

CITY OF MERCED
Planning & Permitting Division

STAFF REPORT: #17-08

AGENDA ITEM: 4.1

FROM: Kim Espinosa,
Planning Manager

PLANNING COMMISSION
MEETING DATE: April 19, 2017

PREPARED BY: Julie Nelson,
Associate Planner

CITY COUNCIL
MEETING DATE: June 5, 2017

SUBJECT: **General Plan Amendment #16-06, Zone Change #424, and the Establishment of Planned Development (P-D) #76.** This application was initiated by University Village LLC, on behalf of Fagundes Dairy, A Partnership and CBCP Assets, LLC, property owners. The application is a request to change the General Plan and Zoning designations and to establish a Planned Development (P-D) for approximately 17.25 acres of land located on the south side of Yosemite Avenue at Lake Road. The requested General Plan Amendment would change the General Plan designation from Low Density Residential (LD) to High-Medium Density Residential (HMD) for approximately 16.25 acres and to Neighborhood Commercial (CN) for approximately 1 acre of the site. The Zone Change would change the Zoning designation for 14.86 acres from R-1-6 to Planned Development (P-D) #76 and 2.39 acres from Planned Development (P-D) #52 to Planned Development (P-D) #76 for the future development of 225 student housing units and a 6,600-square-foot commercial building. *PUBLIC HEARING*

ACTION: **PLANNING COMMISSION:**

Recommendation to City Council

- 1) Environmental Review #16-37 (Mitigated Negative Declaration)
- 2) General Plan Amendment #16-06
- 3) Zone Change #424
- 4) Establishment of Planned Development (P-D) #76

CITY COUNCIL:

Approve/Disapprove/Modify

- 1) Environmental Review #16-37 (Mitigated Negative Declaration)
- 2) General Plan Amendment #16-06
- 3) Zone Change #424
- 4) Establishment of Planned Development (P-D) #76

SUMMARY

The project site is located on the south side of Yosemite Avenue at Lake Road (Attachment A). The project site is comprised of a 14.86-acre parcel [Assessor's Parcel Number (APN): 008-010-071] and a 2.39 acre portion of the adjacent parcel (APN: 008-010-070). The project site has a Low Density Residential (LD) General Plan designation. The 14.86-acre portion of the site is currently zoned R-1-6 and the 2.39 acre portion is zoned Planned Development (P-D) #52.

The project involves a General Plan Amendment, Zone Change, and the Establishment of Planned Development (P-D) #76. The requested amendment to the General Plan would change the land use designation from Low Density Residential (LD) to High-Medium Density (HMD) for approximately 16.25 acres and to Neighborhood Commercial (CN) for 1.0 acre. The requested Zone Change would change the zoning from R-1-6 to Planned Development (P-D) #76 for 14.86 acres and from P-D #52 to P-D #76 for 2.39 acres. The establishment of Planned Development (P-D) #76 would establish standards for development within P-D #76.

If the proposed General Plan Amendment, Zone Change, and Establishment of Planned Development are approved, the construction of a 225-unit student housing apartment complex and 6,600 square feet of retail commercial space would follow pending Site Plan Review approval (a staff level review). The Site Plan at Attachment B shows the layout of the apartment complex and the location of the retail space.

The developers are conscience of the impacts development has on the environment. As such, they are designing their project to be as energy efficient and environmentally friendly as possible. While they would not be certified as LEED Gold, they are implementing the same design standards as would be required if they were obtaining a LEED certification. They will also implement recycling facilities and solar panels for generating energy and reducing impact to the environment.

The student housing apartment complex would be operated by an experienced management company. They would provide an onsite manager and would enforce the rules and regulations of the complex as well as provide group activities for the residents to take part in.

Planning staff is recommending the Planning Commission recommend approval of the proposed General Plan Amendment, Zone Change, and the Establishment of Planned Development (P-D) #76 to the City Council.

RECOMMENDATION

Planning staff recommends that the Planning Commission recommend approval of Environmental Review #16-37 (Mitigated Negative Declaration), General Plan Amendment #16-06, Zone Change #424, and the Establishment of Planned Development (P-D) #76 (including the adoption of the Resolution at Attachment F) subject to the following conditions:

- *1) The proposed project shall be constructed/designed in substantial compliance with Exhibit 1 (site plan) and Exhibit 2 (elevations), -- Attachments B and C of Staff Report #17-08, except as modified by the conditions.
- *2) The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.

- *3) All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
- *4) Approval of the General Plan Amendment and Zone Change is subject to the applicant's entering into a written (developer) agreement that they agree to all the conditions and shall pay all City and school district fees, taxes, and/or assessments, in effect on the date of any subsequent subdivision and/or permit approval, any increase in those fees, taxes, or assessments, and any new fees, taxes, or assessments, which are in effect at the time the building permits are issued, which may include public facilities impact fees, a regional traffic impact fee, Mello-Roos taxes—whether for infrastructure, services, or any other activity or project authorized by the Mello-Roos law, etc.. Payment shall be made for each phase at the time of building permit issuance for such phase unless an Ordinance or other requirement of the City requires payment of such fees, taxes, and or assessments at an earlier or subsequent time. Said agreement to be approved by the City Council prior to the adoption of the ordinance, resolution, or minute action.
- *5) The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.
- *6) The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control.
- *7) Community Facilities District (CFD) formation is required for annual operating costs for police and fire services as well as storm drainage, public landscaping, street trees, street lights, parks and open space. CFD procedures shall be initiated before final map approval. Developer/Owner shall submit a request agreeing to such a procedure, waiving right to protest and post deposit as determined by the City Engineer to be sufficient to cover procedure costs and maintenance costs expected prior to first assessments being received.

