



# MILPITAS PLANNING COMMISSION AGENDA REPORT

PUBLIC HEARING

Meeting Date: October 23, 2013

**APPLICATION:** **SOUTH MAIN SENIOR HOUSING PROJECT-FINDINGS OF CONFORMANCE WITH GENERAL PLAN AND MIDTOWN SPECIFIC PLAN PURSUANT TO GOVERNMENT CODE SECTION 65402(c)**

APPLICATION SUMMARY:

Finding that the conceptual project proposed by South Main Senior Lifestyles LLC -- involving the disposition of 5.94 acres from the Milpitas Housing Authority and the development of 389 rental housing units on the site, including 199 senior congregate care assisted living units with services and 190 independent living senior units with a total of 48 very low income unit -- conforms to the General Plan and Specific Plan.

LOCATION: 1504 -1620 S. Main Street (APN 86-22-027, 028, 033, 034, 041, and 042)

APPLICANT: Joseph Callahan Jr., South Main Senior Lifestyles LLC, 5674 Stoneridge Drive, Pleasanton, CA 94588

OWNER: City of Milpitas Housing Authority, 455 E. Calaveras Blvd. Milpitas, CA 95035

**RECOMMENDATION:** **Staff recommends that the Planning Commission:**

- 1. Conduct a public hearing; and**
- 2. Find the proposed South Main Senior Lifestyles Project in conformance with City's General Plan and Midtown Specific Plan in accordance with California Government Code Section 65402(c); and**
- 3. Adopt Resolution No. 13-027 findings that the disposition of the property for the development of 389 senior rental housing units are in conformance with the General Plan and Midtown Specific Plan.**

PROJECT DATA:

General Plan/  
Zoning Designation:

Multi-family Residential, Very High Density / Multi-family Residential, Very High Density (R4)

Overlay District:

Transit Oriented Development and Site and Architectural Overlays (TOD-S).

Specific Plan:

Midtown Specific Plan

CEQA Determination: Pursuant to Sections 15168(c) and 15182 of the California Environmental Quality Act (CEQA) Guidelines, no further environmental review is required as the proposed project falls within the scope of development considered in the Midtown Specific Plan Program EIR and involves a residential project undertaken pursuant to and in conformity to the Midtown Specific Plan.

Site Area: 5.94 Acres

PLANNER: Felix Reliford, Principal Housing Planner

PJ: 2593

ATTACHMENTS: A. Resolution No. 13-027  
B. Scope of Development-Project Description  
C. Exhibit B Attachment No. 1 (South Main Senior Lifestyles)

## LOCATION MAP



## BACKGROUND

The Milpitas Redevelopment Agency and South Main Senior Lifestyle, LLC, a California limited liability company (the "Applicant") entered into a Disposition and Development Agreement dated August 18, 2009, which was amended on October 18, 2009 ("Initial Agreement"). The Initial Agreement provided for the disposition of approximately 5.94 gross acres known as Santa Clara county Assessor's Parcel Nos. 086-22-027, 086-22-028, 086-22-033, 086-22-034, 086-22-041, and 086-22-042 located at 1504-1620 South Main Street (the "Property") to the Applicant for a two-phased residential complex containing 387 residential units, a new City street and other City rights-of-way, common use facilities, parking, landscaping, and related on and off-site improvements. The Property was entitled for development in accordance with a set of entitlements approved by the City Council pursuant to Resolution No. 08-004 of February 5, 2008, which included, Site Development Permit (SZ2007-18), Conditional Use Permit (UP2007-15), Density Bonus (DB08-0001) and Vesting Tentative Map (MI2007-2)

Because of several factors the Applicant has not been able to fund the proposed Project. These factors include the dissolution of redevelopment agencies (previous Disposition and Development Agreement -- DDA -- provided a \$7.7 million grant to the project), downturn in the economy, more stringent debt and equity underwriting requirements which make borrowing more difficult for the developer, and 80% AMI (Area Median Income) congregate care/assisted living units which are not marketable. The Applicant has submitted a revised Project proposal which requires amendments to DDA to be amended by Milpitas Housing Authority (MHA).

On October 1 2013, MHA held a study session on the developer's proposed new project and associated DDA amendments. The MHA directed Staff and Developer to proceed with the amendment of the DDA and tentatively return to the MHA on November 5 or 19, 2013. A local agency is not authorized to dispose of any real property unless the Planning Commission reviews and submit its report to the City Council on General Plan and Specific Plan conformance. Government Code Section 65402(c) states:

A local agency shall not acquire real property for any of the purposes specified in paragraph (a) nor dispose of any real property, nor construct or authorize a public building or structure, in any county or city, if such county or city has adopted a general plan or part thereof and such general plan or part thereof is applicable thereto, until the location, purpose and extent of such acquisition, disposition, or such public building or structure have been submitted to and reported upon by the planning agency having jurisdiction, as to conformity with said adopted general plan or part thereof. Failure of the planning agency to report within forty (40) days after the matter has been submitted to it shall be conclusively deemed a finding that the proposed acquisition, disposition, or public building or structure is in conformity with said adopted general plan or part thereof. If the planning agency disapproves the location, purpose or extent of such acquisition, disposition, or the public building or structure, the disapproval may be overruled by the local agency.

