

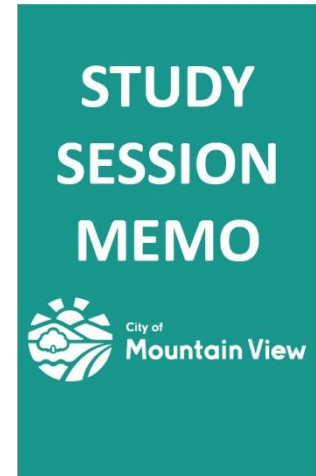
**DATE:** April 12, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Edgar Maravilla, Senior Planner  
Aarti Shrivastava, Assistant City Manager/  
Community Development Director

**VIA:** Kimbra McCarthy, City Manager

**TITLE:** **1020 and 1040 Terra Bella Avenue**



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**PURPOSE**

The purpose of this Study Session is to receive Council input on the projects at 1020 and 1040 Terra Bella Avenue, including a General Plan Amendment, Zoning Map Amendment, and Development Proposal.

**BACKGROUND**

**Project Site and Location**

The approximately 4.8-acre project site includes two properties—owned by Alta Housing and Public Storage, respectively—located on the northwest corner of Terra Bella Avenue and San Rafael Avenue, with additional frontage on Linda Vista Avenue.

The site is currently developed with approximately 18 single-story personal storage facility buildings and two single-story buildings: a Public Storage rental office and an uninhabitable residential structure, which would be demolished for this project. The project site has a current General Plan Land Use Designation of General Industrial and is located in the MM (General Industrial) Zoning District.



**Figure 1—Location Map**

U.S. 101, including an off-ramp to Highway 85 to the north; several industrial offices and research and development offices (one to two stories) to the south; industrial offices and research and development offices (one story) to the east; and a mixture of recently entitled multi-family projects with commercial space (five to seven stories), an existing Google office building (four stories), the Scientology site (two stories), and industrial and research and development offices (one story) to the west surround the proposed development.

### **Project Overview**

The project includes two separate development proposals by Public Storage and Alta Housing, which are being reviewed concurrently. The projects would rearrange the current property lines to incorporate an approximately 0.5-acre dedication of land from Public Storage (1040 Terra Bella Avenue) to Alta Housing (1020 Terra Bella Avenue) to create a larger affordable housing site. The resulting parcels would feature the Alta Housing site at the corner of Terra Bella and San Rafael Avenues, while the majority of the Public Storage site is located behind the Alta Housing site, with access via driveways on the cul-de-sac side streets (San Rafael and Linda Vista Avenues).



**Figure 2—Combined Site Plan**

**NOFA Funding**

Alta Housing will be requesting Notice of Funding Availability (NOFA) funding authorization for the 1020 Terra Bella Avenue site for development of a 100% affordable housing project. This request is anticipated to come before Council in the next few months for consideration.

**Terra Bella Visioning**

The project site and surrounding area were studied as part of the Terra Bella Visioning process, which provided an opportunity to gather input on community preferences on key land use and development topics for the Terra Bella Area. The resulting draft Vision Plan was intended to be a guiding document to implement a new vision for the area and the basis for a future precise plan

or guidance on Gatekeeper applications. While some objectives of the Draft Vision Plan addressed preferred land uses, intensity of development, and general circulation conditions, a vision plan does not establish development regulations or regulate land use and does not include detailed development feasibility and technical studies. Zoning regulations with this level of detail would need to be drafted through a precise plan for the area.

On November 18, 2019, the City Council elected not to adopt the draft Terra Bella Visioning Plan and determined a precise plan providing a comprehensive framework for future redevelopment of the area was prudent. There is no current timeline for preparation of a potential precise plan for the area (see Attachment 1—[Terra Bella Vision Plan, November 18, 2019](#)).

