CITY OF SAN JOSÉ, CALIFORNIA
Department of Planning, Building and Code Enforcement
801 North First Street, Room 400
San José, California 95110-1795

STAFF REPORT

Hearing Date/Agenda Number
P.C. 4/24/02 Item: 4..

File Number
PDC 00-10-104

Application Type
Planned Development Rezoning

Council District
3

Planning Area
Central

Assessor's Parcel Number(s)
472-15-025

PROJECT DESCRIPTION — Completed by: Akoni Danielsen

Location: East side of South 3rd Street, 200 feet northerly of Keyes Street (1050 South 3rd Street).

Gross Acreage: 2.86 | Net Acreage: 2.86 | Net Density: 61.5 DU/AC

Existing Zoning: HI Heavy Industrial | Existing Use: truck trailer storage, landscaping contractor

Proposed Zoning: A(PD) Planned Development | Proposed Use: up to 176 attached dwelling units

GENERAL PLAN — Completed by: AD

Land Use/Transportation Diagram Designation
Residential Support for the Core (25+ DU/AC)

Project Conformance:
[x] Yes [ ] No
[ ] See Analysis and Recommendations

SURROUNDING LAND USES AND ZONING — Completed by: AD

North:	Industrial	HI Heavy Industrial
East:	Industrial	HI Heavy Industrial
South:	Commercial	HI Heavy Industrial
West:	Commercial, Residential	LI Light Industrial

ENVIRONMENTAL STATUS — Completed by: AD

[ ] Environmental Impact Report certified
[x] Negative Declaration circulated on April 3, 2002
[ ] Negative Declaration adopted on

[ ] Exempt
[ ] Environmental Review Incomplete

FILE HISTORY — Completed by: AD

Annexation Title: Original City | Date: March 27, 1850

PLANNING DEPARTMENT RECOMMENDATIONS AND ACTION

[X] Approval
[ ] Approval with Conditions
[ ] Denial

Date: _____

Approved by: _____
[ ] Action
[✓] Recommendation

APPLICANT	OWNER
Fairfield Residential LLC 5510 Morehouse Drive Suite 200, San Diego, CA 92121	Schindler Trust 55 Yerba Buena Ave San Francisco 94127

PUBLIC AGENCY COMMENTS RECEIVED **Completed by: AD**

Department of Public Works

See attached memo

Other Departments and Agencies

See attached memos from Fire Department, Police Department, Environmental Services Department, VTA, Santa Clara Valley Water District.

GENERAL CORRESPONDENCE

None received.

ANALYSIS AND RECOMMENDATIONS

BACKGROUND

The applicant, Fairfield Development, is requesting a Planned Development Rezoning from HI Heavy Industrial to A(PD) Planned Development to allow up to 176 multiple-family attached dwelling units, on approximately 2.86 gross acres located at the east side of South Third Street, 200 feet northerly of Keyes Street (1050 South 3rd Street). The developer currently proposes market-rate rental units, but will design and construct the project to meet Common Interest Development standards, and seeks a condominium map to allow flexibility for the potential future sale of individual units.

In 1998 a proposal was made to rezone the subject site to allow 78 affordable apartment units (PDC98-07-053). The application was ultimately withdrawn due to unresolved soils contamination issues, which have now been addressed as discussed in more detail below.

Existing uses on the property include truck trailer storage and a landscape contractors yard. Surrounding uses include light industrial to the north, an inactive rail spur and light industrial to the east, car sales to the south, and a mix of commercial and residential uses to the west across Third Street.

The subject site is located within the East Gardner neighborhood, generally bounded by Highway 280 to the north, Sixth Street to the east, Keyes Street to the south, and Second Street to the west. The area is comprised of a mix of older, predominantly single-family residential uses, underutilized industrial parcels, and a mix of small-scale commercial uses. A number of structures listed on the City of San Jose Historic Resources Inventory are also present in the neighborhood.

In 1986 the City Council amended the General Plan, changing the land use designations for the existing industrial lands, approximately 50 acres total, within the East Gardner neighborhood from Heavy Industrial to Residential Support for the Core (25+ DU/AC). Since the General Plan Amendment, the City has approved a three-story 191-unit 100% affordable family development at Sixth and Martha Streets by JSM Enterprises, now under construction. If approved, this project at Third Street would be the first major new market-rate residential development in the East Gardner neighborhood, since the City Council changed the General Plan from industrial to high density residential over 16 years ago.

