



Milpitas Metro Specific Plan - Land Use and Density Policies

Agenda Report Attachment prepared for the City Council Meeting on January 19, 2021

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This report is a briefing on Milpitas Metro Specific Plan policies that are being considered for the plan. The presentation delivered on January 19 will include:

- Milpitas Metro Specific Plan Status Update
- Community Engagement Update
- Land Use and Density Policies

The City Council will be asked to weigh in on the following questions:

1. Do you support the Land Use policies as described, or do you have changes you would like to propose?
2. Do you support the locations for land uses described?
3. Do you support the densities and intensities of land uses described?

Milpitas Metro Specific Plan Status Update

The Framework for the Milpitas Metro Specific Plan (MMSP) has been drafted, and the Plan Draft is being prepared. Key policy ideas will be presented for consideration by the City Council over the three meetings and grouped by topic.

January 19 - Land Use and Density

February 2 - Transportation, Mobility, Circulation, Traffic

March 2 - Parks, Trails, Streetscape, Sustainability, Placemaking and Infrastructure

There will also be a Study Session with the Planning Commission following these three meetings.

The Milpitas Metro Specific Plan (MMSP) will supersede the Transit Area Specific Plan (TASP) and be notably briefer. The relevant portions of the TASP will be included, along

with updated goals, policies, and actions to complete the Milpitas Metro neighborhood. The MMSP effort is being coordinated with other City Plans and current planning efforts, including the following plans:

- General Plan Update (ongoing)
- Parks and Recreation Master Plan (ongoing)
- Active Transportation Master Plan (ongoing)
- Urban Water Management Plan (ongoing)
- Housing Element (upcoming)
- Gateway Specific Plan (upcoming)

This plan was originally scheduled to conclude in April 2021, however it has been extended in order to provide planning and environmental review for housing development in order to comply with RHNA and property owner interest in housing development in the Great Mall Subdistrict. The Milpitas Metro Specific Plan will be drafted during Spring 2021 as the Environmental Impact Report commences. The project is anticipated to be completed at the end of 2021.

In our meeting with the City Council in September 2020, the Council expressed support for the seven Plan Vision Elements:

The Milpitas Metro Plan Vision

1. To create a more complete neighborhood.
2. To expand neighborhood services and the variety of retail.
3. To preserve space for jobs near transit.
4. To provide affordable and market-rate housing.
5. To provide safer and more attractive multimodal connections for walking and biking.
6. To provide a greater variety of shared public spaces.
7. To enhance the sense of place and identity of the Metro Area.

This vision statement will form the foundation for the MMSP. Additionally, a foundational premise for the TASP/Metro Plan is and has always been to facilitate higher density and intensity of development close to the mass transit hub for the purposes of meeting the City's jobs and revenue needs and complying with State housing obligations.

Community Engagement Update

Public outreach for the Milpitas Metro Specific Plan has included many different participation opportunities. All community outreach has been conducted online due to the pandemic. A map-based community survey and stakeholder interviews were conducted over the summer of 2020 and gathered input from 300 Milpitas residents. An online Open House and Community Meeting were held during the Fall of 2020, and reached 101 people. Responses were primarily from residents in the Plan Area and other Milpitas residents.

Community Meeting and Open House Takeaways:

1. The community largely agrees with the Plan Vision and ideas for the Great Mall Subdistrict.
2. There are concerns about the Plan creating safety/crime issues, building too much housing, and increasing traffic congestion.
3. Creating and improving pedestrian and bicycle connections are generally considered a higher priority than vehicular traffic.
4. The community would like to see more open space, particularly plazas, community event spaces, and trails.
5. The top 3 priorities for the Plan Area are **providing open space, fun destinations, and safer streets.**

A complete summary of the Open House input is available as an additional attachment of the January 19, 2020, MMSP Agenda Report.