It should be noted that the site has been designated as a housing asset site by State of California Department of Finance (DOF). The Milpitas Housing Authority funds and land must be used for housing with affordability or the property must be returned to DOF per RDA dissolution law. Upon the execution of the amended DDA by the Milpitas Housing Authority, the application will return to the

Planning Commission with detailed plans for the entitlement process Copies of the and scope of development/project description and Exhibit B are included in the agenda packet.

### **PROJECT DESCRIPTION**

The proposed project consists of an amended DDA between the Milpitas Housing Authority and South Main Senior Lifestyles LLC (SMSL) involving the conveyance by MHA of 5.94 acres that consist of six parcels located at 1504 to 1620 S. Main Street and the development of a senior retirement community on the site. The Project site is located at the northeast portion of the Main Street and Cedar Way intersection. Adjacent land uses includes multi-tenant quasi-commercial/industrial buildings with primarily auto-related service businesses to the north and south, Aspen Family Apartments to the southeast, industrial uses to the east, and single family homes to the west. An aerial photo of the project site is provided on the previous page.

The proposed project would consist of 389 units of rental housing for seniors 62 years of age and older that offers a continuum of care and services allowing residents to age in place. The project would be constructed in two phases. Both phases of the development (Phase 1-199 congregate care and assisted living units and Phase 2-190 active independent living units) would have full high end amenities and features. A total of 48 senior units would be affordable to seniors at 50% of AMI (Area Median Income). The proposed Project would be unique and currently does not exist within the South Bay Area. The project would also provide property, sales and special taxes to the City annually, \$2.5 million of public infrastructure improvements and generate temporary construction and permanent jobs. Also, the previous \$7.7 million grant obligation in the previous DDA would be eliminated.

To further facilitate the development of the Project, the Developer, with cooperation of the Milpitas Housing Authority will seek to cause the subdivision of the Property in accordance with the Revised Vesting Tentative Map (RTM) and the accompanying final tract map consistent with the VTM to establish the following parcels within the Property:

1. A private development parcel of approximately 1.94 net acres in the southern portion of the Property- Phase One
2. A private development parcel of approximately 2.86 net acres in the northern portion of the Property- Phase Two
3. City-owned parcels comprising the approximately 1.14 net acre balance of the Property which will contain the right-of-way for various public street (i.e. Cedar and Costas streets) utilities and related infrastructure improvements.

The DDA will include: a) schedule of performance standards including the phasing of the development, b) regulatory agreement for the 48 affordable rental housing units, c) grant deed, d) memorandum of DDA, e) legal descriptions, f) financing plan, g) scope of development and preliminary site plan h) illustrative vesting tentative map.

**ADOPTED PLANS AND ORDINANCES CONSISTENCY**

***General Plan and Specific Plan***

The subject property General Plan land use designation is Multi-Family Residential, Very High Density. The table below outlines the proposed project’s consistency with applicable General Plan and Specific Plan Guiding Principles and Implementing Policies:

**Table 2**

**General Plan and Specific Plan Consistency**

<b>Policy</b>	<b>Consistency Finding</b>
<p><b>2.a-I-12</b>  <i>Use zoning for new residential developments to encourage a variety and mix in housing types and costs.</i></p>	<p><b>Consistent.</b> The proposed project meets Policy 2.a-I-12 in that it provides rental, high density residential housing with services for seniors that the City does not currently have. The proposed project conforms to the General Plan Policy.</p>
<p><b>2.a-G-3</b>  <i>Provide for a variety of housing types and densities that meet the needs of individuals and families.</i></p>	<p><b>Consistent.</b> The proposed project meets Policy 2.a-G-3 by offering a unique and affordable housing that would help meet the needs of independent and dependent seniors that desire high quality, high density, residential communities that offer services and amenities that are within walking distance or served by the community shuttle bus. The proposed project conforms to the General Plan Policy.</p>
<p><b>C-G-3:</b>  <i>Support Diversity and Creativity in Residential Development</i></p>	<p><b>Consistent.</b> The project proposes a full service senior housing residential community that offers an urban, amenity and activity enriched lifestyle. The proposed project conforms to the General Plan Policy.</p>
<p><b>3.5:</b>  <i>Provide housing for all income levels (i.e. very low, low moderate and above moderate households as defined by US Department of Housing and Urban Development) throughout the Midtown Area.</i></p>	<p><b>Consistent.</b> The proposed senior housing project would provide housing opportunities for all income levels. As defined by US Department Housing and Urban Development. The proposed project conforms to the Midtown Specific Plan Policy on affordable housing.</p>
<p><b>3.6:</b>  <i>Affordable housing units should be provided with new developments. Determine affordable unit requirements on a project-by-project basis, considering the size of the project, the location of the site, and the mix of affordable units in the Midtown Area. Allow housing developments of 12 units</i></p>	<p><b>Consistent.</b> The proposed senior housing project will provide 48 very low income housing units and the size of the project and location conforms to the Midtown Specific Plan Policy on affordable housing.</p>