- *8) The project shall comply with all mitigation measures required by the mitigation monitoring program for Initial Study #16-37 (Attachment F of Staff Report #17-08) and all applicable mitigation measures required by Expanded Initial Study #02-27 approved for the Hunt Family Annexation (#02-02).
- *9) In compliance with Merced Municipal Code Section 20.20.020 Q, Site Plan Review approval is required prior to development to address conformance with the standards of Planned Development (P-D) #76.

Improvements/Infrastructure

- *10) Any missing improvements on Yosemite Avenue along the project frontage shall be installed to meet City Standards. Any existing improvements that have been damaged or otherwise do not meet current City Standards shall be repaired or replaced to meet City Standards. This includes, but is not limited to sidewalk curb, gutter, street trees, and street lights.
- *11) Street trees shall be planted along the project frontage on Yosemite Avenue in compliance with City Standards.
- 12) The project shall be responsible for the installation of a traffic signal at the intersection of Lake Road and the project entrance. The developer shall be eligible for reimbursement of up to 50% of the cost of the traffic signal in accordance with the City's Public Facilities Financing Plan (PFFP).
- 13) A raised curb shall be installed at the intersection of Lake Road and Yosemite Avenue and shall extend west from the intersection 180 feet. The design of the raised curb shall be approved by the City Engineer prior to construction.

Utilities and Storm Drainage

- *14) The project shall comply with Post Construction Standards in accordance with the requirement for the City's Phase II MS-4 Permit (Municipal Separate Storm Sewer System).
- *15) All storm water shall be retained onsite and metered out to the City's storm water system in accordance with City Standards, subject to the storm drain system approved for the Moraga subdivision.
- 16) All new utilities shall be installed underground.
- 17) The existing sewer line in Yosemite Avenue shall be extended from Via Moraga across the full frontage of the project site.

Access and Parking

- *18) A minimum turning radius of 33 feet inside, curb-to-curb and 49 feet wall-to-wall for fire apparatus access must be provided throughout the project site or as required by the Fire Department.
- 19) All gated entrances/exits, shall be provided with a Knox-box that is equipped with "click-to-enter" technology for the Fire Department. Details to be reviewed by Fire Department at the building permit stage.

- 20) If the entire apartment complex is gated, pedestrian access gates shall be provided to allow pedestrian access to the sidewalk along Yosemite Avenue.
- *21) Bicycle parking shall meet the minimum requirements of the California Green Building Code and Merced Municipal Code Section 20.38.080.
- 22) If the apartment complex is gated, a minimum of 20 feet of vehicle stacking room shall be provided onsite at each entrance.

Air Pollution and Noise

- 23) Prior to any demolition work, the applicant shall obtain all necessary approvals from the San Joaquin Valley Air Pollution Control District and a demolition permit from the City of Merced Inspection Services Division if required.
- 24) The developer shall use proper dust control procedures during site development in accordance with San Joaquin Valley Air Pollution Control District rules.
- 25) All construction activity shall be conducted in accordance with City of Merced standards for times of operation.

Landscaping

- *26) All landscaping shall be in compliance with the City's Water Efficient Landscaping and Irrigation Ordinance (Merced Municipal Code Section 17.60) and all state-mandated conservation and drought restrictions as well as the City's Zoning Ordinance Section 20.36 – Landscaping.
- 27) Irrigation for all onsite landscaping shall be provided by a low-volume system in accordance with the State's Emergency Regulation for Statewide Urban Water Conservation or any other state or city-mandated water regulations dealing with the current drought conditions.
- 28) All landscaping in the public right-of-way shall comply with the most recently adopted water regulations by the State and City addressing water conservation measures. If turf is proposed to be installed in medians or parkstrips, high quality artificial turf (approved by the City Engineer and Development Services Director) shall be installed.
- *29) Parking lot trees shall be installed per the City's Parking Lot Landscape Standards. Trees shall be a minimum of 15-gallons, and be of a type that provides a 30-foot minimum canopy at maturity (trees shall be selected from the City's approved tree list). Trees shall be installed at a ratio of 1 tree for every 6 parking spaces. No trees shall be required where there are carports with solar panels over the parking spaces. However, if all the parking spaces are covered by a carport with solar panels, then additional trees may be required at the discretion of the Development Services Director. Trees within the PG&E easement shall comply with the regulations of this easement which limits the height of trees to a maximum of 15 feet at full maturity.
- 30) The on-site landscape design shall include the use of xeriscape landscaping and comply with all California Building Code regulations or other applicable state and/or local requirements as well as Chapter 20.36 of the City's Zoning Ordinance.

Safety and Lighting

- 31) All walking paths, bicycle and vehicle parking areas, and recreational areas shall be provided with sufficient lighting to ensure a safe environment.

