



MEETING DATE: 1/9/12
JOINT STUDY SESSION

COUNCIL AGENDA REPORT

DATE: December 16, 2011

TO: MAYOR AND TOWN COUNCIL

FROM: GREG LARSON, TOWN MANAGER 

SUBJECT: JOINT TOWN COUNCIL/PLANNING COMMISSION STUDY SESSION FOR THE NORTH 40 SPECIFIC PLAN UPDATE. TOPICS INCLUDE PROCESS UPDATE, VISION, LAND USE, AND HEIGHT.

BACKGROUND:

The North 40 Advisory Committee (N40AC) has been meeting for the past eight months and has held six meetings. In addition, there has been one joint Town Council, Planning Commission, and North 40AC study session; and one joint Town Council and Planning Commission study session. The Town Council has been updated each month on the Committee's progress.

Prior to the August 4, 2011, N40AC meeting, the overall intent was to educate the committee on guiding policies for the Specific Plan such as the General Plan policies (Attachment 4), 1999 Draft North 40 Specific Plan, and key documents including the Los Gatos School District paper (Attachment 5), the BAE Market Study, etc.

During the last three meetings that occurred on August 4, September 22, and November 3, 2011, the Committee made significant progress in helping staff formulate the project description parameters for the North 40 Specific Plan. This step is very important since once project description parameters are defined, the Environmental Impact Report (EIR) technical studies preparation can commence, and RRM, the Town's Specific Plan consultants, can start outlining the chapters and contents for the Specific Plan.

The Town's North 40 webpage contains background information regarding the N. 40 Specific Plan. The webpage can be accessed using the following link:
<http://www.losgatosca.gov/northforty>

PREPARED BY: Wendie R. Rooney, Director of Community Development

Reviewed by:  Assistant Town Manager _____ Town Attorney _____ Finance

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MAYOR AND TOWN COUNCIL
SUBJECT: NORTH 40 SPECIFIC PLAN
December 15, 2011

DISCUSSION:

The purpose of the January 9, 2012, Town Council and Planning Commission Joint Study Session is as follows:

- Receive an update on the Specific Plan process
- Review and discuss the vision
- Review and discuss height
- Review and discuss land use

This feedback will be used to refine the conceptual design and provide sufficient detail to begin drafting the Specific Plan, standards and guidelines, which will be presented to and reviewed by the Advisory Committee. Additionally, it will be used to set study parameters so that the technical studies necessary for the preparation of the EIR can be completed.

RRM Design Group, the specific plan consultants, will lead a presentation on the North 40. Key Town staff will also be in attendance.

Attachments:

1. Height discussion summary
2. Land Use discussion summary
3. Specific plan primer and specific plan alternatives memo
4. General Plan goals and policies memo
5. Los Gatos School District paper
6. Residential product type examples

Distribution:

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Planning Commission
North Forty Advisory Committee

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Building Height

12.16.11

Summary of Discussion

The Advisory Committee (AC) discussed building height at the last two AC meetings (AC meetings #5 and #6). Suggestions were received at AC meeting #5 and further refinements and solutions were presented at AC meeting #6 on how to allow for the mix of uses, varied roof heights typical with high quality architecture and building forms while still preserving views and controlling the overall building heights.

There was support for:

1. Providing view corridors within the site that will frame the surrounding hills
2. Providing a green/landscaped setback at the property perimeter
3. Locating taller buildings internally within site
4. 1-2 Story buildings fronting Los Gatos Boulevard (25'- 35')
5. 2 Story buildings fronting Lark Avenue (25'- 35')
6. 2-3 Story buildings fronting freeway side of site (25'- 45')
7. Office and Hotel buildings could be higher -
 - Discussions ranged from 3-5 stories
8. Want discretionary review process for taller buildings. Discussions ranged from:
 - Requiring discretionary review for structures over 45'; to
 - Allowing structures 45' - 60' (we did not have consensus on exact height) in the middle zone (center) of the site

Staff and Consultant Team Recommendation

Staff and the consultant team would like to create height standards that will encourage more varied roof lines, opportunities for tower elements and pitched roof forms while preserving hillside views and the character of the community. Currently, the Town's height standards do not allow projections above the height limit for habitable space. The standards should also direct a mix of building heights with the lower buildings around the perimeter of the site and the taller buildings more centrally located internally on the site. When discussing height on the North 40, consider:

- The site slopes down from Los Gatos Boulevard, so buildings will appear approximately 10 feet lower within the site when viewed from Los Gatos Boulevard
- The Specific Plan will include design guidelines and standards to guide building massing and articulation
- Pitched roofs, tower elements and varied roof lines are encouraged but will add to the height
- The centrally located wrapped parking structure (structure is wrapped with commercial and residential) greatly reduces the need for large surface parking lots and helps encourage a pedestrian oriented neighborhood, but needs a building height of at least 55' to accommodate the residential units or office above the commercial