Land Use and Density Policies

This section details the proposed approach for enabling and regulating development and land uses in the Milpitas Metro District. It covers development principles, the proposed land use map, land use goals and policies, and development capacity and density. The Development Principles are high-level guiding policies for approaching development, land use and density. The Land Use Map shows where particular land uses are proposed to be allowed and indicates density. The Land Use Goals and Policies are proposed policies that will govern land use and development. The Land Use and Density subsection describes capacity studies developed by the planning team, and proposed land use densities and intensities.

Development Principles

Development on large and small sites throughout the Milpitas Metro Plan area will adhere to the following principles:

1. Large sites will be divided into zones that prioritize creating a walkable street grid, accessible spaces, and development opportunity areas.
2. Phased projects will prioritize the development of affordable housing and public amenities.
3. The MMSP will establish design guidelines for buildings and the public realm to ensure a high-quality environment, walkable scale, and a strong sense of place.
4. The MMSP will both encourage and limit residential, Commercial, Retail, and Hotel development, though future plan updates may increase site capacity allowances.
5. Development will be lower scale adjacent to existing residential neighborhoods and higher along Great Mall Parkway and other arterials.
6. Property owners will be encouraged to develop and maintain privately owned public spaces.
7. Development will be subject to the same fees throughout Milpitas Metro.

Land Use Map

The following maps show existing and proposed land uses in the Milpitas Metro District. These draft land uses will be codified into zones following their approval. While current Milpitas zones are used in *Figure 2. Proposed Land Uses*, it is likely that new zones will be developed specifically for Milpitas Metro. Notable changes between existing and proposed land uses include the following:

- The Innovation District is added to the MMSP plan area, and will be zoned for Research and Development at a Floor Area Ratio (FAR) of 2.5.
- Parcels along Main Street are added to the MMSP plan area, and parcels that have not been redeveloped will be zoned to allow buildings of up to seven stories.
- Parcels proximate to the Multimodal Station, including along Milpitas Boulevard Extension and in the southern partition of the Great Mall Subdistrict will be zoned to encourage employment or office uses, and may also be permitted to see residential development.
- Parcels in the Tango subdistrict will be allowed to develop with mid-rise or approximately 5-story multifamily buildings.
- In the Great Mall Subdistrict, the most intensive density and intensity will be encouraged along Great Mall Parkway. The portion of the site adjacent to the existing residential development will be low rise, and the remainder of the site will be zoned for mid-rise development.

- Retail, commercial and/or flex uses on the ground floor will be required in select locations in the Great Mall Subdistrict that are economically viable.

The proposed zoning is not intended to restrict the amount of retail square footage on the Great Mall property. The property owners may elect to expand, maintain or reduce total retail square footage as redevelopment takes place. Simon Properties, the owners of the Great Mall, are experts in retail development and operations and have expressed the intention to maintain the existing footprint of the Great Mall for the time being, and have indicated that near-term residential development is likely to occur on surface parking lots.

Figure 1. Existing Land Use Map shows the current land uses in the Milpitas Metro District.