### **Prior Meetings and Hearings**

#### *Gatekeeper Authorization*

On August 5, 2020, the City Council authorized staff resources for consideration of a General Plan Land Use Designation change to High-Density Residential (36 to 80 dwelling units per acre) for the housing site, a General Plan Text Amendment to allow greater industrial intensities under the General Industrial designation and a Zoning Map amendment for the entire site to be designated P (Planned Community) District. The amendments would support two new development projects, including two new personal storage buildings on the Public Storage site and 105 affordable family units on the Alta Housing site (see Attachment 2—[Gatekeeper Application Staff Report, August 25, 2020](#)).

#### *Neighborhood Outreach*

Alta Housing and Public Storage have been proactive and provided a joint presentation in late 2020 to the Stierlin Estates Neighborhood group to gather project feedback. As the projects continue through the review process, both Alta Housing and Public Storage will conduct formal community meetings inviting other groups and members of the public to provide input on the project.

#### *Environmental Planning Commission Study Session*

On March 23, 2022, the project was presented for Environmental Planning Commission (EPC) feedback at a Study Session. The EPC provided direction on project design and height change for 1040 Terra Bella Avenue (see Attachment 3—[Study Session Memo, March 23, 2022](#)). The direction of the EPC is further summarized in the discussion below.

## **DISCUSSION**

The following report section provides an overview of the proposed project and identifies questions for Council which staff is requesting feedback for consideration as part of the development review and environmental review processes.

### **General Plan Amendment for 1020 Terra Bella Avenue**

The proposed General Plan Amendment from General Industrial to High-Density Residential (36 to 80 units per acre) would allow residential development of the 1020 Terra Bella Avenue property for the proposed 100% affordable project. The High-Density Residential Land Use Designation is the highest-density, purely residential land use designation in the General Plan and would accommodate the proposed project with a State Density Bonus request as discussed later in this Study Session report.

### **General Plan Text Amendment for 1040 Terra Bella Avenue**

Personal storage uses are allowed in the current General Industrial Land Use Designation. However, the General Industrial General Plan Land Use Designation has a maximum FAR of 0.55 for such uses. To accommodate the proposed Public Storage project, the applicant has requested a General Plan Text Amendment to increase the allowed FAR to a maximum of 2.5 FAR. Per the authorized Gatekeeper (highlighted above), the applicant will provide a community benefit as part of the consideration to allow the FAR increase, which includes an exchange of land to create a residential frontage on Terra Bella Avenue and dedication of an additional approximately 0.5 acre of land to Alta Housing (1020 Terra Bella Avenue) to create a larger residential development site totaling 1.04 acres, which will facilitate additional units in the residential development.

### **Zoning Map Amendment for 1020 and 1040 Terra Bella Avenue**

The development site is currently located in the MM (General Industrial) Zoning District, which allows only industrial uses. The MM Zoning District would allow the personal storage use (at a lower FAR), but not the residential project. As such, the applicant proposes the properties be rezoned to the P (Planned Community) Zoning District to facilitate the proposed development projects.

Pursuant to the Zoning Ordinance, P Districts are intended to be applied to areas which, by reason of their proximity to other zoning districts, topography, geographic location, size, shape, or existing development, require special consideration in order to be properly integrated into the community and adjacent developed districts and to further the planned circulation patterns, residential densities, planned coverage limitations, and preserve open spaces as required by modern land planning and zoning concepts and techniques.

## **1020 Terra Bella Avenue—Affordable Housing Project**

As part of the Gatekeeper authorization, the affordable housing project was proposed to be seven stories and 105 units, totaling about 157,000 square feet. Based on community feedback and other design progression, Alta Housing reduced the height of the structure to six stories and increased the unit count to 108 affordable units, totaling 150,084 square feet. The project proposes to take advantage of State Density Bonus provisions with a request to increase density from 80 units/acre to 104 units/acre for a density bonus of 33%. The rezoning of the site to P (Planned Community) would allow the residential use pursuant to development standards (e.g., FAR, setbacks, building heights, etc.) defined by the project for this site.