Policy	Consistency Finding
<i>or less to pay a fee in lieu of providing affordable units.</i>	
<p><b>3.7:</b>  <i>Integrate affordable units within market-rate developments. Ensure that affordable units are architecturally integrated and indistinguishable from market-rate units</i></p>	<p><b>Consistent.</b> The proposed senior housing project will be integrated with market-rate units and the affordable units will be indistinguishable architecturally from the market-rate units. The proposed project conforms to the Midtown Specific Plan Policy on affordable housing.</p>

**Zoning Ordinance Conformance**

The proposed senior housing is a permitted use and is consistent with surrounding land uses. The proposed project comply with the following zoning ordinance standards and designations:

- The proposed project conforms to the existing zoning designation of Multi-Family Residential Very High Density (R-4)
- The proposed project conforms to the existing density of 41 to 60 dwelling units/per acre
- The proposed project conforms to the Transit Oriented Development and Site and Architectural (TOD-S) Overlay Districts

Site and building modifications and revisions will be submitted at a later date for Planning Commission review as separate permit.

**ENVIRONMENTAL REVIEW**

The Planning Division conducted an initial environmental assessment of this project (approval of the original Disposition and Development Agreement) in accordance with the California Environmental Quality Act (CEQA). The proposed amendments to the Disposition and Development Agreement do not necessitate the conduct of additional CEQA review, pursuant to Section 15168(c) and 15182 of the CEQA Guidelines in that the proposed phasing and inclusion of senior housing could not lead to new effects or require new mitigation measures that were not already covered in the previous Program Environmental Impact Report for the Milpitas Midtown Specific Plan (State Clearinghouse No. 200092027) that was adopted and certified by the City Council on March 19, 2002. Furthermore, the project provides for a residential project undertaken pursuant to and in conformity to the Midtown Specific Plan.

**CONCLUSION**

The proposed project conforms to the City of Milpitas General Plan and Specific Plan. There are no facilities in the City that offer a package of continuum services for seniors allowing them to age in place within one location. Given the City’s aging population, a project providing such services is highly desirable. In addition, the project will also provide jobs and additional revenues.

**RECOMMENDATION**

**STAFF RECOMMENDS THAT**

1. Conduct the Public Hearing.
2. Planning Commission finds the disposition of property and proposed South Main Senior Lifestyles Project located at 1504-1620 South Main Street conforms to the City of Milpitas General Plan and Specific Plan and forward finding to the Milpitas Housing Authority.
3. Adopt Resolution No. 13-027.

*Attachments:*

- A. Resolution No. 13-027
- B. Scope of Development-Project Description
- C. Exhibit B- Attachment No. 1 (South Main Senior Lifestyles Project)

**RESOLUTION NO. 13-027**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MILPITAS FINDING THE DISPOSITION OF 5.94 ACRES OF REAL PROPERTY BY THE MILPITAS HOUSING AUTHORITY LOCATED AT 1504-1620 SOUTH MAIN STREET FOR THE POSSIBLE DEVELOPMENT OF SENIOR FACILITIES CONSISTING OF 389 HOUSING UNITS TO BE IN CONFORMANCE WITH THE MILPITAS MIDTOWN SPECIFIC PLAN AND MILPITAS GENERAL PLAN**

**WHEREAS**, the Milpitas Redevelopment Agency and South Main Senior Lifestyle, LLC, a California limited liability company (the "Applicant") entered into a Disposition and Development Agreement dated August 18, 2009, which was amended on October 18, 2009 ("Initial Agreement"); and

**WHEREAS**, the Initial Agreement provided for the disposition of approximately 5.94 gross acres known as Santa Clara county Assessor's Parcel Nos. 086-22-027, 086-22-028, 086-22-033, 086-22-034, 086-22-041, and 086-22-042 located at 1504-1620 South Main Street (the "Property") to the Applicant for a two-phased residential complex containing 387 residential units, a new City street and other City rights-of-way, common use facilities, parking, landscaping, and related on and off-site improvements; and

**WHEREAS**, the Property was previously entitled for development in accordance with a set of entitlements approved by the City Council pursuant to Resolution No. 7734 dated February 5, 2008, which included, Site Development Permit (SZ2007-18), Conditional Use Permit (UP2007-15), Density Bonus (DB08-0001) and Vesting Tentative Map (MI2007-2); and

**WHEREAS**, the Planning Commission previously adopted Resolution No. 09-033 on July 22, 2009 finding the proposed disposition of the Property to be consistent with the Milpitas General Plan in accordance with California Government Code Section 65402(c); and