Figure 1: Existing Land Use Map

LAND USE

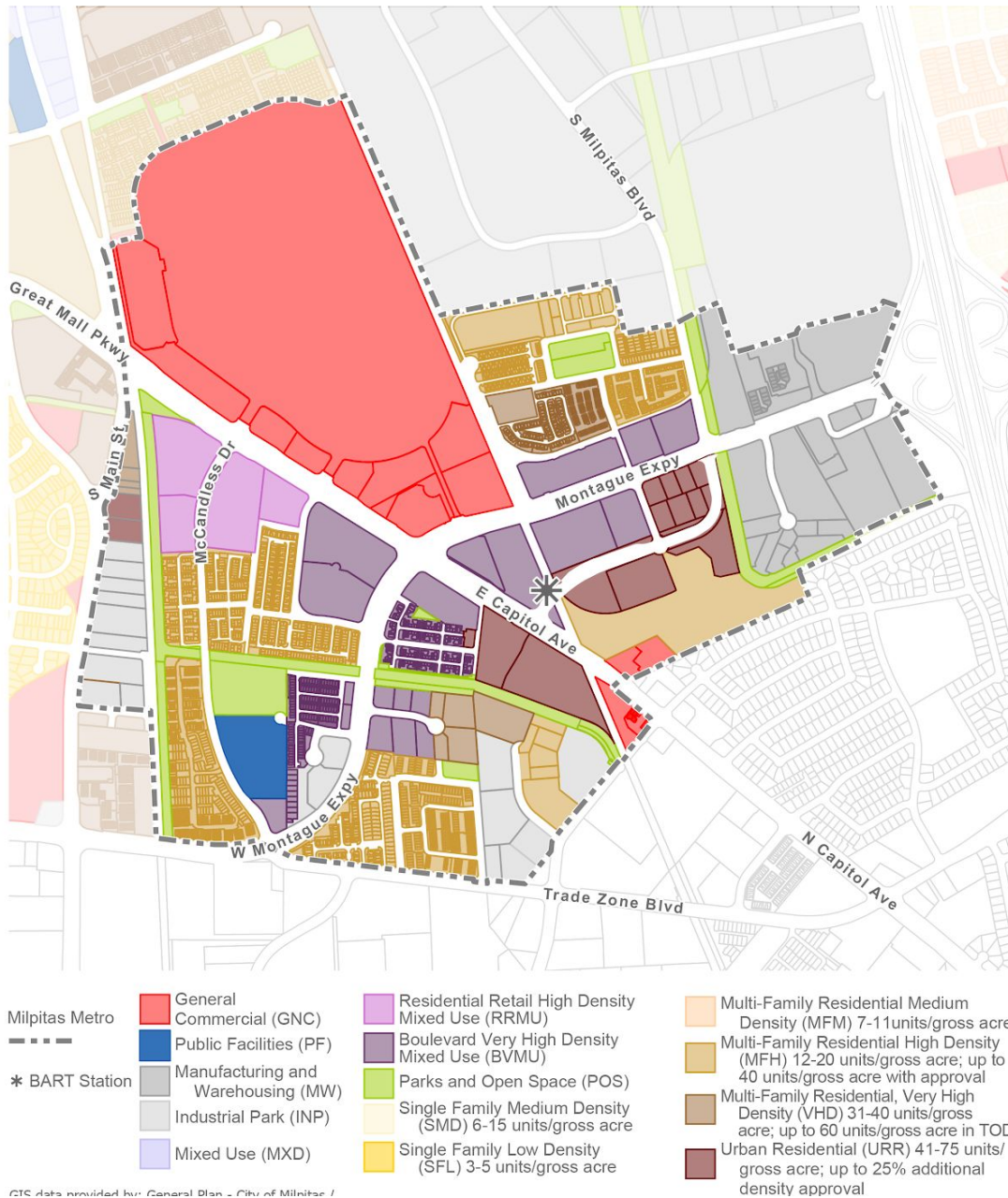
