



City of Morgan Hill

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PLANNING COMMISSION STAFF REPORT MEETING DATE: JULY 12, 2016

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ZONING AMENDMENT ZA-16-01/SUBDIVISION SD2016-0006/ DEVELOPMENT AGREEMENT DA20016-0005/ENVIRONMENTAL ASSESSMENT EA20016-005: CONDIT-MANA

INVESTMENTS: Request for Zoning Amendment, Subdivision and Development Agreement for a 60-unit condominium and 14 unit single family detached project. The property, identified by Assessor Parcel Number 817-12-009, is located on the northwest corner of Murphy Avenue and San Pedro Avenue (Evergreen Investments Group2: Kenneth Chung, Owner). CEQA: Addendum to approved EIR.

RECOMMENDATION(S):

- 1) Adopt Resolution recommending City Council approval of a Zoning Amendment, ZA-16-01 for a Precise Development Plan; and
- 2) Adopt Resolution recommending City Council approval of Tentative Subdivision Map, SD2016-0006; and
- 3) Adopt Resolution recommending City Council approval of a Development Agreement, DA2016-0005.

PROJECT SUMMARY:

- 1) Location: Northwest corner of San Pedro Avenue and Murphy Avenue / 16785 Murphy Avenue (APN:817-12-009)
- 2) Site Area: 9.64 Acres
- 3) General Plan: Multi-Family Low
- 4) Zoning: Multi-Family Medium (R3)
- 5) Request: Zoning Amendment, Subdivision and Development Agreement for a 60-unit condominium and 14 unit single family detached project. The property, identified by Assessor Parcel Number 817-12-009, is located on the northwest corner of Murphy Avenue and San Pedro Avenue (Evergreen Investments Group2: Kenneth Chung, Owner). CEQA: Addendum to approved EIR.

LOCATION MAP



BACKGROUND

Site Description and Surrounding Uses

The subject site consists of one approximately 9.6 acre parcel (APN: 817-12-009), located north of the City's Outdoor Sports Complex across San Pedro Avenue. The site is part of a conceptual master planned area with a proposed apartment complex to the west, and future commercial center to the north. The General Plan land use designation of the site is Multi-Family Low, with a zoning designation of R-3 Medium-Density Residential. Neighboring properties include vacant commercial to the north, proposed apartment development to the west (currently vacant), and existing single-family and vacant residentially designated properties to the east.

Site History

The project site was annexed into the City in 2006 as part of an "island annexation" program sponsored by the Local Agency Formation Commission (LAFCO). In January 2015, the Planning Commission recommended certification of the Final EIR, approval of a General Plan Amendment from Commercial to Multi-Family Low, and a Memorandum of Understanding (MOU) for a Conceptual Master Plan for the project site (Attachments 4 - 6). The City Council certified the Final EIR (Attachment 7), approved the General Plan Amendment and MOU at their February 4, 2015 hearing (Attachment 8).

In addition, Planning Commission reviewed and recommended approval of a Zoning Amendment for the subject site and the adjacent apartment complex site at the July 14, 2015 Commission hearing to amend the zoning from the CG - General Commercial District to the R-3 Medium-Density Residential District to conform to the Multi-Family Low (subject site) and Multi-family Medium (adjacent site) General Plan land use designations. The City Council reviewed and approved the Zoning Amendment at their August 5, 2015 hearing.

The project competed in the 2015 RDCS competition and was awarded 30 allotments (MC-15-17)

on January 2016.

Project Description

The requests include a Zone Change, Tentative Map, Precise Development Plan and a Development Agreement to subdivide one lot into 21 residential lots and 6 common lots (open space, roadways/non-building lots), allowing for the development of 14 detached single family units and 60 attached townhouse style condominiums.

ANALYSIS:

Zoning Amendment

The project has been analyzed for consistency with 1) General Plan, 2) Zoning Ordinance, and 3) General Design Standards:

1) General Plan

According to the Morgan Hill General Plan, the Multi-Family Low designation is meant to accommodate both attached and detached dwellings in residential neighborhoods. The designation allows for residences at densities ranging from five to 14 dwelling units per acre. As proposed, the site has a density of approximately 8 units to the acre, therefore complying with the prescribed density range of the General Plan. Below is a summary of Goals and Policies that the project is consistent with.

