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CITY COUNCIL STAFF REPORT
Meeting: December 2, 2014

Subject

General Plan Amendment, 2014-2022 Housing Element, associated Rezoning, Zoning map and text amendments and Specific Plan Amendment, and related actions for environmental review to consider citywide amendments to the City's General Plan, including the Housing Element, Heart of the City Specific Plan, Vallco Shopping District, heights, densities, commercial, retail, residential allocations, and recommendations on the Housing Element sites, and to rescind all actions taken on these issues during the November 10, 2014 Council meeting.

Recommended Actions

- A. Rescind all actions taken on November 10, 2014 and consider the issues anew, disregarding prior votes and directions; and
- B. Conduct a public hearing and take actions on the recommendations of the Planning Commission which recommends that the City Council take the following actions in accordance with the Draft Resolutions (Attachments A – F) with the exceptions noted in Attachment G:
 1. Adopt Resolution No. 14-210 for Certification of an Environmental Impact Report, adoption of Findings and a Statement of Overriding Considerations, and adoption of Mitigation Measures and a Mitigation Monitoring and Reporting Program, (EA-2013-03), in substantially similar form to the attached Resolution (Attachment A);
 2. Adopt Resolution No. 14-211, GPA-2013-01 in substantially similar form to the attached Resolution (Attachment B and as amended by Attachment G), for:
 - a. Draft General Plan (Community Vision 2040); and
 - b. General Plan Map Amendments.
 3. Adopt Resolution No. 14-212 to authorize staff to, in substantially similar form to the attached Resolution (Attachment C and as amended by Attachment G):
 - a. Forward the Draft 2014-2022 Housing Element to the State Department of Housing and Community Development (HCD); and
 - b. Use the prioritized list of Alternative Housing Element sites (in case one or more of the adopted sites are not accepted by HCD as Housing Element sites).
 4. Conduct first reading of Ordinance 14-2124, "An Ordinance of the City Council of the City of Cupertino Rezoning Certain Sites in the City for Conformance with the General Plan and

Housing Element Zoning Map Amendment,” Z-2013-03 (Attachment D and as amended by Attachment G);

5. Conduct first reading of Ordinance 14-2125, “An Ordinance of the City Council of the City of Cupertino amending various Chapters in Title 18 and Title 19, including the amendment of the Density Bonus Ordinance, the addition of a Chapter in Title 19 to implement policies in the General Plan, the addition of a Chapter in Title 13 to improve readability,” Municipal Code Amendment, MCA-2014-01 (Attachment E); and
6. Adopt Resolution No. 14-213 approving Specific Plan Amendment, SPA-2014-01, in substantially similar form to the attached Resolution (Attachment F).

The Balanced Plan is reflected in Attachments B – F. The Planning Commission’s changes to the exhibits to Attachments B – D are reflected in Attachment G. These changes are discussed in detail later in this report. CEQA Findings for adoption of the Balanced Plan and Housing Element sites recommended by staff are in Attachment H.

Description

Application No.: GPA-2013-01, GPA-2013-02, SPA-2014-01, Z-2013-01 and MCA-2014-01 (EA-2013-03)

Applicant: City of Cupertino

Property Location: City-wide

Background

Rescission of prior votes and actions on November 10th

Due to noticing errors pertaining to the Council’s November 10, 2014 Special Meeting and continuance, the public hearing for this item has been re-noticed for December 2, 2014, and it is recommended that the City Council rescind all actions taken at the November 10, 2014 public hearing and hear and decide the items anew. E-mail notification to interested members of the public and new notices advise the public that the hearing has been re-noticed and that a recommendation would be made to rescind the Council’s prior actions.

While it is recommended that the City Council’s actions from November 10, 2014 be rescinded, the public comments received during public hearing have been preserved as part of the City’s record of these proceedings. A video of the public comments is available online at: www.cupertino.org/Nov_10_2014_CC_public_comment. Notification to the public indicated that members of the public who had provided their comments at the public hearing on November 10, 2014 and wished not to provide public comment on December 2, 2014, need not do so; but if they wish to, they may still comment at this public hearing.

The succeeding staff analysis embodied in this report replicates the substance of the November 10, 2014 report. Staff’s presentation from that meeting is available online at: www.cupertino.org/Nov_10_GPAHE_StaffPresentation. However, the report also contains a summary and analysis of the major themes which emerged in public comments on November 10th and a November 20th community workshop.

Project Background

On August 21, 2012, the City Council directed staff to begin a General Plan amendment in order to:

- Replenish office and hotel allocations (since the office allocation was reduced to under 18,000 square feet when the Main Street project received most of the remaining office allocation in the city-wide allocation pool);
- Inform the Vallco Shopping District Specific Plan;
- Consolidate individual requests from property owners; and
- Update to address State law, and address clean-up.

In addition, in November 2013, the City initiated a State-mandated update of the Housing Element of the General Plan. The Housing Element, which is a required component of the General Plan, identifies policies and appropriate locations for future housing in Cupertino. The Housing Element Update was combined with the General Plan Amendment process so the City and community could fully evaluate and discuss issues in one comprehensive outreach and planning process.

The General Plan Amendment process has involved over 18 months of extensive community discussions and input provided during 24 public meetings, workshops, online comment surveys, and study sessions and hearings with the Housing Commission, Planning Commission and City Council. A detailed listing of the public input meetings is provided later in this report. The staff reports for the following study sessions and public hearings: January 23, 2014 Housing Commission, February 12, 2014 Housing Commission, February 19, 2014 Planning Commission, March 4, 2014 City Council, and April 1, 2014 Joint Planning Commission/City Council are attached for both the General Plan and Housing Element projects (Attachment I).

This report provides a summary of key issues, recommendations by the Planning Commission and staff comments where appropriate. A detailed discussion of issues is provided in the Planning Commission staff report dated October 14, 2014 (Attachment J).

Alternatives

After extensive input from the community, property owners, the Housing Commission and the Planning Commission, the City Council authorized studying the following alternatives in the Environmental Impact Report (EIR) that was prepared for the project. A brief discussion of alternatives is provided below (see Attachment K for Concept Alternative maps). The EIR has a detailed description of each alternative. A table showing specific allocations is provided later in the Development Allocations discussion later in this report.

Alternative A

Alternative A consists of the following themes and reflects minimal changes as follows:

- Maintains the policies of the 2005 General Plan
- Increases office and hotel development allocations
- Combines the South De Anza and South Sunnyvale-Saratoga Special Areas
- Streamlines General Plan area boundaries

Alternative B

Alternative B is derived from the following themes and reflects moderate increase in heights and densities in key areas:

- Focuses new growth along major mixed-use corridors
- Revises height standards at key nodes, gateways and sub areas along major mixed-use corridors
- Increases office, hotel and residential development allocations
- Supports redevelopment of the Vallco Shopping District by reallocating allocation to other areas
- Streamlines General Plan area boundaries

This alternative also envisions the transformation of the Vallco Shopping Mall into a retail, employment, housing and entertainment destination.

Alternative C

Alternative C is derived from the following themes and reflects the property owners' requests and reflects the most increase in heights and densities in key areas:

- Supports redevelopment of the Vallco Shopping District by reallocating allocation to other areas
- Revise density and height standards at key nodes, gateways and sub areas along major mixed-use corridors
- Increases office, hotel and residential development allocations
- Streamlines General Plan area boundaries

Alternative C identifies a way to transform the Vallco Shopping District into a locally and regionally significant retail, employment, housing and entertainment destination, and account for a large portion of the City's RHNA.

Planning Commission Public Hearings

The Planning Commission held public hearings on the General Plan, Housing Element, associated rezoning, zoning text amendments and specific plan amendments and the EIR on October 14, 2014 and October 20, 2014. While some members of the Planning Commission felt that some amount of development (especially office) would help to achieve the City's economic and fiscal goals, the majority felt that additional office growth would exacerbate the regional imbalance of jobs and housing and contribute to traffic. They did, however, agree that hotel rooms could be added since they provided a source of revenue to the City, were beneficial to nearby restaurants and businesses, and would be needed to serve existing and planned office in the City. The Commission recommended removal of the residential allocation since densities in the General Plan and zoning already regulate development on the sites.

A summary of the Planning Commission's recommendation is provided in the discussion on each key issue in the staff report. About eleven members of the public spoke at the meeting. They included property owners of Housing Element sites and study areas in the General Plan as well as a few residents. Attachment L is the minutes of the Planning Commission public hearings and includes detailed comments from the speakers.

The following is a brief summary of comments:

- Prefer the No Project alternative or Alternative A
- Plan Bay Area doesn't fit Cupertino residents' needs
- Vallco should not be a Housing Element site but should stay as retail only
- Additional heights and community benefits should not be approved
- We should not be afraid of additional heights if buildings are attractively designed
- A residential allocation of close to 4,500 is too high. The Housing Element should only include 1,002 units to meet the RHNA
- Do not add more office. Applicants who want more office should apply for amendments to the General Plan
- Growth should not be focused only on Stevens Creek Boulevard and De Anza Boulevard
- Excited about the Balanced Plan
- Cupertino should plan for its share of additional growth in the Bay Area
- Applicants reiterated their requests for additional office, residential and heights based on Alternative C. Additional discussion about specific requests is provided later in the report.

Minor, non-substantive edits have been made to the General Plan (Attachment B) and Housing Element (Attachment C) documents that were presented to the Planning Commission to correct text errors, grammatical and syntactical errors and to add updates to language. An errata sheet identifying the changes made since the Planning Commission saw the documents is attached as Attachment M.

Discussion

Draft General Plan (Community Vision 2040)

The General Plan is a State-mandated document and provides the vision for Cupertino's future. It sets the City's policy direction in a number of areas including land use, mobility, housing, open space, infrastructure, health and sustainability through goals, policies, and strategies. The following is a discussion of state and regional laws, best practices and community input that have shaped the draft General Plan (Community Vision 2040).

Community Vision 2040 has been informed by changes in Federal, State and regional regulations, best practices and community input, and achieving the community-building, sustainability and economic and fiscal goals in the Guiding Principles. The following section is a discussion of items that have been informed the Draft General Plan (Community Vision 2040).

