

# NEIGHBORHOOD DISTRICT POLICY

City of Gilroy

Adopted by the City Council on June 13, 2005

## SECTION 1.0 Purpose

This policy is intended to provide guidance in developing comprehensive plans for properties designated as Neighborhood District on the City's General Plan and to ensure that Neighborhood District developments meet *General Plan Housing Element* objectives. The purpose of Neighborhood Districts is to create neighborhoods that are attractive, safe, diverse, and healthy, containing housing that is affordable to a variety of income groups, thereby enhancing the quality of life for all Gilroy residents. Through the Neighborhood District General Plan designation, the City hopes to promote a more integrative, comprehensive, and creative approach to neighborhood planning. Specifically, through the Neighborhood District, the General Plan aims to:

- ▶ Create neighborhoods that are predominantly single family in character, but which integrate different types and prices of housing to meet the full range of housing needs.
- ▶ Ensure that the City's affordable housing goals and objectives are met.
- ▶ Encourage innovative site and building designs that contribute to the overall attractiveness and livability of Gilroy.
- ▶ Promote walking, biking, and public transit as alternative modes of transportation.
- ▶ Integrate neighborhood-serving facilities and amenities such as schools, parks, and community gathering places to meet residents' needs, promote a sense of community, and provide for a high quality of life.
- ▶ Encourage the creation of neighborhood-serving commercial centers that are within walking distance of residential neighborhoods and which are sited and designed to protect the neighborhood's character and residential quality.
- ▶ Encourage residential neighborhood designs that reduce traffic speeds and volumes and control noise.

EXHIBIT A

**SECTION 2.0: Geographic Location and Description of Neighborhood Districts**

*Intent: The intent of this section is to set forth a definitive description of the parameters of each Neighborhood District.*

The City Council approved five Neighborhood Districts, described as follows (see attached maps):

- *Glen Loma Ranch Specific Plan*: located in the Southwest quadrant of the City, 367 acres and 7 parcels
- *Luchessa Avenue and Thomas Road West*: 180 acres and 10 parcels
- *Luchessa Avenue and Thomas Road East*: 28 acres and 4 parcels
- *North-central Gilroy, south of the Buena Vista Avenue extension*: 366 acres and 136 parcels
- *Rancho 101* (North-central Gilroy, north of Buena Vista Avenue extension): 436 acres and 24 parcels

**SECTION 3.0: Implementation of Neighborhood District Zoning Designation**

*Intent: The intent of this section is to guide implementation of the Neighborhood Districts.*

**Section 3.1 Implementation of Zoning Designation**

The Task Force recommends creating a Neighborhood District overlay zone through the zone change process and providing incentives for implementation of Neighborhood District principles.

**Section 3.2 Master Plans and Specific Plans**

Each Neighborhood District proponent shall prepare a master plan or a specific plan prior to processing any development applications. The master plan or specific plan for each Neighborhood District shall incorporate the guiding policies and implementation actions discussed in this policy document. The City Council shall establish advisory committees to provide input into the development of the master or specific plan for each Neighborhood District. Committee members should consist of one City Council representative and one Planning Commission representative, two property owners within the Neighborhood District plan area under consideration, two property owners or neighbors adjacent to the Neighborhood District plan area under consideration, one affordable housing advocate, one Gilroy Unified School District representatives, one Parks and Recreation Commission representatives, and one member of the public at large. The advisory committee shall provide input into the development of the master plan or specific plan by participating in the development of the plan and ensuring that the proposed plan complies with the intent of this policy.

The Task Force recommends that the City Council accept the efforts put forth by the Glen Loma Ranch Liaison Committee as full satisfaction of the advisory committee requirement for the Glen Loma Ranch Neighborhood District. However, in the event that the Glen Loma Ranch Specific Plan is not approved by the City Council by December 31, 2007, the City Council shall determine whether a new advisory committee will be established to review this Specific Plan.