**WHEREAS**, pursuant to ABx1 26 enacted effective June 28, 2011, as clarified and amended by AB 1484 effective June 27, 2012 (collectively, "**Redevelopment Dissolution Law**");

1. The Milpitas Redevelopment Agency ("Agency"), together with every redevelopment agency in California, was dissolved as of February 1, 2012; and

2. The City of Milpitas selected the Milpitas Housing Authority and the Milpitas Housing Authority elected to take on the responsibility of performing the housing functions of the dissolved Agency; and

3. The Property constitutes a "housing asset" of the Milpitas Redevelopment Agency that transferred to the Milpitas Housing Authority pursuant to the provisions of California Health and Safety Code Section 34176; and

**WHEREAS**, the Applicant and Milpitas Housing Authority desire to modify the terms of the Initial Agreement to better reflect current market, financial, statutory and planning circumstances, and to enable feasible development of the Property; and

**WHEREAS**, in accordance with California Government Code Section 65402(c), the Planning Commission is requested to review the proposed project and provide a report to the City Council that the location and disposition of the Property for purposes of constructing the proposed project is consistent with the Milpitas Midtown Specific Plan and Milpitas General Plan; and

**WHEREAS**, on September 23, 2013, an application was submitted by Joseph Callahan Jr., South Main Senior Lifestyles LLC, Milpitas, CA 95035, for an amendment to the Initial Agreement to facilitate a two phased development on the Property resulting in 389 new housing units that would provide for 199 congregate care assisted living senior housing units (with 10 low-income units) and 190 independent living senior housing units (with 33 low-income units) (048). The Property is zoned Multi-Family Residential, Very High Density with a Transit Oriented Development and Site and Architectural overlay (R4-TOD-S); and

**WHEREAS**, the Planning Division completed an environmental assessment for the project in accordance with the California Environmental Quality Act (CEQA), and recommends that the Planning Commission determine this project is exempt from further environmental review pursuant to Section 15182 (Residential Projects Pursuant to a Specific Plan) and Section 15168(c) (2) (Program EIR) of the California Environmental Quality Act (CEQA) Guidelines; and

**WHEREAS**, on October 23, 2013, the Planning Commission held a duly noticed public hearing on the subject application, and considered evidence presented by City staff, the applicant, and other interested parties.

**NOW THEREFORE**, the Planning Commission of the City of Milpitas hereby finds, determines and resolves as follows:

**Section 1:** The Planning Commission has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the Commission. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

**Section 2:** The proposed project is exempt from further environmental review pursuant to Section 15182 (Residential Projects Pursuant to a Specific Plan) and Section 15168(c)(2) (Program EIR) of the California Environmental Quality Act (CEQA) Guidelines. The project entails an amendment to a Disposition and Development Agreement to facilitate a two-phased residential development resulting in 389 residential units. The project is consistent with the activities and development considered in the Midtown Specific Plan Program EIR and is being undertaken pursuant to and in conformity with the Midtown Specific Plan.

**Section 3:** The Planning Commission has reviewed the proposed disposition of the Property for development of a two phased senior residential development consisting of approximately 389 units:

1. First phase residential development consisting of 199 unit "continuum of care" senior (62 years of age and older) housing rental development with 10 residential units available at affordable housing cost to income-qualified very low income households; and
2. The second phase residential development consisting of 190 apartment units for active, independent seniors (62 years of age and older) with 38 residential units available at affordable housing cost to income-qualified very low income households.

**Section 4:** In accordance with California Government Code Section 65402(c), the Planning Commission finds the proposed project as generally described above is consistent with the Milpitas General Plan and Milpitas Specific Plan. Specifically, Guiding Policies and Implementing Principles 2.a-I-12, 2.a-G-3, C-G-3 of the Milpitas General Plan and Sections 3.4, 3.5, and 3.6 of the Milpitas Midtown Specific Plan in that the proposed Project provides rental high density residential housing with services for seniors that the City does not currently have and offers unique and affordable housing that would help meet the needs of independent and dependent seniors that desire high quality, high density, residential communities that offer services and amenities that are within walking distance or served by the community shuttle bus.

**Section 5:** The proposed project is also consistent with the Milpitas General Plan, Milpitas Midtown Specific Plan, and Milpitas Zoning Ordinance in terms of land use and is compatible with surrounding uses including:

- a. The proposed project conforms to the existing zoning designation of Multi-Family Residential Very High Density (R-4); and
- b. The proposed project conforms to the existing density of 41 to 60 dwelling units/per acre; and
- c. The proposed project conforms to the existing Transit Oriented Development and Site and Architectural (R4-TOD-S) Overlay Districts.

**Section 6:** The Planning Commission of the City of Milpitas hereby finds that the disposition of the Property for the purposes described herein conforms to the Milpitas General Plan and Specific Plan and this Resolution shall be sent to the Milpitas City Council and Milpitas Housing Authority.