Height Recommendation:

1. Write standards for the AC supported requirements 1-6 above:
 - a. Provide view corridors within the site that will frame the surrounding hills
 - b. Provide a green/landscaped setback at the property perimeter
 - c. Locate taller buildings more internally within the site
 - d. 1-2 story buildings fronting Los Gatos Boulevard (25'- 35')
 - e. 2 story buildings fronting Lark Avenue (25'- 35')
 - f. 2-3 story buildings fronting freeway side of site (25'- 45')
2. 2-3 story buildings internally within the site (25'- 45')
3. 2-4 story buildings internally within the site (55' maximum) for office, hotel, wrapped parking structure, multi-family, and theater buildings
4. Over 55' - discretionary approval required

Land Uses

12.16.11 Draft

Summary of Discussion

Allowable land uses were discussed by the Advisory Committee (AC) at the last three AC meetings (AC meetings #4, #5 and #6). At meeting #4 the market analysis information was presented to the AC followed by an interactive exercise where the AC worked in groups to locate land uses/building puzzle pieces onto a blank site map. These maps were translated by the design team into a new conceptual site plan. At meeting #5 the AC suggested some modifications to the land use table presented, including reducing the number of residential units, and reducing the maximum size of a single anchor retail building from 125,000 sq. ft. as shown in the table to 90,000 sq. ft. At AC meeting #6 there were further suggestions regarding the land use table, confirmation on the types of residential uses allowed, and a discussion on whether a Conditional Use Permit should be required for retail uses over a certain square footage threshold or for smaller format retail. There was general support for:

1. A mix of land uses including residential, hotel, office, retail, and entertainment
2. A mix of residential types from single family, single family small lot, townhouse, multi-family, and mixed-use
3. Uses that will help capture sales tax leakage
4. Neighborhood serving commercial to serve new residents and existing adjacent neighborhoods
5. Synergistic retail uses to support office and hotel uses
6. Public marketplace
7. Land uses that complement the Downtown

Staff and Consultant Team Recommendation

Staff and the consultant team worked with the design team on the revisions to the conceptual land use summary table and support the table as it is now shown (see attachment A). Options for adding further restrictions:

Large format retail -

- Require Conditional Use Permit for (single-use) retail buildings over 50,000 sq ft
or
- Require Conditional Use Permit for (single-use) retail buildings over 75,000 sq ft

Small format retail –

- Require Conditional Use Permit for small format retail buildings over the allotted amount on the land use summary table

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North 40 - Conceptual Land Uses

December 16, 2011

SUMMARY ¹	Conceptual SF	% of Plan	Leakage
Retail Area:			
Retail - Big Box (90,000 - 150,000 SF)	not allowed		X
Retail - Large Format	140,000 SF	20%	X
• 20,000 - 49,999 SF/single-use			X
• 50,000 - 89,999 SF/single-use	with CUP		X
Retail - Medium Format (4,000 - 19,000 SF)	49,190 SF	7%	X ²
Retail - Small Format (up to 3,999 SF)	41,000 SF	6%	
Retail (Neighborhood) ³	16,000 SF	2%	
Specialty Foods (Marketplace)	25,000 SF	3%	X
Food and Beverage Service	68,000 SF	10%	X ⁴
Retail (Existing)	4,989 SF	1%	N/A
Total Retail Area:	344,179 SF	48%	
Entertainment			
Entertainment (Theater / Health Club/Other)	74,000 SF	10%	
Office			
Office	100,000 SF	14%	X
Office (Existing)	61,821 SF	9%	N/A
Total Office Area:	161,821 SF	23%	
Total Retail, Entertainment & Office Area:	580,000 SF		
General Plan Allowance (Retail & Offices):	580,000 SF		
Difference:	0 SF		
Hotel/Conference			
Hotel Conference	135,000 SF		X
Hotel	125-150 Rooms		X
Total Hotel/Conference	135,000 SF	19%	
Commercial Total:	715,000 SF	100%	
Residential			
Total Units Proposed	555 Units		
General Plan Allowance:	750 Units		
Difference:	195 Units		
General Development Statistics:			
Open Space	13 Acres	31%	

Notes:

¹ Areas noted for individual uses are based on preliminary conceptual plans. Acceptable ranges for individual uses will be determined by the Specific Plan and Environmental review process.

² Formula retail opportunity due to downtown regulations/size constraints

³ Neighborhood Retail includes uses predominantly to service local residents including, but not limited to: hair and nail salons, postal services, dry cleaner, flower and gift shop, locksmith/small hardware, and banking services.

