#### **BACKGROUND:**

The proposed amendment to the City's Zoning Code was initiated by staff in order to establish standards within the Zoning Code for the development of medium density residential townhouse projects, including small lot single-family, courtyard and townhouse type development.

The Planning Commission discussed the proposed amendment at their meeting held on July 14, 2015 and continued the item to the July 28, 2015 meeting to allow time for staff to meet with the Residential Development Control System (RDCS) Stakeholder Group and so that the item could be discussed by the Commission subsequent to the residential design workshop conducted on July 28, 2015, at which the Commission discussed residential design principles.

Staff met with the RDCS Stakeholder group on July 22, 2015 and has incorporated input from the group into the proposed Zoning Amendment. Staff requested that the proposed amendment be deferred from the July 28, 2015 meeting until August 11, 2015 so that additional noticing could be conducted including changes to the General Plan and other sections of the Zoning Code responsive to the input received at the Stakeholder meeting and Commission workshop.

Each year, per RDCS requirements, the Planning Officer must evaluate each RDCS application to determine whether they are consistent with Sections 18.78.100 and 18.78.190 of the Municipal Code:

- Section 18.78.100 of the Municipal Code requires that each proposed development conform to the City's General Plan.
- Section 18.78.190 of the Municipal Code requires that each proposed development conform to the city street, parking and site development standards of Chapter 17.34 (Standards for Residential and Private Streets) and Title 18 (Zoning).

If projects do not comply with these standards, pursuant to the RDCS, they are to be rejected. The Planning Commission requested that the City Attorney provide a legal opinion regarding this provision of the Municipal Code because for the past many years applicants have indicated on their RDCS application that they would be applying for Planned Development zoning and therefore would not need to conform to the base zoning requirements or parking. The City Attorney opinion has been attached (Attachment 7), which summarizes "that the language in Section 18.78.190.A is clear and unambiguous that an application that does not conform to the Zoning Code must be rejected by the Planning Officer".

With the upcoming RDCS competition and the requirement to find projects consistent with Chapter 17.34 and Title 18, finding a solution for this year is a priority; therefore, the proposed amendments are being brought forward at this time so that they may be utilized for the upcoming RDCS competition.

### **ANALYSIS:**

As discussed in the attached July 14, 2015 staff report, the proposed Zoning Amendment would be consistent with the General Plan and requirements of the Zoning Ordinance. The proposed amendments are intended to address many of the issues with developing medium density projects within the City that have been brought forward by the RDCS Stakeholder Group and Planning

Commission. The proposed Zoning Amendment has been redrafted to incorporate input received from the RDCS Stakeholder group and to be consistent with design principles discussed by the Planning Commission at the July 28 Commission workshop.

### **Proposed Amendments**

The proposed changes to the Zoning Code, including insertion of a new Chapter, are indicated on the attached document (Attachment 3) with new text indicated by <u>underline</u> and text to be deleted indicated by <u>strike-through</u>:

1. <a href="Proposed Ordinance Amendment">Proposed Ordinance Amendment</a>: Changes made to the ordinance, since it was introduced to the Planning Commission on July 14, 2015, address comments received at the RDCS Stakeholder Group meeting and the Planning Commission Workshop. The most notable change is that the new standards would not be applicable to housing types within the R-1 zone district (e.g., small lot single-family or other medium density housing types would not be permitted within the R-1 districts). While the Stakeholder group had requested more flexibility to locate duplexes (or duets) within R-1 districts, based on input from the Commission, the revised Zoning Amendment would continue to permit duplexes or duets only on corner lots within the R-1 districts. Per Stakeholder group input, the proposed changes also reflect a lower allowable Floor Area Ratio (FAR) for small lot single-family, court home and duet development.

Per input from the RDCS Stakeholder Group, the proposed Zoning Amendment now includes standards to address condominiums and allows an increase in height within the R-3 zone district. The increase in height within the R-3 zone also requires a General Plan text amendment as discussed in the following section.

- 2. Proposed General Plan Text Amendment: In order to ensure that the Morgan Hill 2035 Project and Environmental Impact Report (EIR) remained on schedule, Council approved a July 2014 deadline for filing of privately initiated General Plan Amendment applications. This deadline applied to proposed changes to the City's General Plan Land Use Map and was established so that a Preferred Land Use Plan could be finalized in early 2015 to form the basis for preparation of the Morgan Hill 2035 EIR. This did not preclude City initiated General Plan text amendments. Through development of the ordinance amendment, staff has found that a General Plan text amendment was also warranted to address residential density and maximum building height.
  - a. Residential Density: In 2010, the City amended the definition of residential density, redefining the allowed density to be based upon a net acreage that excluded private streets, driveways and other common areas as well as areas to be dedicated to public use (e.g., public and private streets and easements). This change generally lowered the feasible density of development within new projects, but particularly has an impact upon larger projects that would normally require a significant amount of new circulation area, while having a negligible effect upon the density of smaller projects which make use of existing infrastructure.

