

BACKGROUND:

The project proponent, Standard Pacific, is seeking the land use entitlements necessary to develop 135 new single-family homes on an approximately 40 acre site comprised of two 20-acre parcels. The project originally competed through the Residential Development Control System (RDCS) process as two separate projects; however Standard Pacific has acquired both parcels and is proposing to develop them as a combined, cohesively designed project. For this staff report, the eastern parcel has been identified as the "Lantana" parcel and the western parcel has been identified as the "Wisteria" parcel.

The project site is identified by Assessor's Parcel Numbers 728-36-013 and -014 and located at 1365 and 1465 Cochrane Road. The Lantana parcel consists of open, undeveloped land with non-native annual grasses and shrubs, one almond tree and one elderberry tree. Recently, the parcel has been used as a cattle pasture. There is a small shade shelter (formerly used for cattle) in the southeast corner of the parcel and a watering trough along the east boundary. The Wisteria parcel consists of a former vineyard (approximately 16 acres), with vacant land with non-native grasses, and two avocado trees.

The site is bordered by approximately 20 acres of vacant land and a single-family residence to the east, undeveloped land, a recreational use area and a parking lot to the west, Cochrane Road, an outdoor open space area and single-family residences to the south, and several greenhouses, residential and agricultural uses to the north.

The Lantana RDCS application was awarded 13 allotments for fiscal year 2015-16 and 14 allotments for fiscal year 2016-17 for a project proposal that included 66 lots, allowing for the development of 66 one and two-story single family homes which included 58 detached and eight attached units. The lot sizes would range from approximately 4,250 to 15,600 square feet and the residences would range from approximately 2,080 to 3,210 square feet.

The Wisteria RDCS application was awarded 28 allotments for fiscal year 2015-16 and 16 allotments for fiscal year 2016-2017 for a project proposal that included 69 lots, allowing for the development of 69 one and two-story single-family homes which included 63 detached and six attached units. The lot sizes would range from approximately 4,500 to 8,800 square feet and the residences would range from approximately 2,080 to 3,400 square feet.

The project has not been fully allotted.

ANALYSIS:

The project applicant request includes a Zone Change, Tentative Map, Precise Development Plan and Development Agreement to subdivide two lots into 135 residential lots and seven open space/non-building lots, allowing for the development of 135 one- and two- story single-family houses with two-1 to three-car garages and private driveways. The residential lot sizes would range from approximately 3,550 to 13,600 square feet and the open space lots would range from 0.06 to 2.8 acres. The open space non-building lots include a 2.8-acre common open space area (which includes a biotreatment and infiltration area and a hydromodification basin), and six smaller (0.06 to 1.2 acres) common open space areas.

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The project has been analyzed for consistency with the General Plan, Zoning Ordinance and general design standards:

1) General Plan

The site has a land use designation of Single-Family Medium (3-5 units per acre). The Single-Family Medium land use designation allows for single-family residences at densities ranging from three to five dwelling units per acre. The site has a density of 4.38 units per acre, therefore, complying with the prescribed density range of the general plan.

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.
- 2d. Plan for the needs of all socioeconomic segments of the community, encouraging self-sufficiency in jobs and housing within the city.

The project site is surrounded by existing development. Public utilities and services are available at the site without significant expansion or impact to the existing services. The proposed street layout provides connections to the adjacent parcel to the east so that it could in the future be connected to existing development further to the east in a cohesive pattern. While commercial and townhouse development is anticipated for the property to the west, because the design of that development is not yet known, the project cannot be specifically coordinated with future development to the west, but has included design features intended to create a positive relationship with the new Mission View street alignment that would separate the two properties. The project would not conflict with any applicable land use plan or policy.

2) Zoning Ordinance

The Lantana property has an existing zoning designation of R-1 9,000. The Wisteria property has an existing zoning designation of R-1 7,000 and R-1 9,000. The applicant is requesting a Planned Development (PD) overlay for the project site which would include rezoning the property. The Lantana Property would be rezoned to R-1-9,000 PD and the Wisteria property would be rezoned to R-1-7,000 PD.

Applicable Division I requirements:

- Chapter 18.12 – R-1 Medium Density Residential District
- Section 18.12.060 – Site development standards – R-1-7,000
- Section 18.12.070 – Site development standards – R-1-9,000
- Chapter 18.13 – High-Density Single-Family Residential
- Section 18.13.050 – Site development standards – R-1-4,500

Pursuant to Sections 18.12.060 and 18.12.070, the *R1-7,000* and *R1-9,000* zoning districts are required to have minimum lot areas of 7,000 and 9,000 square feet for single-family detached units, respectively. The *R1-7,000* and *R1-9,000* zoning districts allow for corner lot sizes of 3,500 square feet and 4,200 square feet, respectively, for duet units (two single-family attached units).