General Conditions

- 32) All mechanical equipment shall be screened from public view.
- 33) Containers for refuse and recycled goods shall be stored in enclosures that are designed with colors compatible with the buildings and shall be constructed to meet City Standards. At the Building Permit stage, the developer shall work with the City's Refuse Department to determine the best location for these enclosures to ensure proper access is provided for City Refuse Trucks.
- 34) The developer may install carports over some or all of the required parking spaces. Any carports installed near the bike path on the east side of the property shall have a minimum one foot setback from the edge of the easement for all vertical members and all horizontal members shall be a minimum of five feet from the property line. Specific design and location of the carports shall be approved by the Site Plan Review Committee.
- 35) The owner shall modify the Easement Deed granted in Document #2013-005030 to remove the conditions which reserve the grantor the right "to use the underlying property at any time for any purpose" (paragraph 2 of said document) and allows the grantor to relocate the bike path (paragraph 3 of said document). The owner/developer shall work with the City's Land Surveyor to prepare a new easement deed prior to the issuance of a building permit for this project.
- 36) The applicant shall provide written documentation from PG&E agreeing to allow the proposed parking spaces within their easement area. This documentation shall be provided with the submittal of the first building permit that includes the parking in this area.
- *37) All signs shall comply with the requirements of the North Merced Sign Ordinance. No free-standing A-Frame or sandwich board-type signs shall be allowed. All other moveable temporary signs are prohibited as well. Temporary banners may be installed on a building wall in compliance with the City's Sign Ordinance and after obtaining a Temporary Banner Permit from the Planning Department. A building permit shall be obtained for all permanent signs.

(*) Denotes non-discretionary conditions.

PROJECT DESCRIPTION

The project consists of two parcels totaling 17.25 acres of land located at the intersection of Yosemite Avenue and Lake Road (Attachment A). The proposed General Plan Amendment would change the General Plan designation from Low Density Residential (LD) to High-Medium Density Residential (HMD). The Zone change would change the zoning for 14.86 acres from R-1-6 to Planned Development (P-D) #76 and from P-D #52 to P-D #75 for 2.39 acres. The establishment of Planned Development (P-D) #76 would establish standards for all development within Planned Development (P-D) #76.

If the above applications are approved, the developers are proposing to construct a 225-unit student housing complex with a 6,600-square-foot retail pad (see site plan at Attachment B). The proposed apartment complex would provide 390,225 square feet of living area, a 13,700-square-foot clubhouse, a network of walking and biking trails, outdoor recreation space, dog park, and an onsite community bus stop. The complex would include 15 individual buildings containing 47 bedrooms each. Below is the breakdown of the units within each building. There would be a total of 705 bedrooms within the complex.

# of Bedrooms/Unit	# of Baths/Unit	# of Units/Building	Total Bedrooms/Building	Total Baths/Building
2	2	6	12	12
3	3	1	3	3
4	4	8	32	32
TOTAL within each building		15	47	47
TOTAL IN COMPLEX		15	705	705

The complex would be a gated community with the main entrance located at the eastern edge of the property, aligning with Lake Road to the north. A secondary entrance would be provided near the northwest corner of the site.

The proposed retail space would be located near the main entrance. No specific tenants have been identified, but the site is designed to accommodate a drive-thru use. Parking for the retail space is located outside the gated apartment complex.

Due to interface regulations and the requirements of a Planned Development, all development must be approved by the Site Plan Review Committee prior to construction. (This was a streamlining change under the new Zoning Ordinance adopted in 2016, the previous ordinance required a Conditional Use Permit approved by the Planning Commission). If the requested General Plan Amendment, Zone Change and Establishment of Planned Development (P-D) #76 are approved, the Site Plan Review Committee will review the specifics of the proposed development for compliance with the standards of P-D #76 and impacts to the Low Density Residential zones that are adjacent and across the street from the property.

Surrounding Uses
(Attachment A)

Surrounding Land	Existing Use of Land	Zoning Designation	City General Plan Land Use Designation
North	Single Family Residential	Merced County	Rural Residential (RR)
South	Vacant Single-Family Residential	P-D #52	Low Density Residential (LD)
East	Vacant Ag Land	Merced County	n/a (not within the City's SOI/SUDP)
West	Vacant Single-Family Residential	P-D #52	Low Density Residential (LD)

BACKGROUND

The project site was part of the Hunt Family Annexation approved in 2003. This annexation included the annexation of 181 acres generally bounded by Yosemite Avenue to the north, McKee Road to the west, Black Rascal Creek to the south, and the City Limit line to the east. Subsequent to the annexation, the Moraga Subdivision was approved, which included 520 single-family lots. The project site was not part of the Moraga Subdivision, but when annexed, was zoned R-1-6 to allow future construction of single-family dwellings.

FINDINGS/CONSIDERATIONS:

General Plan Compliance and Policies Related to This Application

- A) The proposed project would comply with the General Plan designation of High-Medium Density Residential (HMD) and the zoning designation of Planned Development (P-D) #76 if the requested General Plan Amendment, Zone Change, and Establishment of P-D #76 are approved.