### *Parking and Circulation*

The project's vehicle access would occur via two driveways: (1) fronting on Terra Bella Avenue, providing access to an at-grade structured parking level, and (2) fronting on Linda Vista Avenue, providing ramp access to a second-story parking level. The proposed project will be further evaluated with a parking study to identify the appropriate parking ratio to meet anticipated demand.



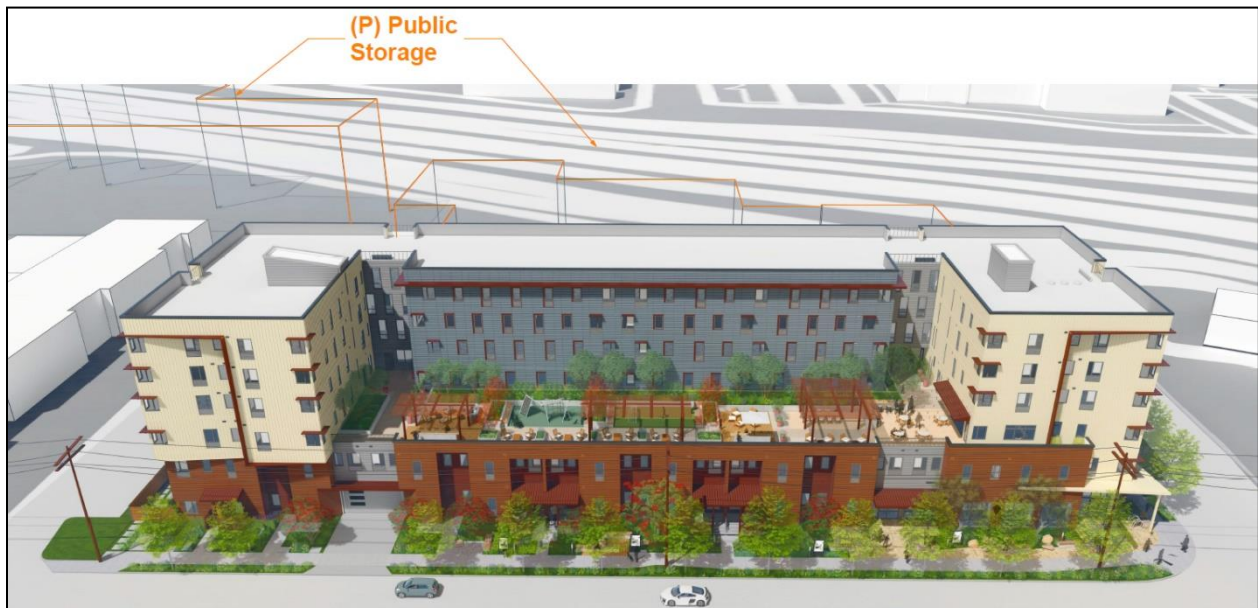
**Figure 3—1020 Terra Bella Avenue Affordable Housing Ground-Floor Plan**

### *Design*

The architectural design for this component of the Gatekeeper project is modern in appearance. The design utilizes a simple building form with flat roofs and prominent window trims, broken up along Terra Bella Avenue (to the south) by a third-floor courtyard providing open space to the proposed tenants. The project provides additional open space by way of an entry plaza at the

intersection of Terra Bella Avenue and San Rafael Avenue and pockets of publicly accessible amenities along the Terra Bella Avenue frontage. The Terra Bella Avenue frontage will also provide ground-floor units entries and other directly accessible common amenities and entries, such as the bike storage/fix-it room, and the landscape design will incorporate a mixture of California native plants and climate-adaptive species. These elements help scale and soften the building's appearance and proposed on- and off-site trees would contribute to a greater sense of enclosure.