Neighborhood District-designated properties within the City's Urban Service Area may develop prior to preparation of a specific plan or master plan under the following circumstances:

- a. The proposed development is consistent with the requirements of this Policy;
- b. The property is in the Urban Service Area at the date the City Council adopts the Neighborhood District Policy; and
- c. The proposed development is designed so that it will become an integral part of the Neighborhood District it is a part of.
- d. The proposed development shall be required to process its own Master or Specific Plan, per City policy.

**Section 3.2.1 Development Agreements**

Property owners within each Neighborhood District Master Plan or Specific Plan shall enter into a development agreement with the City.

**SECTION 4.0: Relationship of the Neighborhood District to the Residential Development (RDO) Process**

*Intent: The intent of this section is to set policies that clarify the relationship between development of Neighborhood Districts and the RDO process.*

The Task force recommends that the City Council adopt a policy targeting full Residential Development build-out to Neighborhood District master and specific plans that fully implement Neighborhood District principles and that compete favorably in the Residential Development Ordinance process (see section 13.0, policy 1).

**Section 4.1: Neighborhood District Phasing**

Neighborhood District proponents shall develop phasing plans and submit them concurrently with their RDO application. Neighborhood District developments should be phased so that each phase creates a neighborhood that is substantially consistent with the Neighborhood District density requirements. Phasing plans should incorporate the Neighborhood District density goals and design standards throughout each phase. Specifically, phasing plans should include the integration of higher density units throughout the plan area, and each phase should reflect the densities planned for the overall Neighborhood District area. Neighborhood District proponents shall have approved development agreements that specify the timing of each phase's development. Alternatively, the Specific Plan or Master Plan may specify phasing schedules.

**Section 4.2 Residential Development Allocations outside of the RDO Competition**

Zoning Ordinance section 50.63 (c) (2), *Special Exceptions*, allows the City Council to approve RDO allocations at any time to Specific Plans and Master Plans that need additional dwelling units to accomplish the goals and vision of the General Plan. Neighborhood District developments that meet the following criteria might be eligible to receive Residential Development allocations outside of the RDO competition, subject to City Council approval:

- A. The requested units shall be identified in the approved Neighborhood District Specific Plan or Master Plan.
- B. Neighborhood District proponents shall have received Residential Development allocations prior to or concurrent with the request for units outside of the Residential Development competition.
- C. Neighborhood District proponents requesting units outside of the Residential Development competition shall meet or exceed the target densities set forth in section 8.1 of this document.

- D. Neighborhood District proponents requesting units outside of the Residential Development competition shall sell or rent at least twenty percent (20%) of the units approved outside of the Residential Development competition at affordable prices in compliance with the standards set forth in the City's *RDO Affordable Housing Exemption Procedure* document.

### **SECTION 5.0: Location of Commercial Uses within the Neighborhood District**

*Intent: The intent of this section is to set guidelines for locating and developing commercial uses within Neighborhood Districts.*

Neighborhood District master and specific plans should reserve land at prominent intersections for commercial uses, while acknowledging that properties may need to revert to residential uses if commercial development is infeasible. Neighborhood District master and specific plans should include flexible zoning that allows either commercial or residential development at these intersections.

Each Neighborhood District master or specific plans should establish criteria for siting commercial uses that includes the following elements:

- ▶ Encouragement of Local-serving commercial uses such as small offices and retail uses
- ▶ Mixed commercial / residential developments
- ▶ Encouragement of parking lots located in the rear of buildings
- ▶ Criteria designed to minimize land use conflicts between commercial and residential developments
- ▶ Triggers that indicate when Neighborhood Districts developments should establish commercial development.