The following Land Use Goals and Policies would be achieved with the approval of this request:

Goal Area L-1: Residential & Neighborhood Development

- *A Wide Range of Residential Densities and Housing Types in the City*
- *Quality Residential Environments*
- *Mixed-use, Transit, and Pedestrian-Friendly Residential Environments*

Policy L-1.1 Promote balanced development which provides jobs, services, and housing.

Policy L-1.2 Encourage a diversity of building types, ownership, prices, designs, and site plans for residential areas throughout the City.

Policy L-1.7 Encourage the location of multi-family developments on sites with good access to transportation, shopping, employment centers, and services.

Policy L-1.9 Ensure connectivity between existing and planned urban areas.

Implementing Action 1.1.a. Promote mixed use development combining compatible employment, service, and residential elements.

Implementing Action 1.2.e Consider density increases for existing residential sites where the necessary conditions exist for higher densities.

Implementing Action 1.7a Designate areas adjoining arterial streets, major transportation routes, and commercial areas for multi-family development.

Implementing Action 1.9.a Ensure multiple points of access for all new development.

Goal Area L-3: Urban Growth and Design

- *Living Environments which Encourage People to Use a Variety of Transportation Alternatives*
- *Self-sustaining, Mixed-Use Pedestrian Friendly Neighborhoods*

Policy L-3.1 Create land use patterns that will encourage people to walk, bicycle, or use public transit for an increased number of their daily trips.

Policy L-3.3 Promote site designs that encourage walking, cycling, and transit use.

Implementing Action 3.1.a Encourage pedestrian or transit-friendly designs at suitable locations.

Implementing Action 3.3.a Encourage project designs which increase the convenience, safety, and comfort of people using transit, walking, or cycling.

Traffic/Circulation

- B) The project site is located on the south side of Yosemite Avenue (divided arterial, special street section with 94-foot right-of-way) at Lake Road (collector street). The project proposes a main driveway access to line up with Lake Road to the north and secondary driveway near the western edge of the project site (Attachment B). The proposed apartment complex would be gated with gates at both the main entrance and the secondary entrance. Sufficient vehicle stacking room is proposed at both driveways, and Condition #22 requires a minimum of 20 feet for vehicle stacking.

The project provides bicycle parking and a shuttle service for tenants. The student housing complex would provide a dedicated shuttle service to both the UC Merced and Merced College Campuses. In addition, there is a bus stop located near the site for The Bus (the local bus service) and Cat Tracks (the UC Merced bus service). This existing stop may be moved east along the project frontage. In either location, it is within walking distance of the proposed project.

Yosemite Avenue is an east-west arterial that runs from North Highway 59 east to its terminus at Arboleda Drive (County). Portions of Yosemite Avenue are 2 lanes and in some areas the roadway has 4 lanes. As a condition of approval of the Tentative Map for the Moraga Subdivision just west of the project site, Yosemite Avenue from Lake Road to McKee Road was widened to 4 lanes.

Lake Road is a 2 lane north-south collector road extending from Yosemite Avenue to its northern terminus at Lake Yosemite. Lake Road becomes a local access road in the future when Campus Parkway replaces its function for through access. Lake Road currently provides primary access to the UC Merced campus.

The change to allow student housing and retail would increase the traffic in the area. However, the proposed project is providing measures to help reduce traffic-related impacts. In addition to the bicycle parking and shuttle service described above, the developer would install a traffic signal at Lake Road and Yosemite Avenue.

Given the fact that the residential component of the project is for students, it is likely that many of the residents may not have a vehicle. Additionally, given the close proximity of the site to the UC and Merced College Campuses, it is likely that many students would commute by bicycle, walking, or via the bus system (both the shuttle service provided by the development or the Bus or Cat Tracks).

The Institute of Transportation Engineers (ITE) Trip Generation Rates Manual (9th Edition) is used to estimate the number of trips generated by a particular use. The ITE Manual doesn't provide a trip generation rate for student housing, therefore, the rate for apartments has been used. This rate estimates 6.65 average daily trips per unit resulting in a total of 1,496 Average Daily Trips (ADT's) for the student housing component of the project.

For the retail portion of the project, it is assumed the use would be some kind of fast-food restaurant with a drive-thru. The rate used for the retail was 503.6 ADT's per 1,000 square feet. This calculation resulted in 3,324 ADT's for the retail component of the project site.

Trip generation rates can be reduced by applying a "pass-by" reduction. Pass-by trips are traffic already on the way from an origin to a primary destination that make an intermediate stop at the site while passing by on an adjacent street. Pass-by trips are considered existing traffic because they would have been passing by the site regardless of the new development. Pass-by trips make up a large share of the trip generation for convenience stores, gas station, and restaurants. In this case, we applied a 40% pass-by rate for the retail portion of the project (see table on the next page).

A certain number of residential trips can be reduced due to the dedicated shuttle service provided by the student housing complex. This reduction would account for the number of residents who would use the dedicated shuttle going to the UC Merced and Merced College Campuses or the City's bus service rather than personal vehicles. A 15% reduction is assumed for transit use (see the table on the next page). An additional 5% reduction can be assumed for residents using bicycles as their primary mode of transportation.

A certain number of trips generated within a mixed-use development such as the one proposed can be reduced due to internal capture. Internal capture are trips estimated as part of the total trip generation of each individual land use within multi-use developments, but are trips between a land use and another land use on the same site (e.g., between residential and retail or restaurant). Internal capture trips can be made on the site by walking or by vehicles using internal roadways without using the major street system and, thus, can be subtracted from the total site trip generation. See the table on the next page for reductions taken to account for internal capture.

