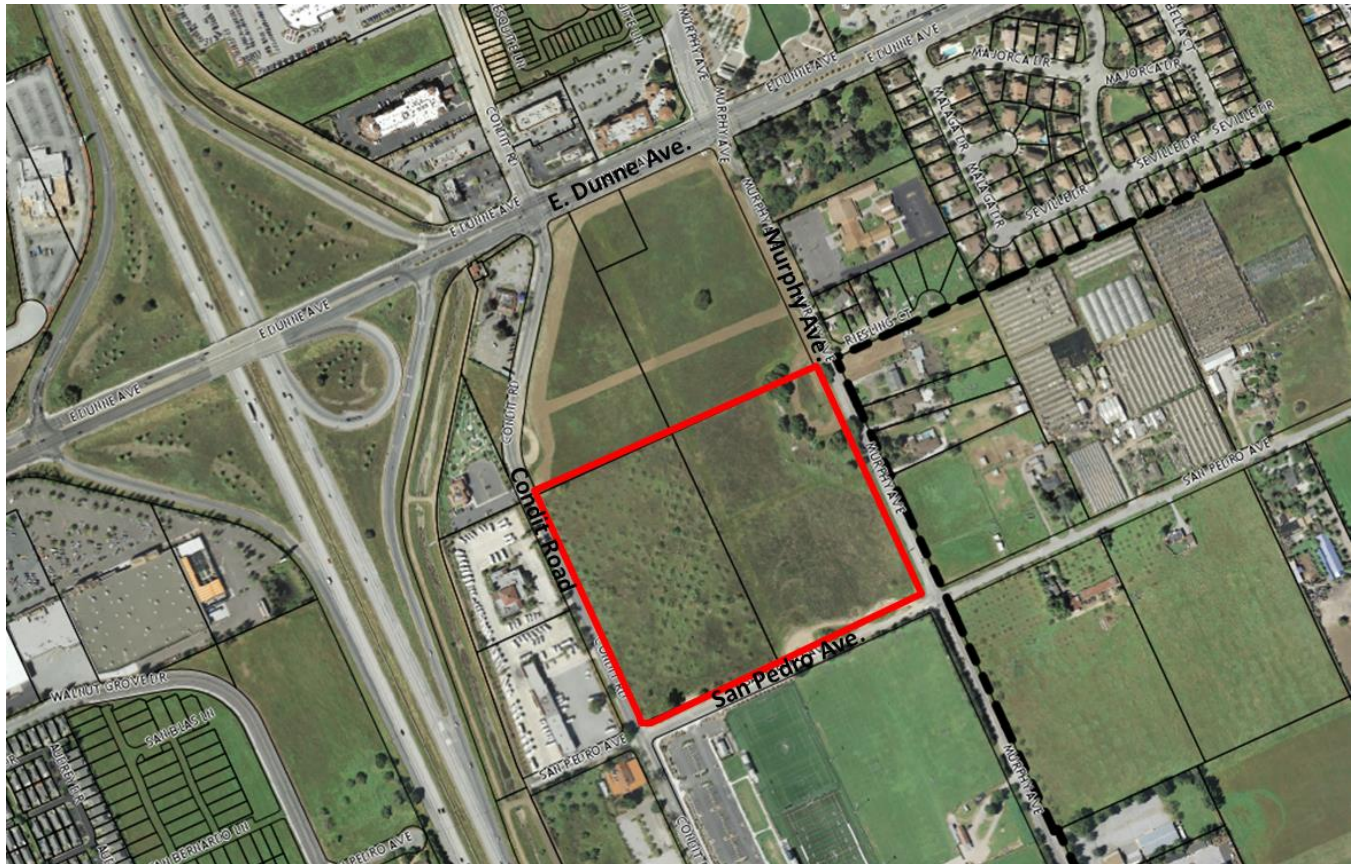


LOCATION MAP:



BACKGROUND:

The subject property consists of two parcels located just to the north of the City's Outdoor Sports Complex. A vacant, commercially designated parcel is located to the north of the subject property, existing commercial uses are located to the west on the opposite side of Condit Road and existing single-family homes and vacant residentially designated properties are located to the east on the opposite side of Murphy Avenue.

A General Plan Amendment was approved for the subject property on February 4, 2015, changing the designation for the western portion of the property from Commercial to Multi-Family Medium Residential and for the eastern portion of the property from Commercial to Multi-Family Low Residential. A Memorandum of Understanding (MOU) was also approved by the City Council to establish terms for the future development of the property (see attached staff report).

In the MOU and an attached conceptual site plan, the project proponent committed to a project design that would include supporting commercial uses, a "pedestrian-friendly" environment, an adequate buffer to the adjacent Outdoor Sports Complex, and the provision of needed public infrastructure including parking and improvements along San Pedro Avenue.