The proposed building materials include a mixture of board-formed concrete, cementitious-lap siding, AEP standing-seam metal siding, and aluminum windows and accents. These materials are applied to accent different building areas, with particular attention to the primary building corners along Terra Bella Avenue.



**Figure 4—Housing Project Aerial View from Terra Bella Avenue**

Staff anticipates continuing to work with the applicant to refine the project design through the development review process, including continued community input and feedback arising from EPC, NOFA Committee, City Council, and Development Review Committee meetings. At this time, staff recommends continued refinement of the design to:

- ***Enhance building base:*** The proposed design includes several positive aspects such as ground-floor porch entries and publicly accessible landscape amenities. To continue to

delineate and provide prominence to the building base, staff recommends the following areas for design revisions:

- *More comprehensive color/material application.* Staff supports wrapping finish treatments (colors and/or material accents) around all side and rear elevations.
  - *Deemphasize garage entries.* Staff recommends further refinement of building accents and landscape design to diminish the appearance of prominent garage entries on Terra Bella Avenue and San Rafael Avenue.
  - *Refined public amenities and frontage landscaping.* Staff recommends maximizing frontage landscaping zones, native plant species, and large-canopy trees and continued work to refine the design of proposed publicly accessible frontage amenities to ensure they are attractively designed, functional, and limit impacts to adjacent residential units.
  - Relationship between podium and frontage open space shall be activating and inviting.
  - *Distinguish the corner plaza and main entry.* Staff recommends revisions to further emphasize the corner entry and plaza so it is more strongly delineated from adjacent building areas.
- ***Upper-Floor Design:*** The proposal includes angled accents at the building corners, varied window design, special detailing of the multi-story building area above the central courtyard, and a strong ground-level canopy element at the main building corner. However, other locations see upper floors overhang the building base or otherwise providing prominent views of less articulated upper floors. Staff has not identified any specific design recommendations for these areas but recommends further design review through the Design Rule Checking process to identify recommendations to ensure the upper-floor design is well-integrated with the building base and provides visual interest given the scale and prominent views of the new building.
  - ***Color and Materials Palette:*** Staff has some concern about how well the current mix of materials work together and recommends further consideration of the proposed color/materials palette to ensure visual interest for upper floors, strong definition of building base, and a well-integrated appearance.



*EPC Direction*

The EPC was generally supportive of the project’s preliminary design and site layout as well as staff’s preliminary design recommendations and provided the following additional feedback:

- Create a warmer front facade, but only by way of low-cost modifications.
- 100% affordable projects have limited budgets. Design modifications should ideally be cost-neutral.
- Staff is encouraged to work with the applicant to meet State deadlines to help secure State NOFA funding for the affordable housing project.

**Council Question No. 1: Does the Council support the design comments and direction by the EPC or have additional feedback for 1020 Terra Bella Avenue?**