**PASSED AND ADOPTED** at a regular meeting of the Planning Commission of the City of Milpitas on October 23, 2013.

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Chair

**TO WIT:**

**I HEREBY CERTIFY** that the following resolution was duly adopted at a regular meeting of the Planning Commission of the City of Milpitas on October 23, 2013, and carried by the following roll call vote:

<b>COMMISSIONER</b>	<b>AYES</b>	<b>NOES</b>	<b>OTHER</b>
Sudhir Mandal			
Lawrence Ciardella			
John Luk			
Sudhir Mandal			
Gurdev Sandhu			
Zeya Mohsin			
Rajeev Madnawat			
Garry Barbadillo			

EXHIBIT BSCOPE OF DEVELOPMENT—PROJECT DESCRIPTION

This Exhibit B sets forth the proposed Scope of Development and project description for the Project. The accompanying Preliminary Site Plan (Exhibit C-1) provides a graphic depiction of the proposed Project described below. Attachment No. 1 to this Exhibit B is a diagram showing the general location and scope of proposed on-site and off-site public improvements to be developed by Developer as part of the Project, and as further described below.

Capitalized terms used below have the meanings given in the First Amended and Restated Development and Disposition Agreement to which this Exhibit B is attached.

A. Location.

The Property upon which the proposed Project will be developed is located at 1504-1620 South Main Street, Milpitas, California (APN's 086-22-027, 028, 046, 047, and 048) on the east side at its intersection of Cedar Way (see Location Map, Exhibit C-2). The Property's gross land area is approximately 5.942 acres. The Property is subject to the Current Entitlements under Resolution No. 08-004 as approved by the City Council on February 5, 2008. The Current Entitlements allow a 387-unit condominium project in three four-story buildings. The Property is located within the "R4-TOD-S" Multi Family Very High Density with a Transit Oriented Development Overlay in the Midtown Specific Plan Area.

B. Proposed Project.

The proposed Project is a two phase Continuum of Care Retirement Community providing a total of 389 units of mixed income, age restricted (62 years of age and older) rental senior housing. There are 199 units of congregate care and assisted living senior units in the Phase One Development on the Phase One Parcel (approximately 1.94 net developable acres), and 190 units of independent living senior housing in the Phase Two Development on the Phase Two Parcel (approximately 2.86 net developable acres). Three hundred fifty-six (356) units are allowed in "R-4-TOD-S." With 12.34% of the units restricted to occupancy by very low income households (whose income does not exceed 50% of the Area Median Income) for 55 years, the Project qualifies for a 35% density bonus, bringing the total number of units allowed on the site to 480 units. The Project's total of 389 unit's falls well below this cap.

1. Phase One Development.

(a) Overview.

The Phase One Development will consist of 199 units of rental "Continuum of Care Senior Housing," including 10 Affordable Units for very low income-qualified households (50% AMI) and 189 units at "Fair Market" unrestricted rental rates. The Phase One Development will be located on the southern portion of the Property on the approximately 1.94

net developable acre Phase One Parcel. The Phase One Development will provide congregate care and assisted living services, and a full range of amenities, to the residents. The design construction standards for the project will be Type 1B and the units will be designed to be handicapped accessible enabling residents to age in place. The Phase One Development will be a "podium" design with the habitable structure located on a subterranean Type IA garage structure.

The building will provide approximately 221,542 habitable square feet, including 56,624 square feet for common areas and 164,918 gross square feet for resident units integrated around exterior courtyards, plus a 67,228 square foot subterranean parking structure. Superior junior one-bedroom, one-bedroom and two-bedroom units will meet the demand for larger living spaces with an abundance of storage area. Interior upgrades will include a full kitchen as well as a stacked washer and dryer in each unit.

The anticipated unit mix and sizes of the senior apartment units in the Phase One Development will be as follows:

Unit Type	# of Units	%	Net Rentable Sq. Ft.
Jr. 1 bedroom	3	2%	500
Jr. 1 bedroom	8	5%	500
Jr. 1 bedroom	6	3%	601
1 bedroom	4	2%	642
1 bedroom	6	3%	670
1 bedroom	48	24%	701
1 bedroom	16	8%	726
1 bedroom	26	13%	737
1 bedroom	25	13%	744
2 bedroom	57	29%	1,046
<b>Total</b>	<b>199</b>	<b>100%</b>	<b>158,342</b>

The ten units restricted to occupancy by very low income senior households will be of the junior one-bedroom (8 units) and one-bedroom (2 units) unit types.