Land Use	Number of Units	Vehicle Trips						
		AM Peak			PM Peak			Daily
		In	Out	Total	In	Out	Total	Total
Apartment Residential (ITE Code 220)	225 Dwelling Units	23	92	115	91	49	140	1,496
Fast Food With Drive-Through (ITE Code 934)	6,600 Square Feet	155	149	304	114	105	219	3,324
Total Unadjusted Trips		176	177	353	163	148	311	4,325
Apartment Residential Trip Reductions	Internal Capture ¹	-1	-18	-19	-15	-10	-25	-258
	15% Transit Use	-3	-11	-14	-11	-6	-17	-186
	5% Bicycle Use	-1	-4	-5	-4	-2	-6	-62
Fast Food With Drive-Through Trip Reductions	Internal Capture ¹	-18	-1	-19	-10	-15	-25	-280
	40% Pass-By ²	-55	-59	-114	-42	-36	-78	-1,218
Total Adjusted Student Housing Trips		18	59	77	61	31	92	990
Total Adjusted Commercial Trips		82	89	171	62	54	116	1,827
Grand Total Project Trips		100	148	248	123	85	208	2,817
DKS Associates, 2017								

The Expanded Initial Study prepared for the Hunt Family Annexation (EIS #02-27) considered the “worst case scenario” for the average number of trips generated by the project. At the time of annexation, the project site was designated as Low Density Residential. The total trips estimated for the annexation area was estimated to be 10,393 (using the average rate of 9.57 trips/unit). The number of housing units actually constructed, or that have a Tentative Subdivision Map (TSM) approved, is 730 units. The EIS assumed the number of housing units to be 1,086 as a “worst case scenario.” Based on this, the total number of single-family dwellings built or mapped is 356 units less than what was originally proposed.

In comparing the number of ADT’s projected by the EIS for the Hunt Family Annexation to the total number of trips estimated for the number of actual units built and mapped plus the proposed project, the number of trips would be less than what was analyzed in EIS #02-27.

Trip Comparison

	Units	ADT’s
Assumed Project in EIS #02-27	1086	10,393
Constructed/Mapped/Approved TSM	730	6,986
Proposed Project	225	2,817
Total – Constructed/Mapped/Approved TSM plus Proposed Project	955	9,803

As a condition of approval (Condition #12) and agreed upon by the developer, the proposed project would install a traffic signal at the intersection of the Project Entrance and Lake Road. This signal would help mitigate impacts resulting from an increase in traffic in this area.

The quality of traffic operating conditions is rated by Level of Service (LOS) Categories A through F, ("A" being the best). LOS A indicates free-flow traffic conditions with little or no delay. LOS F represents over-saturated conditions where traffic flows exceed capacity resulting in long queues and delays. The City of Merced has adopted LOS D as the standard for streets to operate at an acceptable level. According to Table 4.4 of the *Merced Vision 2030 General Plan*, Yosemite Avenue from Parson/Gardner to Campus Parkway is operating at a Level of Service (LOS) D. At the projected buildout of the General Plan area, this segment of Yosemite Avenue would continue to operate at an LOS D. Considering the table above showing that the number of trips generated by the actual number of units constructed/mapped/approved plus the project is less than the number used to analyze the "worst case scenario" in EIS #02-27, Yosemite Avenue would continue to operate at LOS D with the proposed project being built.

Because Lake Road is a collector road, the City does not have trip generation data in the General Plan. However, EIS #02-27 stated that "Lake Road carries traffic volumes of about 600 vehicles per day." A traffic study prepared for this project shows the intersection of Yosemite Avenue and Lake Road operates at LOS A during peak a.m. and p.m. hours.

Typically, arterial roadways would have a median installed to divide the east/west traffic flow. This section of Yosemite Avenue is designated as a "Special Street Section" in the City's General Plan. As such, the proposed ultimate right-of-way for Yosemite Avenue, east of Parsons/Gardner is only 94 feet as opposed to the typical right-of-way of 118 feet for a Divided Arterial. Although the standard for the section of Yosemite Avenue east of Parsons/Gardner calls for a center median, Planning and Engineering staff have determined that a median would not make sense along the project's frontage due to the existing dwellings on the north side of Yosemite Avenue. If a median were installed, access to these homes would be cut off. Given the fact that the General Plan shows the area on the north side of Yosemite Avenue to remain as Rural Residential and it unlikely that any other development would happen in that area, staff feels using a two-way-left-turn lane instead of a median is a better option for this area, especially since the project driveways are at the western and eastern edges of the property. However, to ensure traffic flows properly and maintains proper lanes at the intersection, a raised curb is required at the intersection. Condition #13 requires a raised curb be installed at the intersection and extend 180 feet to the west.

Parking

- C) Parking for multi-family dwellings is calculated based on the number of units, the number of bedrooms and the number of bathrooms per the Zoning Ordinance. The total number of spaces required for the student housing project would be 593 spaces.