Existing Definition: "Density refers to the number of dwelling units allowed per net acre of

land. In determining net lot area the following shall not be included: 1. Any land within the limits of a street (public or private) upon which the lot abuts, even if fee title to such street is held by the owner. 2. Public easements or private easements other than streets which are in excess of fifteen percent of the net site area of lot. Intensity of land use is expressed in two ways- type of use and building mass-both of which are described broadly in Table 2. The types of land uses allowed in each designation are described here in general terms; the Zoning Ordinance provides detailed lists of specific allowable uses. In addition to the primary land uses appropriate in each designation, the Zoning Ordinance may allow secondary uses that are related to and compatible with the primary uses."

Developers and City staff have found the current definition can be confusing and difficult to apply. Also, the definition can discourage the incorporation of adequate areas for circulation within a new project. Therefore, staff is proposing to simplify the definition, while continuing to use net acreage as the base developable area. The proposed definition would be:

Proposed Definition: "Residential Density shall refer to the number of permanent residential dwelling units (du) per net acre (acre) of land. Net acre is that portion of a site that can actually be built upon, which is the land area remaining after dedication of ultimate rights-of-way for: exterior boundary streets; flood ways; public parks; and utility corridors.

b. Maximum Building Height: Table 2 "Urban Land Use Designations" within the General Plan provides maximum building height requirements for each land use category, directly corresponding to height limits also established within the City's Zoning Code. Specific height limits such as these are more typically found within zoning ordinances rather than within General Plan documents, while General Plans contain policies that address height limits in terms of compatibility and other general design objectives. By providing these specific height limits in the General Plan, they cannot be modified (e.g., through a planned development zoning) for a specific project except if also modified through a General Plan Amendment.

Staff recommends that the City use the Zoning Code as more precise tool, rather than the General Plan, to establish specific height limits for different zoning district in the City. If these specific height limits are not removed from the General Plan, the General Plan text would need to be amended to allow for the proposed increase in height to 40 feet for the multi-family medium residential districts, as well as to accommodate some of the commercial development anticipated within Morgan Hill. Table 2 "Urban Land Use Designations" would accordingly be amended as follows:

Table 2 Urban Land Use Designations						
Land Use Designations	Acres	Primary Uses	Density Range	Minimum Lot Area	Maximum Building Coverage	Maximum Building Height
Residential Estate	1,216	Detached homes	<1 unit/acre	40,000 sf	30%	30 feet
Single Family Low	1,279	Detached homes	1-3 units/acre	12,000 sf	40%	<del>30 feet</del>
Single Family Medium	1,801	Detached homes	3-6 units/acre	7,000 sf	50%	<del>30 feet</del>
Single Family High		Detached homes	5-10 units/acre	4,500 sf	52% floor area ratio	35 feet
Multi-Family Low	531	Attached homes	5-14 units/acre	6,000 sf	50%	30 feet
Multi-Family Medium	171	Attached homes	14-21 units/acre	6,000 sf	60%	30 feet
Multi-Family High	7	Attached homes	21-40 units/acre	6,000 sf	60%	48 feet
Commercial	454	Retail, office, services	N/A	20,000 sf	50%	<del>30 feet</del>
Non-Retail Commercial	36	Offices, services	N/A	6,000 sf	50%	35 feet
General Commercial	24	Retail, office, services	N/A	10,000 sf	50%	35 feet
Mixed Use	50	Attached homes mixed with retail, office, services	8-18 units/acre Opportunity Sites 25-40 units/acre	(Commercial) 10,000 sf (Residential) 6,000 sf	60%	Com. 35 feet Res. 48 feet
Industrial	1,112	Warehouse, offices, manufacturi ng	N/A	20,000 sf	60%	50 feet
Office Industrial	26	Offices, R&D, wholesale	N/A	20,000 sf	50%	50 feet
Campus Industrial	18	High-tech, R&D	N/A	20 acres	20%	35 feet
Public Facilities	253	Publicly owned	N/A	N/A	50%	35 feet
Sports/ Recreation/ Leisure	252	Sport- recreation- leisure uses	N/A	1 acre	30% SRL-A 50% SRL-B	35 feet

# **Community Engagement**

A meeting was held with the RDCS Stakeholders group on July 22, 2015. No written comments have been received from the group as of the date of this report. A 10 day public hearing notice was published in the Friday, July 31, 2015 edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096.

#### Conclusion

As discussed above and in the Planning Commission staff report dated July 14, 2015, the proposed amendments to Title 18 and Chapter 17.34 would be consistent with the City's General Plan and would provide more flexibility in designing residential projects within the City.

The proposed General Plan Text Amendment to clarify the definition of density and remove the maximum height requirement would not change the General Plan Land Use Map and does not have the potential for greater environmental impact than what is currently being analyzed in the Morgan Hill 2035 EIR.

# **CEQA (California Environmental Quality Act):**

Project, Description of CEQA requirements

This Ordinance is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b) (3) of the State CEQA Guidelines. Text amendments to the Morgan Hill Municipal Code and General Plan are covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Adoption of these amendments does not create changes in the physical environment and are therefore exempt.

### LINKS/ATTACHMENTS:

- 1. Resolution Recommending Approval of General Plan Text Amendments
- 2. Resolution Recommending Approval of Ordinance
- 3. Exhibit A- Proposed Ordinance Amendments
- 4. City Attorney Email Correspondence