- (b) The Phase One Development will be a single structure in an "H" configuration:
- (i) The configuration allows three distinctive exterior courtyards allowing use by both residents and members of the community and providing approximately 16,000 s.f. of private outdoor landscaped courtyards. The courtyards will be finished with concrete pavers with integrated plantered landscaping allowing the project to integrate "C-3 water treatment" mitigation. One courtyard will have "alfresco dining" for the dining room and bistro areas. The center courtyard will have a swimming pool and outdoor spa and space for exercise programs and the third courtyard will have areas for private relaxation as well as additional area for exercise programs. Three of the exterior elevations are fronting public streets while the South elevation presents itself to a 20' wide "green" emergency access easement on the Southern property line constructed of concrete pavers that allow grass while maintaining and allowing a drivable surface for emergency vehicles.
- (c) The Phase One Development will be 4 stories above subterranean parking:
- (ii) The subterranean parking garage (67,228 sf) area will have approximately 150 parking spaces, plus resident storage, mechanical support areas and a commercial laundry service for the complex. The parking will be accessed from Costas Street. The level of parking provided has been determined by historical data of projects of similar occupancy mix. It is anticipated that initial resident occupancy will be 65% congregate and 35% assisted living. As residents age in place this ratio is expected to reach 50% - 50%. The parking requirement for the proposed senior project is less than family housing, due to the age and non-ambulatory status of many residents. The parking provided in the garage is based on 0.7 parking space per congregate unit (130 DU at initial resident occupancy) or 91 parking spaces, plus staff parking of 40 spaces equating to 131 spaces. The balance of 19 spaces in the subterranean garage is allocated for visitor parking. No parking is provided for assisted living residents who are no longer capable of driving. There is additional visitor parking along Costas Street and Cedar Way.
- (iii) The first floor main entry will have a "Porte Cochere" accessible from Cedar Way, allowing residents and visitors to have a protected vehicular drop off and "queuing area" for resident activities and van pick up. As one enters the building, a vast lobby

will have a "Reception Desk" and a "Concierge Station." An expanse of glass will open unto the main courtyard with a water feature center piece. A "Bistro" style café, gaming and activity areas, a library and the main dining area will be on the first floor East Wing. The kitchen, support areas, pick-up and deliveries and garbage pick-up will be off of Costas Street (East Wing). Administrative areas and an elevator core will be in the center of the building. Residential areas will comprise all of the West Wing of the first floor.

- (iv) Floors 2 through 4 will be all residential units with the required support areas. A total of three elevators will be provided enabling resident and staff access from the parking structure to all floors in the building.
- (v) The Phase One Development will be 4 stories of steel frame construction (Type IB Construction) above a reinforced concrete (Type IA Construction) subterranean parking garage. The street level (first floor-floor podium) will be constructed of reinforced concrete, designed to all current codes for structural, occupancy, fire separation, area separations and other miscellaneous code compliance separation from the habitable areas on floors 1 through 4.

(d) Public Improvements Associated with Phase One Development:

The following public street, utility and infrastructure improvements will be constructed by Developer as part of the Phase One Development in accordance with all applicable City standards and requirements (see Attachment No. 1):

- (i) On-Site.
  - Construction of Cedar Way (56' ROW) from S. Main Street to Costas Street.
  - Construction of Costas Street (44' ROW) from the southern boundary of the property (Aspen Villages) to northern curb return of Cedar Way.
  - Storm drain, sanitary sewer, water line, and joint utility trench within Cedar Way and the Phase One portion of Costas Street.
  - 12' sound wall along eastern property boundary adjacent to railroad.
  - All weather fire access (20' width) and improved pedestrian connection along a roughly 240 foot portion of the southern property boundary of the Phase One Development.

- (ii) Off-Site.
  - o South Main Street frontage improvements including:
    - Curb, gutter, sidewalk removal and replacement;
    - AC overlay of Main Street frontage including signage and striping;
    - Connection of utilities to existing services (storm, water, sanitary sewer, dry utilities);
    - Streetlights, tree wells, street trees, street furniture, and fire hydrants;
    - New bus turnout and bus stop shelter (Phase Two Development frontage);
    - New raised median installation including landscaping.
  - o Modification of the existing traffic signal at S. Main Street and Cedar Way intersection.
  - o Replacement of The Pines sound wall on the east side of S. Main Street along the entire frontage of the Pines between the southerly limits of Jerry's Market and northerly limits of the adjacent parcel to the south

(e) Overview of Phase One Development Services and Amenities:

The facility will accommodate a range of seniors, from those who are healthy and active (Congregate Living residents) to those who are more frail (Assisted Living residents).

- (i) Congregate Living - For residents who are ambulatory or semi-ambulatory, alert, and physically and mentally capable of independent management of daily activities.
- (ii) Assisted Living - For ambulatory or semi-ambulatory residents who need limited and higher levels of assistance with daily living activities such as medications, grooming, mobility and other personal care and services. This program is designed to enable continued residency in the retirement community as residents age. No dementia, Alzheimer's or skilled nursing care will be offered at the Phase One Development.

This "continuum of care" approach allows residents to age within a home environment minimizing the discomfort of multiple moves. The facility will have a full service dining room, a "Bistro" dining option, a fitness center and indoor pool, a recreation center, a hair salon, an outdoor recreational area and a number of other amenities. The "lifestyle" created for the residents includes restaurant-style dining, housekeeping, scheduled transportation on the community shuttle bus, continuing education, programmed off campus events and "outings", a varied selection of health, fitness and recreational programs, and a unique approach to a "Northern

California Style". Many of the programs for seniors will be open to the senior public for a fee, bringing added vitality to the community.