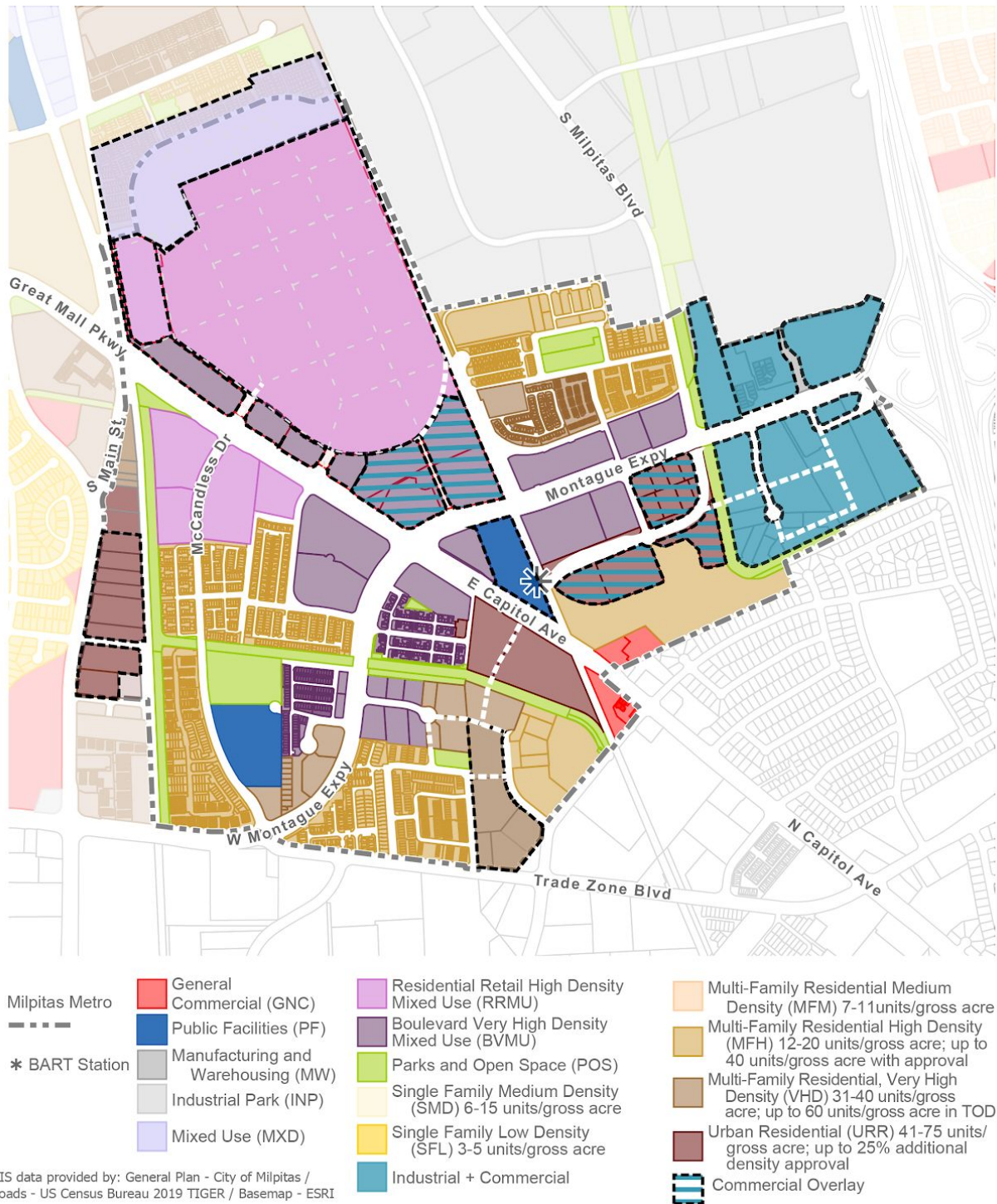