State and Regional regulations and best practices

1. **Climate Change** - The Global Warming Solutions Act of 2006 (AB 32) set a target to reduce California greenhouse gas emissions to 1990 levels by year 2020. In addition, the Governor signed Executive Order S-3-05 to further require California to reduce greenhouse gas emissions (GHG) by 80 percent below the 1990 levels by year 2050 (EO, 2005). The policies in Community Vision 2040 are consistent with these regulations.

2. **Land Use and Transportation** - The Sustainable Communities and Climate Protection Act of 2008 (SB 375) calls on each of the state's 18 metropolitan areas to develop a Sustainable Communities Strategy to accommodate future population growth and reduce greenhouse gas emissions from cars and light trucks. Plan Bay Area, jointly adopted in 2013 by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC), is the region's first Sustainable Communities Strategy to meet the requirements of SB 375 through the year 2040. Community Vision 2040 is consistent with the principles of SB 375 by focusing growth along major transportation corridors and the City's Priority Development Area (PDA) along Stevens Creek and North De Anza Boulevards defined in Plan Bay Area.
3. **Complete Streets and Connectivity** – The California Complete Streets Act (2008) places the planning, designing, and building of complete streets into the larger planning framework of the General Plan by requiring jurisdictions to amend their Mobility Elements to plan for multimodal transportation networks.
4. **Performance Measures for Mobility** - Senate Bill 743 (2013) creates a process to change the way that transportation impacts are analyzed under the California Environmental Quality Act (CEQA) to promote the state's goals of reducing greenhouse gas emissions and traffic-related air pollution, promoting the development of a multimodal transportation system, and providing clean, efficient access to destinations. Specifically, SB 743 requires an alternative to automobile level of service (LOS) for evaluating transportation impacts. The Governor's Office of Planning and Research is in the process of preparing new CEQA Guidelines to implement SB 743.
5. **Sustainability** – Various elements in Community Vision 2040 incorporate goals and policies related to air quality and greenhouse gas emissions targets set by AB 32, SB 375 and the Bay Area Air Quality Management District (BAAQMD). The Land Use and Community Design element focuses future growth along major transportation corridors consistent with past practice and SB 375. The focus on multi-modal transportation and complete streets in the Mobility element is consistent with past practice and recent State and regional regulations and guidance. Community Vision 2040 is also compliant with AB 162 with requirements for ground water recharge and storm water management among other matters related to water supply.

The Sustainability Element has been updated to comply with regional requirements and to reflect the City's current policies. In particular, three strategies have been identified to implement Principles of Sustainability. Strategies include the adoption and maintenance of a Climate Action Plan (CAP) to attain reduction targets consistent with state law and regional requirements, periodic reporting on and review of the effectiveness measures in the CAP, including assessment of lifecycle costs and preparation of a climate vulnerability assessment to safeguard human health and safety and community assets. Preparation of the CAP implementing these strategies is underway and will be presented to the City Council, tentatively, on December 16th, 2014.

6. **Housing Element** – recent changes in Housing Element law have been incorporated in addition to the 2014-2022 Regional Housing Needs Allocation (RHNA) for the City. This section is discussed in greater detail later in this report.

Community Ideas and Best Practices

1. **Community Benefit** – The idea was first discussed by a community member and the Council was interested in exploring the possibility. The concept includes allowing additional specified heights in certain location if community benefits are provided as part of a project. The concept is discussed later in this report.
2. **Walking and biking to schools, parks and shopping** – This idea was discussed by several community members in public workshops and is consistent with SB 375, AB 32 and Complete Streets and best practices.
3. **Design of mixed-use projects** – A “mixed-use village” concept is recommended for mixed-use projects that include residential development. The concept was developed from Council, Planning Commission and public input and best practices regarding mixed-use projects. These include provision of viable retail, gathering places, pedestrian-oriented architecture and streetscape improvements, improving connectivity and neighborhood buffers. A similar but limited discussion is provided for “neighborhood center” redevelopment.
4. **Vallco Shopping District** –Public input from workshops regarding the transformation of the Vallco Shopping District into an active community gathering place and regional destination have been included. A detailed discussion is provided later in this report.
5. **Calculation of residential density** – The City Council and a member of the public requested changing calculation from density of the gross lot area (which includes portions of adjacent streets) to density of the net lot area (which does not include adjacent streets, driveway and drainage easements, etc.). This change has been made to the Zoning Ordinance. The density and residential yield of Housing Element sites reflects this change.

Balanced Plan and Planning Commission Recommendations

Development Allocation

Community Vision 2040 is a 25-year plan for the City’s future that considers community goals for active gathering places, health, sustainability, economic development and fiscal reliance, as well as regional requirements and mandates, while balancing residents’ need for minimizing traffic, air quality, and other environmental impacts.

As noted earlier, the Planning Commission had recommendations that were different from the Balanced Plan. Maps to reflect the development allocations, heights and densities in the Balanced Plan and the Planning Commission recommendation have been attached as Attachments N & O. The Commission’s recommendations in each category are provided in the discussion below.

- **Economic and Fiscal** – the City’s goal for the next 25 years is to ensure that companies and businesses thrive and new businesses are attracted to the City and that property owners have incentives to maintain and enhance property. The City Council recognized this when they authorized the increase in development allocation as part of the General Plan process. Maintaining an adequate allocation for development will help revenues grow so that the City can continue to provide excellent community services. A Market Study was conducted to see the realistic economic demand for various uses through 2035 (Attachment P). It notes that existing

commercial space in the City's General Plan Allocation pool is adequate to meet the high end of demand through 2035 and indicates market support for an additional 3.6 million net square feet for office space, 985 net hotel rooms and 4,420 residential units for the same period (close to Alternative C).

- Office – Since the 2005 General Plan was adopted, the City has drawn down about 525,000 square feet through Apple and Main Street and other office development in the City, and currently only has a balance of 17,113 square feet remaining in city-wide office allocation. To account for redevelopment at the Vallco Shopping District and new office development for the next 25 years, an increase of 2,000,000 square feet is proposed (consistent with Alternative B). In the Balanced Plan, office allocation is balanced with other land uses to reduce environmental impacts while recognizing the City's economic and fiscal goals.

Request from a potential applicant and consultant response – On October 13, 2014, the City received a letter from a potential developer of the Vallco Shopping District generally stating that the costs of assembling the site, providing a minimum of 600,000 square feet of retail in a high quality mixed-use “Town Center” envisioned for the area, community benefits and off-site infrastructure costs, would require at least 2,000,000 square feet, or 1,000,000 square feet more than was recommended in the Balanced Plan (see Attachment CC). The City's retail consultant reviewed the request and noted that given the high cost of site assembly and construction, an office allocation of up to 2,000,000 could potentially be necessary to make the project economically viable. However, it could not be verified without a proforma review.

Planning Commission Recommendation – The Planning Commission felt that the regional growth in jobs and lack of housing had exacerbated traffic conditions. In addition, by approving the Apple Campus 2, the City had added to this growth. Therefore, the City should only add 500,000 square feet of additional office growth above the 2005 General Plan for the next 25 year horizon. They also recommended moving the office allocation in the “Major Company” category (about 523,000 square feet) into the city-wide allocation pool.

- Hotel – Since the 2005 General Plan was adopted, the City has drawn down 303 hotel rooms from the allocation leaving 339 rooms at time of project initiation. Hotels bring in considerable revenue, which will help realize community goals of economic and fiscal stability. Consistent with the Market Study, the recommendation is to add 1,000 more hotel rooms to the allocation. This is also consistent with Alternative C.

Planning Commission Recommendation – The Planning Commission felt that hotel rooms generated revenue, and were beneficial to nearby businesses and necessary to serve existing and planned office in the City. The Commission, therefore, recommended adding 1,000 hotel rooms consistent with the Balanced Plan and Alternative C.

- Residential – The State-mandated RHNA requirement is 1,064 units with about 1,400 recommended by the Housing consultant after consulting with the HCD. Subtracting 1,400 units from the remaining allocation of 1,895 units leaves 495 units through 2040, which will not be enough to meet RHNA targets for the two additional housing element cycles through 2040 per Plan Bay Area. Alternative A, which is consistent with the 2005 General Plan, and

Alternative B, which only meets 75% of the Plan Bay Area targets, do not achieve the regional target. However Alternative C meets 100% of the targets set by Plan Bay Area. To ensure that the City is consistent with these regional targets, the recommendation is to increase the residential development allocation by 2,526 units (to 4,461 units which includes the 1,400 required for 2014-2022 cycle). The residential development allocation is a City legislative policy aimed at promoting the public welfare which tracks growth by monitoring permits. It cannot restrict growth in such a way as to conflict with State housing element requirements or regional needs. However, the Balanced Plan recommends strategies for managing the amount and form of housing growth as follows:

- Selecting Housing Element sites for up to 1,400 units to meet the demand for the 2014-2022 RHNA period.
- Revising the General Plan so that on sites with a mixed-use residential designation, residential is a permitted use only on Housing Element sites. Conditional use permits will be required on mixed-use Housing Element sites that propose units above the allocation in the Housing Element, and on Non-Housing Element mixed-use sites. Related changes will have to be made to the Municipal Code, Specific Plans and Conceptual Plans.
- Form - The General Plan includes a “mixed-use village” strategy so that mixed-use residential sites provide substantial and viable retail, and also create a livable environment for residents, shoppers and workers on and around the site.

Planning Commission Recommendation - The Commission discussed the relevance of residential allocations, when densities were already noted in the General Plan and Zoning Ordinances. There was additional discussion about whether the number could be perceived as a growth control measure and whether a number, if any, should be generally consistent with Plan Bay Area (the region’s Sustainable Communities Strategy and Regional Transportation Plan). Ultimately, the Commission decided that the residential allocation number should be removed and that the Housing Element, lot densities and policies were sufficient to guide residential development in the City.

Comments - While the City is not required by State Law to have a residential allocation in the General Plan, the City’s environmental consultants recommend retaining the allocation system for environmental review purposes. Removing the allocation would require additional CEQA analysis on the maximum capacity of residential development in the City, which would require additional time and budget. An allocation of 4,421 units is recommended to be consistent with Plan Bay Area estimates for the 25-year horizon through 2040 and to prevent an impression of growth restriction.