Applicable Community Development Policies

- 1a. Ensure that City decisions regarding planning are reached in a comprehensive, coordinated manner.
- 2a. Encourage the orderly development of the city, with concentric growth and infill of existing developed areas.
- 2b. Ensure that facility/service standards can be met for new development by the time of occupancy.
- 2d. Plan for the needs of all socioeconomic segments of the community, encouraging self-sufficiency in jobs and housing within the city.
- 6b. Encourage the clustering of residential units to provide open space and recreation areas, and to provide buffer areas between different land uses (e.g., industrial and residential).
- 7d. Encourage higher residential densities at locations where convenient access and adequate infrastructure is readily available.
- 7e. Provide for an adequate supply of multi-family housing, located convenient to shopping, services, and transportation routes.
- 7i. Encourage a mix of housing types and lot sizes within residential projects with five or more lots or units.
- 8a. Maintain distinct boundaries between commercial uses and residential neighborhood.
- 8.b. Require any higher-density multi-family developments to include site design and a variety of unit types to mitigate potential impacts typically associated with larger projects.
- 8.e. Design residential neighborhoods so they are distinct and separated from conflicting non-residential uses.

The project implements uses consistent with the City's General Plan, and the site has been identified as an appropriate location for multi-family residential development. Neighboring properties include vacant commercial to the north, proposed apartment development to the west (currently vacant), existing single-family and vacant residentially designated properties to the east, and the Outdoor Sports Complex to the south. The project provides a variety of types of housing including 6 BMR units. Public utilities and services are available at the site without significant expansion or impact to the existing services. The Project would place higher density development within convenient walking distance to future commercial services and community facilities such as the Outdoor Sports Complex and Aquatics Center. Incorporated within the project is a 0.5 acre park, a 0.2 acre dog park, and tree lined walkways throughout the project. The placement and design of the homes, along with the landscaping and dog park will buffer the south portion of the residential project from the Outdoor Sports Center Complex. The Project will connect sidewalks along the project frontages and continue the sidewalk along the future commercial site to connect to E. Dunne Avenue. The tree lined streets will include traffic calming techniques to reduce speed and provide a distinct boundary between the commercial and residential property. The Project is designed to have integration with existing and proposed adjacent uses.

2) Zoning Ordinance

The property has an existing zoning designation of R-3. As a small lot single family and attached townhouse style condominium project, the development is subject to the standards set forth in Chapter 18.29 of the Morgan Hill Municipal Code. The applicant requests a change to R-2 zoning, including a Planned Development (PD) overlay for the project site, which requires rezoning the property. The project would deviate from the development standards of Chapter 18.29.

Chapter 18.29

Chapter 18.29 is a new chapter intended to provide development standards for medium density residential development, including single-family detached and attached housing units on small lots (less than 7,000 square feet) developed within the R-2 and R-3 zoning districts.

The following summarizes the instances where the project is inconsistent with Chapter 18.29.

Table:1 Development Standards

	R2 SFD Requirement	Proposed R2 SFD	Varies from Standard	R2 Condo Requirement	Proposed R2 Condos	Varies from Standard
Lot Area (sq.ft. min)	4,500-5,500	4,120	✓	6,000	10,900	–
Lot Width	40'	40'	–	60'	75'	–
Lot Depth (min)	80'	100'	–	85'	165'	–
Lot Coverage (max)	NA	NA	–	60%	45%	–
Far (max)	52%	80%	✓	NA	NA	–
Height	2 and one half stories or 30'	2 stories, no taller than 30'	–	2 and one half stories or 30'	2 stories no taller than 30'	–
Front Setback (min)	15'	25' facing Murphy	–	NA	13' facing future	–

					commercial site 28' in between building frontage to building frontage	
Interior side Setback	4'	0' on one side; 8' min. on the opposite side	–	NA	11' in between buildings	–
Street Side Setback	8'	Lot 8, 11, and 21 will be a minimum of 12'	–	5'	5'	–
Rear setback	15'	NA	✓	NA	NA	–
Private Open Space	350square feet	400 square feet	–	60 square feet	60 square feet	–
Parking Standards	See Parking Below		✓	See parking below		–

Section 18.29.060, for Standards Applicable to all small lot single-family detached and attached housing developments (A) Aggregate Lot Coverage - states that the project shall not exceed more than 40% of the gross land area. The proposal is requesting an exception to this to allow up to 45% aggregate lot coverage.