The services and amenities to be provided to residents of the Phase One Development will be provided by a professional staff, including departments for culinary services, health and wellness, housekeeping, administration, maintenance, and programs.

2. Phase Two Development.

(a) Overview.

The Phase Two Development will consist of 190 mixed income, age restricted (62 years of age and older.), rental housing units for active, independent living seniors. The Phase Two Development will be located on the northern portion of the Property on the approximately 2.86 net developable acre Phase Two Parcel. The Phase Two Development residential structure will provide approximately 207,000 square feet of habitable area, including 41,000 square feet of common area and 166,000 square feet for the residential units. A four-story, 101,000 square foot, above grade parking structure will provide approximately 252 parking spaces (1.33 spaces/unit) for resident use. While less parking than a general market apartment project (1.7 spaces/unit), senior residents typically have only one car per unit.

The anticipated unit mix and sizes of the Phase Two Development senior independent living housing units will be as follows:

Unit Type	# of Units	%	Sq. Ft.
Jr. 1 bedroom	28	15%	600
1 bedroom	44	23%	700
1 bed deluxe	44	23%	850
2 bed/2bath	32	17%	1,025
2 bed/2 bath deluxe	42	22%	1,150
	<b>190</b>	<b>100%</b>	<b>166,100</b>

The Phase Two Development will provide twenty-eight (28) affordable junior one-bedroom units for very low income senior households (50% AMI) and ten (10) affordable one-bedroom units for very low income senior households (50% AMI).

(b) The Phase Two Development will be three structures (see Site Development Plan attached):

(i) There will be two habitable Type V wood frame structures in the project totaling approximately 207,000 gross square feet. The

four-story, 202,000 square foot residential community/building, including approximately 37,000 square feet of common areas, will accommodate the 190 residential units in 166,000 habitable square feet (874 square feet / unit average). There will be an approximately 5,000 square foot, two-story administration and resident recreation building at the southwest corner of the property. The third structure will be the 101,000 square foot, Type IA, four-story above grade parking structure. The residential units will be located in wings off the parking structure with the wings separated by landscaped courtyards. The majority of units will have private exterior balconies.

- (ii) The four-story, above grade parking structure will provide approximately 252 parking spaces, miscellaneous resident storage and mechanical support areas. The parking will be accessed via Costas Street to the northerly east-west emergency vehicle access easement between Costas and South Main streets.
- (iii) The Community Center/Business Center, a two-story, 5,000 square foot structure will front onto Cedar Way. The structure will be a wood frame (Type V, A Construction), stucco exterior with detailing and color integrated into the overall complex. It will provide administrative offices, a resident gym, resident recreation and meeting areas and a visitor center.

The overall Phase Two Development design will be based on the "Texas Wrap" design concept, and will complement the design of the Phase One Development.

(c) Public Improvements Associated with Phase Two Development:

The following public street, utility and infrastructure improvements are proposed to be constructed by Developer as part of the Phase Two Development in accordance with all applicable City standards and requirements (see Attachment No. 1):

- (i) On-Site.
  - o Construction of Costas Street from the northern Cedar Way curb return to the northern property line.
  - o Construction of a twenty (20) foot east/west street EVA from S. Main Street to Costas Street.
  - o Storm drain, sanitary sewer, water line, and joint utility trench within the Phase Two portion of Costas Street and the EVA.
- (ii) Off-Site.

- Street conforms and associated signing and striping revisions associated with the connection of the EVA intersection with S. Main Street.

### 3. Proposed Revisions to Current Entitlements.

Following is a summary of the proposed revisions to the Current Entitlements to facilitate development of the proposed Project (as well as a summary of specified aspects of the Current Entitlements that would continue to apply). Such revisions would be subject to Planning Commission and City Council review and approval in accordance with all required local procedures.