Figure 2: Proposed Land Use Map, below, shows the proposed approximate land uses in the Milpitas Metro District. Land use colors for areas of change match existing land uses. The Milpitas Metro Plan is likely to develop new zoning regulations that will be similar to these land uses but may not precisely mirror them. Larger sites are divided given the development principles. The scale and location of uses are also governed by the development principles.

Figure 2: Proposed Land Use Map

LAND USE



Land Use Goals and Policies

This subsection outlines the proposed land use goals and policies for the MMSP. These policies will become the base structure for land use policies in the plan. The plan structure will be as follows:

- Vision
 - Principles
 - Topic Areas (eg. Land Use, Transportation, Parks, etc.)
 - Goals (eg. LU1, LU2, T1, T2, etc.)
 - Strategies (eg. LU 1.1, LU 1.2, etc.)
 - Action Items (eg. LU 1.1.1, LU 1.1.2, etc.)

The Goals lay out the direction or intent of the plan in a key area of concern. Strategies indicate how Goals may be accomplished. In some cases, the plan will provide more detail in Action Items, which will indicate specifically how a particular strategy will be implemented.

This subsection includes Goals and Strategies related to land use and density or intensity. Action Items will be developed after the direction of the Goals and Strategies is supported by City Council.

- LU 1. **Mix of Uses.** Provide a mix of land uses, including residential, neighborhood-serving, local and regional retail and entertainment destinations, commercial office and research and development facilities, as well as parks and public facilities, in order to create a complete neighborhood.
 - LU 1.1. Locate land uses according to the Land Use Map.
- LU 2. **Transit Orientation.** Capitalize on the transit-orientation of the planning area to support transit ridership, reduce traffic congestion and greenhouse gas emissions, and support livability
 - LU 2.1. Locate the highest density residential and commercial development closest to the transit stations and major corridors to take advantage of transit and circulation infrastructure
 - LU 2.2. Provide opportunities for hotels along major arterials that maximize access and visibility; are close to shopping, entertainment, and dining; and enjoy good access to BART and light rail.
- LU 3. **Housing.** Plan for the development of between 5,000-7,000 housing units in Milpitas Metro during this planning period (2021-2040).
 - LU 3.1. Accommodate housing for a range of income levels and housing types that capitalize on the transit-orientation of the district and support neighborhood retail services.
 - LU 3.2. Encourage development intensities that support transit ridership, neighborhood retail and active open spaces.

- LU 3.3. As a way of providing more flexibility to help developers to design and build financially feasible projects, the Milpitas Metro Specific Plan establishes a system that regulates Floor Area Ratio (FAR) in residential and commercial development, replacing height and density regulations.
- LU 3.4. Promote a diverse mix of housing typologies, including a variety of ownership models as well as typologies such as live/work, co-living, seniors, students, etc.
- LU 3.5. Provide incentives for the development of below market rate (affordable) housing.
- LU 4. **Retail and Active Ground Floors.** Support a mix of neighborhood and regional serving retail and active ground floors that are compatible with surrounding land uses and are economically viable, as seen in the Land Use Map.
 - LU 4.1. Require that development in areas shown on the Land Use Map provide uses and/or building design features that activate the ground floor.
 - LU 4.2. Ensure that development is designed to accommodate flexible uses that can accommodate a pivot in business type as economies evolve.
 - LU 4.3. Ensure that retail spaces will support successful businesses through the use of design and siting
 - LU 4.4. All ground-floor non-residential spaces shall be designed with active frontages that encourage window shopping, pedestrian activity, and visual interest.
 - LU 4.5. Site neighborhood-serving retail adjacent to residential areas, with views of public streets
 - LU 4.6. Prohibit drive-through establishments and other new development whose design prioritizes automobile access
- LU 5. **Public Services.** Expand infrastructure and public services in parallel with new development.
 - LU 5.1. Consider locating a Police Substation in the Innovation District adjacent to the BART station along Milpitas Boulevard Extension (show precise location on map)
- LU 6. **Community Spaces.** Locate shared public spaces within each subdistrict in areas easily accessible for residents. Shared public spaces are the most critical element to ensure that high-density residential neighborhoods are livable and attractive.
- LU 7. **Office.** Accommodate small businesses, larger office users, R&D and technology users.
 - LU 7.1. Promote the development and appeal of flexible office and research and development uses in the Innovation District by ensuring strong connections to transit and the Milpitas Metro district.

- LU 7.2. Promote the development of a dynamic office and R&D center in the Innovation District by concentrating office uses
- LU 7.3. Support small-format offices (generally less than 5,000 sq. ft.) within residential mixed-use buildings, where retail is not required, and through co-working configurations.