Findings for a Zoning Amendment

In order to amend the Zoning, as requested, the following findings must be made:

- A. **That the proposed amendment is in general conformance with the General Plan.**
 The proposed zoning amendment from R-3 Medium-Density Residential to R-2 Medium-Density Residential would conform to the site's Multi-Family Low General Plan Land Use designation.
- B. **That the public necessity, convenience and general welfare require the adoption of the proposed amendment.**
 A Zoning Amendment to the R-2 Zoning District would allow a mixture of unit types that are more compatible with existing single-family properties located across Murphy Avenue. The Planned Development would allow for flexibility in the City's site development standards in exchange for providing affordable housing and enhanced site design. The quality of design would be ensured through the site and architectural design review process.
- C. **The proposed amendment does not grant a change in land use from commercial or industrial to a residential land use for property incorporated into the urban service boundary after December 7, 1990 unless it can be determined pursuant to the terms of Section 18.78.070 of the Municipal Code that the amount of undeveloped, residentially developable land on the same side of Monterey Road as the proposed amendment is insufficient to accommodate five years' worth of residential growth.**

The project site is currently zoned R-3 Medium-Density Residential and would not convert land from commercial or industrial to residential; therefore, this amendment request is consistent with this provision.

The Zoning Amendment would comply with the General Plan as required by Government Code Section 65860. Further analysis regarding the PD is provided in the following section.

3) Planned Development Design Standards

The applicant proposes a Precise Development Plan that contains 14 single-family detached and 60 attached townhouse style condominium units, for a total of 74 units. The single-family units would be located along the Murphy Avenue frontage, while the townhouse style condominiums are organized in 16 triplex buildings and 3 fourplex buildings.

Approval of the Precise Development Plan would incorporate exceptions to the base development standards. The table provided in Exhibit B of the Zoning Amendment Resolution summarizes the proposed lot distribution and base zone district deviations requested.

The standard practice with PD's has been to limit both the frequency and degree of exceptions to 25 percent of the base development standards. In order to meet the densities necessitated by the General Plan these exceptions are required. Out of the 74 units, 14 of the lots require development standard deviations (18%). Eleven out of the 14 single family home lots vary from the minimum lot size by 380 square feet (25% of the standard lot size). Five out of the 14 single family units will exceed the FAR designation by (between 2% and 8%). Lastly, in order to provide the 25 foot setback along Murphy Avenue, and incorporate the pedestrian paseo that connects this project to the neighboring future apartments/commercial center, and Sports Complex, the twelve out of the 14 units will not supply the 20'x20' driveway apron (85% of the 14 units don't comply by 100% of the apron requirement) and to provide jogging in the alignment of the garages along the interior street, 12 of the 14 single family units do not comply with the 15 foot rear yard setback. Six of the single family homes provide a 5 foot setback (60% of the standard), and six of the single family homes provide a 3 foot rear yard setback (80% of the standard). Staff determined the additional setback along Murphy Avenue, and the pedestrian paseo, provides a superior design to that if the project met the rear and driveway apron setback. Additionally, when looking at the overall project, only 14 out of the 74 lots (18%) require an exception to the standards.

Architecture Elements

Single-Family

The single-family units have been designed in Progressive Craftsman, Contemporary Ranch, and Contemporary Farmhouse style. The Progressive craftsman utilized cream, tan, and brown colors with vertical and horizontal wood paneling, with metal and exposed wooden structural elements. The Contemporary Ranch homes utilized cream and beige stone, thin mocha colored horizontal wood siding, and cream stucco with dark brown wooden structural elements. The Contemporary Farmhouses utilizes light colors such as cream colored large panel vertical wood siding, thin, white gable end horizontal siding, with grey roof and accents. The maximum building height would be 40 feet. New landscaping and trees are proposed for the front, side and rear yards.

Townhouse-Style Condominiums

Three types of architecture have been proposed for the townhouse-style condominium units, Progressive Craftsman, Contemporary Farmhouse, and Contemporary Ranch. The Progressive Craftsman with gabled roof utilizes vertical and horizontal wood slat or shingled siding with cream, brown, and blue tones and includes metal and exposed wooden structural elements. The Contemporary Farmhouse includes a gabled roofline, large vertical wood panel siding, and thin horizontal wood siding in rust red, tan, and cream tones. Lastly, the contemporary ranch style home will have a gabled roof, utilize stone and wood siding in grey and mocha with cream wood accents. All units contain back loaded garages with a courtyard in between the garage and the home. The maximum building height would be 40 feet. New landscaping and trees are proposed surrounding the townhouse buildings.