Table 1 below is a comparison of the Planning Commission recommendation, the Balanced Plan and alternatives studied in the EIR. The numbers in the General Plan differ from the numbers reflected in Table 1 because there have been minor changes to the allocation balances since project initiation. These changes include allocation granted to projects approved and allocation returned to the pool due to projects expiring.

Table 1 - Development Allocation Per Alternative (through 2040)

Use	Built/ Approved	No Project/ 2005 General Plan	Alt. A	PC Rec.	Alt. B	Balanced Plan	Alt. C
Office (sf)	8,929,775	540,231	1,040,231	1,040,231	2,540,231	2,540,231	4,040,231
Net Increase		0	500,000 ¹	500,000 ²	2,000,000 ¹	2,000,000 ¹	3,500,000 ¹
Commercial (sf)	3,729,569	701,413	701,413	701,413 ³	701,413 ³	701,413 ³	701,413 ³
Net increase		0	0	0	0	0	0
Hotel (rooms)	1,090	339	600	1,339	839	1,339	1,339
Net Increase		0	261	1,000	500	1,000	1,000
Residential (units)	21,339	1,895	1,895	Eliminate	3,316 ⁴	4,421 ⁴	4,421 ⁴
Net Increase		0	0	N/A	1,421	2,526	2,526

Notes: 1. Office – includes Major Company allocation of 523,118 sf.
 2. Office sf. in Planning Commission recommendation does not retain a Major Company allocation pool.
 3. Commercial - assumes that the existing Vallco Mall square footage (1,267,601 sf) will be demolished and 600,000 sf min. will be built at site, with the remaining (625,335 sf) moved to the City-wide pool.
 The EIR conservatively analyzed 1,343,679 sf of commercial square footage due to the demolition and reconstruction of the Vallco Mall square footage.
 4. Residential - includes the 1,400 units recommended for the 2014-2022 Housing Element.

Key Question 1: Development Allocation

1. What should the City plan for in terms of Development Allocation for office, commercial, hotel and residential units through 2040?

Community Benefits Program

As the City’s resident and worker population increases, additional amenities will be necessary to maintain and the livability of the community. The Community Benefit Program is one of the key tools to help finance and achieve those amenities that maintain and increase the community’s quality of life. The Program enables the community to get amenities in return for allowing additional specified heights within specified areas in the City. It also provides certainty as to what those additional heights might be and where they can be placed. It requires a Development Agreement, which means that the applicant may propose benefits and amenities to which the City may agree with. Key elements of the program include:

1. The proposed level of benefit is equivalent to at least 15% of the project profits attributed to the increase in height (decided through preparation of a project proforma).
2. Projects must provide a ground floor retail component; and one or more of the following benefits:
 - a. Transportation and Mobility Improvements (bike, pedestrian facilities, participation in a community shuttle program, etc.)
 - b. Public Facilities (land or space).
 - c. Senior Housing- 15% of housing that is not already targeted towards seniors.
 - d. Public Art and Cultural Facilities (new or expansion to museum, teen center, etc.)
 - e. Parks and Open Space (land/improvements within project or off-site)

In lieu of the benefits outlined in Item 2, a “Cash-in-Lieu Contribution” may be made to the City for purchase of land, capital improvements or operations related to items a, b, d, e, and towards the construction of affordable housing.

An edit has been made to the Community Benefits program. The proposed level of benefit was to be “equivalent to at least 15% of the project valuation attributed to the increase in height” earlier but has been changed to “equivalent to at least 15% of the project profits attributed to the increase in height.”

Planning Commission Recommendation – The Commission was split on the issue of community benefits. Some felt that the typical negotiation process used in most communities could potentially result in difficult situations at the project level, while others felt that the process could be improved if there was public involvement in the process. Some felt that community benefits could provide public amenities that would not otherwise have been obtained through a regular permit process. One commissioner felt that the developer should not have the option of paying the “in-lieu” cash payment and should be obligated to provide community benefits. Ultimately, the Commission decided not to recommend the Community Benefits Program and recommended eliminating all policies and strategies associated with Community Benefits from Community Vision 2040.

Key Question 2: Community Benefits

1. Should Cupertino have a Community Benefits Program?
2. If yes, does the should there be any revisions to:
 - a. Value of the community benefits?
 - b. Specific program items – retail requirement or other items?

Heights

Community Vision 2040 envisions keeping heights and development standards in most of the City consistent with those in the 2005 General Plan. However, recognizing that the City needs to achieve regional housing goals, economic reliance and fiscal goals, while ensuring that adequate sites are reserved for future housing element cycles, the Balanced Plan recommends targeted growth in certain gateways and nodes. Additionally, in order to achieve sustainability and connectivity principles, the plan recommends focusing growth in major transportation corridors.

A visual preference survey was conducted at Community-wide Workshop #2, which was attended by 59 participants. The purpose of the visual preference survey was to collect information from the community on urban design concepts related to streetscapes, mobility enhancements, parks and plazas, buildings (including heights), and land uses (including residential densities). The visual preference survey was also provided in an online format and received 78 individual responses (137 participants total). The results of the visual preference survey indicated a wide range of opinions ranging from no/controlled growth to some tolerance for growth along the major corridors targeted in the study. The majority of workshop and online participants (65 percent or more) preferred either mid-rise office or mixed use buildings (2-6 stories) or low rise commercial buildings (1-2 stories), and a mid-rise commercial district on the Vallco site (2-6 stories). Through the outreach

process, community feedback indicated that a certain level of comfort existed with taller heights in certain areas in the City.

Heights in the Balanced Plan are generally lower than those studied in Alternative B. Additionally, consistent with the practice in the 2005 General Plan for the Vallco area, heights above the base height in key gateways and nodes require retail on the ground floor. Additional heights above that are specified in three nodes – N. De Anza Gateway (Cupertino Inn), N. Vallco Gateway West (Kimco and hotel area near Hwy 280), and the Vallco area (Vallco Shopping District to the east of Wolfe Road and South Vallco - north of Vallco Parkway) with the provision of community benefits. In addition, the recommendation is to keep the Building Planes along all arterials at 1:1. Currently, the only area not consistent with this is in the South and North Vallco areas along Homestead Road and Stevens Creek Boulevard. The recommendation will keep a consistent building streetscape along the street. No changes are recommended to the 35-foot setback in the Heart of the City Special Area.

Table 2 below provides a comparison of heights in Special Areas only where they are recommended to be changed. Densities are discussed in the Housing Element sites discussion.

Table 2- Heights & Densities In Special Areas Per Alternative						
Planning Area	Existing GP	Alt A	PC Rec.	Balanced Plan	Alt B	Alt C
Heart of the City Special Area						
Oaks Gateway	- 45 ft. - 25 du/ac - 30 ft. for Glenbrook	No change	No change	Same as Alternative B	- 45 ft.; or 60 ft. with retail - 25 du/ac - 35 du/ac if HE site	- 60 ft.; or 75 ft. with retail - 25 du/ac - 35 du/ac if HE site
Glenbrooks site	- 30 ft. - 20 du/ac	No change	- 45 ft. - See HE topic for density	No change	No change	No change
North Crossroads Node	- 45 ft. - 25 du/ac	No change	Same as Balanced Plan	- 45 ft.; or 60 ft. with retail - 25 du/ac - 35 du/ac if HE site	- 45 ft.; or 60 ft. with retail - 35 du/ac	- 60 ft.; or 75 ft. with retail - 40 du/ac
City Center	- 45 ft. - 25 du/ac	No change	No change	Same as Alternative B	- 60 ft.; or 75 ft. with retail; or 90 ft. with community benefits on specific sites - 25 du/ac	- 75 ft.; or 90 ft. with retail; or 110 ft. with community benefits on specific sites - 25 du/ac
South Vallco Park	- 45 ft.; or 60 ft. with retail - 35 du/ac	No change	No change	No change	- 60 ft.; or 75 ft. with retail; or 110 ft. with community benefits - 35 du/ac	- 75 ft. or 90 ft. with retail; or 160 ft. with community benefits - 35 du/ac

Table 2- Heights & Densities In Special Areas Per Alternative

Planning Area	Existing GP	Alt A	PC Rec.	Balanced Plan	Alt B	Alt C
Vallco Shopping District Special Area						
East of Wolfe Road	- 45 ft.; or 60 ft. with retail - 35 du/ac	No change	- 60 ft.; or 75 ft. with retail - 35 du/ac	- 60 ft.; or 75 ft. with retail; or 90 ft. with community benefits - 35 du/ac	- 60 ft.; or 75 ft. with retail; or 110 ft. with community benefits - 35 du/ac	- 75 ft.; or 90 ft. with retail; or 160 ft. with community benefits - 35 du/ac
West of Wolfe Road	- 45 ft.; or 60 ft. with retail - 35 du/ac	No change	No change	- 45 ft.; or 60 ft. with retail; or 75 ft. with community benefits for a 200 ft. depth along the Wolfe Rd prop. line and set back 200 ft. from Stevens Creek Blvd prop. line - 35 du/ac	- 45 ft.; or 60 ft. with retail; or 75 ft. with community benefits along Stevens Creek and Wolfe - 35 du/ac	- 60 ft.; or 75 ft. with retail; or 85 ft. with community benefits along Stevens Creek and Wolfe - 35 du/ac
N. De Anza Blvd Special Area	- 45 ft. - 25 du/ac	No change	Same as Alternative B	Same as Alternative B	- 60 ft. - 25 du/ac	- 75 ft. - 25 du/ac
Homestead Special Area						
North De Anza Gateway (Cupertino Inn)	- 45 ft. - 35 du/ac	No change	- 45 ft.; or 60 ft. with retail; or 90 ft. for a hotel and 500-person convention center - 35 du/ac	- 45 ft.; or 60 ft. with retail; or 90 ft. for hotel and major convention center with community benefits - 35 du/ac	- 60 ft.; or 75 ft. with retail; or 95 ft. with community benefits - 35 du/ac	- 60 ft.; or 75 ft. with retail; or 145 ft. with community benefits - 35 du/ac
Stelling Gateway (east of Stelling)	- 45 ft. - 35 du/ac	No change	No change	Same as Alternative B	- 45 ft.; or 60 ft. with retail - 35 du/ac	- 45 ft.; or 60 ft. with retail - 35 du/ac
North Vallco Park Special Area						
N. Vallco Gateway (west of Wolfe Rd.)	- 60 ft. - 25 du/ac	No change	No change	- 60 ft.; or 90 ft. for a 200 ft. depth along Wolfe Rd prop line for hotel & major convention center with community benefits - 25 du/ac	- 60 ft.; or 75 ft. with retail; or 95 ft. with community benefits - 25 du/ac	- 60 ft.; or 75 ft. with retail; or 145 ft. with community benefits - 25 du/ac

