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PLANNING DIVISION**

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CITY COUNCIL STAFF REPORT

Meeting: June 16, 2020

Subject

Potential nomination of the Bubb Road Special Area as a new locally nominated Priority Development Area (PDA) to accommodate future residential growth in Plan Bay Area 2050

Recommended Action

That the City Council determine whether or not to adopt the Draft Resolution (Attachment A) to nominate the Bubb Road Special Area as a new locally nominated Priority Development Area (PDA) for inclusion in the Plan Bay Area 2050.

Discussion

SB 375 requires metropolitan planning organizations to adopt a Sustainable Communities Strategy (SCS) as part of its Regional Transportation Plan to achieve greenhouse gas emission reduction targets and plan for adequate housing at all income levels. In the Bay Area region, this is called Plan Bay Area. The Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) are working to develop Plan Bay Area 2050 (PBA 2050) – a long range plan to envision the growth framework for the region between 2021 and 2050. The initial work on PBA 2050 included a public outreach and modeling process called the Horizon Initiative. This has concluded, and MTC and ABAG have moved to the Blueprint preparation process in which a Plan Bay Area 2050 Draft Blueprint along with an environmental impact report will be prepared.

In drafting the existing Plan Bay Area 2040, ABAG and MTC focused housing growth in Priority Development Areas (PDAs) designated by cities and counties. However, the modeling process conducted by the Horizon Initiative concluded that the Plan could not achieve its greenhouse gas reduction targets if the same strategy were followed by Plan Bay Area 2050. In addition, the designated PDAs tend to be located in lower-resource communities, and focusing housing growth in those areas would not achieve the new requirement that the Plan "affirmatively further fair housing." The Horizon Initiative's final report recommended that the areas designated for growth (so-called "Growth

Geographies") be expanded to include all areas with good access to transit as well as higher resource communities – those with easy access to well-paying jobs, high performance schools, and good environmental conditions – with basic transit.

On February 20, 2020 and February 26, 2020, the ABAG Executive Board and the MTC respectively approved the expanded Growth Geographies for integration into the Plan Bay Area 2050 Draft Blueprint as follows:

- **Priority Development Areas (PDAs):** Areas with convenient public transit service prioritized by local governments for housing, jobs, and services.
- **Priority Production Areas (PPAs):** Industrial districts prioritized for more space-intensive activities.
- **Priority Conservation Areas (PCAs):** Areas prioritized for open space conservation and improved community health. *Note: PCAs are not Growth Geographies but are included in the plan.*
- **Transit-Rich Areas (TRAs) – Fixed Rail:** Areas within ½ mile of a regional rail station e.g. BART and CalTrain Baby Bullet Stations.
- **Transit-Rich Areas (TRAs) – Other:** Areas within ½ mile of a bus line with headways of 15 minutes or better during AM (6 – 10am) and PM (3 – 7pm) peak periods.
- **High Resource Areas (HRAs):** Areas of high opportunity with low residential density that are within ¼ mile of a bus stop with 16 to 30-minute peak period headways.¹

If a city designates at least 50 percent of its PDA-eligible areas as PDAs, those will be the only areas studied as growth areas as part of Plan Bay Area 2050. If less than 50 percent of the eligible areas are designated, TRAs and HRAs will also be assumed to be areas that can accommodate growth.

MTC and ABAG have created a table indicating existing and potential PDA acreage.² According to the PDA-eligible area table, Cupertino has 2,783 PDA-eligible acres (existing transit + fully funded transportation projects through 2019), with 554 acres (~19.4% of PDA-eligible areas) designated as a PDA.

Should Cupertino nominate at least 50% of its PDA-eligible areas, those areas would be used for analysis instead of the additional HRAs and TRAs selected by MTC and ABAG. The City would have to identify and nominate 838 acres of PDA-eligible areas – an area equal to roughly 1.5 times that of the Heart of the City Specific Plan Area – in order to reach the 50% threshold. However, if the City nominates less than 50% of its PDA-eligible

¹ See Govt. Code Section 65913.6(a)(2) for more information:
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1279

² Share of jurisdictions PDA-eligible areas designated Table:
https://www.planbayarea.org/sites/default/files/pdfs_referenced/PBA_2050_Draft_Blueprint_for_Study_PDA_and_PDA_Eligible_Area_by_Jurisdiction.pdf