Circulation and Parking

The project site would be accessed via Murphy Avenue and Condit Road with an internal private road. The new internal road has a right-of-way width of 26 feet minimum that accommodates two-way traffic, surface parking (54 spaces) and tree lined sidewalks. The private drives would provide vehicular access to designated lots, and would include easements that allow for public utilities and emergency vehicular access.

Parking for residential projects is stipulated in Chapter 18.50 (Off-Street Parking and Paving Standards) of the Morgan Hill Zoning Code. The following table summarizes the parking for the project and demonstrates compliance with Chapter 18.50.

Table 2: Parking Requirements

	Number of Units	Required Ratio	Spaces Required	Spaces Provided	Varies from Standard
Single Family Detached	14	2 covered spaces per unit with 20' by 20' driveway apron	28	28	20' by 20' driveway apron not provided
Guest Parking	14	1 space per every 4 units	4	4	–
Condos (3 bedrooms)	60	2.5 covered spaces per unit	150	150	–
Guest Parking	60	1space per 3 units	20	20	–

The project would comply with Chapter 18.50, and would provide 54 surface parking spaces. The Planned Development would allow for the project to vary from the single-family detached driveway standards. The single-family detached units would have between three and five feet within the driveway apron.

Amenities and Open Space

The project includes a half acre park with tot lot, shade trellis areas, picnic and barbeque areas, and a 0.2-acre dog park. Adjacent to the project is a large pedestrian paseo that connects this project to the proposed apartment complex to the west, the future commercial center to the north, and the Sports Complex to the south. The residents would have an opportunity to utilize the neighboring club house amenities from the apartment complex that includes a gym and a pool.

PD Planned Development Overlay District Findings

The proposed PD Overlay and Precise Development Plan (Attachment 9) for the project, pursuant to Section 18.30.050 of the City of Morgan Hill Municipal Code, shall follow the same procedures as established for zoning amendments, as defined and described in Chapter 18.62. Conceptual planned development master plans and/or a PD plan shall be evaluated for consistency with the following findings:

- A. The development of the subject property, with the uses and in the manner proposed by the applicant, will not be detrimental to the public welfare, will be in the best interests of the city, and will be in keeping with the general intent and spirit of the zoning regulations of the City of Morgan Hill, with the Morgan Hill General Plan, and with any applicable plans adopted by the City.**

The project is a piece of a conceptual master plan that provides a mix of uses and connectivity throughout the project. In addition, the project will complete the street frontage along Murphy Avenue with high quality design including landscaped planting strips with trees lining the street. The project dedicates land along San Pedro Avenue to incorporate additional parking for visitors and neighboring residence. The project will provide a Class II Bicycle lane with green striping along Condit Road connecting to the E. Dunne Avenue bicycle lane and other bicycle lanes throughout the City.

- B. That the plan for the proposed development presents a unified and organized arrangement of buildings and/or service facilities which are appropriate in relation to adjacent or nearby properties, and that adequate landscaping and/or screening is included if necessary to insure compatibility.**

The project incorporates outward facing triplex and fourplex condominiums facing the future commercial site to the north, and the apartment complex to the west, then transitions to single-family detached homes along Murphy Avenue, across the street from existing single-family properties. The massing and scale of the two-story homes are compatible with the surrounding land uses. A landscape buffer including a dog park is incorporated along San Pedro Avenue buffering the future residences from the Sports Complex.

- C. Any exception from standard ordinance requirements is warranted by the provision of affordable housing, senior housing, overall quality of design and/or the incorporation of amenities within the general development plan, in accordance with adopted policy of the Planning Commission and the City Council.**

The project proposes 6 BMR units, would dedicate land and construct enhancements along San Pedro Avenue, and provide a 39 foot wide pedestrian paseo that would connect the Sports Complex with the future commercial center to the north. In addition, the project includes a 0.2-acre dog park and a centrally located 0.5-acre park with tot lot, barbeque facilities and trellis areas.

Subdivision Application

A tentative map for 14 single-family residential lots and condominium for 60 residential units (air space condominiums), along with 6 common lots for the private street and common open space and stormwater control areas. The project is not fully allotted pursuant to the RDCS. The approval

of the tentative map would allow the developer to record a Final Map and commence construction of the project, consistent with the proposed PD zoning and RDCS allotments.

Development Agreement

In 2015 an MOU was entered into between the City and the applicant which established expectations for the project area to be master planned. The expectations within the MOU, along with the RDCS commitments are proposed with the project Development Agreement.

