centers
- Corner lot(s) with large frontage preferred – such parcels provide the most flexibility to accommodate mixed-use developments and avoid impeding parking and connectivity between mid-block parcels
- Incentive for redevelopment –Sites with older, under-performing retail shopping centers have also been evaluated as to whether housing or office would be necessary to provide an incentive to improve higher-quality retail.

Housing Element Sites

While all 19 sites have been studied for potential impacts in the EIR, 18 sites are available for selection. This is because the largest property owner associated with Site 17 (Intrahealth/Office/Tennis Courts at Stelling and Homestead Roads) sent the City a letter expressing their desire to not be included in the Housing Sites Inventory shortly after the City authorized study of the 19 sites. The remaining sites have been prioritized by how well they meet the criteria outlined above.

Table 3 below shows the Recommended (High) and alternate Housing Element (Moderate and Low-Moderate) sites listed in order of priority. Sites that score low in meeting the criteria are recommended to be removed from the Alternate Housing Sites list. A detailed table of all sites is provided in Attachment 13. It should be noted that the density of the sites in Alternative A, even if all of them were included, does not meet the upper end of the 25-40% surplus (1,250-1,400 units) recommended to meet the remaining RHNA. The densities recommended in the Balanced Plan are based on the following goals:

- Provide densities for existing sites that allow enough of an incentive to assume that the sites would be developed in the 2014-2022 period (HCD criterion).
- Meet HCD affordability criterion (min. 20 du/ac at 85% of maximum density; ~ 25 du/ac).
- Ensure that there are enough sites for future housing elements.

TABLE 3						
Priority No.	Site Name	Priority (meets criteria)	Density and Realistic Capacity (85% of max. density)			
			Alternative A	Balanced Plan (Recommended)	Alternative B	Alternative C
Recommended Housing Element Sites						
1.	The Oaks	High	25 du/ac 0 du	35 du/ac 235 du	35 du/ac 235 du	35 du/ac 235 du
2.	Vallco Shopping District (west)	High	35 du/ac 0 du	35 du/ac 600 du	35 du/ac 600 du	35 du/ac 800 du
3.	Hamptons (342 units existing)	High	25 du/ac 0 du additional	65 du/ac 344 du additional	65 du/ac 344 du additional	110 du/ac 820 du additional
4.	United Furniture + other	High	25 du/ac 103 du	25 du/ac 103 du	25 du/ac 103 du	25 du/ac 103 du
5.	Barry Swenson	High	25 du/ac 11 du	25 du/ac 11 du	25 du/ac 11 du	25 du/ac 11 du
6.	Glenbrooks (517 units existing)	High	20 du/ac** 93 du additional	20 du/ac** 93 du additional	20 du/ac** 93 du additional	20 du/ac** 93 du additional
Total Units on Recommended Sites			207 du	1,386 du	1,386 du	2,062 du

TABLE 3 (contd.)						
Priority No.	Site Name	Priority (meets criteria)	Density and Realistic Capacity (85% of max. density)			
			Alternative A	Balanced Plan (Recommended)	Alternative B	Alternative C
Alternate Housing Element Sites						
7.	Marina Plaza	Mod.	25 du/ac 145 du	35 du/ac 204 du	35 du/ac 204 du	40 du/ac 232 du
8.	Stevens Creek Office	Mod.	25 du/ac 134	35 du/ac 187 du	35 du/ac 187 du	40 du/ac 214 du
9.	Cypress @ Finch Ave.	Mod.	25 du/ac 105 du	25 du/ac 105 du	25 du/ac 105 du	25 du/ac 105 du
10.	Shan, Q Mart, Dance Studio	Low-Mod.	25 du/ac 36 du	25 du/ac 36 du	25 du/ac 36 du	25 du/ac 36 du
11.	Loree Center	Low-Mod.	25 du/ac 27 du	25 du/ac 27 du	25 du/ac 27 du	25 du/ac 27 du
12.	Homestead Lanes+ Adj.	Low-Mod.	35 du/ac 0	35 du/ac 151 du	35 du/ac 151 du	35 du/ac 151 du
13.	Summerwinds & Granite Rock	Low-Mod.	25 du/ac 96 du	25 du/ac 96 du	25 du/ac 96 du	40 du/ac 154 du
Total Units on Alternate Sites			543 du	806 du	806 du	919 du
Sites Recommended for Removal						
14.	Villages (468 units existing)	Low	20 du/ac** 62 du	20 du/ac** 62 du	20 du/ac** 62 du	20 du/ac** 62 du
15.	Arya/ Scandinavian	Low	25 du/ac 58 du	25 du/ac 58 du	25 du/ac 58 du	25 du/ac 58 du
16.	Foothill/ McClellan	Low	15 du/ac* 0	25 du/ac 27	15 du/ac* 0 du	25 du/ac 27
17.	Bateh Bros.	Low	15 du/ac* 0 du	25 du/ac 14 du	15 du/ac* 0 du	35 du 19 du/ac
18.	Carl Berg	Low	25 du/ac 169 du	25 du/ac 169 du	25 du/ac 169 du	25 du/ac 169 du
Total Units on Removed Sites			289 du	330 du (Remove)	289 du	335 du
Total Units on All Sites			1,039 du	2,522 du (2,192 du not incl. Low priority)	2,481 du	3,316 du