The *R1-7,000* and *R1-9,000* zoning districts require 20-foot front and rear setbacks for the first story on a residential unit, 25-foot rear and front setbacks for second stories, and 12.5-foot setback from the side property line (for buildings with a maximum height greater than 17 feet

above grade). A 15-foot side yard setback is required when the side yard of a two-story residence is adjacent to a rear yard on an adjacent lot. The minimum lot width required for detached units is 60 feet for the *R1-7,000* district and 70 feet for the *R1-9,000* district; the minimum lot width allowed for duet units on corner lots is 40 feet. The minimum lot depth allowed is 85 feet and the maximum building height allowed is 30 feet or 2.5 stories (whichever is less) for all lots. The maximum building coverage allowed for both districts is 50 percent.

The project includes a Planned Development (PD) zoning overlay district that would allow variation from the development standards which the project would normally be required to comply with under the *R1-7,000* and *R1-9,000* zoning districts including reduced setbacks and lot sizes.

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 project site has a land use designation of Single-Family Medium (3-5 dwelling units per acre). The project proposes a density of 4.38 units per acre. The proposed density and zoning is consistent with the land use designation.

B. *That the public necessity, convenience and general welfare require the adoption of the proposed amendment.*

The proposed amendment would allow for the development of the property to provide future road and bikeway connections to the north and eventually provide linkages to future and existing properties to the east. Development of the site would provide for a future municipal well site. Consistent with project RDCS commitments, the PD zoning would allow for diversifying the housing types and the housing opportunities available to the residents of the City. Increased open space and recreation opportunities would benefit the health and welfare of the occupants of the proposed development and the City as a whole.

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 amendment is for a rezone to include a Planned Development Overlay and would not amend the residential land use of the property.

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 Overlay District

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The applicant is proposing a PD Overlay with a Precise Development Plan for the project site. In accordance with Section 18.30.050 of the City of Morgan Hill Municipal Code, a request for establishment of a PD shall follow the same procedures as established for zoning amendments, as defined and described in Chapter 18.62, and any conceptual planned development master plan and/or PD plan shall be found consistent 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.
- 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.
- 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 accord with adopted policy of the Planning Commission and the City Council.

The PD would allow flexibility in the City's site development standards in exchange for providing additional open space areas, and affordable housing units. The overall quality of project design would be ensured through the architectural and design review process. The build-out of the project would include 135 units, 102 single-family detached, 19 R-1 4,500 parcels and 14 duets which would be placed on the project site in an organized, cohesive subdivision design. The project has been allotted 71 units.

The R-1-4,500 and duet units have been centrally located around open space. The project design features houses of these types with front doors facing on to Mission View to encourage "eyes on the street." This also reduces the effect of having a uniform monotonous wall along the streetscape. A unique feature of the proposed development is the open space paseo. This paseo creates an open space spine that runs through the project creating a green link between the houses in the center of the project and the central open space. The open space areas and the paseo would be required to be illuminated to 1.5 foot candles in accordance with the Development Agreement.

Planned Development Standards

Approval of the Precise Development Plan would incorporate the following exceptions to the base development standards normally required in the R-1-4,500, R-1-7,000 and R-1-9,000 parcels:

- Seventeen parcels (Parcel No.'s 45, 51, 54, 69-71, 84-90, and 104-107) do not meet the minimum lot width requirements.
- Twenty-one parcels (Parcel No.'s 5, 7-8, 10-11, 16, 18, 47-49, 56-57, 59 61-63, 86-88 and 93) do not meet the side yard setback requirements.

The units proposed for Parcel No.'s 5, 7, 16 and 61 could be relocated within the proposed parcels to meet the side yard setbacks without changes to the proposed parcel layout. Staff would recommend as a condition of approval that these units be moved to meet the setback requirements (Condition No. 15).

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. With the modifications recommended, the project would meet this standard. All exceptions fall below the 25 percent threshold in both frequency and magnitude and are consistent with this development practice in the City. The exceptions both in number and magnitude do not appear excessive given the shape and location of the property and would be off-set by the project amenities, additional Below Market Rate (BMR) units, and fulfillment of Measure C commitments.