The Master Planned area includes a proposed apartment complex to the west and commercial to the north, with a cohesive design that interconnects each of the project components and incorporates a 39 foot wide pedestrian paseo that runs north/south and separates the apartment complex from the subject site connecting the Sports Complex to the future commercial. Deviations from the RDCS commitments are required as part of the project and are summarized below.

Deviations from the RDCS commitments:

Section 18.78.250, Parks and Paths: 2. privately owned and maintained on-site recreational amenities.

Applicant previously had eight (8) community garden plots for a score of 2 points. The applicant moved the garden plots to the adjacent project, and in exchange, will provide a dog park to make up the difference of 2 points.

Section 18.78.270, Housing Types: 1.a 7 points for one housing type, and 5 points for two or more housing types.

The original proposal included one housing type (condominiums) and received 7 points. In an effort to address concerns raised by property owners located across Murphy Avenue regarding the appropriateness of townhomes being located across from single-family detached homes, staff suggested that a more appropriate transition could include small lot, single family detached homes. The applicant worked with staff in redesigning the project to incorporate detached single-family homes along Murphy Avenue. By adding two housing types to the project site, a two point reduction was received. The applicant is committing to Section 18.78.270, Housing Types: 1.b, which requires "Over and above the BMR units committed in this section, the project provides an additional 10% detached units in an R-2 project" for two points.

Section 18.78.290, Lot Layout and Orientation: 1.a not require any deviations from the development standards (1 point).

The project proposal includes a Planned Development to allow for minor deviations from the R-2 Zoning District development standards. The project over-scored in this section (Section 18.78.290) by 4 points and will utilize one of those points to maintain their RDCS point count.

Memorandum of Understanding

The MOU expectations are formalized within the Development Agreement. Section b., Owner's Goals #7 states the new homes will be setback 250 feet from the Sports Complex, which is beyond the 150 foot recommendation from the light leakage analysis provided with the Initial

Study.

The applicant provided information on new LED lighting and efficiency of light leakage on other properties. In the City's efforts to move toward more efficient lighting, and the need to light the rest of the sports complex fields, the applicant will work with the City on providing more efficient lighting at the Sports Complex. This agreement will satisfy the intent of Goals #7 and allow the applicant to build within the 250 foot setback by 15 feet, which would be 235 feet complying with the light leakage analysis. This agreement is recognized within the Development Agreement.

All other expectations within the MOU that apply to the condominium portion of the project have been satisfied and formalized within the Development Agreement.

The terms and conditions agreed to during the competition have been incorporated into the site plan and included in the attached Development Agreement. The proposed Development Agreement follows the City's standard form for formalization of RDCS commitments and establishment of a project schedule.

Community Engagement

The proposed project was publicly noticed (mailing to property owners within 300 feet of the project and newspaper legal noticing) for the minimum 10-day period and a sign has been posted at the project location pursuant to the Planning Division requirements.

No public comments have been received at the time of writing this report.

Conclusion

The project largely conforms to the new Zoning Code standards, but where the project is requesting deviations, the project is consistent with the required finding for adoption of a PD Zoning. The project has been found to be consistent with the General Plan.

CEQA (California Environmental Quality Act):

An Addendum to an approved Initial Study (IS)/Environmental Impact Report (EIR) may be prepared if only minor technical changes for additions are required, and none of the conditions identified in CEQA Guidelines Section 15162 are present.

The Condit-Evergreen General Plan Amendment (Attachment 7) and IS/EIR analyzed the conceptual master planned area including the proposed apartment complex project to the west, and the potential future commercial center to the north. Substantial changes are not proposed to the project nor have any substantial changes occurred that would require major revisions to the adopted EIR. An IS was completed for the proposed project and because none of the conditions identified in CEQA guidelines Section 15162 were present, an Addendum was prepared.

LINKS/ATTACHMENTS:

1. Zoning Amendment Resolution, ZA-16-01
Exhibit B Lot Analysis
Exhibit C Precise Development Plan
2. Subdivision Resolution, SD2016-0006
Exhibit A Tentative Subdivision Map
3. Development Agreement Resolution, DA2016-0005
Exhibit A Development Agreement

4. Conceptual Master Plan
5. Main Street Concept
6. RDCS off-site commitments
7. Condit-Evergreen GPA EIR
8. Memorandum of Understanding
9. Full Plan Set
10. Landscape plans