Note: * Separate parcels on a Housing Element site shall be combined, master planned and developed under a Master Developer.

** Indicates that site will not meet affordability criteria at Realistic capacity (85% of max.)

The list of recommended Housing Element sites has been added to the Draft Housing Element. Should sites different from the Balanced Plan be recommended, these will be incorporated in the Draft Housing Element prior to forwarding to the HCD. In addition, the alternative Housing Element sites list will be maintained, in case, one or more of the sites are not approved by HCD after discussions with them. If the Final 2014-2022 Housing Element has to be replaced with sites from the Alternate Housing Element Sites list, any necessary amendments to the General Plan Land Use designations and zoning will be presented with the Final 2014-2022 Housing Element in Spring 2015.

General Plan and Zoning Approach for Housing Element sites

General Plan Land Use Designation – The General Plan Land Use Map will identify the base land use standards recommended in the Balanced Plan. Housing Element sites will have an overlay with the higher densities and height standards on the General Plan Land Use map. The development standards will be effective per the zoning schedule described below. Recommended Housing Element sites that require a change to the General Plan Land Use Designation include: the Hamptons, and the Oaks.

Zoning Map Amendment – The Zoning Map amendments are scheduled to go into effect on April 30, 2015 (including the 30-day period, this represents the final date for adoption of a Housing Element per HCD) or the date the Final Housing Element gets adopted by the City, whichever occurs first. If changes are needed to the Housing Element sites list based on HCD review, the revisions to the Zoning Map will be presented concurrent with the adoption of the Final 2014-2022 Housing Element in Spring 2015. Recommended Housing Element sites that would require a zoning change to add residential use include: the Oaks, and Vallco Shopping District. The Hamptons will require a rezoning from P(Res)-70 (unclear how this differs from Planned Residential) to P(Res) or Planned Residential.

Key Question 5: Housing Element Sites

- a. Does the Planning Commission agree on the Housing Element sites list and densities?
- b. Does the Planning Commission agree on the Alternative Sites List and priority?

SUMMARY OF AMENDMENTS

A summary of General Plan Land Use and Zoning designations and Municipal Code text amendments is provided in Attachment 14. The attached resolutions (Attachments 2, 4, 5 and 6) provide additional details on the changes to General Plan Land Use, Zoning designation, the Municipal text and Specific Plan Amendments. A redlined version of the zoning text amendments is provided in Attachment 15. A redlined version of the Specific Plan text amendments is provided in Attachment 16.

ENVIRONMENTAL IMPACT REPORT (EIR)

The California Environmental Quality Act (CEQA) requires that all State and local governments consider the physical changes that result as a consequence of projects over which they have discretionary authority. The purpose of the EIR is not to recommend approval or denial of a

project but to provide information to be used in the planning and decision-making process. CEQA requires decision makers to balance the benefits of a proposed project against the environmental effects, along with other factors. The attached Planning Commission Study Session staff report (Attachment 17) and City Council Study Session staff report (Attachment 18) provides a detailed discussion on the EIR. A brief discussion of the issues is provided below.