Table 2- Heights & Densities In Special Areas Per Alternative

Planning Area	Existing GP	Alt A	PC Rec.	Balanced Plan	Alt B	Alt C
North Vallco Park Special Area (contd.)						
N. Vallco Gateway (east of Wolfe Rd. – Hamptons site)	– 60 ft. – 25 du/ac	No change	Same as Balanced Plan – 99 du/ac if HE site	– 75 ft.; 60 ft. for buildings within 50 ft. of prop. lines abutting Wolfe Rd, Pruneridge Ave & Apple Campus 2 site. – 25 du/ac – 65 du/ac if HE site	– 60 ft.; or 75 ft. with retail; or 95 ft. with community benefits – 65 du/ac	– 60 ft.; or 75 ft. with retail; or 145 ft. with community benefits – 110 du/ac
South De Anza Boulevard Special Area	Two parts: S. De Anza Blvd – 30 ft. – 25 du/ac S. Sunnyvale-Saratoga – 30 ft. – 15 du/ac.	Merge into one area for South De Anza Boulevard – 30 ft. – 25 du/ac	Same as Balanced Plan (see HE for density for HE site)	Same as Alternative A	Same as Alternative A	Same as Alternative A
Summerwinds HE Site	– 30 ft. – 5-15 du/ac	– 30 ft. – 25 du/ac	– 45 ft. (see HE for density)	No change	Same as Alternative A	Same as Alternative A
Building planes along arterials	1:1 along all arterials 1:1.5 (S. Vallco along Stevens Creek Blvd & N. Vallco along Homestead Rd.)	No change	Same as Balanced Plan	Same as Alternative B	1:1 along all arterials (No change to Heart of the City landscape easement setback of 35 ft.)	Same as Alternative B

Planning Commission Recommendation – The Planning Commission recommended changes in the North Crossroads Node, North De Anza Special Area, Vallco Shopping District (E. of Wolfe Road), North De Anza Gateway (Cupertino Inn), and at the Hamptons, Glenbrooks Apartments and Summerwinds/Granite Rock sites. Details are provided in the table above.

Key Question 5: Building Heights

1. What should building heights be in the Special Areas?

Vallco Shopping District

The Vallco Shopping Center has always been envisioned as a regional shopping destination and a key revenue generator for Cupertino. The mall, which was originally constructed between 1974 and

1979 functioned as a regional shopping destination and a source of revenue for the City. As discussed in the Retail Strategy Report (Attachment Q), the emptying of the mall continued from the 1990's into the mid 2000's. Due to reasons including the fractured property ownership, operating restrictions easement agreements, and the competitive nature of regional mall operation, leasing, and management, Vallco Mall was unable to compete with the larger and more sophisticated operators of Stanford and Valley Fair. Incomplete development, defaults from prior ownerships, prolonged and unrealized redevelopment plans, management changes, and other setbacks have exacerbated the situation.

To solicit community input and ideas about the future of the Vallco Shopping Mall site, the City developed an interactive mapping exercise that allowed participants to create future designs for the area. A total of 24 groups developed a plan for the future of the Vallco Shopping District during four workshops and meetings (Community-wide Workshop #2, a Neighborhood meeting, a Chamber of Commerce meeting, and a Neighborhood Block Leaders meeting). In addition, an online survey included the Vallco mapping exercise, which was completed by 78 people. Throughout the outreach process, there was a consistent message from the community - to make Vallco a shopping, entertainment and dining destination and gathering place. Ideas for the area ranged from a re-tenanting and façade improvement program to re-imagining the site as a mixed-use pedestrian-oriented "town center-style" project.

The "re-tenanting with minimal change" option was preferred by neighborhood groups near the shopping center due to concerns related to height and traffic impacts. However, a majority of groups (15 of the 24) at the workshops felt that it would be acceptable to add a mix of uses, including residential, hotel and office in the shopping district. In addition, a majority of the individual responses (50% or higher) from the online survey indicated a desire to add a mixed of residential, hotel and office uses in the shopping district so long as they were away from existing residential neighborhoods (e.g., on areas of the Vallco site closer to Interstate 280). Overall, the majority of participants (workshops and online) wanted parks, plazas, art exhibits in attractive outdoor areas, and pedestrian, bicycle, transit, traffic and safety improvements to the area given the potential increase in traffic to the area.

At the November 20, 2014 community workshop hosted by the City, the majority of residents expressed concern related to traffic and school impacts on the east side of the City. They felt that the area has had a lot of new development with the Main Street project, the adjacent Rosebowl (Nineteen 800) apartment complex and the Apple Campus on the north side. The majority wanted to leave Vallco as a retail shopping center. Others commented that any redevelopment on the site should be delayed until the Main Street and Apple Campus were in place.

The Retail Strategy outlined options for the Vallco Shopping Center including re-imagining the site as a "downtown" or "town center" with a mix of retail, hotel, office and residential uses. The other option included reducing and relocating the retail portion to the west side and opening the east side up to redevelopment with office, hotel and residential uses. The City has two basic options for the Vallco Shopping District with a variety of options in between.

1. **Keep Existing General Plan Land Use and Zoning** – The 2005 General Plan encourages redevelopment as a mixed-use site with residential and retail uses. However, the zoning, which is a combination of General Commercial (CG) and Planned Regional Shopping does not currently allow residential or office uses. As discussed in the Retail Strategy Report, retail rents alone will not attract the kind of investment needed to adapt the center to the changing needs of today’s retail environment. Therefore, without the introduction of other more profitable uses, such as office or residential, the center will most likely continue to deteriorate. The City’s goals of economic and fiscal stability and providing a cohesive and vibrant, shopping, dining and entertainment destination are not likely to be met.
2. **Revising the General Plan Land Use to add office use and Zoning to add office and residential use** – the inclusion of office and residential uses along with a substantial retail/entertainment component would help to create a vibrant, high-quality, community gathering place, and entertainment and lifestyle shopping destination. However, partial redevelopment has not been successful in the past. Therefore, a successful development strategy for the site will have to include: complete redevelopment of the site, a Master Developer, and adoption of a Specific Plan with phasing and infrastructure improvements, and a “Town Center” format. Based on the Retail Strategy Report, a successful mix of uses would include 500,000-600,000 square feet of retail with a mix of residential, hotel and up to 2,000,000 square feet of office use.

The Draft General Plan (Community Vision 2040) recommends a minimum of 600,000 square feet of retail (30% of which can be entertainment use), 600 units, 375 hotel rooms and about 1,000,000 square feet of office space for the Vallco Shopping District (as noted earlier, the Retail consultant acknowledges that up to 2,000,000 square feet of office could be necessary to acquire and develop the site). Consistent with community feedback in the workshops, it recommends retaining current height limits on the portion of the site west of Wolfe Road, mid-range building heights closer to the freeway and away from neighborhoods, retention of trees along the perimeter, and neighborhood buffers in the form of setbacks and landscaping. Additionally, in order to address neighborhood concerns, the proposed Community Vision 2040 requires a Specific Plan for the area which will allow a robust community participation process prior to approval of a development project. This would allow the City to achieve community goals for a shopping and dining destination, economic and fiscal goals, and a portion of the City’s Housing Element requirement, while addressing neighborhood concerns related to development.

Planning Commission recommendation – The Planning Commission agreed that Vallco Shopping District could be developed as a regional shopping destination with a mix of retail, entertainment, residential, office and hotel uses. However, they felt that a Specific Plan process with public input should be required before the final development allocations and uses on the site were approved. They liked the “Town Center” concept. They recommended the following changes to the policies in the proposed General Plan related to the Vallco Shopping District:

- Remove minimum and maximum allocations; and
- Include a mix of major retail with entertainment, residential, office, and a five-star hotel with a major convention center.

Key Question 4: Vallco Shopping District

Should the Vallco Shopping District continue to be envisioned as “town-center” with a mix of retail/entertainment, residential and office use in the General Plan?

Other Revisions to the Land Use Designations

The following other changes are being recommended related to Land Use designations

- PG&E site (Homestead Road east of Blaney Avenue) – The General Plan Land Use designation is recommended to be amended from Quasi-public/Institutional to Commercial/Quasi-Public/Institutional. While PG&E does not currently anticipate any changes to their current operations, they are not opposed to the change as long as it allows them to continue the use at the current site. The revised designation would allow PG&E to continue the use at the site, while allowing a future commercial opportunity, if PG&E chooses to sell it in the future.
- Mirapath (Blaney Avenue) – As requested by the applicant and property owners, the General Plan Land Use designation on this site has been revised from Industrial to Commercial/Industrial. The amendment is being requested since the site is small and can't incorporate industrial uses successfully. The amendment will allow the site to be used for commercial office and continue to allow light manufacturing uses.
- Other Minor changes: Revisions to sites to ensure that the General Plan Land Use designations and zoning are consistent.

Planning Commission Recommendation – Planning Commission recommended approval of these changes.

Housing Element

Context

In accordance with State law, General Plans in California cities must contain a Housing Element. For the current cycle, the updated Housing Element must be adopted by January 31, 2015 (plus a 120-day grace period). If this adoption deadline is met, the planning period for this cycle extends from adoption to January 31, 2023 (or eight years). Otherwise, the City must update the Housing Element again in 2019 (every four years).