**1040 Terra Bella Avenue—Personal Storage Development**

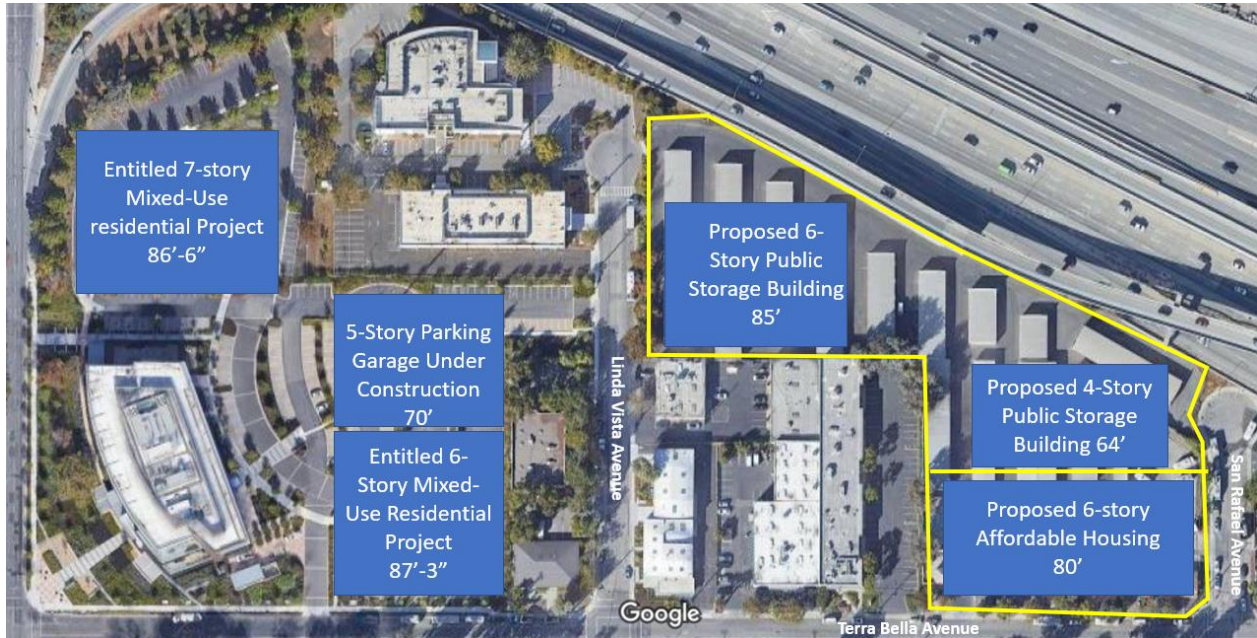
As part of the authorized Gatekeeper application, Public Storage proposed to construct two 5-story personal storage buildings totaling 437,135 square feet in two phases, with the building directly behind the Alta Housing site to be constructed first. The current proposal has been modified from what was shown as part of the Gatekeeper authorization, including one 6-story building (Phase One) along Linda Vista Avenue and one 4-story building (Phase Two) along San Rafael Avenue, behind the Alta Housing project. The revised project includes less floor area (408,964 square feet) and more parking than the original proposal (see Table 1, below), but the increased height and modified phasing are the notable changes from the original proposal.

**Table 1: Comparison of Changes**

<b>Submittal</b>	<b>Stories</b>	<b>Height</b>	<b>FAR</b>	<b>Parking</b>
<b>Gatekeeper Proposal</b>	Two 5-story structures	72’ (five-story)	2.66 FAR	53 spaces
<b>Current Proposal</b>	One 6-story and one 4-story structure	85’ (six-story) 64’ (four-story)	2.5 FAR	75 spaces

The surrounding neighborhood has changed in recent years with new and substantially remodeled office and mixed-use developments occurring around more traditional industrial buildings and uses. The north side of Terra Bella Avenue has or would see some of the most significant changes to this area, including this Gatekeeper project and the entitled/under-construction five- to seven-story mixed-use development by Sares Regis at

1001 North Shoreline Boulevard. Newer two- to three-story office buildings have also been constructed or are currently under review in the vicinity.



**Figure 5—Neighborhood Height Context**

The evolving context of the neighborhood has guided staff analysis of the proposed changes to the project proposal. Specifically, the increased height in the Phase-One building—from five stories (72') in the original plans, to six stories (85') in the current submittal—can be supported as it would be similar to the existing/future scale of nearby development, where five- to seven-story buildings range in height from 70' to 88' in height. However, additional design work may be needed to support this increased height and more prominent building view and to ensure the proposed buildings will fit into the evolving mixed-use neighborhood, as discussed in more detail below.

### *Parking and Circulation*

The project's vehicle access would occur via two driveways: (1) fronting on San Rafael Avenue, and (2) fronting on Linda Vista Avenue, providing access across the site. The project proposes 75 surface parking spaces, in lieu of the Zoning Ordinance requirement of 209 spaces, and with most of the parking spaces tucked behind the proposed buildings and/or inset from public street frontages. The proposed parking reduction is based on Public Storage experience with parking demand at their other locations and will be evaluated for adequacy through a parking study.