Parking for the retail use would be based on the specific use that would occupy the building. Since there is no specific use identified at this time, staff calculated the parking based on a

ratio of one space for every 250 square feet of floor area. This equates to 26 parking spaces. As proposed, the retail space is provided with 35 parking spaces and 652 spaces are proposed for the residential units. The proposed parking exceeds the minimum requirements.

It's possible that the developers may want to construct carports over some of the parking spaces. While this detail is uncertain at this point, the addition of carports would be reviewed by the Site Plan Review Committee as required by Condition #34. If carports are installed, it's likely they would be designed to provide solar panels on the roof and help reduce energy consumption of the development. One of the main goals of the project is to operate as efficiently and as "green" as possible. The addition of carports with solar panels would help in achieving this goal.

Public Improvements/City Services

- D) The street and curb and gutter have already been constructed along the property frontage. Sidewalk, street trees, and streetlights would need to be installed with the future development (Conditions #10 and #11).

A water line was previously installed in Yosemite Avenue that will serve the site. A sewer line exists in Yosemite Avenue, but does not extend to the property. The sewer line would need to be extended from Via Moraga across the full frontage of the project site (Condition #17). The City has storm drain lines in Yosemite Avenue that would serve the project site as well.

A traffic signal is required at the intersection of Lake Road and Yosemite Avenue. The developer has agreed to install the signal and this requirement is included in the conditions of approval (Condition #12). In addition to the traffic signal, a raised curb is required at the intersection. The curb would extend 180 feet to the west from the intersection (Condition #13). As described in the Traffic/Circulation Section, a median is not required in Yosemite Avenue. However a two-way-left-turn lane shall be striped in Yosemite Avenue.

City Funding Obligations/Reimbursements

- E) The project will be responsible for the installation/construction of the following public improvements, among others:
- 1) *Installation of a traffic signal at Lake Road and Yosemite Avenue.*

The developer will be eligible for reimbursement for 50% of the cost of the traffic signal at Lake Road and Yosemite Avenue through the Public Facility Financing Program (PFFP). The amount of fee credit/reimbursement will be based on the cost of the improvements and shall be determined at the building permit stage.

Building Design

- F) The proposed student housing apartment buildings would be 3-stories in height. The roof pitch will be predominantly flat in the middle part of the building to allow for the installation of solar panels, but each end of the buildings would have a pitch roof adding character to the structures. Conceptual elevations of the buildings are provided at

Attachment C. Details of the building design would be reviewed by the Site Plan Review Committee (Condition #9). The proposed Planned Development Standards limits the height of buildings to no more than 45 feet tall.

There will be a total of 15 apartment buildings on the site. Each building would house 15 units. The apartment complex would consist of 2, 3, and 4 bedroom units. A breakdown of the units is found by bedroom and bathrooms is found in the Project Description section of this report. The total number of units by number of bedrooms per building is shown below:

# of Bedrooms/Unit	# of Units/Building	Total Units in Complex (15 Buildings)
2	6	90
3	1	15
4	8	120
TOTAL		225

The design of the retail building would also be reviewed by the Site Plan Review Committee. No elevations have been provided for this building.

Site Design

- G) The project site would have a main entrance on Yosemite Avenue at the intersection of the project site and Lake Road. The main entrance would lead to the retail building and the main entrance gate for the apartment complex is about 60 feet beyond the retail building (refer to Attachment B for the site plan). Adjacent to the driveway entrance is the City's bike path. The gated area would not include the bike path.

The buildings along Yosemite Avenue are set back approximately 25 feet from the property line. There is approximately 40 feet between the buildings. A clubhouse, pool, and spa are located near the center of the apartment complex. There is also a community plaza, dog park, and basketball court located past the clubhouse. All the buildings and amenities are connected by a network of sidewalks paths.

The parking for the apartments is provided primarily along the western side of the site. There are smaller parking areas provided in the center of the complex and along the eastern side of the site. It's likely that the developers would want to install carports over some of the parking areas. It is also likely that the carports would include the addition of solar panels to help reduce the energy consumption of project.

Details of the site design would be approved by the Site Plan Review Committee.

Landscaping

- H) Detailed landscape and irrigation plans would be reviewed by the Site Plan Review Committee. Landscaping would be provided throughout the site, but would need to be consistent with all drought-related regulations (Conditions #26, #27, and #28). Condition #30 requires the landscape design to include xeriscape landscaping and avoid the use of turf as much as possible. Parking lot trees are also required per Condition #29.

Neighborhood Impact/Interface

- I) The site is surrounded by vacant land to the south, east, and west. There are five single-family dwellings across the street on Yosemite Avenue. All but one of the houses are set back approximately 70 feet from Yosemite Avenue. The house on the corner of Lake Road and Yosemite Avenue is set back approximately 30 feet from Yosemite Avenue. There are vacant fields to the east and northeast of the site that are currently used as farm land. These lands and the houses across Yosemite Avenue are all outside the City Limits.

To the west of the site is an approved subdivision (Moraga, Phase 2). This phase was approved for 233 single-family lots. The first phase of Moraga has 287 lots for a total of 520 lots. The Tentative Map for Moraga (Phase 2) would expire in 2019. It is unknown at this time if or when the second phase would be constructed.