### **SECTION 6.0: Relationship of Neighborhood Districts to Existing, Surrounding Neighborhoods**

*Intent: The intent of this section is to ensure that the design and density of Neighborhood Districts respect the context of developed land adjacent to them.*

The density and design of each Neighborhood District should be sensitive to the context of existing, surrounding neighborhoods. Specifically, Neighborhood District master and specific plans should consider the relationship of the following elements to existing neighborhoods:

- ▶ Density
- ▶ Home design
- ▶ Lot sizes

- ▶ Street layouts

Each Neighborhood District master or specific plan shall also provide a transition from the existing neighborhoods to the higher density and commercial uses contained within the Neighborhood District.

## **SECTION 7.0: Neighborhood District Design**

*Intent: The intent of this section is to set forth guidelines for the design of Neighborhood Districts.*

### **Section 7.1: Architectural Design Guidelines**

Each Specific or Master Plan shall establish architectural design guidelines that include the following elements:

- ▶ Building mass & scale (Floor Area Ratio)
- ▶ Consistency of style and materials
- ▶ Architectural variety and interest
- ▶ Street orientation (residential units should be oriented to encourage neighborhood interaction)

### **Section 7.2: Neighborhood Circulation**

Each Neighborhood District master or specific plan shall establish neighborhood circulation criteria that include the following elements:

- ▶ Traffic Management
- ▶ Bicycle & Pedestrian circulation
- ▶ Inter- and intra-neighborhood access (streets should be interconnected to allow easy access between neighborhoods)
- ▶ Alleys (used to de-emphasize garages)
- ▶ Transit (Neighborhood Districts should be designed to allow easy access to transit)
- ▶ Sidewalks throughout each Neighborhood District

### **Section 7.3: Site Planning and Design**

Each Neighborhood District master or specific plan shall establish Site Planning and Design criteria that address the following elements:

- ▶ Community Gathering Places
- ▶ Street Trees (Neighborhood Districts should encourage landscape buffers adjacent to major streets)
- ▶ Integration of outdoor recreational uses with natural habitats such as creeks
- ▶ Resource & Habitat Protection

- ▶ Natural Features
- ▶ Avoidance of Hazardous Areas (e.g. flood plains, faults)
- ▶ Traditional non-residential uses such as parks, schools, daycare centers, and places of worship
- ▶ Sidewalks

#### **Section 7.4: Neighborhood Open Spaces**

Neighborhood District master and specific plans shall set minimum standards for recreational areas and require a focal point recreational area in each neighborhood. The Specific Plan or Master Plan should address the following elements:

- ▶ Passive versus active open space areas: This element is intended to ensure that each Neighborhood District plan provides adequate outdoor recreational opportunities for future residents.
- ▶ Minimum requirements for open space in multi-family and high-density areas: This element is intended to ensure that multi-family projects contain adequate on-site recreational opportunities.
- ▶ Design criteria for development adjacent to Santa Clara Valley Water District channels: Each Neighborhood District plan should set forth design criteria to guide development adjacent to Water District channels. At a minimum, these criteria should restrict placement of residential units directly adjacent to a channel, in favor of placing roadways, parking lots, and open space adjacent to the channels.
- ▶ Treatment of open space set aside for habitat preservation: This element is intended to require each Neighborhood District plan to address maintenance and preservation of open space areas.
- ▶ Provision of parks in accordance with the Parks & Recreation Master Plan

Neighborhood District proponents should consider using landscaping and lighting districts and homeowners' associations to maintain privately owned open space.

## **SECTION 8.0: Neighborhood District Densities**

*Intent: The intent of this section is to ensure that Neighborhood District master and specific plans meet minimum density requirements, and to encourage proponents to meet target density requirements. Further, this section intends to ensure that Neighborhood District master and specific plans mix housing of different densities, integrating them throughout the Neighborhood District, and that development of each Neighborhood District considers the densities of existing, surrounding neighborhoods as discussed in Section 6 of this policy.*

### **Section 8.1 Density Requirements**

#### ***Minimum Densities***

The minimum densities for residential land use in the Neighborhood District (excluding land required for streets, schools, parks, resource protection, neighborhood commercial, or other infrastructure and/or amenities) shall be at least:

- ▶ 5 percent at a density of 7.25 to 9 units/acre
- ▶ 10 percent at a density of 9 to 16 units/acre
- ▶ 3 percent at a density of 16 to 30 units/acre

A maximum of eighty-two percent (82%) of each Neighborhood District may be constructed at a density of 7.25 units per acre or less.