Land Use and Density - Capacity Tests

A large portion of the TASP Area identified for housing was built out between 2008 and 2020 with housing, transforming a low-density office park into a transit-oriented neighborhood. Recent projects have included retail spaces, as anticipated in the TASP. Much of the anticipated commercial development has not occurred, however. The remaining portion of undeveloped land in the area, to be addressed with the MMSP, will include a mix of uses, including commercial uses, to support walkability and the development of a complete neighborhood.

The planning team conducted a capacity study to test the type of development that would be desirable and could fit on the remaining parcels. The existing zoning allows for a scale of mixed-use development that can be seen along Great Mall Parkway, which generally includes 5+ story tall residential buildings with ground-floor retail. In some cases, especially close to the Transit Center and along major arterials, buildings that are taller may be economically viable. The existing TASP allows for taller buildings next to transit.

Figure 3. Capacity Study



The capacity study shown in *Figure 3. Capacity Study* is a test of what could be developed in Milpitas Metro and is not a proposal of new development. In this illustration, housing is yellow, office is blue, retail is red and hotel is purple. There is retail at the ground floor of apartment buildings along Great Mall Parkway, which is more visible in later illustrations. The primary variables examined in this study are location and height. Taller buildings would allow more residential units or commercial/retail space. While this study shows a capacity of 6,000 dwelling units, it would be possible to develop more units in the plan area. This plan is anticipated to limit development in the Metro Area to approximately 7,000 dwelling units while setting aside capacity for more development in later plan cycles, including RHNA/Housing Element cycles and Milpitas Metro Specific Plan cycles, if desired by the City.

The MMSP will assume additional housing development in the plan area than was laid out in the TASP, because The Milpitas Metro District is one of the most appropriate areas of the City of Milpitas to develop affordable housing, accommodate RHNA, and create a more urban, transit-oriented core. The transit-rich area also includes the Great Mall, which is a regional retail destination that could be enhanced with the addition of housing. About half of the assumed new capacity for housing will be considered at the Great Mall with the other half spread out over the remaining plan area sites.

A complete neighborhood is not complete if it is only made up of housing, regional retail that residents visit rarely, and a transit center. Focused, neighborhood-scale retail at key

hubs and commercial buildings will also be included in the MMSP. The Great Mall subdistrict considers a shift of some large format indoor retail into outward-facing, experiential retail, including the addition of smaller neighborhood commercial retail - the kind that is more appropriate for neighborhood services like restaurants and small businesses.

While the office development market has been slow in Milpitas, and it is possible dedicated office land uses may diminish post-pandemic, it is still considered a possibility for office and R&D to be viable in the Innovation District because of its proximity to the Milpitas Transit Center and I-680/880. There is potential for a significant office campus in the Innovation District given the capacity established in the General Plan update for the area that established a development capacity of 2.5 FAR, which is included in the capacity study for the MMSP.

Table 1 below summarizes the Development Capacity considered for the MMSP compared to what was planned for the TASP and what was entitled to date. Table 2 below summarizes the amount of development anticipated in the MMSP by subdistrict.

Table 1: Development Capacity Comparison to TAP

Land Use	Existing Development in 2008	TASP Planned New Development	Total TASP Planned Development	Entitled by 2019	Additional Projected for MMSP
Dwelling Units	468	7,109	7,577	6,955	7,000
Office (sf)	52,780	993,843	1,050,000	10,630	3,000,000
Retail (sf)	1,970,000	287,075	2,240,000	186,500	300,000
Hotel (rooms)	292	350	642	0	700

Table 2. Development Capacity by Subdistrict

Land Use	Great Mall	Innovation District / BART Station Area	Tango	McCandless	Additional Projected for MMSP
Dwelling Units	3500	1000	1300	1200	7,000
Office (sf)	500,000	2,500,000	0	0	3,000,000
Retail (sf)	250,000	40,000	10,000	0	300,000
Hotel (rooms)	350	350	0	0	700

City Council Feedback Requests

1. Do you support the Land Use policies as described above, or do you have changes you would like to propose?
2. Do you support the locations for land uses described?
3. Do you support the densities and intensities of land uses described?