

ZONING AMENDMENT, ZA-14-20; SUBDIVISION APPLICATION, SD-14-10; DEVELOPMENT AGREEMENT, DA-14-09; MITIGATED NEGATIVE DECLARATION EA-14-20: MONTEREY-KB GIPPETTI

Planning Commission August 11, 2015

Page 1

BACKGROUND:

The project proponent, KB Home South Bay, is seeking land use entitlements necessary to develop 58 new single-family homes on a 4.37 acre site. The project site is identified by Assessor's Parcel Number 726-25-004; located between the Adult School at 17960 Monterey Road and a single-family home at 18060 Monterey Road.

The site is vacant and contains trees and shrubs along the eastern property line and ruderal vegetation throughout the site. The site is bordered by a single-family house and undeveloped land to the north, Southern Pacific Rail Road right-of way and industrial property to the east, the Adult School to the south, and Monterey Road and Commercial properties to the west.

The project has been awarded 58 allotments through the City's Residential Development Control System (RDSCS). The project was awarded 26 allotments for fiscal year 2015-16 and 26 allotments for fiscal year 2016-17 (MC-13-12). The site plan included the construction of 46 single-family attached homes and 6 single-family detached homes. The lots ranged in size from 1,080 to 2,600 square feet. The residences ranged in size from 1,603 to 2,410 square feet. The site plan included approximately 17,424 square feet for a commercial building and associated parking.

The project was awarded 6 additional allotments for fiscal year 2016-17 (MC-14-13). The project plans had been revised to replace the commercial component with six additional townhouse units. The lots ranged in size from 996 to 3,276 square feet. The residences ranged in size from 1,615 to 2,432 square feet.

This project has been fully allotted.

ANALYSIS:

The project applicant request includes a Zone Change, Tentative Map, Precise Development Plan, and Development Agreement to subdivide one lot into 58 residential lots and six open space/non-building lots, allowing for the development of 58 three-story single-family houses with two-car garages, private streets, and private driveways. The residential lot sizes would range from approximately 1,016 to 2,883 square feet and the open space lots would range from 0.01 to 0.48 acres. The open space non-building lots include a 0.48-acre common open space area, which includes a stormwater biotreatment area, and five smaller (0.01 to 0.14 acre) common open space areas.

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 Multi-Family Medium Density (14-21 units per acre). The Multi-Family Medium Density land use designation allows for residences at densities ranging from 14 to 21 dwelling units per acre. The site has a density of 20.0 units an 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.

ZONING AMENDMENT, ZA-14-20; SUBDIVISION APPLICATION, SD-14-10; DEVELOPMENT AGREEMENT, DA-14-09; MITIGATED NEGATIVE DECLARATION EA-14-20: MONTEREY-KB GIPPETTI

Planning Commission August 11, 2015

Page 2

- 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.
- 7d. Encourage higher residential densities at locations where convenient access and adequate infrastructure is readily available.

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 parcels to the north and south. Residential development is anticipated for the property to the north, because the design of that development is not yet known, the project cannot be specifically coordinated with future development to the north. The site plan has included design features intended to create a positive relationship with future projects to the north. The project would not conflict with any applicable land-use plan or policy.

2) Zoning Ordinance

The property has an existing zoning designation of *CL-R Light Commercial/Residential*. The applicant is requesting to change the zoning to the *R3 Medium Density Residential District* with a Planned Development (PD) overlay for the project site, which would require rezoning the property.

Applicable Division I requirements:

Chapter 18.16 – R-3 Medium Density Residential District

Section 18.16.050 – Site development standards – generally

Pursuant to Sections 18.16.050, the *R3* Zoning District requires a minimum lot area 6,000 square feet for single-family detached units and single-family attached units. The *R3* Zoning District requires a 15-foot front setback, 20-foot rear setback, and 5-foot side setbacks. A 15-foot side yard setback (or one-half the required depth of the front yard, whichever is greater) is required for side yard setbacks when they abut a side street. The *R3* zoning district requires a 30-foot minimum setback for residential units fronting on Monterey Road. The minimum lot width required for detached units is 60 feet for the *R3* district. 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 the district is 60 percent.

The project includes a Planned Development (PD) zoning overlay that would allow variation from the development standards that the project would normally be required to comply with under the *R3* Zoning District including permitted-use, minimum lot area, minimum site area per unit, minimum lot width, minimum lot depth, maximum building coverage, minimum setbacks, and maximum height.

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 Multi-Family Medium (14-21 dwelling units per acre). The project proposes a density of 20.0 units per acre. The proposed density and zoning are 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 linkages to future developments to the north and south. The proposed amendment would be consistent with project's RDSCS commitments, the PD zoning would allow for diversifying the housing types and the housing opportunities available to the residents of the City.

- 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.***

This property was incorporated with the City in 1906. The property was incorporated into the urban service boundary prior to December 7, 1990. As such, it does not need to be evaluated pursuant to the terms of Section 18.78.070 of the Municipal Code.