## *Design*

The personal storage buildings provide a modern industrial design and material palette. The simple building form responds to the angled property line along U.S. 101 and the interior layout of storage units. The design proposes strong vertical and horizontal orange trim bands around the building, providing some articulation of otherwise flat wall areas and delineation of corner window treatments. Other building materials include clear and spandrel glass, a mixture of concrete/cementitious materials, stucco, and metal panels. On the sides that do not face the highway, projecting wall areas and windows are used to try to break up long building facades.



**Figure 6—View from Linda Vista Avenue**

The concept includes primary building entries with transparent glazing along each street frontage, and the proposed landscape design includes several new street trees and a mixture of ground covers and shrubs, along with parking lot landscaping and buffer plantings along interior property lines. Adjacent to U.S. 101, the applicant is proposing several trees in a slim landscape strip along the U.S. 101 off-ramp to Highway 85, which could help soften the appearance of the structure as visible from the highway.

Overall, staff appreciates the effort made to activate the Public Storage frontages and the addition of trees fronting U.S. 101. However, staff feels the landscape plans need more variety and the site can accommodate additional trees to help this site blend in with the evolving mixed-use character of the area. Similarly, while the building design has improved since the initial

formal submittal, staff believes the current design of the Personal Storage buildings still needs some work to achieve improved neighborhood compatibility and high-quality design commensurate with the increased visibility of the taller buildings. Staff has identified the following areas of focus for updating the building designs to better fit with the area:

- **Site/Landscape Design:** Staff recommends an increased mix of high-canopy and accent trees as well as attractive fencing and under-story plantings, compatible with adjacent and nearby residential development in the landscape areas along the Linda Vista Avenue and San Rafael Avenue frontages and buffer landscape areas abutting the freeway and adjacent properties to the south.
- **Building Character:** The site has prominent visibility from the freeway, and, while the Phase Two building will eventually be largely tucked behind the Alta Housing project, the Public Storage buildings also have high visibility from the freeway, adjacent public street frontages, and above shorter commercial buildings to the south. Despite this context, the design still reads as fairly flat, closed off, and industrial, particularly on more south-facing facades oriented towards adjacent/nearby residential areas. To achieve greater compatibility with the neighborhood, staff recommends the following design revisions:
  - *More clear glass throughout the buildings.* Staff supports the use of clear glazing at main building corners and ground-floor lobby areas but recommends including a more extensive pattern of transparent windows to serve as an organizing element on each building facade, particularly in areas with off-site visibility, instead of the limited spandrel (opaque) window locations currently shown.
  - *Improved wall movement and detailing.* In part due to the site geometry, each freeway-facing (north) elevation has an interesting stepped facade, with spandrel corner windows accented by orange frames. Other elevations—particularly south-facing facades—have less wall movement, using shallow multi-story projecting wall areas clad in varying materials to try to break up long facades. Staff generally supports the overall objective to break up long wall areas but finds the current design still emphasizes the height and bulk of the buildings. Staff recommends further refinement of both the stepped, corner features and other projecting wall accents so they are better proportioned, provide more varied interest across the project, and are more effective in breaking up the large blocky buildings into smaller wall areas that deemphasize, rather than accentuate, the building scale.
  - *Strong building base.* To ensure that the building base complements the streetscape design, staff recommends enhanced pedestrian-scaled features, materials, and colors that enrich the pedestrian environment.

- *Better integrated and varied rooflines.* Staff recommends use of varied roof forms to break up long, continuous parapets and provide a more distinct “top” to the buildings.
- *Enhanced colors and materials.* Staff recommends a more interesting mix or application of materials and/or colors to enhance the building character. The predominantly gray/taupe and beige colors appear dull and too monochromatic, and staff recommends proposed colors and material application be revisited to ensure they accentuate revised wall movements and detailing.