Proposed Project

Alternative C was identified as the “CEQA” project because it was the one with the greatest development potential and therefore, the possibility of the greatest environmental effects. CEQA requires that alternatives to the Proposed Project should mitigate one or more impacts of the project. A discussion of Alternative C has already been provided earlier in this report.

EIR Alternatives

CEQA requires the analysis of a range of reasonable alternatives to a proposed project that would feasibly attain most of the project's basic objectives and avoid or substantially lessen any of the significant effects of the project. As noted earlier, the following alternatives were studied.

- ***No Project Alternative*** - The CEQA-required No Project alternative assumes that the Draft General Plan would not be adopted or implemented and assumes the full implementation (by 2040) of development envisioned under the 2005 General Plan.
- ***Alternative A*** – Discussion provided earlier in this report.
- ***Alternative B*** – Discussion provided earlier in this report.

Impacts

The following environmental topics are addressed in the EIR. The EIR and the Planning Commission and City Council staff reports on the EIR study sessions discuss the impacts related to the CEQA Project (Alternative C) and the other alternatives in detail. Table 4 below outlines the impact in each environmental topic for the Proposed Project and alternatives.

TABLE 4				
Topic	Proposed Project (Alternative C)	No Project	Alternative A	Alternative B
Aesthetics	LTS	LTS	LTS	LTS
Air Quality	SU	SU	SU	SU
Biological Resources	LTS/M	LTS/M	LTS/M	LTS/M
Cultural Resources	LTS	LTS	LTS	LTS
Geology, Soils & Mineral Resources	LTS	LTS	LTS	LTS
GHG Emissions	LTS	LTS	LTS	LTS
Hazards & Hazardous Materials	LTS/M	LTS/M	LTS/M	LTS/M
Hydrology & Water Quality	LTS	LTS	LTS	LTS
Land Use & Planning	LTS	LTS	LTS	LTS
Noise	SU	SU	SU	SU

TABLE 4				
Topic	Proposed Project (Alternative C)	No Project	Alternative A	Alternative B
Population & Housing	LTS	LTS	LTS	LTS
Public Services & Recreation	LTS	LTS	LTS	LTS
Transportation & Traffic	SU	SU	SU	SU
Utilities & Infrastructure	LTS/M	LTS/M	LTS/M	LTS/M

*Notes: LTS - Less-than-significant impact; LTS/M - Less-than-significant with mitigation;
SU - Significant and unavoidable*

As noted above, the level of impacts in the Proposed Project as well as all three alternatives analyzed show the same level of impacts in each category, but in varying degrees. This is partly due to the fact that the EIR studied cumulative impacts of the buildout of the Proposed Project and alternatives over a 25-year period as well as the regional build-out plans. The results indicate that the difference between the impacts of the various alternatives is not very significant, when compared to the cumulative impacts of regional plans over a 25-year period.

In general, the EIR finds significant and unavoidable impacts to Noise, Air Quality and Transportation and Traffic related to the Proposed Project and alternatives. In some cases, the significant impacts have been determined to be significant and unavoidable because the mitigation measures require approval from a governmental agency other than the City of Cupertino (e.g. Caltrans) and are not within the responsibility and jurisdiction of the City and needs approval from the other agencies through implementation. In other cases, a significant impact is unavoidable because the significant impact would not be fully mitigated even though mitigation measures have been identified.

Draft EIR and Final EIR

The Draft EIR was released on June 18, 2014 and was circulated for 45 days until August 1, 2014. A meeting was held on June 24, 2014 to solicit written comments from the public related to the EIR. Responses to comments received during the 45-day public review period were included in the Responses to comments (RTC) document published as part of the Final EIR on August 28, 2014. The Final EIR comprises of the Draft EIR (Attachment 19), the Response to Comments (RTC) Document (Attachment 20), and the Supplemental Text Revisions Memo dated October 8, 2014 (Attachment 21). The RTC document has to be made available to all agencies that commented for at least 10 days before final action is taken, per CEQA requirements. The City meets this obligation since final action on the project will not take place until November 2014.