Housing Element Content Requirements

The Housing Element is the City's primary policy document regarding the development, rehabilitation, and preservation of housing for all economic segments of the population. Per State Housing Element law, the Housing Element must be periodically updated to:

- Examine the local need for housing with a focus on special needs populations (Needs Assessment)
- Analyze potential constraints to new housing production (Constraints Analysis)
- Describe goals, policies and implementation programs to achieve local housing objectives (Housing Plan)
- Outline the community's housing production objectives consistent with State and regional growth projections per the Regional Housing Needs Allocation (RHNA) and identify

adequate sites for the production of housing serving various income levels (Housing Resources)

- Evaluate the Housing Element for consistency with other General Plan elements (Consistency with General Plan)
- Evaluate accomplishments in implementing programs in the previously adopted 2007-2014 Housing Element, and evaluate the effectiveness and appropriateness of continuing these programs in the 2014-2022 Housing Element (Review of Previous Housing Element)

A detailed discussion of these topics is provided in Attachment R – Housing Commission staff report dated August 28, 2014

Housing Resources & Regional Housing Needs Allocation (RHNA)

One of the primary requirements of State Housing Element law pertains to the Regional Housing Needs Allocation (RHNA). The City of Cupertino's RHNA allocation is 1,064 new housing units between 2014 and 2022. The City can take credit for a total of 62 units (30 units approved and 32 second units anticipated). As a result, the City has to identify sites for the construction of the balance or 1,002 units. HCD typically requires jurisdictions to provide a moderate surplus of units in case sites are not developed, or are developed at densities lower than those expected in the Housing Element. This is more so the case, when a good portion of a jurisdiction's sites are in mixed-use zones that could be developed without residential uses or on developed sites. In the past, three of the 2007-2014 Housing Element sites were developed with non-residential uses (portion of Apple Campus 2, Kiddie Academy, and Saich Way Station). Based on past discussions with HCD and experience with Housing Elements for other jurisdictions, and since the majority of the City's sites are in mixed-use zones (approximately 68%), the City's consultant recommends an additional 25-40 percent above the City's remaining housing need or a total of 1,250-1,400 units.

Draft 2014-2022 Housing Element

The Draft 2014-2022 Housing Element (see Attachment C) draws strongly from the 2007-2014 Housing Element (see Attachment S). The input received after several community meetings (including stakeholder interviews in 2013, three community workshops/open houses, and four study sessions—outlined in more detail below under Public Noticing and Outreach), very closely reflects the input received during preparation of the previous Housing Element. As a result, the draft 2014-2022 Housing Plan reflects minimal changes from the 2007-2014 Housing Plan. A number of changes are recommended (most are for compliance with State and regional requirements). A detailed discussion of these is provided in the Housing Commission and Planning Commission staff reports (Attachments I and R). Items that may be of particular interest include:

- Programs have been revised to ensure that the 2014-2022 Housing Element complies with State law. Specifically, programs were added to reflect amendments to the zoning ordinance related to density bonuses, emergency shelters, and farmworker and employee housing to comply with State law and to amend the Heart of the City Specific Plan to revise the method in which residential density is calculated in mixed-use developments;
- **Housing Mitigation Program:** The City's affordable housing program—the Housing Mitigation Program—has been amended to comply with recent litigation. A 2009 court-case (Palmer vs.

the City of Los Angeles) has resulted in cities suspending or amending the portion of their Housing Mitigation program requiring affordable units to be included in market-rate rental developments.

- **Housing Preservation Program:** The existing Rental Preservation Program has been amended to provide mitigation for impacts on displaced tenants in developments with four or more units.

Housing Sites

The Housing Commission, Planning Commission, and City Council have conducted multiple study sessions and community workshops to review potential housing sites to meet the RHNA. On April 1, 2014, the City Council authorized staff to prepare environmental review for three alternatives (A, B and C) for a maximum of nineteen (19) sites based on the criteria outlined below. On August 28, 2014, the Housing Commission recommended adoption of the Draft 2014-2022 Housing Element and the Low-High priority listing for the sites.

HCD Criteria for Site Selection

HCD reviews each Housing Element's sites inventory to determine if adequate sites have been identified to meet the RHNA. Preparation of a "site suitability analysis" is an important step in addressing the adequate sites requirement. This analysis must demonstrate that identified sites can accommodate the housing needs—by income level—within the current planning period of the element (2014-2022). The criteria are listed below and discussed in detail in Attachment R – Housing Commission staff report dated August 28, 2014. Criteria include:

- Existing Use on the Site
- Realistic Potential for Recycling
- Site Size and Ownership Patterns
- Development Density (to meet the minimum affordability criteria of 20 units/ac at 85% of maximum density)

Other Criteria for Site Selection

In addition to the State-wide criteria, Plan Bay Area – the region's Sustainable Communities Strategy (discussed earlier) contributes additional criteria regarding what makes a desirable housing site in the ABAG region. The City's General Plan policies are generally consistent with the strategies in the Plan. In addition, criteria, consistent with the City's 2005 General Plan, have also been identified in order to ensure functional and attractive development occurs on the sites selected. Key themes include:

- Locate development along major transportation routes with access to transit or within ½ mile of a VTA Priority Development Area (PDA).
- Locate higher density housing in closer proximity to employment and activity centers
- Corner lot(s) with large frontage preferred – such parcels provide the most flexibility to accommodate mixed-use developments and avoid impeding parking and connectivity between mid-block parcels
- Incentive for redevelopment – Sites with older, under-performing retail shopping centers have also been evaluated as to whether housing or office would be necessary to provide an incentive to improve higher-quality retail.

Housing Element Sites

While all 19 sites have been studied for potential impacts in the EIR, 18 sites were available for selection for the Planning Commission. This is because the largest property owner, Valley Church, associated with Site 17 (IntraHealth/ Office/Tennis Courts) sent the City a letter expressing their desire to not be included in the Housing Sites Inventory shortly after the City authorized study of the 19 sites. The remaining sites were prioritized by how well they meet the criteria outlined above.

After the Planning Commission meetings in October 2014, the City received letters, from the property owner for two parcels, which comprise the bulk, of Site 19 (Cypress Building/Hall property), the property trustee for China Dance, which constitutes a small portion of EIR Site 1 (Shan Restaurant, Q-Mart and China Dance) and the property owner of Arya Restaurant, representing approximately 40% of EIR Site 2, requesting removal of their parcels from consideration for the Housing Element. Staff recommends removal of Site 19 from the Housing Element Priority List due to the reduced size of the resulting parcels; recommends reducing the size of Site 1 by eliminating the China Dance parcel since the size of the resulting site is not greatly reduced. EIR Site 2 was already recommended for Removal in the Balanced Plan (see Priority No. 15 below) and is also not part of the Planning Commission’s recommendation (see Table 4.)

Table 3 below shows the Recommended (High priority) and alternate Housing Element (Moderate and Low-Moderate priority) sites listed in the Balance Plan. Sites that score low in meeting the criteria are recommended to be removed from the Alternate Housing Sites list. A detailed table of all sites is provided in Attachment T. It should be noted that the density of the sites in Alternative A, even if all of them were included, does not meet the upper end of the 25-40% surplus (1,250-1,400 units) recommended to meet the remaining RHNA. The densities recommended in the Balanced Plan are based on the following goals:

- Provide densities for existing sites that allow enough of an incentive to assume that the sites would be developed in the 2014-2022 period (HCD criterion).
- Meet affordability HCD criterion (minimum 20 du/ac at 85% of maximum density; ~ 25 du/ac).
- Ensure that there are enough sites for future housing elements.

TABLE 3						
Priority No.	Site Name Existing Zoning	Priority (meets criteria)	Density & Capacity at 85% & 100% & Proposed Zoning			
			Alternative A	Balanced Plan	Alternative B	Alternative C
Recommended Housing Element Sites						
1.	The Oaks P(CG)	High	25 du/ac 0 du No change	35 du/ac 235 du @ 85% 276 du @ 100% Same as Alt B	35 du/ac 235 du @ 85% 276 du @ 100% P(CG, Res)	35 du/ac 235 du @ 85% 276 du @ 100% Same as Alt B
2.	Vallco Shopping District (west) P(CG), P(Regional Shopping)	High	35 du/ac 0 du P(Regional Shopping)	35 du/ac 600 du 1,179 du @ 100% Same as Alt B	35 du/ac 600 du 1,179 du @ 100% P(Regional Shopping, MP, Res)	35 du/ac 800 du 1,179 du @ 100% Same as Alt B