Architectural Elements

The proposed residences would be French, Spanish, American Farmhouse, and Craftsmen styled models that would have facade materials with varying combinations of stucco, vinyl-framed windows, and concrete-tiled and shingle roofing with intersecting gables. The residences would also include varying combinations of brick, stone and horizontal lapped panel siding. The maximum building height of the residences would be 30 feet. New landscaping and trees are proposed for the front yards, side yards, and backyards of the proposed residences.

Circulation

The project site would be accessed via Cochrane Road and an extension of Mission View Drive. A portion of the planned Mission View Drive extension would be constructed as part of the project. The project improvements would include the construction of half street improvements of Mission View Drive along the project frontage from Mission View Drive and the Cochrane Road intersection to the northern boundary of the site. A traffic signal would be installed at the Mission View Drive and Cochrane Road intersection as a part of the Mission View Drive extension project improvements.

New internal streets and five private drives are proposed for the project site. Mission View Drive would provide access to three new internal streets and Cochrane Road would provide access to one internal street. The new internal public streets would have pavement ranging from 28 to 40 feet in width and would have public right-of-ways (ROWs) with widths ranging from 36 to 40 feet that would connect to new sidewalks throughout the development. Three internal streets would provide access to the future residential development to the east.

The new private drives would provide 25-foot wide vehicular access. Four of the private drives (Private Drives 1-3, and 5) would have five-foot wide attached sidewalks on both sides of the street. The east-west trending segment of Private Drive 4 would have sidewalks on both sides of the street; the north-south trending segment of this private drive would have a sidewalk on the west side of the street. The private drives would provide vehicular access to designated lots, and would include easements that allow for public utilities and emergency vehicular access.

The proposed project would include a Class I bicycle path along Mission View Drive (adjacent to the open space areas located on the western end of the site), which would extend from Cochrane Road to the northern end of the site.

Open Space

The project includes approximately 5.9 acres of total open space. This is divided into one central 2.8 acre common open space area and six smaller (0.06 to 1.2 acres) open space areas. All open space areas would consist of trees and landscaping. The 2.8-acre common open space area would also include a barbecue/picnic area.

Applicable Division I requirements:

Chapter 18.30 – PD Planned Development Overlay District

The project site is surrounded by residential developments zoned as *R1-9,000* and *R1-7,000 PD* to the south of Cochrane Road, and *R1-12,000 PD* to the north and east. The project is typical of suburban development where buildings are constructed in proximity to each other. The project site is adjacent to existing residential land uses located to the south and east of the site. The PD zoning exceptions (such as reduced setbacks) proposed by the project would be consistent with existing development in the area and would not result in the project site appearing overdeveloped in comparison to the adjacent land uses.

4) Subdivision Application

A Tentative Map for 135 residential lots has been proposed. The project has received 71 allotments. City Council Policy CP-06-04 allows for the processing of Tentative Subdivision Maps which exceed the number of allotments currently received to a development if the following criteria are met:

- a. An approved precise development plan is obtained;
- b. The Tentative Map shall be non-vesting;
- c. The recordation of a final map will not be permitted until the allocations of have been secured under the RDCS and a Development Agreement has been recorded and that the tentative map would expire after 2 years.

The following is the proposed phasing for the project:

Phase	RDCS Fiscal Year	Allotments	Lot Numbers	Unit Type
I	FY 15-16 (MC-13-10)	13	Lot No.'s 2-3 Lot No.'s 58-68	2 duets and 11 R1-9,000 lots
I	FY 15-16 (MC-13-11)	28	Lot No.'s 69-81, 83-90, 92-95 and 103	21 R-1-7,000 lots, 4 duets and 3 R-1-4,500 lots
II	FY 16-17 (MC-14-04)	14	Lot No.'s 1, 4-11, and 53-56	11 R-1-9,000, 2 duets and 1 R-1-4,500
II	FY 16-17 (MC-14-03)	16	Lot No.'s 82, 91, 98-99, 101- 102, 104-110 and 133-135	12 R-1-7,000, 2 duets and 2 R-1-4,500 lots

The project would need to compete in the RDCS process for future allotments or become an on-going project to be eligible for additional allotments.

Approval of the Tentative Map would allow the developer to record a Final Map and commence construction of those properties with allotments, consistent with the proposed PD zoning. Staff would recommend that as a Condition of Approval that the above table be recorded on the Final

Map to indicate which parcels are subject to the precise requirements of Measure C (Condition No. 16).