⁴ Food and beverage retail leaking due to employment center in close proximity to the North 40 leaving Los Gatos

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MEMORANDUM

COMMUNITY DEVELOPMENT DEPARTMENT

To: North 40 Advisory Committee

From: Wendie R. Rooney, Director of Community Development

Subject: Transmittal of Specific Plan Primer and North 40 Specific Plan Alternative Approaches

Date: October 27, 2011

Attached are two documents that we recommend you review before the November 3, 2011, North 40 Advisory Committee Meeting. The first document, entitled "Specific Plan Primer," is an excerpt from *A Planner's Guide to Specific Plans*, a paper prepared by the State of California Office of Planning and Research. It provides a good foundation on the use of specific plans, attributes and disadvantages, and a summary of the statutory requirements.

The second document is entitled "North 40 Specific Plan Alternative Approaches," and outlines various approaches the Town can use in developing the North 40 Specific Plan. Please note that although the document outlines three approaches, there are many forms between the two bookends (High Level of Detail) and (General Level of Detail). Staff recommends the Medium Level of Detail approach since this type of plan would provide a good degree of specificity for both the Town and the future developer of the property, as well as maintain the Town's authority over subsequent development review (Architecture and Site, Conditional Use Permits, and subdivisions) when projects are submitted. These approaches will be discussed at the November 3, 2011, Advisory Committee meeting.

Please feel free to contact Joel Paulson or me if you have any questions. See you next Thursday!

Attachments

1. Specific Plan Primer
2. North 40 Specific Plan Alternative Approaches

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Specific Plan Primer

(Excerpts from the A Planner's Guide To Specific Plans)

A specific plan is a tool for the systematic implementation of the general plan. It effectively establishes a link between implementing policies of the general plan and the individual development proposals in a defined area. A specific plan may be as general as setting forth broad policy concepts, or as detailed as providing direction to every facet of development from the type, location and intensity of uses to the design and capacity of infrastructure; from the resources used to finance public improvements to the design guidelines of a subdivision.

A specific plan may encompass a very large area or as small as a single acre. A specific plan may be developed in response to a single policy issue, or to address each applicable policy of the general plan. It may also diverge from the issues contained in the general plan into other subjects viewed by the community as being of relevance.

To an extent, the range of issues that is contained in a specific plan is left to the discretion of the decision-making body. However, all specific plans, whether prepared by a general law city or county, must comply with Sections 65450 - 65457 of the Government Code. These provisions require that a specific plan be consistent with the adopted general plan of the jurisdiction within which it is located. In turn, all subsequent subdivision and development, all public works projects and zoning regulations must be consistent with the specific plan.

The initiation of the specific plan process may be motivated by any number of factors including development issues or the efforts of private property owners, elected officials, citizen groups, or the local planning agency. As with a general plan, the authority for adoption of the specific plan is vested with the local legislative body.

The adoption of a specific plan is a legislative act similar to adoption of a general plan or zoning ordinance.

Specific Plan Attributes & Disadvantages

A thorough specific plan can enable communities to effectively implement selected long term general plan objectives in a short time frame. The enabling statutes are flexible, allowing public agencies to create standards for the development of a wide range of projects or solutions to any type of land use issues. The plan may present the land use and design regulations which guide the development of a particular area or incorporate land use and zoning regulations, infrastructure plans, and development approval processes for the development for subsequent projects. The plan may be organized into a concise set of development policies and include land use regulations, a capital improvement program, or financing program within a single document.

Policies of the general plan which are specific to financing infrastructure improvements and extensions, or cost recovery programs may be implemented by matching land uses with supporting public facilities. This is done to assist engineering departments and developers avoid

ineffective or undersized streets, sewers, water lines, and other necessary improvements. In addition, it may directly impose exactions in association with the general plan's capital improvement policies.

The specific plan process must provide opportunities for the general public, as well as residents located within planning areas, to assist in the planning of their particular communities. Public involvement helps define the community's vision of future growth and development.

Future development proposals may benefit from the foundation created by the specific plan. For example, a Program EIR adopted to fulfill the plan's CEQA obligation may streamline the processing of subsequent discretionary projects by obviating the need for additional environmental documentation.

The specific plan represents a good tool for developing a community "sense of place." A creative and innovative specific plan may bridge-the-gap between monotonous urban development and a livable neighborhood.

The specific plan also has disadvantages. These include the time, cost, and obligation of staff resources. To be effective, the plan requires the collection and analysis of significant amounts of detailed data. Since most planning agencies do not have the staff to commit to the preparation process, most plans include the involvement and cost of outside consultants. Similarly, the incorporation of the plan into the day to day planning processes may require the commitment of additional staff time, particularly when the plan establishes regulations which are only applicable to the area affected by the plan.

The adoption of a specific plan does not vest development by statute, but its entitlements may be defined by development agreements and vesting tentative maps. Specific plans themselves are dynamic documents and may be subject to change. There are no assurances to residents and project proponents that the plan will not be subject to future revisions.