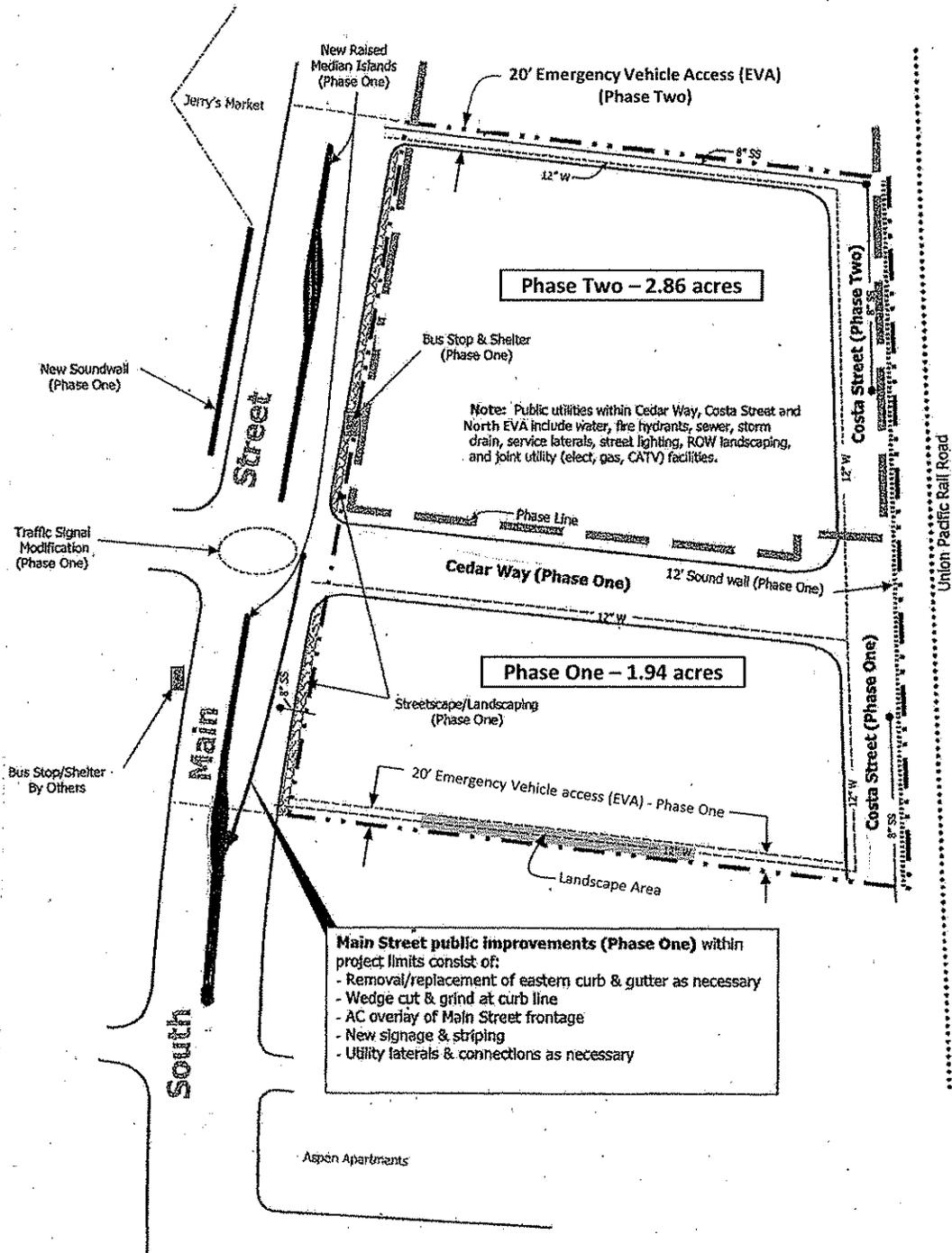
- (a) Use: The use would be changed to the housing description described in this Exhibit B, from the currently entitled use of 387 condominium family housing units all at market rate. As detailed in this Exhibit B and the Schedule of Performance (Exhibit D), and as will be specified in the phased Revised VTM, the Project would be built in two sequential phases.
- (b) Site Utilization/Circulation: The proposed Project requires the following modifications to site circulation from that shown in the Current Entitlements:
  - (i) Diaz Street would be removed.
  - (ii) Access road right of way on the north of the Property would be reduced to a twenty (20) foot emergency vehicle access easement from the current 37' proposed public street right of way with the intent that the adjacent parcel to the north would have an additional thirty-six (36) foot public right of way condition at the time that parcel is developed, thus completing a total of a fifty-six (56) foot public street right of way.
  - (iii) An emergency access easement (EVA) and pedestrian connection of 20' would be recorded and improved with a driving landscape surface acceptable to the Fire Department along the south property line of the Phase One Parcel (with all required fire and emergency access criteria). Final design of the EVA and pedestrian connection is subject to review and approval of the Planning Department.
  - (iv) A 12' sound wall will be installed along the eastern property boundary adjacent to the railroad in lieu of an 8' sound wall required under the current entitlements
- (c) Density Bonus: Density Bonus No. DB2008-0001 would be modified as follows:
  - (i) A density bonus of 33 units would be provided in exchange for the Project's provision of 48 units for very low income (50% AMI)

senior households, and three (3) incentives or concessions would be granted that result in identifiable, financially sufficient and actual cost reductions for the Project.

- (ii) A transfer of affordability rights from the developer of the Aspen Apartment project will not be required due to the proposed Project's inclusion of affordability as described above and earlier in this Exhibit B.
- (iii) The obligation under the Current Entitlements to provide the Aspen Apartment project approximately One Million Dollars (\$1,000,000.00) would not apply as an "obligation" of the proposed Project due to the inclusion of the 48 Affordable Units in the Project.

ATTACHMENT NO 1 TO EXHIBIT B  
PROPOSED PROJECT PUBLIC IMPROVEMENTS

EXHIBIT B Attachment 1



**South Main Senior Lifestyle Project**