ANALYSIS:

The applicant is requesting rezoning of the subject property from the CG General Commercial zoning district to the R-3 Multi-Family Residential zoning district so that the governing zoning district will conform to the General Plan and so that the property may compete in the upcoming Residential Development Control System (RDSCS) competition. The applicant intends to request a Planned Development rezoning in the future should the project receive residential allotments through the RDSCS competition. The future PD zoning would be evaluated for consistency with the General Plan, project MOU, RDSCS commitments, and other applicable regulations.

The proposed rezoning has been evaluated for consistency with the General Plan, Zoning Ordinance and the project Memorandum of Understanding MOU.

1) General Plan

The General Plan land used designation for the project is Multi-Family Medium Density (14-21 units per acre) on the western portion and Multi-Family Low Density (5-14 units per acre) on the eastern portion. These designations were requested by the applicant in order to allow development of multi-family apartments on the western property and single-family attached townhouses (defined as multi-family within the Morgan Hill Zoning Code) on the eastern property.

The proposed R-3 Multi-Family Residential zoning designation is the corresponding zoning for the General Plan Multi-Family Medium designation. Other available residential zoning districts would not allow for the type of development supported by the Multi-Family Medium designation.

The R-3 zoning district also conforms to the type of development supported in the General Plan for the Multi-Family Low designation. The Multi-Family Low designation, per the General Plan, is intended to support both detached and attached homes. The R-3 zoning district allows for attached residential development with a minimum lot size of 2,000 square feet per unit. The intended development within the Multi-Family Low area would be at a density of approximately 10 units per acre with single-family attached townhouse residences located on individual lots in clusters of 2 to 6. Taking into consideration common open space areas and circulation, at this density, individual lot sizes would be closer to the 2,000 square foot requirement of the R-3 district than to the minimum 6,000 square foot lot requirement of the R-2 district. Development standards in the R-3 district would also generally support townhouse development. Thus the R-3 district conforms to the Multi-Family Low General Plan designation.

2) Zoning Ordinance

The Zoning Ordinance sets forth the following requirements for proposed Zoning Amendments:

In order to amend Division I of this title, the city council shall find the following:

- A. That the proposed amendment is in general conformance with the general plan;
- B. That the public necessity, convenience and general welfare require the adoption of the proposed amendment.
- 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.

ZONING AMENDMENT, ZA-14-16: CONDIT-EVERGREEN

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As discussed above, the proposed zoning amendment from CG General Commercial to R-3 Medium Density Residential would conform to the site's Multi-Family Medium Density and Multi-Family Low Density General Plan designations.

The public necessity, convenience and general welfare require the proposed zoning in that as long as the zoning remains inconsistent with the General Plan land use designation, no change in use or development of the site is allowed. The site is currently vacant and unimproved.

Amending the site zoning to residential will allow future residential development consistent with the City's General Plan land use diagram and General Plan goals and policies related to the provision of an adequate housing supply.

While the proposed amendment would grant a change in land use from commercial to residential for a property incorporated after December 7, 1990, per the terms of Section 19.78.070 and per further guidance provided by City Council Policy CP94-02, the proposed development has been determined to qualify as "Desirable Infill" in that the proposed development, per the terms of an MOU, would directly result in the provision of needed infrastructure in the form of improvements to San Pedro Avenue, including a significant amount of new parking which will support the operation of the Outdoor Sports Center.

3) Memorandum of Understanding

Per the terms of the project MOU, future development of the project site is envisioned with a mix of up to 220 multi-family rental apartments, up to 100 for-sale townhomes, and at least 10,000 square feet of commercial space. In reviewing the proposed apartment buildings and single-family attached (townhome) development types, the City's R-3 Multi-Family Residential Zoning District is the most appropriate of the City's standard zoning district based upon the allowable densities and development standards within that district.

Community Engagement

A 10 day public hearing notice was published in the Friday, July 3, 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

As discussed above, the proposed rezoning would be consistent with the General Plan, Zoning Ordinance and governing MOU and would be the next logical step toward development of the project site consistent with the intent of those governing policies. Approval of the requested rezoning would support the project proponents participation in the upcoming RDCS competition and help to fulfill the City's goal of providing a wide variety of housing types within Morgan Hill, including in particular higher-density housing at a location with good access to supporting services.

Staff recommends the Planning Commission recommend City Council approval of the Zoning Amendment by adoption of the attached resolution.

CEQA (California Environmental Quality Act):

Project, Description of CEQA requirements

An Environmental Impact Report (EIR) was previously prepared for the project and certified by the City Council, along with a Statement of Overriding Considerations on February 4, 2015. An EIR was warranted because not all potential significant impacts on the environment for the project could be mitigated to less than significant levels. Transportation impacts to US 101 would remain significant and unavoidable because there is no feasible mitigation to reduce the impact to less than significant.

Mitigation measures to be implemented by the project address potential aesthetics, cultural resources, hazards and hazardous materials, hydrology, geological, noise, biological (burrowing owls, nesting birds & trees), and air quality (construction and operational) impacts. These are included in the project's Mitigation Monitoring and Reporting Program (MMRP).

LINKS/ATTACHMENTS:

1. Vicinity Map
2. Resolution
3. Exhibit A – Map