

Chair Mandal would like to understand if R3, R4, R5 designation is only for the Transitional and Supportive Housing. Mr. Reliford said no in regards to this type of land use. R3, R4, R5 districts are for SROs; rationale behind these zoning districts is those are multi-family housing districts not single-family housing districts. Would MXD apply to Town Center and Transit Area? Mr. Reliford replied it will not apply to Town Center.

Chair Mandal opened the public hearing for comments and heard none.

Motion: to close the public hearing after hearing no comments.

Motion/Second: Commissioner Madnawat / Commissioner Mohsin

AYES: 6

NOES: 0

ABSENT: 2 Vice Chair Ciardella / Commissioner Sandhu

Chair Mandal asked fellow Commissioners for any discussion. Commissioner Madnawat commented that this is something required by State law; however, he understands that it does not mean the City needs to provide services that is just zoning amendments being considered here. State is not forcing the City to provide services.

Motion: to adopt Resolution No, 13-023 recommending the City Council adopts an ordinance amending the zoning code to include provision relating to emergency shelters, single room occupancy (excluding from Mixed Use district) residences, supporting housing, transitional housing, and reasonable accommodation based on the findings set as amended by excluding SROs from Mixed-Used district and adopt a Negative Declaration for the project.

Motion/Second: Commissioner Madnawat / Commissioner Luk

AYES: 6

NOES: 0

ABSENT: 2 Vice Chair Ciardella / Commissioner Sandhu

Chair Mandal inquired of staff how far the City has met the State requirements in 2010. Mr. Reliford required that we have met all the requirements besides the items that are being proposed right now.

→ **IX-3 DEVELOPMENT AGREEMENT NO, DA13-0001:** request for a Disposition and Development Agreement between the Milpitas Housing Authority and South Main Senior Lifestyles LLC, involving the purchase of 5.94 acres and the development of up to 389 housing units (Senior Congregate Care and Independent Living), located at 1504-1620 South Main Street (APNs: 86-22-027, -028, -033, -041, and -042) zoned multi-family residential, very high density with site and architectural overlay (R4-S).

Principal Housing Planner gave an overview of the project to the Commission stating that the site is owned by Milpitas Housing Authority and pursuant to the Department of Finance, the MHA funds and site must be used for housing with affordable units. It is a conformance of finding with the Milpitas General Plan and Milpitas Specific Plan.

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What State law requires is that before the disbursement of the property, the Planning Commission has to make a finding that the proposed project is consistent with the City's General Plan and Midtown Specific Plan. The developers are proposing a senior housing project to be located at 1504-1620 South Main Street.

Mr. Reliford continued presenting conceptually the new project being proposed by the developers which is a continuum of care retirement community. This is a full service community with activity and amenity-enriched where one can age in place. Mr. Reliford reminded everyone that the City has 2 existing Senior Housing projects namely Terrace Garden built in 1988 and the other one is the DeVries Place across the Milpitas Library built in 2009. Both current senior housing projects will not have the same amenities Senior Lifestyles is proposing; and the City of Milpitas will be the first City in the South Bay to potentially have this type of project.

He went on reviewing the conceptual project description in order for the Commission to make a finding. The Integrated Retirement Community would consist of 389 apartment homes; all residents 62 years of age and older; would be a two-phase development; complementary and cohesive design with integrated management and operations.

Phase 1 is a congregate care and assisted living that would consist of 199 spacious apartment homes with 24-hour staffing, daily check-in, emergency response services, and a secure building with a subterranean parking. Phase 2 of the project will consist of active, independent living with 190 spacious apartment homes. These units will have full high-end amenities and features; will have expansive common areas to promote interaction; Phase 1 units will have first priority.

Mr. Reliford enumerated the benefits to the City to have this type of project and that include a unique landmark asset; property, sales, and special taxes annually; \$2.5 million worth of public infrastructure; jobs and economic development; there will be 48 very low income (50% AMI) housing units and first preference to Milpitas seniors; and \$7.7 million DDA grant will be eliminated.