Statutory Requirements

Section 65451 of the Government Code mandates that a specific plan contain:

(a) A specific plan shall include a text and a diagram or diagrams which specify all of the following in detail:

(1) The distribution, location, and extent of the uses of land, including open space, within the area covered by the plan.

(2) The proposed distribution, location, and extent and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy, and other essential facilities proposed to be located within the area covered by the plan and needed to support the land uses described in the plan.

(3) Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.

(4) A program of implementation measures including regulations, programs, public works projects, and financing measures necessary to carry out paragraphs (1), (2), and (3).

(b) The specific plan shall include a statement of the relationship of the specific plan to the general plan.

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North 40 Specific Plan Alternative Approaches

Specific Plan (SP) Elements:

- A. Introduction, background, and relationship to Town documents
- B. Vision
- C. Land use
- D. Development standards
- E. Circulation/Mobility
- F. Infrastructure and public facilities
- G. Implementation
- H. Administration

The degree of detail for each of these elements can differ in a specific plan depending on the desired level of specificity. Additional elements/sections such as design guidelines, sustainability concepts, conceptual site plans, and landscaping can also add specificity to the SP document. Below we have outlined three ways to approach a SP: (1) with a high level of detail and less subsequent project review; (2) with a medium level of detail with greater subsequent project review or (3) with a general level of detail and substantial subsequent project review. Our recommendation is to draft a SP with a "medium level" of detail that clearly outlines the vision, goals, and process for future development submittals (e.g., what types of projects will require Planning Commission and/or Council approval). The following outlines each of these approaches and includes the key advantages and disadvantages of each approach.

Specific Plan with High Level of Detail (similar to a planned development [PD])

Includes the elements listed under standard Specific Plan above, as well as:

- A. Vision
 - Vision description, illustrations, images
- B. Land uses:
 - Ranges of number of residential units
 - Ranges of square footages per use
 - Height maximums (can customize per district, per use, per location)
- C. Detailed site plan
 - Street design and locations
 - Building footprints
 - Landscaping plan
- D. Architectural building elevations
- E. Development standards (heights, setbacks, percentage of open space, etc.)

Advantages

- Comprehensively planned (more assurance that the vision and “sense of place” will be implemented).
- Town and Council know what to expect.
- The Planning Commission and Council that conceived the plan would implement the plan consistent with the intended vision.
- A developer knows what to expect.
- Studies the impacts through the EIR process, may not need additional environmental analysis for each future application.
- The technical analysis thoroughly analyzes the ultimate development project; consequently, the Town knows in advance the development project’s potential impacts and necessary mitigation.
- Allows for a detailed phasing plan.

Disadvantages

- Need a developer to control all/most land.
- Difficult to finance (a lot of time and budget for architecture before zoning is approved).
- More time intensive at the SP development process.
- Requires a SP amendment each time buildings change; however, the SP can include various levels of review that correspond to the level of changes, e.g., a minor SP amendment (DRC or Planning Commission review) and a major SP amendment with Planning Commission and Town Council review.

Specific Plan with Medium Level of Detail

Includes the elements listed under standard Specific Plan above, as well as:

- A. Vision
 - Vision description, illustrations, images
- B. Land uses:
 - Ranges of number of residential units
 - Ranges of square footages per use
 - Height maximums (can customize per district, per use, per location)
- C. Development standards (can customize per district, per use, per location)
- D. Architectural design guidelines
- E. Conceptual street designs and locations

Advantages

- Comprehensively planned (more assurance that the vision and “sense of place” will be implemented).
- Gives Town and Council control for important aspects such as height and density.
- Gives future landowners and developers a defined framework for applications.
- Not too detailed, so does not have to be amended for each small building change.
- Studies the impacts through the EIR process and may not need additional environmental analysis for each future application.
- Provides architecture guidance and heights parameters but allows for future review with development submittals.

Disadvantages

- More time intensive at the SP development process. Need to set development parameters now (height, setbacks, commercial square footage, density, number of residential units).
- May require a SP amendment each time buildings change; however, the SP can include various levels of review that correspond to the level of changes, e.g., a minor SP amendment (DRC or Planning Commission review) and a major SP amendment with Planning Commission and Town Council review.

Specific Plan with General Level of Detail

Including:

- A. Goals and policies
- B. Vision statement
- C. Land use map
- D. Land use (max units and square footages allowed)
- E. General design standards and guidelines

Advantages

- Faster and less expensive.
- Defers significant Town Council and community dialogues on the SP to future phases of development or project application.

Disadvantages

- Piecemeal development may occur.
- Will require separate Planned Development applications for each subsequent phase of development.
- Difficult to create "sense of place" due to piecemeal approach.
- May need to do supplemental environmental analysis on future development.
- Less teeth/control in the document (less assurance of end results).
- Less clarity for the Town Council and Community at the front end.
- Less clarity for future developers.
- Due to the minimal amount of SP detail, full potential impacts (and required mitigation) may not be known until each development phase is proposed.
- Limited ability to control phasing.