#### ***Target Densities***

The target mix for residential land uses in the Neighborhood District (excluding land required for streets, schools, parks, resource protection, neighborhood commercial, or other infrastructure and/or amenities) shall provide for at least:

- ▶ 10 percent at a density of 7.25 to 9 units/acre
- ▶ 15 percent at a density of 9 to 16 units/acre
- ▶ 5 percent at a density of 16 to 30 units/acre

### **Section 8.2: Incentives for Achieving Target Densities**

The following incentives may apply to Neighborhood District projects that meet the above-described Target Densities, at the discretion of the City Council:

- ▶ Projects reaching Target Densities may receive full buildout
- ▶ Projects reaching Target Densities may receive additional points in the RDO competition.
- ▶ Projects reaching Target Densities may receive earlier RDO build-out assignments and shorter build-out periods than projects that do not meet Target Densities.
- ▶ Specific and Master Plan projects reaching Target Densities may be eligible to receive Residential Development allocations outside of the RDO competition process, as specified by Zoning Ordinance section 50.63 (c) 2.

**Section 8.3: Housing Diversity**

Neighborhood District master and specific plans shall mix housing of different densities together, integrating them throughout the Neighborhood District. Neighborhood District master and specific plans shall establish targets for housing diversity, as well as a maximum percentage of total dwelling units of any type that may be constructed in a single neighborhood. The percentages should attempt to balance diversity of design with the need to preserve construction economies of scale and expeditious build-out.

**SECTION 9.0: Existing, Non-conforming Uses and Properties**

*Intent: The intent of this section is to allow single-family uses to remain until the property is ready to be developed to Neighborhood District standards.*

Any use lawfully occupying a building or land at the time the Neighborhood District zoning overlay is established that does not conform to Neighborhood District regulations shall be deemed a non-conforming use. The use may continue until the property develops, at which time it must develop in compliance with Neighborhood District requirements. Nothing in this section shall preclude the continued use of or expansion of single-family residences, provided they remain in use as single-family residences. All existing, non-conforming properties shall develop in accordance with the approved Specific Plan or Master Plan, and shall lose their existing, non-conforming status when they develop.

**SECTION 10.0: Public Participation**

*Intent: The intent of this section is to ensure that the public has an opportunity to participate in the Specific Plan or Master Plan planning process.*

Specific Plans or Master Plans shall set standards for public meetings and public participation in each individual Neighborhood District's planning process. Informal public meetings should be held at the commencement of project planning, and a minimum of once a year during the planning process.

## **SECTION 11.0: Development of Affordable Housing**

*Intent: The intent of this section is to ensure that Neighborhood District developments serve all economic segments of Gilroy's population, and that Neighborhood District designs incorporate the goals of the General Plan Housing Element.*

### **Section 11.1: Definition of Affordable Housing**

Neighborhood District master and specific plans shall encourage the production of affordable housing. Affordable housing is defined as set forth in the City's *RDO Affordable Housing Exemption Procedure* document.

### **Section 11.2: Affordable Housing Required**

Each Neighborhood District development shall construct a minimum of fifteen percent (15%) of its units at affordable prices, as defined in the City's *RDO Affordable Housing Exemption Procedure* document. Affordable housing units shall be integrated throughout the Master Plan or Specific Plan area, rather than clustered in affordable housing pockets.