The East Gardner neighborhood presents many of the same opportunities, development issues, and potential for significant redevelopment as found in the Midtown and Jackson-Taylor specific plan areas, and has been the subject of an ongoing specific planning process ("East Gardner Specific Plan") that is expected to conclude this summer or early fall. The specific planning process is addressing the need for new parks, schools, and a safe, convenient circulation system for both autos and pedestrians, and anticipates development of the subject site with high density housing. The challenge for the City, community, and the development community is to plan for this coming transformation to produce a new, cohesive high-density, mixed use neighborhood, complete with adequate community facilities and services, that complements existing adjacent neighborhoods.

The street system in the neighborhood is a fairly continuous extension of the city's old gridded street pattern, with the significant exception of the large industrial superblocks between Third, Sixth, Martha and Keyes Streets. In this area, Fourth Street is absent, and Bestor Street terminates at Sixth Street. Staff sees a real need to extend the residential block structure into this transforming industrial area, similar to other extensions done in the Midtown and Jackson-Taylor specific plan areas where comparable conditions existed. The industrial superblocks are simply inappropriate for residential use, as they impede circulation, reducing neighborhood interconnectivity.

To help achieve this goal of extending the neighborhood's small-scale, fine-grained residential block structure, the City required the JSM affordable residential project at Sixth and Martha Streets to dedicate and improve an extension of Bestor Street westward to Fifth Street. This extension will set a precedent as the area transforms, and the City and residents involved in the East Gardner Specific Plan are exploring the need for an ultimate extension of Bestor Street west to Third Street, and the reintroduction of Fourth Street, between Martha Street and Keyes Street. These newly introduced streets would also help connect the transitioning industrial lands to the existing neighborhood primarily to the east and west.

GENERAL PLAN CONFORMANCE

As mentioned above, in 1986 the City Council amended the General Plan, changing the land use designations for the existing industrial lands, approximately 50 acres total, within the East Gardner neighborhood from Heavy Industrial to Residential Support for the Core (25+ DU/AC). The proposed use, at a density of 61.5 DU/AC is consistent with the designation of Residential Support for the Core (25+ DU/AC) which allows development with commercial uses on the first two floors with residential on upper floors, as well as wholly residential projects. Furthermore, the site is within the Downtown Frame, where General Plan Urban Design height policies allow a maximum building height of 120 feet. At a proposed maximum building height of 50 feet, the project conforms to this General Plan policy.

The project is also consistent with several General Plan Major Strategies, such as Growth Management, Housing, and Sustainable City, in that the project makes efficient use of an existing urban infill site by providing high density housing near major transportation corridors and jobs. Additionally, high-density infill housing is an integral component of the Downtown Revitalization Strategy.

ENVIRONMENTAL REVIEW

An Initial Study was prepared for this project and a Mitigated Negative Declaration was circulated by the Director of Planning on April 4, 2002 for public review and comment (see attached). The Initial Study included a noise report, traffic report, and soil contamination report. Mitigation measures identified in the reports have been incorporated into the project.

The development is projected to add 106 a.m. peak hour trips and 106 p.m. peak hour trips, and 1056 daily trips. Project traffic impacts were analyzed according to City of San Jose methodology. Six signalized intersections were analyzed for the AM and PM peak commute hours, and with the addition of project traffic and other anticipated area growth, all intersections were found to meet City of San Jose Level of Service standards. A signal warrant study was performed, and the intersection of Martha and South Third Streets met AM peak hour warrants for signalization. Therefore, the project will contribute $50,000 to the City of San Jose for the future construction of a traffic signal at Martha and South Third Streets. Left-turn storage analyses were performed at the intersection of Keyes and South Third Streets, and adequate left turn storage was found at the studied intersection.

The ambient noise environment in the project vicinity exceeds 60 dBA and therefore, future project residents would be exposed to elevated noise levels. A noise analysis was prepared, including recommended mitigations. The primary source of noise at the project site is traffic. Aircraft overflights from the San Jose International Airport were observed to produce high maximum noise levels on the site, however, the site is outside the 60 CNEL noise contour under existing and future (2010) conditions. The commercial/industrial land uses to the north and east of the site were not observed to produce significant noise levels at the project site. The rail line immediately east of the site is abandoned, and train noise is not expected to be a major source of noise. To mitigate these noise impacts, the building design will feature sound rated windows, forced air mechanical ventilation so windows can be kept closed, and special building construction techniques such as insulation and soundproofing. Construction noise impacts could also impact nearby sensitive receptors. A construction noise mitigation program will be developed and implemented at the permit stage.