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MEMORANDUM

COMMUNITY DEVELOPMENT DEPARTMENT

To: North 40 Specific Plan Advisory Committee

From: Wendie R. Rooney, Director of Community Development

Subject: North 40 Related 2020 General Plan Goals, Policies, Actions and Citations

Date: June 23, 2011

One of the topics for the June 29, 2011, North 40 Advisory Committee will be a discussion of General Plan Goals, Policies and Actions as well as other General Plan or General Plan Environmental Impact Report (EIR) citations that are relevant to the North 40 Specific Plan. These provide both the vision and guidance for the development of the Specific Plan. Staff requests that Committee Members review this material in preparation for a discussion at the Advisory Committee meeting.

General Plan Land Use Element Overlay Designations

The North 40 Specific Plan Overlay is applied to the approximately 40-acre property bounded by Los Gatos Boulevard to the east, Highway 17 to the west, Lark Avenue to the south, and Highway 85 to the North. This Overlay requires the preparation and adoption of a specific plan that will determine the mix of uses, dimensional standards, architectural standards, phasing, and infrastructure to support the development of the property prior to approval of any entitlements. Drawing on the draft North 40 Specific Plan prepared in 1999, the General Plan Overlay designation is intended to help guide the future development of this property. The 2020 General Plan Environmental Impact Report assumed a maximum capacity of 750 mixed residential units and 580,000 square feet of retail and offices uses for the purposes of assessing environmental impacts associated with the development of the property. While this is the maximum development capacity under this General Plan, the specific plan may be approved with lower densities and square footage of residential and commercial uses, respectively. The North 40 Specific Pan will be based on the following general guidelines:

- ◆ Include a mixture of uses that will complement the Downtown and the rest of the community.
- ◆ Be based on sustainable and "smart" development practices.
- ◆ Include public gathering spaces such as a plaza and park.
- ◆ Provide for a variety of residential housing types, both rental- and owner occupied.
- ◆ A minimum of 20 percent of the units shall be affordable to households at the moderate income level or below.
- ◆ Include high-quality architecture and design that reflects the rural and agricultural history of the site.
- ◆ Provide pedestrian-oriented buildings along the Los Gatos Boulevard frontage, with minimal parking oriented to the street.
- ◆ Take advantage of the grade change across the site.

- ◆ Continue the “boulevard treatment” along Los Gatos Boulevard, with interconnections from one parcel’s drive aisle to the next.
- ◆ Include connections to existing intersections along Los Gatos Boulevard and Lark Avenue.
- ◆ Develop gateway or landmark features at Los Gatos Boulevard and Lark Avenue and at Los Gatos Boulevard and the Highway 85 off-ramp.
- ◆ Provide an easily accessible, fully connected street network that encourages walking.
- ◆ Provide a vegetative buffer and screening along Highways 17 and 85.
- ◆ Preserve Town character and views.

Relevant General Plan Goals, Policies, Actions, and Citations (Goals are bolded and the associated Policies and Actions follow each goal)

Goal LU-4: To provide for well-planned, careful growth that reflects the Town’s existing character and infrastructure.

Policy LU-4.1: Integrate planning for the North 40 area, Los Gatos Boulevard, Vasona Light Rail area, and Downtown so that development in each area takes into consideration the Town as a whole.

Goal LU-11: To plan for development of a variety of uses in the North 40 area in a coordinated and comprehensive way.

Policy LU-11.1: Zoning shall be changed as part of development applications to provide consistency with the Vasona Light Rail Element and other elements of this General Plan and with any future specific plan prepared for this area.

Policy LU-11.2: The Town shall encourage uses that serve Town residents. These include, but are not limited to, open space, playfields, office, retail, and other commercial uses. Residential uses may be permitted as part of mixed-use development and only with acceptable mitigation of adverse noise, air quality, and other environmental hazards.

Policy LU-11.3: Provide coordinated infrastructure in the North 40 area.

Policy LU-11.4: Include a variety of regional destination and local-serving commercial uses in the North 40 area, following a logical land use pattern that takes advantage of the site opportunities while protecting adjacent uses.

Policy LU-11.5: Avoid negative effects on the long-term development potential of the area surrounding the North 40 area.

Policy LU-11.6: Incorporate multi-modal links from the North 40 area to the Vasona Light Rail station into the North 40 Specific Plan.

Action LU-11.1: Prepare and adopt a specific plan for the North 40 area prior to development of the site.

Goal VLR-3: To encourage mixed-use developments that coordinate housing in proximity to either neighborhood commercial uses or employment centers.

Policy VLR-3.4: Encourage mixed-use development of commercial, office, and medium-high density residential uses in the North 40 area and along East Los Gatos Boulevard, north of Lark Avenue.