### **Section 11.3: Incentives for Constructing Affordable Housing**

Neighborhood District proponents shall receive the following benefits for constructing 15% or more of their units at affordable housing levels, as defined in the City's *RDO Affordable Housing Exemption Procedure*:

- ▶ Neighborhood District proponents constructing affordable housing shall receive additional points in the RDO competition. A higher number of points will be awarded to projects with higher percentages of affordable units.
- ▶ Density bonuses
- ▶ Reduction in City development standards (e.g. zero-lot line developments, clustered housing on smaller lots, and smaller unit sizes)
- ▶ Reduction in road widths

### **Section 11.4: Affordable Housing Types**

To achieve affordable housing levels, Neighborhood District plans should encourage construction of the following housing types:

- ▶ Condominiums, town houses, and duettes
- ▶ Apartment houses and duplexes
- ▶ High quality pre-manufactured homes, subject to approval through the Planned Unit Development Architectural & Site Review process.

**Section 11.5 Timely Construction of Affordable Housing**

Affordable housing units shall be constructed in a timely manner. The affordable housing component of each phase of construction shall be completed prior to beginning development of future phases.

**SECTION 12.0: Development of Accessory Dwelling Units**

*Intent: The intent of this section is to ensure that Neighborhood District master and specific plans encourage the production of accessory dwelling units.*

Neighborhood District master and specific plans should include a plan to encourage accessory dwelling units, and should include standards for development of those units.

**SECTION 13.0: Neighborhood District Policies**

1. The City Council should allocate full Residential Development build-out to Neighborhood District proponents that fully implement Neighborhood District principles. Neighborhood District proponents may apply for Residential Development Ordinance (RDO) exempt units, but must construct the units in compliance with Neighborhood District requirements.
2. Encourage parking for commercial establishments located within Neighborhood Districts to locate in the rear of commercial parcels, so that it cannot be viewed from the street.
3. Neighborhood District proponents should reserve land at prominent intersections for commercial uses. However, the properties may revert to residential uses if the property remains undeveloped after good faith efforts to develop them commercially over a specified period of time. Neighborhood Districts should include flexible zoning that allows either commercial or residential development at these intersections.
4. Neighborhood District master and specific plans should encourage the production of adaptable units for people with disabilities, affordable units for large families, and units for families with special needs, in compliance with General Plan Housing Element policies 11.01, 11.02, and 11.03 and State housing law.
5. Neighborhood Districts master and specific plans should encourage the production of residential care facilities for seniors.

6. Neighborhood District master and specific plans shall set targets for development of commercial areas and create policies encouraging mixed-use development. Neighborhood Districts master and specific plans shall also establish a maximum number of homogenous dwelling units that may be constructed in a single neighborhood, as well as a maximum number to total dwelling units of any type that may be constructed in a single neighborhood. The numbers should attempt to balance diversity of design with the need to preserve construction economies of scale and expeditious build-out.
7. The Task Force recommends that the City Council create a new pool of RDO-exempt units for disabled-accessible homes.
8. The Task Force recommends that the City Council revise the RDO *Rating Scale* to allow additional points for Neighborhood District developments that achieve Target Densities
9. The Task Force recommends that the City Council revise the RDO *Rating Scale* to allow additional points for Neighborhood District projects that construct at least 15% of their units at affordable levels, as defined by the City's *RDO Affordable Housing Exemption Procedure*.
10. The Task Force recommends that the City Council hold pre-RDO meetings to determine which Neighborhood District areas will receive priority for build out. The Council should determine priority based on: infrastructure availability, proximity to existing City services and the Urban Service Area, readiness to develop, availability of fire and police services, impacts on parks and recreation facilities, the cost of serving the project, and the project's benefits to the residents of Gilroy.
11. The Task Force recommends that the City Council accept the efforts put forth by the Glen Loma Ranch Liaison Committee as full satisfaction of the advisory committee requirement for the Glen Loma Ranch Neighborhood District. However, in the event that the Glen Loma Ranch Specific Plan is not approved by the City Council by December 31, 2007, the City Council shall determine whether a new advisory committee will be established to review this Specific Plan.