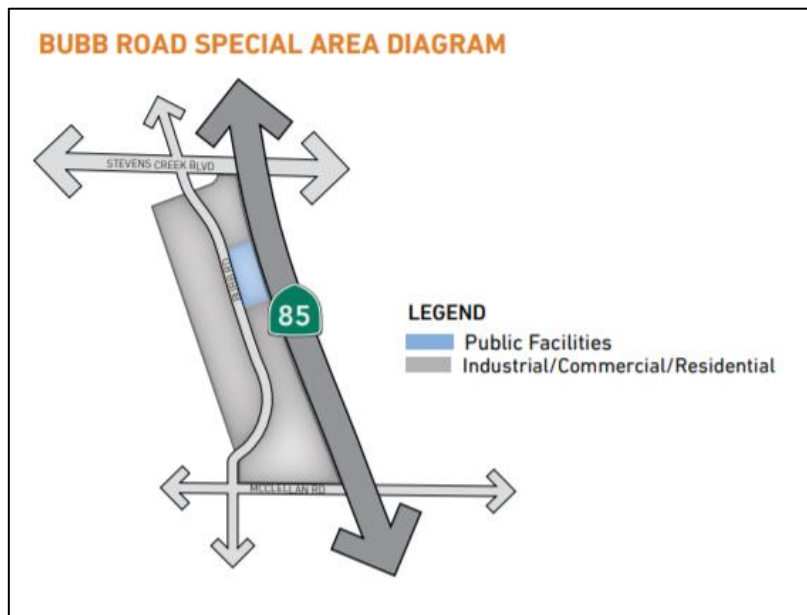
areas, while MTC/ABAG will include the additional PDAs nominated in their analysis, they will not change the Growth Geographies already adopted.

In order to allow jurisdictions to nominate additional locally nominated PDAs, ABAG and MTC are calling for a second round of nominations for inclusion in the Final Blueprint and environmental analysis. At the May 19, 2020 Study Session on the PBA 2050 and RHNA, some members of the Council indicated an interest in considering the Bubb Road Special Area as a new locally nominated PDA. The City Manager submitted a PDA nomination form to ABAG/MTC by their deadline so this option would remain open (see Attachment B). The City Council must also adopt a resolution to approve the nomination by June 30, 2020.

Analysis

The Bubb Road Special Area bounded by Stevens Creek Boulevard to the north, McClellan Road to the south, Highway 85 to the east and the Union Pacific Rail-Road tracks to the west.

The Bubb Road Special Area includes ~30 developable acres consisting primarily of low-rise industrial and research and development uses. This area is one of the few existing industrial areas in Cupertino.



The General Plan's vision for Bubb Road Special Area is as follows:

"The Bubb Road area is envisioned to become a tree-lined avenue that is more bike and pedestrian friendly. It will have an improved street grid necessary to accommodate increased foot traffic from local workers, and school children from the northern and eastern sections of Cupertino who travel to the tri-school area. Allowed uses in the Bubb Road Planning Area consist of those described in the ML-RC ordinance. In addition, neighborhood commercial and limited residential uses will continue to be allowed. Non-industrial uses in this area should be carefully reviewed to ensure that they do not impact the operations of existing industrial uses in this area. Development directly abutting low-intensity residential use should provide appropriate landscape buffers and setbacks."

The following General Plan policies currently apply to the Bubb Road Special Area:

- **Policy LU-24.1: Land Use.** Allowed uses in the Bubb Road Special Area will consist of those described in the ML-RC ordinance with limited commercial and residential uses.
- **Policy LU-24.2: Streetscape and Connectivity.** Bubb Road is envisioned as a walkable, bikeable corridor with sidewalks, street trees and roadway improvements for bike lanes and pedestrian crossings. Pedestrian and bike improvements and enhanced pedestrian crossings are also envisioned along other streets in this area to create an interconnected grid. Such improvements will also improve routes from the northern and eastern neighborhood to the tri-school area, parks and services and reduce impacts caused by to school and employment traffic.
- **Policy LU-24.3: Building and Site Design.** Locate buildings along the street with parking areas to the rear. Break up massing of large office buildings along the street with pedestrian scaled elements and locate building entries and active uses along the street frontage to improve the pedestrian character of the area.
- **Policy LU-24.4: Compatibility of Use.** The compatibility of non-industrial uses with industrial uses must be considered when reviewing new development.
- **Policy LU-24.5: Neighborhood Buffers.** New industrial uses should provide building transitions, setbacks and landscaping to provide a buffer for adjoining low-intensity residential uses.

Most of the properties in the Bubb Road Special Area have a land use designation of “Industrial/Residential” except one parcel, (~2.87 acres) owned by the State of California and used as a Caltrans Service Yard facility, which has a land use designation of “Public Facilities.”