Goal VLR-9: To reduce traffic impacts of residential development within the Vasona Light Rail area by taking advantage of mass transit opportunities.

Policy VLR-9.5: Promote the development of mass transit links between Los Gatos Boulevard, particularly any development on the North 40 site, and the planned Vasona Light Rail station.

2020 General Plan Environmental Impact Report (EIR) North 40 Overlay Citations

In the proposed Draft 2020 General Plan, the North 40 Specific Plan Area Overlay is designated with the existing Mixed-Use Commercial land use designation, as well as with a tailored “Specific Plan Area Overlay” designation. The North 40 Specific Plan will be developed under a separate planning process. The North 40 Specific Plan will determine the mix of uses that will occur on the approximately 44-acre site within the limits identified in the proposed Draft 2020 General Plan. This Specific Plan will limit development to not more than 750 dwelling units of mixed residential types. Non-residential uses for this Specific Plan are limited to a total of 580,000 square feet of retail and office development. The Specific Plan may also specify a hotel on the site.

The North 40 area contains the largest remaining contiguous parcels in Los Gatos with the potential for significant new development. The North 40 Specific Plan Area Overlay applies to the group of parcels that will be developed in a cohesive manner that is consistent with the goals of the proposed Draft 2020 General Plan. This Overlay designation requires that a Specific Plan be developed and approved by the Town prior to any significant large-scale development in this area. A Specific Plan is defined in the California Government Code (Section 65450 et seq) as a legal tool for detailed design and implementation of a defined portion of the area covered by a General Plan. A Specific Plan includes detailed regulations, conditions, programs and/or proposed legislation that are needed to implement General Plan designations and policies on a particular site. The intent of the North 40 Specific Plan Area Overlay is to provide a planning framework for future development of the area. Without a comprehensive plan to guide future development, individual parcels may not develop consistently with the broader community goals of:

- ◆ Providing coordinated infrastructure,
- ◆ Including a variety of regional destination and local-serving commercial uses, following a logical land use pattern that takes advantage of the site opportunities while protecting adjacent uses, and
- ◆ Avoiding negative effects on the long-term development potential of the larger area.

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MEMORANDUM

COMMUNITY DEVELOPMENT DEPARTMENT

To: North 40 Specific Plan Advisory Committee

From: Wendie R. Rooney, Director of Community Development

Subject: Los Gatos School District Mitigation Background

Date: June 23, 2011

Background

A recurring comment raised during the past few months of public outreach on the North 40 is the concern of potential impacts that residential development may have on, predominately, the two Los Gatos School Districts. This memo provides background information regarding the extensive analysis that was conducted on student generation rates and projections during the recent 2020 General Plan update. In particular, the discussion will focus on the projections developed for the North 40 project. Finally, this memo also outlines state law limitations and restrictions for funding school facilities through local development projects.

Student Generation Rates and 2020 General Plan Projections

In spring 2010, the Town collaborated with the six school districts that serve the Town residents on the student generation rates and projections associated with the residential growth assumptions in the 2020 General Plan. In particular, the Town worked closely with the superintendents from the Los Gatos Union School District (LGUSD) (K-8) and Los Gatos-Saratoga Joint Union High School District (LGSJUSD) (9-12) on the generation rates methodology. Although the LGUSD expressed concern regarding school capacity over the 10-year period covered in the 2020 General Plan, both superintendents were in agreement with the Town on the student generation methodology. The methodology included three data sources from Davis Demographics, a consultant to the high school district; Jeanette C. Justus Associates, a consultant retained by all six districts and the Town; and Town staff calculating the actual number of existing students by using the 2010 school enrollment list (addresses) and the Town's GIS database of housing types.

Most new housing anticipated by 2020 will be different than is now typical in Los Gatos. Higher density housing in the northern part of the Town around the future light rail station and targeted high density infill sites account for as much as 90% of new housing. The number of students per home from higher density units is almost always lower than in single-family neighborhoods. Actual counts from nearby districts and districts with similar academic standing confirm fewer students on average per new dwelling as density increases.

Town staff used actual school enrollment data from LGUSD and LGSJUSD to calculate the generation rates for condominiums and apartments. Single-family rates were obtained from the Davis Demographic Study. However, based on the fact that the North 40, as well as the Town's identified affordable housing sites, would be developed with housing products that were not presently represented in the community, the Town and school districts contracted with Jeanette C. Justus Associates to survey multi-family housing in similar high performing (using API scores) school districts to obtain the generation rates for various types of multi-family units, including mixed-use, attached (townhomes), and affordable apartments. Due to its very comparable API scores and extensive inventory of the aforementioned housing types, the Irvine, California, school district was surveyed for generation rates. Both Los Gatos School Districts accepted this methodology, and these generation rates were used as the basis for the 2020 General Plan and Environmental Impact Report (EIR) analysis.