The project is located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5. Past uses, including a clay products manufacturing facility, an underground storage tank, and an automobile dismantling facility had resulted in soil and groundwater contamination. To address the contamination, the applicant prepared a Corrective Action Plan (CAP). Santa Clara Valley Water District staff approved the CAP and reviewed and accepted the Remedial Action Completion Report documenting the implementation and verification of the CAP. Corrective actions performed on the property have resulted in the excavation and removal of impacted soil and groundwater from identified areas of high concentration. The CAP and Completion Report have also been reviewed by City of San Jose Environmental Services Department staff, and the site is now considered suitable for residential land use.

ANALYSIS

The primary project issues include the project design along the abandoned rail spur, and conformance with the Residential Design Guidelines.

Rail Spur Interface. The abandoned rail spur runs through an industrial superblock, bounded by Keyes, Third, Martha, and Fifth Streets, planned to transform to a new residential neighborhood. The abandoned rail spur presents an opportunity to introduce a public street or pedestrian/bike pathway,

depending upon the ultimate right-of-way width. This decision about the size and functionality of the r.o.w. is expected to made as part of the East Gardner Specific Plan process. In either case, the public route will provide a much-needed north-south connection between Martha and Keyes Streets. In anticipation of this public access route, the project has been designed as if this were another front-facing façade, with stoops and common pedestrian entrances facing the rail spur, providing visual security and an attractive façade.

Residential Design Guidelines Conformance. Staff believes the project conforms to the relevant standards for high-density podium-cluster development. Along the Third Street and rail spur frontages, the project features a strong pedestrian orientation, with wide sidewalks, prominent building entries, and groundfloor units directly accessible from the sidewalk. Proposed building setbacks of 15 feet are in keeping with the surrounding neighborhood pattern and will allow for an attractive landscape treatment. Common open space is provided in several common courtyards to serve residents at a ratio in excess of the required 100 sq.ft/unit. Elevated noise levels preclude useable patios and balconies for units facing the perimeter of the site. The project units facing into the common courtyards (effectively shielded by the building mass) feature useable patios and balconies.

One hundred and fifteen one bedroom and 61 two-bedroom units are proposed. Seven different unit plans are proposed, ranging in size from a 583 sq.ft. one bedroom plan to a 1,160 sq.ft. two bedroom plan. The majority of units would be one-bedroom units of about 700 sq.ft.

Vehicular access occurs via a driveway on Third Street. Parking is placed within the project, shielded by the building façade. Two hundred and eighty-eight parking spaces are provided, 7 in excess of the City's standard parking requirements for the proposed number and mix of units. The below grade garage includes designated areas for guest parking and bicycle and motorcycle parking.

The conceptual elevations indicate a flat roof building design inspired by the American Can Company Factory 97, a designated City Landmark building on the City of San Jose Historic Resources Inventory located at the southwest corner of Martha and Fifth Streets. The facades would be finished in a combination of brick and stucco. The roofline would be articulated with a stepped parapet treatment, and the building walls articulated with a series of brick pilasters. The aluminum window systems are large and reminiscent of an industrial warehouse. Decorative metal canopies placed at the four corners will also add interest to the building. The final architectural design will continue to be refined at the Planned Development Permit stage.

COMMUNITY OUTREACH

A public hearing notice for the project was published in a local newspaper and mailed to all property owners and tenants within 1000 feet of the subject site. Over the past 5 months the applicant has held several community meetings hosted by the Council District 3 office, the most recent taking place February 11, 2002. The community members who attended raised concerns with the project architecture, density, traffic, and parking, and the developer has revised the project design where possible to address the concerns.

RECOMMENDATION

Planning staff recommends the Planning Commission forward a recommendation of approval and the City Council adopt an ordinance rezoning the subject site for the following reasons:

1. The proposed rezoning conforms to the subject site's General Plan Land Use Diagram Designation of Residential Support for the Core (25+ DU/AC).

2. The proposed project will further the goals and policies of the General Plan's Downtown Revitalization Strategy and Housing Strategy by providing high-density infill housing in close proximity to Downtown employment, dining, recreational, and commercial opportunities.

3. The proposed project conforms to the applicable Residential Design Guidelines.

4. The project will be a catalyst for implementation of the draft East Gardner Specific Plan.

C: Ed McCoy, Fairfield Development, 5510 Morehouse Drive Suite 200, San Diego, CA 92121
Pete Smith, Charles W. Davidson Co., 255 W. Julian Street, Ste. 200 San Jose, CA 95110

AD:ll/207-02