The major impacts to the neighborhood would be from traffic and noise. As described in the Traffic/Circulation Section above, the traffic generated from the proposed project does not exceed the amount projected for this area at the time of annexation. Additionally, the proposed project would implement alternate transportation options that would help reduce the traffic impacts. These include an onsite bus shuttle to the UC Merced and Merced College Campuses, bicycle parking and access to the City's bike path system, as well as access to transit. The installation of the signal at Lake Road and Yosemite Avenue would further alleviate potential traffic-related impacts.

In an effort to reduce impacts on the homes on the north side of Yosemite Avenue, the applicant proposed a two-way-left-turn lane instead of a median in Yosemite Avenue. After reviewing the request, the City agreed that the installation of a median would unnecessarily block access to the homes and that the installation of the two-way-left-turn lane is the better option.

Noise from the site would be another possible impact. Because the site is currently vacant, there is little noise generated from the site. With the proposed development, the noise would definitely increase. However, the design of the site keeps the residential buildings a minimum of 25-feet from the property line on Yosemite Avenue and close to 100 feet from the majority of the residences across Yosemite Avenue. An onsite manager would be available to address any specific noise-related issues and the community areas have been placed to the middle and south of the project site to help reduce impacts caused by people enjoying the recreational facilities provided.

Noise from traffic would also have an impact. The future retail use would generate traffic as well as the apartments. If the retail uses include a restaurant with a drive-thru window, additional noise would be generated from vehicles idling while in line. Additionally, noise would be generated from the speakers used for drive-thru orders. Staff would require the speaker box be located in such a way that it doesn't directly face the residential units. This and other noise impacts from the retail uses would have to be evaluated at the Site Plan Review phase since there are no specific tenants identified at this time.

Public hearing notices were sent out to all property owners within 300 feet of the site. In addition, an extended area was also notified. See the map at Attachment D for the notice area.

Staff has received two phone calls from neighboring property owners. The callers were inquiring about the project and did not voice any concerns. As of the date of this report, no concerns have been raised by the property owners notified.

Signage

- J) Both the apartment complex and the retail uses would be allowed signage in compliance with the North Merced Sign Ordinance.

Planned Development Standards

- K) The proposed Zone Change would change the zoning for this site from R-1-6 to Planned Development (P-D) #76. The purpose of the Planned Development (P-D) zoning is to allow for a high quality development that deviates from standards and regulations applicable to other zoning districts. The Planned Development zoning district is intended to promote creativity in building design, flexibility in permitted land uses, and innovation in development concepts. In the case of the proposed development, the use of the Planned Development zoning allows the project to be a “mixed-use” project that includes both residential uses and commercial uses within the same zone. It also would allow for the flexibility to deviate from the building height restrictions within typical R-1 and R-4. The following standards would be adopted as part of the establishment of Planned Development (P-D) #76:

Minimum Zoning Specifications	Standards	
	Commercial	Residential
Density (Units/Acre)	n/a	14 units/acre
Lot Coverage	n/a	55%
Setbacks		
Front	25	25
Side	20	20
Rear	20	20
Building Height	35 feet	45 feet
Balconies	n/a	Maximum Projection into required setback area shall not exceed 18 inches.
Parking Lot Trees	One tree for every six parking spaces shall be provided throughout the parking areas. No trees shall be required where there are carports with solar panels over the parking spaces. However, if all the parking spaces are covered by a carport with solar panels, then additional trees may be required at the discretion of the Development Services Director. Trees within the PG&E Easement area shall comply with the requirements of this easement which restricts the height to a maximum of 15 feet at maturity.	

Defensible Space	Safety and Defensible Space for Residential Uses 1. Placement of windows and doors should facilitate neighborhood surveillance of their neighbors entryways. 2. The number of apartments that enter their front door from the same hallway or courtyard should be limited to no more than 12 (or as otherwise approved by City staff) so that residents can learn to distinguish fellow neighbors from visitors and/or intruders. 3. Apartment common recreational areas should be easily viewed by residents within the units and shall be defined by a physical boundary. 4. Physical changes (such as picket fences, porches, decks, or landscape features) to mark and define areas near a dwelling as that unit's "territory" should be installed. 5. Keyed access gates and surveillance cameras should be installed to enter common areas.
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The Zoning Ordinance requires specific findings be made in order for the City Council to approve a Planned Development. Below are the required findings and explanations as to how the proposed project would comply with the findings:

- 1) *The proposed development is consistent with the goals, policies, and actions of the General Plan and any applicable specific plan and community plan.*

The proposed project is consistent with the goals, policies, and actions of the General Plan. As described in Finding A above, the proposed project would help achieve several goals, policies, and actions of the General Plan. There are no other applicable specific or community plans for this area.

- 2) *The site for the proposed development is adequate in size and shape to accommodate proposed land uses.*

The proposed project would sit on 17.25 acres of land. The residential portion of the project would sit on approximately 16.25 acres and be developed at a density of 14 units per acre which is consistent with the General Plan designation of High-Medium Density Residential (HMD). The commercial component of the project would consume the remaining 1 acre of land. As shown on the site plan at Attachment B, the proposed project provides ample setbacks, open space and recreational areas, as well as parking. The site is of sufficient size to accommodate the proposed development.