The following tables provide the generation rates by housing type and student projections for the North 40 project. These generation rates are grouped into three school grade sets (K-5, 6-8, and 9-12). It is important to note that the southern half of the North 40 is within the LGSJUSD and LGUSD, and the northern half is within the Cambrian Elementary/Middle School District and the Campbell Union High School District. The General Plan EIR assumed the following type and number of units in the North 40:

North 40 (Northern)

Mixed Use: 240
 Affordable Apartments (Below Market Price units): 60

North 40 (Southern)

Attached (condominium): 300
 Apartments (Market rate): 60
 Affordable Apartments: 90

Generation Rates for North 40 (Northern Half)

<u>Dwelling Type</u>	<u>K-5</u>	<u>6-8</u>	<u>9-12</u>
Mixed Use	.004	.008	.006
Affordable Apartment	.182	.048	.076

Generation Rates for North 40 (Southern Half)

<u>Dwelling Type</u>	<u>K-5</u>	<u>6-8</u>	<u>9-12</u>
Affordable Apartment	.182	.048	.076
Attached (condominiums)	.081	.048	.055
Apartments	.086	.041	.075

Student Projections North 40 (Northern Half)

Dwelling Type/No of Units	K-5	6-8	9-12	Total
Mixed Use/240	.96	1.92	1.44	4
Affordable Apartment/60	10.92	2.88	4.56	<u>18</u>
Total				22

Student Projections North 40 (Northern Half)

Dwelling Type/No of Units	K-5	6-8	9-12	Total
Affordable Apartment/90	16.4	4.3	6.8	28
Attached (condominiums)/300	24.3	14.4	16.5	55
Apartments/60	5.2	2.5	4.5	<u>12</u>
Total				95

In summary, based on the generation rates, housing types, and number of units, it is reasonable to assume that once the North 40 is built out it would generate 95 students (K through 12) to LGUSD and LGSJUSD, and 22 students (K through 12) to Cambrian and Campbell Union High School Districts at any given time.

School Impact Fees and Mitigation

School districts have a variety of funding mechanisms available to them to pay for the financing of school construction, including local general obligation bonds, local Mello-Roos bonds, developer fees, property taxes, and state funding. School districts impose developer fees on new residential and commercial construction to help offset the costs of the new school construction necessitated by the development.

Prior to 1998, cities and school districts would negotiate with developers of large scale residential projects on fees, land dedications, etc., to off-set the impacts of new students generated by the development. However, in 1998, Senate Bill 50 (SB50) "Schools Facilities Act" was adopted and imposed new limitations on the power of cities and counties to require mitigation for school facilities impacts as a condition of approving new development. SB50 authorized school districts to levy statutory developer fees for new development at a per square foot rate established by the state.

As a result of establishing the impact fee for school facilities under SB50, the state legislature determined that the impact fee is the *exclusive method* of considering and mitigating impacts on school facilities resulting from any state or local planning, use, or development of property. Essentially, SB 50 restricts local government's ability to require any mitigation for school impacts over and above the statutory fees paid by a developer to the school district. For example, not only is a city prohibited from requiring a developer to pay a monetary contribution for school facilities in exchange for a development approval, a city may not ask a developer for donation of land for a school site either. (These restrictions are set forth in Government Code Sections 65995 and 65996).

State law further prohibits public agencies from using the California Environmental Quality Act (CEQA) or any other provision of state or local law to deny approval of a legislative or adjudicative act, or both, involving planning, use, or development of real property on the basis of the proposed project's impacts on school facilities or based on a project applicant's refusal to provide mitigation in excess of the state statutory fees.

Despite the state law restrictions, nothing in the law prohibits a developer from voluntarily contributing either land or money to a school district to help offset overcrowding. The developer would have to work directly with the school district to reach such an agreement.

Local Land Use Authority

In view of the restrictions on local government's ability to address funding of school facilities (as set forth in the Government Code), the Town should be cautious about raising potential school impacts (such as overcrowding) or funding for facilities as grounds for denial of a residential project. Furthermore, the Town could not add conditions that specifically require contributions for school facilities. As noted, the North 40 development will generate both impact fees from residential and commercial construction, and the school districts will be allocated a percentage of the annual property tax generated from the development. While the property tax allocation is not known at this time, it could be fairly substantial annual revenue.

Based on SB 50, the 2020 General Plan EIR concluded that payment of these (impact) fees "is deemed to be full and complete mitigation of impacts of any legislative or adjudicative act, or both, involving but not limited to, the planning, use, or development of real property, or any change in government organization or reorganization. Therefore, there would be a *less-than significant* impact related to the provision of school facilities under buildout of the proposed Draft 2020 General Plan."