The Bubb Road Special Area has a maximum allowable residential density of 20 dwelling units per acre and a maximum allowable height of 45 feet. The Cupertino General Plan allocates commercial, office, hotel and residential development by Special Area. Currently, there are no residential units allocated to this area because the City did not envision any housing development in this Special Area through 2040.

All the properties in the Special Area have a zoning designation of ML-rc (Light Industrial with special development conditions related to setbacks and allowable uses).

As a result of the nature of the existing and planned development of the area, the City’s Economic Development Strategic Plan, adopted by the City Council with Resolution 16-103³, identified this area as a potential Innovation District to “encourage and incentivize the reuse and rebuilding of existing buildings to create spaces appropriate for small to

³ Available online at: <https://www.cupertino.org/home/showdocument?id=23809>

midsize businesses in sectors such as greentech, biosciences, life sciences, and other creative industries.⁴ Among strategies to support the Innovation Districts the report identified that the “City could support the Innovation Districts with a coordinated branding and marketing strategy, and explore incentives (such as development allocations for innovation space) to encourage property owners to dedicate new and existing space to greentech, biosciences, and other innovation uses. The new "Innovation District" would also require or incentivize street improvements and transportation demand management measures aimed at encouraging walking and bicycling and mitigating the traffic impacts of new businesses, as well as the provision of other uses that would serve the district (food uses, etc).⁵”

If the City elects to designate the Special Area as a PDA, it would be required to prepare a specific plan for the area. ABAG/MTC requires the City to commence planning, including environmental and any area wide plans for the PDA, by December 2024. MTC can provide grant funds for planning in PDAs. MTC also provides funds to PDAs for infrastructure improvements such as sidewalks, bike lanes, and improved transit access. Over the last eight years, MTC has awarded competitive grants totaling \$680 million. Projects in PDAs additionally may receive priority for state transportation and housing funds.

Effect on Regional Housing Needs Allocation (RHNA)

Plan Bay Area 2050 will likely allocate most residential growth to PDAs and to areas included in the expanded Growth Geographies (for those communities that have not met the 50 percent threshold for PDAs). Although the Bubb Road Special Area is a Transit-Rich Area, the map adopted by ABAG/MTC showing the Growth Geographies does not include the Bubb Road Special Area within a Growth Geography.

The resolutions adopted by ABAG and MTC state that PDAs and Growth Geographies will be "priorities for future housing and job growth." Because the Bubb Road Special Area is not shown on the adopted map, presumably it would not be a priority area for job and housing growth. However, if designated as a PDA, it would be added to the portion of the City considered as a priority for job and housing growth and would likely somewhat increase the growth assumed to occur in the City. There is no provision for reducing the area of the Growth Geographies unless the area of PDAs reaches the 50 percent threshold.

The RHNA must be consistent with Plan Bay Area 2050. In general, if PBA 2050 projects more growth in a city, it can be expected that that city's total RHNA will be higher, but it is not known exactly what effect PBA 2050 would have on the RHNA. ABAG/MTC could decide to allocate the RHNA based entirely on PBA 2050 growth projections or could

⁴ Ibid. Pg. 14

⁵ Ibid. Pg. 14

decide to give higher priority to other factors, with PBA 2050 having a minimal effect. (A draft RHNA methodology is not expected until this fall, with adoption in spring 2021.) However, if designating Bubba Road Special Area as a PDA results in higher growth projections for the City, it is possible that this could result in a higher RHNA for the City.

Note that, after receiving the RHNA, the City is not required to limit higher density housing sites to those in the PDAs and Growth Geographies; it may select any suitable site.

Alternative Action

It should be noted that ABAG/MTC staff has also indicated that since they will not be amending the Growth Geographies unless the City reaches the 50 percent threshold, the Council could also consider nominating a new PDA when ABAG/MTC updates the PBA 2050 in four years' time (in 2024/2025.)

Next Steps

Staff will communicate the City Council's determination to ABAG/MTC.

Sustainability Impact

No sustainability impact.

Fiscal Impact

No fiscal impact at this time. However, should the Council decide to nominate Bubba Road as a PDA, staff will plan to include completion of a specific plan as a project in a future year Work Program, at which time funds will be necessary to complete the planning process for this Special Area to include residential development. This project would need to be commenced by December 2024. Funds may be available from MTC for the plan.

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Reviewed by: Benjamin Fu, Director of Community Development

Approved by: Dianne Thompson, Assistant City Manager

Attachments:

A - Draft Resolution

B - PDA Nomination Form submitted by City Manager