- 3) *The site for the proposed development has adequate access considering the limitations of existing and planned streets and highways.*

The proposed project would have two access points from Yosemite Avenue. The main entrance would align with Lake Road and the secondary access would be near the western edge of the site. This provides sufficient access to the site for residents, customers, and emergency services.

- 4) *Adequate public services exist or will be provided to serve the proposed development.*

The site would be served by the City's water and sewer facilities. Sufficient capacity is available for both water and sewer to serve this project. A water line exists in Yosemite Avenue which extends the full length of the project frontage. This line is of adequate size to serve the proposed development.

A sewer line is available for extension in Yosemite Avenue at Via Moraga. This line would have to be extended to the project site and across the full frontage of the property to serve the site.

The storm drain facilities in Yosemite Avenue are sufficient to serve the project as well. Although, storm water shall be captured onsite prior to entering the City's storm drain system.

The developer would be required as a condition of approval to annex into the City's Community Facilities District for Services (CFD) #2003-2. Revenue collected from the CFD would help pay for police, fire, landscape maintenance, and storm drain facilities.

- 5) *The proposed development will not have a substantial adverse effect on surrounding property, will be compatible with the existing and planned land use character of the surrounding area, and will enhance the desirability of the area and have a beneficial effect.*

The proposed project is not expected to adversely effect the surrounding property. Certain impacts are to be expected when developing vacant land. However, the developer has been sensitive to the surrounding uses with the proposed design. The large setbacks, the use of "green" construction practices, and the use of an experienced apartment management company would help reduce any adverse effects the project might have. Given the site is located at the edge of the City Limits and adjacent to vacant land makes the development of a higher density project more appealing. There are only five residences close to the site that could be impacted. The vacant residentially zoned land to the west (Moraga Phase 2) would still be able to develop as planned. It is not uncommon to have higher density residential abutting lower density residential. Additionally, the buildings have generous setbacks from all property lines which lessens the impact of the height of the buildings.

The expected traffic generated from the project is not expected to exceed the traffic impacts anticipated at the time of annexation. The installation of the signal at Lake Road and Yosemite Avenue would help to alleviate some of the potential traffic-related impacts.

- 6) *The proposed development carries out the intent of the Planned Development zoning district by providing a more efficient use of the land and an excellence of site design greater than that which could be achieved through the application of established zoning standards.*

The proposed development provides a very efficient use of the land by increasing the proposed density and providing a mixed-use development to help serve the increased number of units on the site. The design of the site and structures would be of high standard implementing many environmentally-friendly features throughout the buildings and site. The proposed mixed-use development and building height would not be allowed under established zoning standards. Therefore, the use of Planned Development Zoning is appropriate for the proposed project. The buildings would be of high-quality materials and the site would be designed and maintained in an aesthetically pleasing manner to help enhance the site and surrounding area.

- 7) *Each individual unit of the proposed development, in each phase as well as the total development, can exist as an independent unit capable of creating a good environment in the locality and being in any stage as desirable and stable as the total development.*

Each component of the mixed-use development would be able to exist independently of each other. While the commercial component of the project would thrive with the apartments nearby, the location of the site would allow the commercial uses to exist without the apartments. Given the location is on the direct route to the UC Campus, businesses would most likely garner patrons from those traveling to and from the UC.

The student housing apartment complex would also be able to exist independently of the commercial use. While the commercial use would provide some convenience to the residents (depending on the type of commercial use), the student housing development would be able to operate independently of the commercial use.

- 8) *Any deviation from the standard ordinance requirements is warranted by the design and additional amenities incorporated in the development plan, which offer certain unusual redeeming features to compensate for any deviations that may be permitted.*

The proposed project deviates from the standard zoning requirements by the use of a mixed-use development which combines both residential and retail uses in one development. Additionally, the building height proposed for the student housing units exceeds the height allowed by the R-3 and R-4 zones. In exchange for

allowing these deviations, the developer has incorporated several nice amenities into the complex, such as a gated complex, a community plaza, a dog park, basketball court, and a complete network of walking paths throughout the student housing complex. In addition, an onsite shuttle service would be provided for the residents to go to and from the UC Merced and Merced College Campuses. Along with these amenities, both the residential buildings and commercial building will be designed to incorporate many energy-saving features and elements that are typical for LEED certified buildings

- 9) *The principles incorporated in the proposed development plan indicate certain unique or unusual features, which could not otherwise be achieved under the other zoning districts.*

The proposed project incorporates a mixed-use design that could not be achieved in other zoning districts. While other zoning districts may allow these same uses individually, the Planned Development zone allows the uses to be designed as one cohesive development and allows for the deviation of the height restriction for the student housing buildings.

Environmental Clearance

- L) The Planning staff has conducted an environmental review (Initial Study # 16-37) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Draft Mitigated Negative Declaration (i.e., no significant adverse environmental effects have been found that cannot be mitigated to be less than significant) is being recommended (Attachment E) along with the Mitigation Monitoring Program at Attachment F.

Attachments:

- A) Location Map
- B) Site Plan
- C) Elevations
- D) Public Hearing Notice Area Map
- E) Initial Study #16-37
- F) Mitigation Monitoring Program
- G) Draft Planning Commission Resolution

Refer to Attachments 1, 3, 6, 7, 11, and 12 of the Administrative Report for Attachments A through G of the Planning Commission Staff Report.