Comments were also received after the close of the EIR public review period on August 1, 2014. While CEQA does not require that the City respond to the comments received after the close of the public review period, staff has been and will continue to provide responses to these comments. As of October 7, 2014, 11 late comment letters were received. Responses to these comments have been compiled in a late comment memo (Attachment 22.) The comment letters

received during and after the close of the comment period did not concern new or substantially more severe significant impacts, mitigation measures, or project alternatives, or change the findings of the Draft EIR.

The Planning Commission and City Council held EIR study sessions on September 9, 2014 and October 7, 2014, respectively. The study sessions were a forum for questions related to the EIR and no decisions were made. The Environmental Review Committee reviewed the EIR at its meeting on October 2, 2014, determined that it was adequate, and recommended that the City Council certify the Final EIR (Attachment 23).

Balanced Plan (Recommended)

The Development Allocation recommendations in the Balanced Plan are generally between Alternatives B and C. However the recommended heights are similar to or lower than those studied in Alternative B. The Balanced Plan provides a better balance of land uses than the Proposed Project or any of the other alternatives due to the fact that the (office/commercial to residential) balance is better than that in Alternative B, which had the lowest VMT of all of the alternatives studied in the EIR. However, it will continue to have significant avoidable impacts for traffic, air quality and noise even after incorporation of all feasible mitigation measures.

Statement of Overriding Considerations for Recommended Project

CEQA requires the decision-making agency to balance the economic, legal, social, technological or other benefits of a project against its unavoidable risks when determining whether to approve a project. If the specific economic, legal, social, technological or other benefits of the project outweigh the unavoidable adverse environmental effects, those effects may be considered acceptable and significant unavoidable impacts are outweighed by the proposed project's benefits. CEQA requires the agency to support, in writing, the specific reasons for considering a project acceptable when significant impacts are not avoided or substantially lessened.

The Balanced Plan (Community Vision 2040) would result in significant unavoidable impacts related to transportation, air quality and noise, even after incorporation of all feasible mitigation measures. However, it would achieve community goals related to a balance of land uses, providing active and vibrant shopping and entertainment destinations, and economic and fiscal stability. In addition, the Plan would help ensure that regional targets for greenhouse gas emissions and housing are met and would focus growth in major transportation corridors, while maintaining community goals of neighborhood preservation and connectivity. These significant unavoidable impacts and project benefits are discussed in the CEQA Findings and Statement of Overriding Considerations (Attachment 1).

PUBLIC NOTICING AND WORKSHOPS

Noticing for the General Plan and Housing Element project has been extensive, including the following:

- Three postcards sent to every postal address in the City

- One for General Plan Amendment
- One combined for General Plan Amendment and Housing Element
- One announcing availability of the Draft EIR
- Newspaper notices
- Notices sent to prospective housing element site property owners
- Creation of a project website - notice of website updates and Workshop/meeting reminders e-mailed to over 300 website subscribers

The following is a list of meetings.

- General Plan Amendment Community Workshop #1 – July 18, 2013
- General Plan Amendment Community Workshop #2 – October 23, 2013
- General Plan Amendment Neighborhood Meeting – December 5, 2013
- Chamber of Commerce and Block Leader meetings – January 29, 2014
- Meetings with Study Area property owners/representatives
- Meetings with interested Housing Element site property owners/representatives
- Chamber of Commerce Legislative Action Committee –December 6, 2013 & February 7, 2014
- Commission Meetings, Open Houses, Meetings and Study Sessions
 - City Council Meeting for the initiation of the General Plan amendment project & contract – February 19, 2012 and March 5, 2012
 - City Council Meeting for initiation of the Housing Element project, consultant selection and contract – November 4, 2013
 - Presentation at Teen Commission Meeting – October 2, 2013
 - Presentation at Bike and Ped. Commission Meeting – January 15, 2014
 - Joint Housing Commission and Planning Commission Presentation and Community Workshop for Housing Element sites #1 – January 23, 2014
 - Housing Commission Study Session and Community Workshop for Housing Element sites #2 – February 12, 2014
 - Open Houses #1 and #2 – February 19, 2014 and September 16, 2014
 - Planning Commission Study Session on Housing Sites for environmental review – February 19, 2014
 - City Council Study Session on Housing Sites and land use alternatives for environmental review – March 3, 2014
 - Housing Commission meeting on housing policy – March 19, 2014
 - Joint Planning Commission/City Council meeting on housing and draft General Plan policy direction – April 1, 2014
 - Public meeting for EIR – June 24, 2014
 - Housing Commission Meeting – August 28, 2014
 - Planning Commission Study Session on the EIR – September 9, 2014
 - City Council Study Session on the EIR – October 7, 2014