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

The applicant is proposing a PD Overlay with a Precise Development Plan (Attachment 5) 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

ZONING AMENDMENT, ZA-14-20; SUBDIVISION APPLICATION, SD-14-10; DEVELOPMENT AGREEMENT, DA-14-09; MITIGATED NEGATIVE DECLARATION EA-14-20: MONTEREY-KB GIPPETTI

Planning Commission August 11, 2015

Page 4

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 58 units, 52 single-family attached units and 6 single-family detached units, which would be placed on the project site in an organized, cohesive subdivision design. The project has been fully allotted.

Planned Development Standards

The applicant is proposing a Precise Development Plan that contains 52 single-family attached and 6 single-family detached units, for a total of 58 units. The single-family attached units are grouped into buildings of either 4 units, 6 units, or 7 units. The single-family attached units are centered around the central open space area or fronting onto Monterey Road. The single-family detached units are located along the northern portion of the site.

Approval of the Precise Development Plan would incorporate the following exceptions to the base development standards normally required in the *R3* parcels:

- Six parcels (Parcel No.'s 1-6) do not comply with Section 18.16.020 of the Municipal Code which requires the lot of record to be established prior to July 5, 1990 for a single-family detached dwelling to be permitted on the lot;
- Fifty-eight parcels (Parcel No.'s 1-58) do not meet the minimum lot area;
- Forty-nine parcels (Parcel No.'s 8-22, 23-51, and 53-58) do not meet the minimum site area per unit;
- Fifty-eight parcels (Parcel No.'s 1-58) do not meet the minimum lot width;
- Fifty-eight parcels (Parcel No.'s 1-58) do not meet the minimum lot depth;
- Fifty-eight parcels (Parcel No.'s 1-58) exceed the maximum building coverage;
- Fifty-three parcels (Parcel No.'s 1-22, 24, 26-52, 54-56, and 58) do not meet the minimum front setbacks;
- Fifty-two parcels (Parcel No.'s 8-58) do not meet the minimum rear setbacks;
- Thirteen parcels (Parcel No.'s 1-6, 23-24, 34, 40-41, and 51-52) do not meet the minimum side setbacks; and,
- Fifty-eight parcels (Parcel No.'s 1-58) exceed the maximum building height.

A detailed table has been provided showing the requested zoning variations (Attachment 6).

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. The exceptions may seem excessive; however, the site plan as presented requires fewer exceptions than the site plan originally presented as part of the RDCS competition. The exceptions would be off-set by the project amenities, additional Below Market Rate (BMR) units, and fulfillment of Measure C commitments.

The building height is in excess of the maximum allowed by the General Plan. The City has initiated a General Plan Text Amendment that would facilitate increases in height, as proposed by

the project. If the City does not approve the General Plan Text Amendment, the project heights would need to be reduced from approximately 40 feet to the base zone district height limitation of 30 feet or two and one-half stories (Condition No 16).

Architectural Elements

The proposed residences would be Spanish and Italianate styled homes that would have facade materials with varying combinations of stucco, stone, recessed windows, shutters, roof vents, metal railing and concrete-tiled roofing with hip and gable roofs. The maximum building height of the residences would be 40 feet. New landscaping and trees are proposed for the front, side and rear yards.

Circulation

The project site would be accessed via Monterey Road. The project improvements would include the construction of half street improvements along the Monterey Road project frontage. One new public internal street and five private drives are proposed for the project site. Monterey Road would provide access to two new internal streets. The new internal public street would have a pavement width of 28 feet and right-of-way (ROW) width of 42 feet. Two internal streets would provide access to the future residential development to the north and south.

The new private drives would provide 21-foot to 26-foot wide vehicular access. The private drives would provide vehicular access to designated lots, and would include easements that allow for public utilities and emergency vehicular access. Street B provides a loop for circulation, additional parking and additional setback from the Southern Pacific Railroad right-of-way. A curve and traffic calming measures have been incorporated into the design of "Alley B" to address concerns that a straight alley alignment would increase the speed of traffic within the alley.

There would be public and private detached sidewalks connecting all units to the sidewalk along Monterey Road.

Open Space

The project includes approximately 0.7 acres of total open space, divided into one central 0.48 acre common open space area and five smaller (0.01 to 0.14 acre) open space areas. All open space areas would consist of trees and landscaping. The 0.48-acre common open space area would also include two barbecue/picnic areas and play area structures. The project makes maximum use of the open space by locating twenty-eight single-family attached units around the primary open space.

Applicable Division I requirements:

Chapter 18.30 PD Planned Development Overlay District

The project site is surrounded by industrial, commercial and residential developments. The surrounding properties are zoned as *PUD*, *CL-R* and *ML* to the north and east; and *PF*, *CG*, and *R-2-3,500* to the south and west. The project is typical of infill suburban development where buildings are constructed in close proximity to each other. The PD zoning exceptions proposed by the project would establish a level of design and the future streetscape for the northern section of Monterey Road.