5) Development Agreement

A Development Agreement has been proposed for the project, consistent with the RDCS commitments. The terms and conditions agreed to during the competition have been incorporated into the site plan and included in the attached Development Agreement in Exhibit C, D, E and F.

The Development Agreement includes the standard Development Schedule in Exhibit B. However, the applicant would like to modify the Development Schedule to reflect a time table that would not require an additional extension to their current allotments. The applicant is proposing that the Development Schedule be modified to read:

I. SUBDIVISION AND ZONING APPLICATIONS	
Applications Filed:	
FY 2015-16 (41 allocations)	09-02-14
FY 2016-17 (30 allocations)	09-02-15
II. SITE REVIEW APPLICATION	
Application Filed:	
FY 2015-16 (41 allocations)	10-30-15
FY 2016-17 (30 allocations)	10-30-16
III. FINAL MAP SUBMITTAL	
Map, Improvements Agreement and Bonds:	
FY 2015-16 (41 allocations)	03-30-16
FY 2016-17 (30 allocations)	03-30-17
IV. BUILDING PERMIT SUBMITTAL	
Submit plans to Building Division for plan check:	
FY 2015-16 (41 allocations)	07-01-16
FY 2016-17 (30 allocations)	07-01-17
V. BUILDING PERMITS	
Obtain Building Permits:	
FY 2015-16 (41 allocations)	10-30-16
FY 2016-17 (30 allocations)	10-30-17
VI. COMMENCE CONSTRUCTION:	
FY 2015-16 (41 allocations)	04-30-17
FY 2016-17 (30 allocations)	07-30-18

This proposed Development Schedule effectively pushes the applicant's building permit allotments for the FY 15-16 back 10 months and pushes the FY16-17 allotments into the FY 18-19 building cycle. Without this change in the Development Schedule for FY 15-16, the project would be behind schedule and would likely need an extension of their building allotments next spring. The applicant has been diligently working with staff to complete the land use entitlements necessary to complete the project, but due to the complexity of merging the two parcels, determining the design of Mission View Drive adjacent to the property and creating an overall cohesive land use plan, the design process has taken longer than the amount of time assumed by the typical RDCS schedule. Staff recommends that the project be granted additional time as requested so that the it may

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proceed to construction without need for additional modifications to the proposed Development Agreement and has included the revised schedule in the draft Development Agreement.

Community Engagement

A 10 day public hearing notice was published in the Friday, June 17, 2015 edition of the Morgan Hill Times and notices were mailed to property owners within three hundred feet of the project pursuant to Government Code Sections 65090-65096.

Conclusion

The project site is mostly vacant (with a small wooden former shade shelter for cattle) and is comprised of open grassland and a former vineyard. The project would include the demolition of the existing structures and develop the site with residential (135 single-family units) and common open space uses in accordance with the City's General Plan. The proposed project has been designed to reduce or avoid land use impacts. In particular, the project has been designed considering Mission View Drive and potential residential and commercial uses that may be developed in the future. The proposed PD Zoning would enable the incorporation of smaller single-family lots within standard R-1-7,000 and R-1-9000 type development, consistent with the project's RDCS commitments, in a cohesive and compatible layout. Staff recommends that the Planning Commission recommend City Council approval of the Zoning Amendment, the Precise Development Plan, and the Mitigated Negative Declaration; and adopt the Tentative Map.

CEQA (California Environmental Quality Act):

Project, Description of CEQA requirements

An Initial Study (IS) has been prepared which examines impacts from the proposed project in accordance to the requirements of the California Environmental Quality Act (CEQA). The IS discusses the proposed project in detail, evaluates all potential impacts, and proposes mitigation measures to reduce project impacts to less-than-significant levels.

Based on evaluation of the potential impacts of the project, staff recommends adoption of a Mitigated Negative Declaration (MND). The MND contains mitigation measures to reduce all potential impacts to less than significant levels.

A Notice of Intent to adopt the MND was recorded at the County Recorder's Office with the minimum 20-day noticing required by the CEQA guidelines. To date, no comments have been received specific to the CEQA documents.

LINKS/ATTACHMENTS:

1. Vicinity Map
2. Mitigated Negative Declaration Resolution
3. Mitigation Monitoring and Reporting Program
4. Tentative Map Resolution
5. Zoning Resolution
6. Development Agreement Resolution
7. Mitigated Negative Declaration
8. Tentative Map
9. Precise Development Plan Lantana-Wisteria