Public Comments

Comments related to the Draft EIR have been discussed earlier in this report. In addition to comments received regarding the adequacy of the EIR, several comments were received on the project. The comments are briefly discussed in Attachment 24.

NEXT STEPS

The Planning Commission's recommendation will be forwarded to the City Council on November 3, 2014 for certification of the EIR, adoption of the General Plan (Community Vision 2040) and authorization to forward the Draft Housing Element to HCD and use the prioritized alternative Housing Element sites list. A second reading for the zoning ordinances related to the General Plan and Housing Element is scheduled for November 18, 2014. The Community Vision 2040 General Plan and Heart of the City Specific Plan Amendment will go into effect upon adoption, however, the zoning ordinance text and map amendments will go into effect 30 days after the November 18, 2014 second reading.

The final General Plan document text, maps and graphics will then be formatted and prepared for posting by staff and the consultant.

The Draft Housing Element will be forwarded to the State Department of Housing and Community Development (HCD) for their review, which is expected to take about 60 days. Staff will discuss outstanding items with HCD and discuss any necessary changes related to the Housing Element sites based on the prioritized list. Upon conclusion of HCD review, staff will present the Final 2014-2022 Housing Element for adoption to the Planning Commission and City Council. Any related General Plan amendments or Zoning map or code amendments related to the revised Housing Element sites list will be brought at the same time. State law requires agencies to adopt their 2014-2022 Housing Elements by May 31, 2015.

Prepared by: Piu Ghosh, Senior Planner

Reviewed by: Gary Chao, Assistant Director of Community Development

Approved for Submission by: Aarti Shrivastava, Assistant City Manager

Attachments:

1. Draft Resolution 6760, Recommending Certification of an Environmental Impact Report, adoption of Findings and a Statement of Overriding Considerations, and adoption of Mitigation Measures and a Mitigation Monitoring and Reporting Program, (EA-2013-03)
2. Draft Resolution 6761 adopting General Plan and Land Use Map Amendments (GPA-2013-01)
3. Draft Resolution 6762 to authorize staff to forward the Draft 2014-2022 Housing Element to the State Department of Housing and Community Development (HCD) and use the prioritized list of Alternative Housing Element sites (GPA-2013-02)
4. Draft Resolution 6763 to approve Zoning Map Amendments (Z-2013-03)
5. Draft Resolution 6764 to approve Municipal Code Amendments (MCA-2014-01)
6. Draft Resolution 6765 to approve Specific Plan Amendment (SPA-2014-01)
7. General Plan Amendment and Housing Element staff reports for: February 12, 2014 Housing Commission, February 19, 2014 Planning Commission, March 4, 2014 City Council, April 1, 2014 Joint Planning Commission/City Council
8. Concept Alternative Maps

9. Market Study dated February 13, 2014 prepared by BAE Urban Economics
10. Retail Strategy Report dated March 6, 2014 prepared by Greensfelder Commercial Real Estate LLC
11. 2007-2014 Housing Element and Technical Appendix
12. Housing Commission staff report dated August 28, 2014
13. Site Priority List with criteria
14. Summary Of Land Use Map, Zoning Map And Zoning Text Amendments
15. Zoning Text amendments – Redlined version
16. Heart of the City Specific Plan amendment – Redlines
17. Planning Commission Study Session Staff Report dated September 9, 2014
18. City Council Study Session Staff Report dated October 7, 2014
19. Draft Environmental Impact Report dated June 18, 2014
20. Response to Comments Document dated August 28, 2014
21. Supplemental Text Changes Memo dated October 8, 2014
22. Updated Late Comments memo dated October 8, 2014
23. Recommendation of the Environmental Review Committee
24. Reponses to Public Comments Related to the General Plan and Housing Element