4) Subdivision Application

A Vesting Tentative Map for 58 residential lots has been proposed. The project is fully allotted.

Table 1 indicates the proposed phasing for the project:

Table 1: Project Phasing Plan				
Phase	RDCS Fiscal Year	Allotments	Lot Numbers	Unit Type
I	FY 15-16 (MC-13-12)	26	TBD	Single Family Attached and Single Family Detached
II	FY 16-17 (MC-13-12)	26	TBD	Single Family Attached
III	FY 16-17 (MC-14-13)	6	TBD	Single Family Attached

Approval of the Vesting Tentative Map would allow the developer to record a Final Map and commence construction of the project, consistent with the proposed PD zoning. Staff would recommend that as a Condition of Approval that a table be recorded on the Final Map that indicates which parcels are subject to the precise requirements of the two Measure C requirements (Condition No. 17).

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 (Attachment 8). The applicant has proposed to the standard Development Schedule to reflect a time table that would not require an additional extension to their current allotments. The proposed Development Schedule would read:

I. SUBDIVISION AND ZONING APPLICATIONS	
Applications Filed:	09-02-15
II. SITE REVIEW APPLICATION	
Application Filed:	02-04-16
III. FINAL MAP SUBMITTAL	
Map, Improvements Agreement and Bonds:	
FY 2015-16 MC-13-12 (26 allocations)	02-04-16
FY 2016-17 MC-13-12 (26 allocations)	02-04-16
FY 2016-17 MC-14-13 (6 allocations)	02-04-16
IV. BUILDING PERMIT SUBMITTAL	
Submit plans to Building Division for plan check:	
FY 2015-16 MC-13-12 (26 allocations)	07-01-16
FY 2016-17 MC-13-12 (26 allocations)	07-01-16
FY 2016-17 MC-14-13 (6 allocations)	07-01-16
V. BUILDING PERMITS	
Obtain Building Permits:	

ZONING AMENDMENT, ZA-14-20; SUBDIVISION APPLICATION, SD-14-10; DEVELOPMENT AGREEMENT, DA-14-09; MITIGATED NEGATIVE DECLARATION EA-14-20: MONTEREY-KB GIPPETTI

Planning Commission August 11, 2015

Page 7

	FY 2015-16 MC-13-12 (26 allocations)	04-01-17
	FY 2016-17 MC-13-12 (26 allocations)	04-01-17
	FY 2016-17 MC-14-13 (6 allocations)	04-01-17
VI.	COMMENCE CONSTRUCTION:	
	FY 2015-16 MC-13-12 (26 allocations)	06-30-17
	FY 2016-17 MC-13-12 (26 allocations)	06-30-17
	FY 2016-17 MC-14-13 (6 allocations)	06-30-17

This proposed Development Schedule effectively pushes all of the applicant's building permit allotments to the FY16-17 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. Staff recommends that the project be granted additional time as requested so that it may proceed to construction without need for additional modifications to the proposed Development Agreement and has included the revised schedule in the draft Development Agreement.

6) Applicable Policies

None.

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 applicant is requesting the subject property (APN 726-25-004) located on the east side of Monterey Road, north of the school site be rezoned from the *CL-R Light Commercial / Residential Zoning District* to *R3 Medium Density Residential – Planned Development (PD)*. Approval of the zoning amendment will establish zoning consistent with the Multi-family Low General Plan Land Use designation.

Staff recommends the Planning Commission adopt a resolution approving the Tentative Map, and recommend that the City Council approve the Zoning Amendment, the Precise Development Plan, and Development Agreement.

CEQA (California Environmental Quality Act):

Project, Description of CEQA requirements

The project site was initially reviewed in 2014 as part of the Fall 2014 General Plan Amendments. At that time the Morgan Hill City Council adopted a Mitigated Negative Declaration for which an Initial Study was prepared in accordance with California Environmental Quality Act. The applicant has included as part of this application an Addendum to the previously adopted Mitigated Negative Declaration to provide project-level CEQA analysis for the development of the site and to account for project-specific details that were previously unavailable. The Zoning Amendment complies with the General Plan as required by Government Code Section 65860.

ZONING AMENDMENT, ZA-14-20; SUBDIVISION APPLICATION, SD-14-10; DEVELOPMENT AGREEMENT, DA-14-09; MITIGATED NEGATIVE DECLARATION EA-14-20: MONTEREY-KB GIPPETTI

Planning Commission August 11, 2015

Page 8

LINKS/ATTACHMENTS:

1. Vicinity Map
2. Tentative Map Resolution
3. Vesting Tentative Map
4. Zoning Resolution
5. Exhibit A – Precise Development Plan Gippetti/Monterey Parque
6. Monterey: KB-Gippetti Lot Analysis
7. Development Agreement Resolution
8. Development Agreement
9. Addendum to the Fall 2014 General Plan Amendment Initial Study