

2014 Council Study Issue

**CDD 14-16 Reduce the Maximum Density in the Downtown Specific Plan and Prohibit Conversion of Existing Commercial Space to Non-commercial use**

**Lead Department** Community Development

**Sponsor(s)** Whittum, Meyering

**History** 1 year ago: 2 years ago:

1. **Scope of the Study**

- a. The study would evaluate the current allowance for commercial and residential uses in the Downtown Specific Plan (DSP) and determine if the current balance of uses is appropriate and if the quantity, density and location of commercial and residential uses should be adjusted. Another issue would be to consider possible policies for retaining existing commercial uses and minimizing the conversion of commercial properties for residential development.

As part of the study, an inventory of current land uses would be completed to determine the existing amount and proportion of residential, office and retail uses in the DSP area. Staff would evaluate available market data and the attributes and characteristics of other downtown transit locations. Public outreach to property owners and residents would also occur. Based on this assessment, the Council could determine if the current mix of uses in the DSP area is appropriate or should be adjusted. The DSP could be amended to emphasize or deemphasize certain uses to guide future redevelopment projects. Specific land use changes to certain DSP blocks could also be considered. If plan amendments are proposed, corresponding zoning code amendments would be prepared as needed, including possible changes to maximum density and other development standards. A traffic impact analysis (TIA) and environmental review would be required if the amendments to the DSP and zoning are significant.

- b. What precipitated this study? The City Council recently considered redevelopment of commercially-used properties to residential use, and concerns have been raised about the loss of commercial uses in the downtown area if the trend continues. One property on Mathilda (Block 14) was approved for multi-family housing consistent with the land use designation in the DSP, although the property is currently developed with office uses. Another property on the north side of Evelyn was changed from commercial to residential and then incorporated into the Downtown Specific Plan.
- c. Is this a multiple year project? No Planned Completion Year 2014

2. **Fiscal Impact**

a. Cost to Conduct Study

- i. Level of staff effort required (opportunity cost)  
 Major  Moderate  Minor
- ii. Amount of funding above current budget required - \$50,000 to \$100,000  
 Will seek budget supplement  Will seek grant funding
- iii. Explanation of Cost: The estimated cost would be for consultant services to prepare the TIA and environmental review document and depends on the scope of proposed DSP amendments.

b. Costs to Implement Study Results

- No cost to implement.
- Unknown. Study would include assessment of potential costs.
- Some cost to implement. Explanation:

3. **Expected participation in the process**

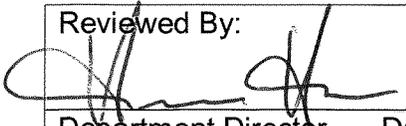
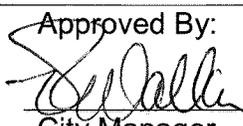
- Council-approved work plan
- Council Study Session
- Board/Commission Review by Planning Commission

4. **Staff Recommendation**

a. Position: Drop

b. Explanation: The Downtown Specific Plan was prepared with consideration of promoting an appropriate variety and balance of office, residential, retail, restaurant and entertainment uses in the downtown area. The primary blocks where future displacement of existing commercial uses might occur under the DSP are the blocks on the west side of Mathilda and on the east side of Sunnyvale Avenue (e.g. Blocks 7, 14, 15 and 16). These blocks are located at the perimeter of the downtown area and the DSP supports residential uses at these locations to introduce quieter uses that would provide a transition with the adjacent lower density residential neighborhoods. Residential uses on these blocks are required to step down in height where adjacent to lower density residential uses. The DSP permits some commercial uses on these blocks, and the City Council or Planning Commission could require a commercial component when development proposals are reviewed (e.g. a mixed use project with a corner parcel). Up to 44,000 square of retail uses are allowed on these blocks, and an additional 36,000 square feet of office uses are allowed on Block 7.

Staff believes that the DSP promotes an appropriate balance of land uses to create a cohesive mixed use downtown environment. Commercial uses are emphasized in the core downtown area, such as Murphy Avenue and Town Center (Blocks 2, 3 and 18). Residential uses at currently allowed densities are appropriate on the perimeter blocks to support the commercial uses and transit use, and the DSP does not preclude commercial uses on these blocks.

Reviewed By:		Approved By:	
	1/10/14		1-13-14
Department Director	Date	City Manager	Date