Priority No.	Site Name Existing Zoning	Priority (meets criteria)	Density & Capacity at 85% & 100% & Proposed Zoning			
			Alternative A	Balanced Plan	Alternative B	Alternative C
3.	Hamptons 342 du existing P(Res - 70)	High	25 du/ac 0 du Same as Alt B	65 du/ac 344 du add @ 85% 404 du add @ 100% Same as Alt B	65 du/ac 344 du add @ 85% 404 du add @ 100% P(Res)	110 du/ac 820 du add @ 85% 1,026 add @ 100% Same as Alt B
4.	United Furniture + other P(CG, Res)	High	25 du/ac 103 du @ 85% 121 du @ 100% No change	25 du/ac 103 du @ 85% 121 du @ 100% No change	25 du/ac 103 du @ 85% 121 du @ 100% No change	25 du/ac 103 du @ 85% 121 du @ 100% No change
5.	Barry Swenson P(CG, Res)	High	25 du/ac 11 du @ 85% 13 du @ 100% No change	25 du/ac 11 du @ 85% 13 du @ 100% No change	25 du/ac 11 du @ 85% 13 du @ 100% No change	25 du/ac 11 du @ 85% 13 du @ 100% No change
6.	Glenbrooks Apts 517 du existing R3(10-20)	High	20 du/ac** 93 du add @ 85% 109 du add @ 100% No change	20 du/ac** 93 du add @ 85% 109 du add @ 100% No change	20 du/ac** 93 du add @ 85% 109 du add @ 100% No change	20 du/ac** 93 du add @ 85% 109 du add @ 100% No change
Recommended Sites Total at 85%			207 du	1,386 du	1,386 du	2,062 du
Alternate Housing Element Sites						
7.	Marina Plaza P(CG, Res)	Mod.	25 du/ac 145 du @ 85% 171 du @ 85% No change	35 du/ac 204 du @ 85% 240 du @ 100% No change	35 du/ac 204 du @ 85% 240 du @ 100% No change	40 du/ac 232 du @ 85% 274 du @ 100% No change
8.	Stevens Creek Office P(CG, Res)	Mod.	25 du/ac 134 du @ 85% 157 du @ 100% No change	35 du/ac 187 du @ 85% 220 du @ 100% Same as Alt B	35 du/ac 187 du @ 85% 220 du @ 100% P(CG, OP, Res)	40 du/ac 214 du @ 85% 252 du @ 100% Same as Alt B
9.	Cypress @ Finch Ave. P(CG, Res)	Mod.	25 du/ac 105 du @ 85% 124 du @ 100% No change	25 du/ac 105 du @ 85% 124 du @ 100% No change	25 du/ac 105 du @ 85% 124 du @ 100% No change	25 du/ac 105 du @ 85% 124 du @ 100% No change
10.	Loree Center P(CG, Res)	Low-Mod.	25 du/ac 27 du @ 85% 32 du @ 100% No change	25 du/ac 27 du @ 85% 32 du @ 100% No change	25 du/ac 27 du @ 85% 32 du @ 100% No change	25 du/ac 27 du @ 85% 32 du @ 100% No change
11.	Homestead Lanes+ Adj. P(CG)/P(Rec, Ent)	Low-Mod.	35 du/ac 0 No change	35 du/ac 151 du @ 85% 178 du @ 100% Same as Alt B	35 du/ac 151 du @ 85% 178 du @ 100% P(CG, Res)	35 du/ac 151 du @ 85% 178 du @ 100% Same as Alt B
12.	Summerwinds/ Granite Rock/ Jack in the Box P(CG, Res 5-15)	Low-Mod.	25 du/ac 96 du @ 85% 114 du @ 100% P(CG, Res)	25 du/ac 96 du @ 85% 114 du @ 100% Same as Alt A	25 du/ac 96 du @ 85% 114 du @ 100% Same as Alt A	40 du/ac 154 du @ 85% 182 du @ 100% Same as Alt A
13.	Shan and Q Mart** P(CG, Res)	Low-Mod.	25 du/ac 33 du @ 85% 39 du @ 100% No change	25 du/ac 33 du @ 85% 39 du @ 100% No change	25 du/ac 33 du @ 85% 39 du @ 100% No change	25 du/ac 33 du @ 85% 39 du @ 100% No change
Alternate Sites Total at 85%			435 du	698 du	698 du	811 du

Priority No.	Site Name Existing Zoning	Priority (meets criteria)	Density & Capacity at 85% & 100% & Proposed Zoning			
			Alternative A	Balanced Plan	Alternative B	Alternative C
Sites Recommended for Removal						
14.	Villages 468 du existing R3	Low	20 du/ac*** 62 du @ 85% 74 du @ 100% No change	20 du/ac*** 62 du @ 85% 74 du @ 100% No change	20 du/ac*** 62 du @ 85% 74 du @ 100% No change	20 du/ac*** 62 du @ 85% 74 du @ 100% No change
15.	Arya/ Scandinavian P(CG, Res)	Low	25 du/ac 58 du @ 85% 68 du @ 100% No change	25 du/ac 58 du @ 85% 68 du @ 100% No change	25 du/ac 58 du @ 85% 68 du @ 100% No change	25 du/ac 58 du @ 85% 68 du @ 100% No change
16.	Foothill Market @ McClellan P(CG)	Low	15 du/ac*** 0 No change	25 du/ac 27 du @ 85% 32 du @ 100% Same as Alt C	15 du/ac* 0 du No change	25 du/ac 27 du @ 85% 32 du @ 100% P(CG, Res)
17.	Bateh Bros. P(CG)	Low	15 du/ac* 0 du No change	25 du/ac 14 du @ 85% 16 du @ 100% Same as Alt C	15 du/ac* 0 du No change	35 du/ac 19 du @ 85% 23 du @ 100% P(CG, Res)
18.	Carl Berg P(CG, ML, Res)	Low	25 du/ac 169 du @ 85% 199 du @ 100% No change	25 du/ac 169 du @ 85% 199 du @ 100% No change	25 du/ac 169 du @ 85% 199 du @ 100% No change	25 du/ac 169 du @ 85% 199 du @ 100% No change
Removed Sites Total at 85%			231 du	272 du (Remove)	231 du	277 du
Total Units on All Sites			873 du	2,356 du (2,084 du not incl. Low priority)	2,315 du	3,150 du

Planning Commission recommendation - see Table 4 below

TABLE 4 Planning Commission Recommended Housing Element Sites & Alternates				
Priority No.	Site Name Existing Zoning	Priority	Density & Capacity at 85% & 100% & Proposed Zoning ^a	Comments
Recommended Housing Element Sites				
1.	The Oaks P(CG)	High	150 du maximum recommended – results in approximately 19 units/ac	19 units/ac does not meet HCD's affordability criteria. The density may not be adequate to revitalize the site with a large retail component. However, a density of 25 du/ac may allow provision of a retail component. 167 du @ 85% 197 du @ 100%
2.	Hamptons (342 units existing) P(Res)-70	High	748 du add. @ 85% 889 du add. @ 100% 99 du/ac - P(Res)	

TABLE 4 Planning Commission Recommended Housing Element Sites & Alternates

Priority No.	Site Name Existing Zoning	Priority	Density & Capacity at 85% & 100% & Proposed Zoning ^a	Comments
3.	United Furniture + other P(CG, Res)	High	Same as Balanced Plan 25 du/ac 103 du @ 85% 121 du @ 100%	
4.	Barry Swenson P(CG, Res)	High	Same as Balanced Plan 25 du/ac 11 du @ 85% 13 du @ 100%	
5.	Glenbrooks (517 units existing) R3(10-20)	High	28 du/ac (300 additional recommended) 306 du @ 85% 360 du @ 100% Increase building heights from 30 feet to 45 feet	Building an additional 300 units will require tearing down existing units. The increase in density from 20 du/ac to 28 du/ac will likely not be sufficient incentive to do so. The current R3 zoning district allows a maximum density of 20 units/acre for the site. A density of 28 units/acre will require a new zoning district, with increased density and height, and potentially reduced setbacks. <u>See additional staff comment on EIR.</u>
6.	Summerwinds/Granite Rock/Jack in the Box P(CG, Res 5-15)	Low-Mod	25 du/ac 96 du @ 85% 114 du @ 100% Increase building heights from 30 feet to 45 feet P(CG, Res)	
Recommended Sites Total @ 85%			1,408 du	
Alternate Housing Element Sites				
7.	Villages (468 units existing) R3	Mod	Same as Balanced Plan 20 du/ac 62 du add. @ 85% 72 du add. @ 100%	
8.	Marina Plaza P(CG, Res)	Mod	Same as Balanced Plan 35 du/ac 204 du @ 85% 240 du @ 100%	
9.	Carl Berg P(CG, Res)	Low-Mod.	Same as Balanced Plan 25 du/ac 169 du @ 85% 199 du @ 100%	
Alternate Sites Total @ 85%			435 du	

Notes: a. Projects up to 100% of the maximum density may be proposed. Any units above 85% of the maximum density would have to obtain a Conditional Use Permit.

Comments – The Planning Commission recommended 300 units be assigned to the Glenbrook Apartments site and 150 units to the Oaks site. However, upon consultation with the EIR consultant, it has been determined that a maximum of 50 units over and above the maximum units studied in the EIR can be added to the Oaks and Glenbrooks area without triggering additional traffic analysis and environmental review. Based on the Planning Commission recommendation of providing 150 units to the Oaks site, the most that could be added to the Glenbrooks area would be an additional 228 units (max studied in the EIR +50 = 378-150 for Oaks). In addition, the site would need a General Plan designation and zoning change to ensure that the units proposed for the site can be accommodated. The current General Plan designation of Medium Residential (10-20 du/ac) would have to be changed to Medium/High (20-35 du/ac) and a new R3-type zoning district would have to be created to accommodate a higher density and taller heights. This would require additional time and analysis. Therefore, the findings for the Planning Commission recommendation can only support a maximum of 228 units without additional environmental review. This number falls short of the desired Housing Elements sites count by 72 units.

The final list of recommended Housing Element sites will be incorporated in the Draft Housing Element prior to forwarding to the HCD. In addition, the alternative Housing Element sites list will be maintained, in case, one or more of the sites are not approved by HCD after discussions with them. If sites have to be replaced in the Final 2014-2022 Housing Element with sites from the Alternate Housing Element Sites list, any necessary amendments to the General Plan Land Use designations and zoning will be presented with the Final 2014-2022 Housing Element in Spring 2015.

General Plan and Zoning Approach for Housing Element sites

General Plan Land Use Designation – The General Plan Land Use Map will identify the base land use standards recommended in the Balanced Plan. Housing Element sites will have an overlay with the higher densities and height standards on the General Plan Land Use map. The development standards will be effective per the zoning schedule described below. Recommended Housing Element sites that require an amendment to the General Plan Land Use designation include: the Hamptons, and the Oaks (increased densities). Housing Element sites recommended by the Planning Commission that would require an amendment to the General Plan Land Use designation include: Glenbrooks, Summerwinds etc. and Hamptons (increased densities and heights, as previously discussed).

Zoning Map Amendment – The Zoning Map amendments are scheduled to go into effect on the date the Final Housing Element gets adopted. If changes are needed to the Housing Element sites list based on HCD review; revisions to the Zoning Map will be presented concurrent with the adoption of the Final 2014-2022 Housing Element in Spring 2015. Recommended Housing Element sites in the Balanced Plan that would require a zoning change to add residential use include: the Oaks, and Valco Shopping District. The Hamptons will require a rezoning from P(Res)-70 (unclear how this differs from Planned Residential) to P(Res) or Planned Residential. Housing Element sites recommended by the Planning Commission that would require zoning changes include: the Oaks to add residential use, and Glenbrooks, Summerwinds and Hamptons (increased densities).