#### *EPC Direction*

The EPC was generally supportive of the project’s preliminary design and site layout as well as staff’s preliminary design recommendations and provided the following additional feedback:

- Support the height changes for the personal storage buildings.
- Asked staff to work with the applicant to include more trees.
- Noted the new buildings would be a substantial improvement from the existing structures and that substantial additional design modifications beyond staff’s preliminary recommendations did not seem necessary.

**Council Question No. 2: Does the Council support the design comments and direction given by the EPC or have additional feedback for 1040 Terra Bella Avenue?**

#### **1040 Terra Bella Avenue—Commercial Housing Impact Fee Waiver**

Per the City’s commercial housing impact fees, commercial projects are required to pay a housing impact fee based on square feet. The fee is intended for commercial projects to pay their fair share on housing impacts, based on the Commercial Housing Impact Nexus Study. Pursuant to Section 36.40.65 d.3 of the City Code, a waiver of commercial housing fees can be granted by City Council for nonresidential development projects with no employees or fewer than one employee per 2,000 square feet of gross floor area. Furthermore, to be eligible for a waiver the building must be designed and built such that it cannot be converted to a use capable of housing a larger number of employees except by major reconstruction.

The Public Storage facility is asking for a waiver of the approximately \$1.1 million in commercial housing impact fees. The applicant believes the fee waiver is applicable to their development as the personal storage development will have two to four employees for the proposed 437,135 square foot facility, and the building is solely intended for storage and any deviation from a storage use would require substantial improvements and modifications of the buildings, which would require City review and approval.

*Staff Recommendation*

Staff recommends consideration of the fee waiver since the project qualifies based on: (i) the number of employees; and (ii) the design of the building, which would require substantial improvements to modify them for another use.

**City Council Question No. 3: Does Council support consideration of the waiver of the commercial/industrial housing impact fees for the project?**

**1040 Terra Bella Avenue—Public Storage Development Agreement Request**

Public Storage is also requesting a Development Agreement (DA) (Attachment 6) to facilitate a longer, phased development time frame for their project. The preliminary deal terms, recently proposed by the applicant, have not yet been reviewed by staff at this preliminary stage. Primary proposed deal terms include a seven-year entitlement time frame and an approximately \$630,000 public benefit fee. As part of the development review process, staff will review the terms and negotiate a draft Development Agreement. The draft Development Agreement will be reviewed by the Zoning Administrator and brought to Council for review and consideration in conjunction with the EPC's recommendation on the General Plan and Zoning amendments, and development project.

**RECOMMENDATION**

This Study Session gives Council the opportunity to provide input on key project topics to guide the applicant and staff in refining the project design through the remainder of the development review process.

Staff requests Council feedback on the following questions and any other project related comments:

1. Does the Council support the EPC design comments and direction or have additional feedback for 1020 Terra Bella Avenue?
2. Does the Council support the EPC design comments and direction given or have additional feedback for 1040 Terra Bella Avenue?
3. Does Council support the waiver of the commercial/industrial housing impact fees for the project?

## **NEXT STEPS**

Following the Council Study Session, the projects will continue through the development review and CEQA process and will return to the City Council for final consideration at a public hearing.

## **PUBLIC NOTICING**

The City Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. All property owners within a 750' radius and other interested stakeholders were notified of this meeting.

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- Attachments:
1. [Terra Bella Vision Plan Staff Report, November 18, 2019](#)
  2. [Gatekeeper Application Staff Report, August 25, 2020](#)
  3. [EPC Study Session Staff Report, March 23, 2022](#)
  4. 1020 Terra Bella Avenue Plans (Alta Housing)
  5. 1040 Terra Bella Avenue Plans (Public Storage)
  6. 1040 Terra Bella Avenue—Development Agreement and Fee Waiver Request