A) Woodmark at University Park - BAR Architects

325 Channing Avenue, Palo Alto, CA

Multifamily Residential

3-4 Stories

55' Building Height



C) Single Family at University Park - BAR Architects

872 Waverly Street, Palo Alto, CA

Luxury Small Lot Single Family Homes

2 Stories + Basement

35' Building Height



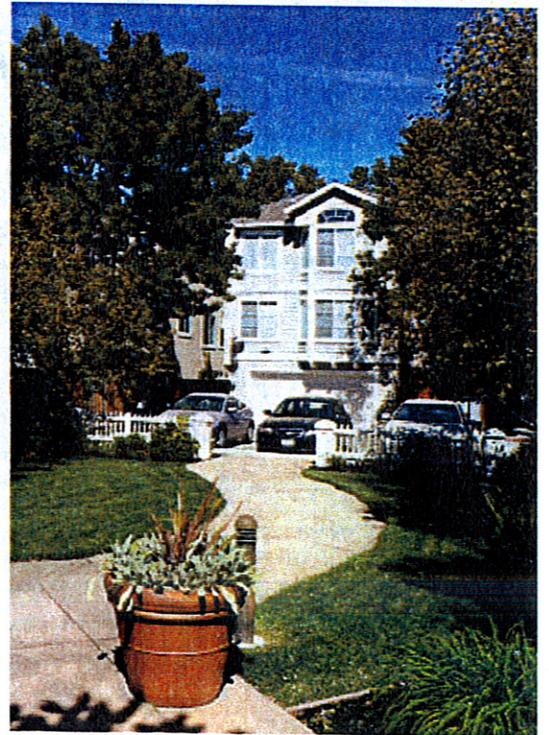
E) Small Lot Neighborhood 1

580 Front Lane, Mountain View, CA

Small Lot Single Family Residential

3 Stories

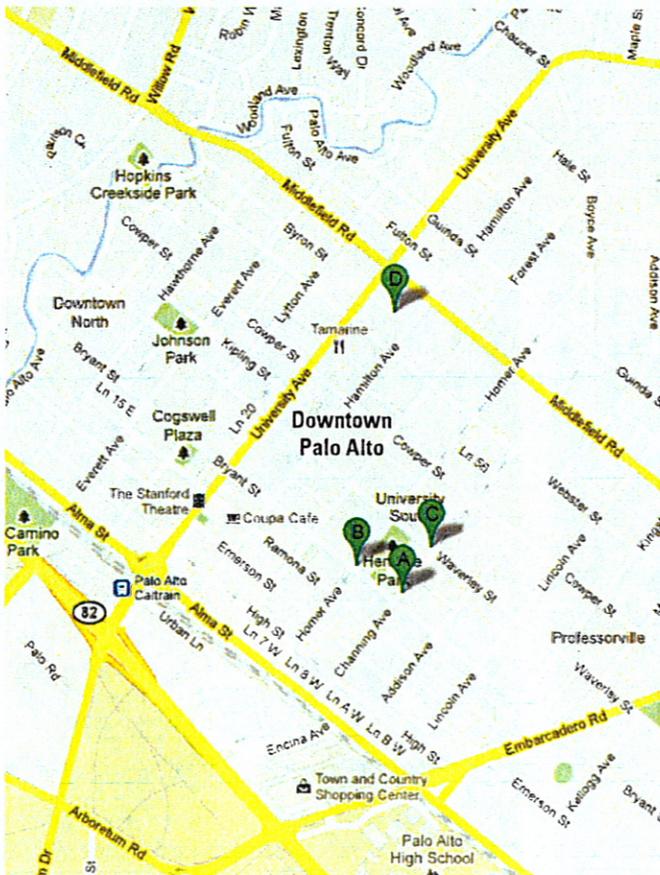
35' Building Height



Project List

- | | |
|---|--|
| <p>A) Woodmark at University Park - BAR Architects
325 Channing Avenue, Palo Alto, CA
Multifamily Residential
3-4 Stories
55' Building Height</p> <p>B) Weatherly at University Park - BAR Architects
307 Homer Avenue, Palo Alto, CA
Multifamily Residential
3-4 Stories
55' Building Height</p> <p>C) Single Family at University Park
872 Waverly Street, Palo Alto, CA
Luxury Small Lot Residential
2 Stories
35' Building Height</p> | <p>D) The Hamilton - BAR Architects
555 Byron Street, Palo Alto, CA
Multifamily Senior Residential
1-4 Stories
55' Building Height</p> <p>E) Small Lot Neighborhood 1
580 Front Lane, Mountain View, CA
Small Lot Single Family Residential
3 Stories
35' Building Height</p> <p>F) Small Lot Neighborhood 2
133 Azalea Drive, Mountain View, CA
Small Lot Single Family Residential
3 Stories
35' Building Height</p> |
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Palo Alto Map



Mountain View Map