Key Question 5: Housing Element Sites

1. Approve a list of Housing Element sites and densities to meet RHNA and HCD requirements.
2. Approve a prioritized Alternative Sites List.

SUMMARY OF AMENDMENTS

A summary of General Plan Land Use and Zoning designations and Municipal Code text amendments is provided in Attachment U. The attached resolutions (Attachments B – E) provide additional details on the changes to General Plan Land Use, Zoning designation, the Municipal text and Specific Plan Amendments.

Attachment V is a redlined version of the zoning text amendments. It contains minor edits in Chapter 19.12, Administration, to conform to the California Government Code, and edits to Chapter 19.80, Planned Development (P) Zones to ensure implementation of the Housing Element of the General plan which were not reflected in the Planning Commission resolution but are reflected in Attachment E (Municipal Code Amendment Ordinance).

Attachment W is a redlined version of the Specific Plan Amendments to the Heart of the City Specific Plan to reflect conformance changes.

ENVIRONMENTAL IMPACT REPORT (EIR)

The California Environmental Quality Act (CEQA) requires that all State and local governments consider the physical changes that result as a consequence of projects over which they have discretionary authority. The purpose of the EIR is not to recommend approval or denial of a project but to provide information to be used in the planning and decision-making process. CEQA requires decision makers to balance the benefits of a proposed project against the significant environmental effects, along with other factors. The attached Planning Commission Study Session staff report (Attachment X) and City Council Study Session staff report (Attachment Y) provides a detailed discussion of the EIR. A brief discussion of the issues is provided below.

Proposed Project

Alternative C was identified as the CEQA “project” because it was the alternative with the greatest development potential and therefore, the possibility of the greatest environmental effects. CEQA requires that alternatives to the Proposed Project should avoid or substantially lessen one or more significant impacts of the project. A discussion of Alternative C has been provided earlier.

EIR Alternatives

CEQA requires the analysis of a range of reasonable alternatives to a proposed project that would feasibly attain most of the project's basic objectives and avoid or substantially lessen any of the significant effects of the project. As noted earlier, the following alternatives were studied.

- No Project Alternative - The CEQA-required No Project alternative assumes that the Draft General Plan would not be adopted or implemented and assumes the full implementation (by 2040) of development envisioned under the 2005 General Plan.

- Alternative A – Discussion provided earlier in this report.
- Alternative B – Discussion provided earlier in this report.

Impacts

The following environmental topics are addressed in the EIR. The EIR and the Planning Commission and City Council staff reports on the EIR study sessions discuss the impacts related to the CEQA Project (Alternative C) and the other alternatives in detail. Table 4 below outlines the impact in each environmental topic for the Proposed Project and alternatives.

Topic	Proposed Project (Alternative C)	No Project	Alternative A	Alternative B
Aesthetics	LTS	LTS	LTS	LTS
Air Quality	SU	SU	SU	SU ¹
Biological Resources	LTS/M	LTS/M	LTS/M	LTS/M
Cultural Resources	LTS	LTS	LTS	LTS
Geology, Soils & Mineral Resources	LTS	LTS	LTS	LTS
GHG Emissions	LTS	LTS	LTS	LTS
Hazards & Hazardous Materials	LTS/M	LTS/M	LTS/M	LTS/M
Hydrology & Water Quality	LTS	LTS	LTS	LTS
Land Use & Planning	LTS	LTS	LTS	LTS
Noise	SU	SU	SU	SU
Population & Housing	LTS	LTS	LTS	LTS
Public Services & Recreation	LTS	LTS	LTS	LTS
Transportation & Traffic	SU	SU	SU	SU
Utilities & Infrastructure	LTS/M	LTS/M	LTS/M	LTS/M

Notes: LTS - Less-than-significant impact; LTS/M - Less-than-significant with mitigation; SU - Significant and unavoidable.

1. In Alternative B, one impact (AQ-1) is LTS.

As noted above, the level of impacts in the Proposed Project as well as all three alternatives analyzed show the same level of impacts within each resource category as a whole, but in varying degrees. This is partly due to the fact that the EIR studied impacts of the buildout of the Proposed Project and alternatives over a 25-year period as well as the cumulative regional build-out plans. The results indicate that the difference between the impacts of the various alternatives is not very significant, in the context of the cumulative impacts of regional plans over a 25-year period.

In general, the EIR finds significant and unavoidable impacts to Noise, Air Quality and Transportation and Traffic related to the Proposed Project and alternatives. In some cases, the significant impacts have been determined to be significant and unavoidable because the mitigation measures require approval from a governmental agency other than the City of Cupertino (e.g. Caltrans), are not within the responsibility and jurisdiction of the City, and need approval from the other agencies for implementation. In other cases, a significant impact is unavoidable because the

significant impact would not be fully mitigated even though mitigation measures have been identified and would be implemented.

Draft EIR and Final EIR

The Draft EIR was released on June 18, 2014 and was circulated for 45 days until August 1, 2014. A meeting was held on June 24, 2014 to solicit written comments from the public related to the EIR. Responses to comments received during the 45-day public review period were included in the Responses to comments (RTC) document published as part of the Final EIR on August 28, 2014. The Final EIR comprises of the Draft EIR (Attachment Z), the Response to Comments (RTC) Document (Attachment AA), and the Supplemental Text Revisions Memo dated November 3, 2014 (Attachment BB). The Response to Comments must be made available to all agencies that commented during the public review period of the Draft EIR for at least 10 days before final action is taken per CEQA requirements. The City will meet this obligation since final action on the project will not take place until November 2014.

Comments were also received after the close of the EIR public review period on August 1, 2014. While CEQA does not require that the City respond to the comments received after the close of the public review period, staff has been and will continue to provide responses to these comments. As of November 22, 2014, 64 late comment letters (and attachments) were received. Responses to these have been compiled in a late comment memo (Attachment BB.) The comment letters received during and after the close of the comment period did not concern new or substantially more severe significant impacts, mitigation measures, or project alternatives, or change the findings of the Draft EIR. Comments received after November 22, 2014 will be provided as a desk item for the December 2, 2014 City Council meeting.

The Planning Commission and City Council held EIR study sessions on September 9, 2014 and October 7, 2014, respectively. The study sessions were a forum for questions related to the EIR and no decisions were made. The Environmental Review Committee reviewed the EIR at its meeting on October 2, 2014, determined that it was adequate, and recommended that the City Council certify the Final EIR (Attachment CC).

Balanced Plan

The Development Allocation recommendations in the Balanced Plan are generally between Alternatives B and C. However the recommended heights are similar to or lower than those studied in Alternative B. The Balanced Plan provides a better balance of land uses than the Proposed Project or any of the other alternatives due to the fact that the (office/commercial to residential) balance is better than that in Alternative B, which had the lowest VMT of all of the alternatives studied in the EIR. However, it will continue to have significant avoidable impacts for traffic, air quality and noise even after incorporation of all feasible mitigation measures.

Planning Commission Recommendation – The Planning Commission recommended Certification of an Environmental Impact Report, adoption of Findings and a Statement of Overriding Considerations, and

adoption of Mitigation Measures and a Mitigation Monitoring and Reporting Program, per Planning Commission Resolution (Attachment A).

Findings and Statement of Overriding Considerations

CEQA requires the lead agency to make certain specified findings when it approves a project for which an EIR has been certified that identified one or more significant effects on the environment. Public Resources Code § 21081. CEQA Findings that address approval of the Planning Commission Recommendation, as modified to address feasibility, are Attachment A. Alternate CEQA findings that address approval of the Balanced Plan Project are reflected in Attachment H.

As part of the CEQA findings, CEQA requires the decision-making agency to balance the economic, legal, social, technological or other benefits of a project against its unavoidable risks when determining whether to approve a project. If the specific economic, legal, social, technological or other benefits of the project outweigh the unavoidable adverse environmental effects, those effects may be considered acceptable and the agency may determine that the significant unavoidable impacts are outweighed by the proposed project's benefits. CEQA requires the agency to support, in writing, the specific reasons for considering a project acceptable when significant impacts are not avoided or substantially lessened.

The Balanced Plan (Community Vision 2040) would result in significant unavoidable impacts related to transportation, air quality and noise, even after incorporation of all feasible mitigation measures. However, it would achieve community goals related to a balance of land uses, providing active and vibrant shopping and entertainment destinations, and economic and fiscal stability. In addition, the Plan would help ensure that regional targets for greenhouse gas emissions and housing are met, encourages sustainable planning and practices, and would concentrate growth in major transportation corridors and in employment centers and key Nodes and Gateways, while maintaining community goals of neighborhood preservation and connectivity. These significant unavoidable impacts and project benefits are discussed in the CEQA Findings and Statement of Overriding Considerations (Attachment H).

The Planning Commission recommendation would result in reduced VMT beyond that in Alternative A but slightly lower than the Balanced Plan. However, it would continue to have significant unavoidable impacts related to air quality, traffic and noise, generally between that in Alternative A and the Balanced Plan. It would also not help to achieve the City's economic and fiscal goals since allocations (housing and office) would not be sufficient allow redevelopment of the Vallco Shopping District. These significant and unavoidable impacts and project benefits related to the Planning Commission recommendation are discussed in the CEQA Findings and Statement of Overriding Considerations (Attachment A).

PUBLIC NOTICING AND WORKSHOPS

Noticing for the General Plan and Housing Element project has been extensive, including the following:

- Three postcards sent to every postal address in the City
 - One for General Plan Amendment

- One combined for General Plan Amendment and Housing Element
- One announcing availability of the Draft EIR
- Newspaper notices
- Notices sent to prospective housing element site property owners
- Creation of a project website - notice of website updates and Workshop/meeting reminders e-mailed to about 300 website subscribers
- E-mail list with close to 400 email addresses for interested parties maintained by City staff

The following is a list of public meetings.