Staff is recommending that the Commission finds the project to be consistent with the General Plan Policy Number 2.a-I-12: Encourage variety/mix in housing; Policy Number 2.a-G-3: Provide variety of housing types/densities; and Policy Number C-G-3: Support diversity and creativity. As to the Midtown Specific Plan, staff is also recommending that the Commission finds the project meeting the Midtown Specific Plan Policy Number 3.5: Provide housing for all income levels throughout Midtown area; Policy Number 3.6: Provide affordable housing in new developments. Set affordable requirement on project-specific basis; and Policy Number 3.7: Architecturally integrate affordable with market rate units. At this time, no environmental review is required and staff recommends that this project is consistent with the zoning and CEQA requirements.

Commission Morris commented this sounds like an innovative project; her only question is in regards to with fire and police service demand, would this provide for increased police and fire services or would this keep them at status quo. Mr. Reliford responded that the developer would pay a Community Facilities District fee that allows for potential expansion of police and fire services. Planning Director clarified that Community Facilities District CFD-2005 fees are used only for landscape and park maintenance and not for police and fire services.

Commission Madnawat asked what AMI stands for and how much would a unit cost for this project. Principal Housing Planner Reliford said that this project would have 48

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units that are substantially 50% less than the market rate. Commissioner Madnawat would like to confirm with staff that this is not a request to approve a project; and staff replied that is correct. This public hearing item is only for the Commission to make a finding that the project conforms to the consistency within the General Plan and Midtown Specific Plan policies. The purpose of clarification is Commissioner Madnawat has a parking issue questions but those questions are premature since the Commission is not considering a development project. Staff informed the Commission that City received a comment letter from PUC and a resident but those comments would be addressed if/when a project application is proposed to the City.

Chair Mandal asked staff to bring up the findings on the screen so the Commissioners could see them again. Commissioner Madnawat asked if this would be categorized as a housing or commercial project, staff replied housing project. Chair Mandal asked about timeline of the project for it sounds like an exciting program. Mr. Reliford deferred the question to the developers and simply stated that the Disposition and Development Agreement would have the performance and milestones that the developer would have to meet.

Commissioner Barbadillo stated this is a good program catered to seniors that is needed in our City. His question is, was there any data back in 2008 to support the market for senior housing market. Mr. Reliford said there is; and an analysis has been done in regards to the market needs.

Commissioner Luk opined that this is more applicable to seniors and a visionary project given the location of this project the developers are putting the location into good use and providing for the needs of seniors.

Commissioner Madnawat asked how they came up with the number 48 for affordable units and asked if all the units are for sale. Staff replied these are rental units and the affordability of these units is sanctioned by the Regulatory Agreement between the Milpitas Housing Authority and the developers for 45 years. Commissioner Madnawat asked if there will be audits; staff answered yes. Commissioner Madnawat asked if the developers have any other projects like this. Mr. Reliford responded yes, and it is located in Livermore. At this point he asked the developers to come up to the podium.

Joseph Callahan and Terry Freeman representing South Main Senior Lifestyles LLC addressed the Commission. Mr. Callahan informed the Commission that the first phase of their Livermore Senior Housing project opened in 2004, while the second phase opened its doors in 2007. Commissioner Madnawat asked if there has been any complaint from the facility renters like abuse of taking advantage of seniors. Mr. Callahan said they have regular reports into the City of Livermore for their project per their Regulatory Agreement and in almost 10 years of operation there have not been any reports of abuse.

Commissioner Madnawat commented that at least this project for two reasons; first we need good projects like this on our dilapidated street and second, will not have school impact since the residents would be seniors. Mr. Joe Callahan is looking forward to bringing a unique project to the City of Milpitas.

Chair Mandal opened the public hearing for comments and heard none.

Motion: to close the public hearing after hearing no comments.

Motion/Second: Commissioner Madnawat / Commissioner Luk

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