- General Plan Amendment Community Workshop #1 – July 18, 2013
- General Plan Amendment Community Workshop #2 – October 23, 2013
- General Plan Amendment Neighborhood Meeting – December 5, 2013
- Chamber of Commerce and Block Leader meetings – January 29, 2014
- Meetings with Study Area property owners/representatives
- Meetings with interested Housing Element site property owners/representatives
- Chamber of Commerce Legislative Action Committee –December 6, 2013 & February 7, 2014
- Commission Meetings, Open Houses, Meetings and Study Sessions
 - City Council Meeting for the initiation of the General Plan amendment project & contract – February 19, 2012 and March 5, 2012
 - City Council Meeting for initiation of the Housing Element project, consultant selection and contract – November 4, 2013
 - Presentation at Teen Commission Meeting – October 2, 2013
 - Presentation at Bike and Ped. Commission Meeting – January 15, 2014
 - Joint Housing Commission and Planning Commission Study Session and Community Workshop for Housing Element sites #1 – January 23, 2014
 - Housing Commission Study Session and Community Workshop for Housing Element sites #2 – February 12, 2014
 - Open Houses #1 and #2 – February 19, 2014 and September 16, 2014
 - Planning Commission Study Session on Housing Sites for Draft EIR – February 19, 2014
 - City Council Study Session on Housing Sites and land use alternatives for environmental review – March 3, 2014
 - Housing Commission meeting on housing policy – March 19, 2014
 - Joint Planning Commission/City Council meeting on housing and draft General Plan policy direction – April 1, 2014
 - Public meeting for EIR – June 24, 2014
 - Housing Commission Meeting – August 28, 2014
 - Planning Commission Study Session on the EIR – September 9, 2014
 - City Council Study Session on the EIR – October 7, 2014
 - Planning Commission public hearings - October 14, 2014 and October 20, 2014
 - City Council meeting (public comment) – November 10, 2014
 - Community Meeting – November 20, 2014

Public Comments

Comments related to the Draft EIR have been discussed earlier in this report. In addition to comments received regarding the adequacy of the EIR, several comments were received on the project. The comments are briefly discussed in Attachment EE.

November 10, 2014 City Council meeting (public comment)

Although Council's action and direction at the November 10, 2014, Council meeting are to be rescinded under the first recommendation, the public comments are summarized in case a member of the public does not attend this re-hearing. The comments received at the meeting are summarized in Attachment FF.

In general, the majority of speakers felt that the eastern part of town had a lot of ongoing development including Main Street, Rosebowl (Nineteen 800) apartments and the Apple Campus 2 to the north. They felt that focusing the majority of Housing Element sites and development on the eastern part of town was not equitable and that some development should be placed on the west side of the City. Some speakers felt that existing retail sites such as the Oaks, Vallco, and Marina Foods should not be converted into housing. Speakers were also concerned about the traffic and school impacts of additional units due to the Housing Element as well impacts on parkland and water supply. Some questioned the student generation rates assumed in the School Impact Study and asked if the City had coordinated with the school district. In response to the questions about the student generation rate, it should be noted that the study was done by the school district consultants and that the student generation rates are from surveys conducted of similar unit types in the City.

Since several commenters discussed school impacts, a memo discussing the limitations imposed on agencies regarding impacts of development on schools is attached as Attachment GG. The memo concludes that the CEQA process is essentially ministerial when it comes to arguments about the impact of development on existing school facilities and their ability to accommodate more students. Agencies must accept the fees mandated by SB 50 as the exclusive means of considering and mitigating the impacts of the proposed development on school facilities. However, through a Development Agreement process, a developer may propose, and the City may accept, community benefits for improvements to community facilities including schools.

The Chamber, and business and developer community comments from the November 10, 2014 meeting indicated general support for the development allocation up to the amounts studied in Alternative C, support for retention of the major employers category and interest from property owners of the Cupertino Inn, Stevens Creek Office Center, Oaks, Marina Plaza, Irvine Company and Vallco (Sandhill) for additional heights and/or increased allocation.

November 20, 2014 Community meeting

In response to requests from the community, the City organized a community workshop on November 20, 2014. Approximately 100 people attended the meeting. The comments and questions gathered during the workshop have been summarized and are attached as Attachment HH. The

data collected from the meeting is available at the project website. Responses to the questions collected are currently being prepared and will be updated in the FAQ page of the project website and will be provided to the Council as a desk item for the December 2, 2014 meeting.

The majority of comments were related to distributing development equitably on the west and east portions of the City. Speakers also expressed concerns about traffic and school impacts as well the safety of school children walking and biking to schools on the east side. Some speakers questioned why the City had to adopt a Housing Element and accept additional housing. Concern was also expressed that impact fees paid by new development did not cover the entire cost of additional school facilities generated by the development. In addition, concerns were expressed that multi-family developments do not pay an equitable share of the parcel taxes paid by single family home owners. Regarding Vallco, a number of speakers expressed a preference for keeping it as a retail shopping center with expanded entertainment options and a public park, while a few expressed interest in waiting until recent developments were completed before processing an application for the site. Similar to the meeting on November 10, 2014, some expressed concerns about the validity of the school impact analysis.

Some members of the community felt that only the Housing Element should be approved and that all other developments should have to process their own General Plan Amendment on a case by case basis. In response to the above question, staff would like to note that the intent of processing the General Plan Amendments together were specifically to review the impacts of all the development on a city-wide basis instead of reviewing them on a project-by-project basis.

NEXT STEPS

Based on the City Council's decision on December 2, 2014, necessary changes will be made to the findings for certification of the EIR, adoption of the General Plan (Community Vision 2040), and the zoning ordinances. In addition, conforming changes will also be made to the Draft Housing Element and alternative sites list prior consultation and review with HCD. A second reading for the zoning ordinances related to the General Plan and Housing Element is scheduled for December 16, 2014. The Community Vision 2040 General Plan and Heart of the City Specific Plan Amendment will go into effect upon adoption, however, the zoning ordinance text and map amendments will go into effect 30 days after the second reading.

The final General Plan document text, maps and graphics will then be formatted and prepared for posting by staff and the consultants.

The Draft Housing Element will be forwarded to the State Department of Housing and Community Development (HCD) for their review, which is expected to take about 60 days. Staff will discuss outstanding items with HCD and discuss any necessary changes related to the Housing Element sites based on the prioritized and alternate sites list. Upon conclusion of HCD review, staff will present the Final 2014-20122 Housing Element for adoption to the Planning Commission and City Council.

The density bonus law has recently been amended to provide, for applications received after January 1, 2015, that before a site can be considered for a density bonus, the project must include the replacement of all affordable rental housing and housing occupied by lower income households at any time in the five-year period preceding the density bonus application. In addition, the amendments require 55-year, rather than 30-year, affordability for rental housing receiving a density bonus and allow use of equity-sharing for lower income for-sale housing. These revisions will be included in the Housing Element and zoning ordinance prior to adoption of the Final 2014-2022 Housing Element.

Any related General Plan amendments or zoning map or code amendments related to the revised Housing Element sites list will be brought at the same time. State law requires agencies to adopt their 2014-2022 Housing Elements by May 31, 2015.

Prepared by: Piu Ghosh, Senior Planner

Reviewed by: Gary Chao, Assistant Director of Community Development

Approved for Submission by: Aarti Shrivastava, Assistant City Manager

Attachments:

- A. Draft Resolution 14-210, Recommending Certification of an Environmental Impact Report, adoption of Findings and a Statement of Overriding Considerations, and adoption of Mitigation Measures and a Mitigation Monitoring and Reporting Program, (EA-2013-03)
- B. Draft Resolution 14-211 adopting General Plan and Land Use Map Amendments (GPA-2013-01)
- C. Draft Resolution 14-212 to authorize staff to forward the Draft 2014-2022 Housing Element to the State Department of Housing and Community Development (HCD) and use the prioritized list of Alternative Housing Element sites (GPA-2013-02)
- D. Draft Ordinance 14-2124 to approve Zoning Map Amendments (Z-2013-03)
- E. Draft Ordinance 14-2125 to approve Municipal Code Amendments (MCA-2014-01)
- F. Draft Resolution 14-213 to approve Specific Plan Amendment (SPA-2014-01)
- G. Planning Commission resolutions 6760 – 6765 (The exhibits attached to the Planning Commission resolutions have not been attached to Attachment G. These are available online at www.cupertino.org/records under Planning Commission Agenda Packet for October 14, 2014.)
- H. Alternate CEQA Findings for Balanced Plan Recommendation
- I. Planning Commission staff report dated October 14, 2014
- J. General Plan Amendment and Housing Element staff reports for: January 23, 2014 Housing Commission, February 12, 2014 Housing Commission, February 19, 2014 Planning Commission, March 4, 2014 City Council, April 1, 2014 Joint Planning Commission/City Council
- K. Concept Alternative Maps
- L. Planning Commission public hearing minutes October 14, 2014 and October 20, 2014
- M. General Plan and Housing Element errata since Planning Commission recommendation on October 20, 2014
- N. Balanced Plan Allocation, Heights and Density Map

- O. Planning Commission Recommended Allocation, Heights and Density Map
- P. Market Study dated February 13, 2014 prepared by BAE Urban Economics
- Q. Retail Strategy Report dated March 6, 2014 prepared by Greensfelder Commercial Real Estate LLC
- R. Housing Commission staff report dated August 28, 2014
- S. 2007-2014 Housing Element and Technical Appendix
- T. Site Priority List with criteria
- U. Summary Of Land Use Map, Zoning Map And Zoning Text Amendments
- V. Zoning text amendments – Redlined version
- W. Specific Plan amendments – Redlined version
- X. Planning Commission Study Session Staff Report dated September 9, 2014
- Y. City Council Study Session Staff Report dated October 7, 2014
- Z. Draft Environmental Impact Report dated June 18, 2014
- AA. Response to Comments Document dated August 28, 2014
- BB. Supplemental Text Revisions Memo dated November 3, 2014
- CC. Updated Late Comments memo dated November 22, 2014
- DD. Recommendation of the Environmental Review Committee
- EE. Public Comments Related to the General Plan and Housing Element
- FF. Summary of comments received at the November 10, 2014 Council Meeting
- GG. Memo re: Application of SB 50 to Consideration of Development Applications dated 02/25/14
- HH. Summary of Questions and Comments received at the November 20, 2014 Community Meeting