



April 23, 2020

Aarti Shrivastava
 Assistant City Manager and Community Development Director
 City of Mountain View
 500 Castro Street
 Mountain View, CA 94041

Re: 355-415 E. Middlefield Road – Community Benefits Contribution and School District Strategy

Dear Aarti:

I am following up regarding the letter I sent you on March 11th about Community Benefits and Requests for Future Consideration related to our proposed project at 355 – 415 E. Middlefield Road.

As you know, we have met with your staff and Councilmembers to discuss our project and the substantial contributions, dedications and fees that the project must deliver under the Precise Plan and the challenges this significant fee load presents for residential development in East Whisman. Staff has acknowledged this and, with the help of an independent analysis by Seifel Consulting late last year, concluded that residential development may not be financially viable in the Precise Plan area due to this high fee load and current high land prices and construction costs. Our project is the first residential project proposed under this new Precise Plan, and it would provide almost 10% of the new housing the City hopes to see in East Whisman — but only if the project is built. SummerHill respectfully requests that the Council recognize that the value of the project to the community is much more than the fees and voluntary contributions, but it is also the variety of housing types being offered as well as the numerous other aspects of the project and offerings described in this letter.

With the above described context in mind, SummerHill proposes the following combined Community Benefits Contribution and School District Strategy for the project:

1. **\$4,000,000 Contribution to the City's General Fund.** This funding would not only serve as our Community Benefit but would also allow the Council, at its discretion, to direct the desired portion of the funds to Mountain View Whisman School District and Mountain View Los Altos High School District which serve the East Whisman area.
2. **\$1,300,000 Direct Payment to School District.** As explained in the March 11th letter, SummerHill will contribute \$1,300,000 to the school district through the City's LASD TDR program. This funding will directly benefit LASD school district and the City by helping fund the 10th school in North Mountain View.
3. **\$20,000,000 Benefit to School District.** As explained in our March 11th letter, the Jobs-Housing Linkage Program in the Precise Plan is predicated in part on lumping the residential and non-residential LASD TDR projects together — in effect, requiring residential TDR projects like ours to donate their jobs-housing linkage rights to the non-residential TDR projects. Even though this puts SummerHill at a substantial disadvantage relative to future residential projects in East Whisman who can monetize their linkage rights, SummerHill accepts it because our housing linkage enables the non-residential TDR projects to proceed and provide approximately \$20,000,000 of funding to the school district for the construction of a new school. SummerHill simply asks that the City recognize SummerHill's contribution for the benefit of the school district, the City and the community.

4. **\$3,000,000 to MVWSD and MVLA.** SummerHill respectfully requests permission to resell its 10,000 square feet of unused TDR square footage to a non-residential developer in the Precise Plan area and donate these proceeds to Mountain View Whisman School District and Mountain View Los Altos High School District. SummerHill estimates to generate \$400,000 - \$750,000 by reselling this unused development footage. In combination with the Level I school fees we will pay for the project, SummerHill would expect to contribute \$3,000,000 – \$3,350,000 to these two school districts using this approach.
5. **Mix of Ownership and Rental Housing.** Our project will provide a total of 463 new housing units, including 193 new condominium ownership units — more than 40% of the project — to help the City achieve its goal of a mix of new housing types.

As discussed in the Council Report for the March 17, 2020, hearing (postponed), the Precise Plan requires the project to provide a Community Benefits Contribution with a value of at least \$2,499,160. The Precise Plan also requires the project to provide a School District Strategy for the benefit of Mountain View Whisman School District and Mountain View Los Altos High School District.

The combined Community Benefits Contribution and School District Strategy outlined above will provide substantial benefits to the City, the school districts and the community — exceeding the requirements of the Precise Plan. Upon approval of the project, SummerHill will work with the City to confirm the Community Benefits Contribution and School District Strategy as a formal agreement.

Additional Contributions to the Community

In addition, the project will make a number of other important contributions to the community. Some of these contributions are called for in the Precise Plan, but without the project, these substantial benefits to the City and the community would not be realized.

- **68 Affordable Apartments for Low- and Moderate-Income Residents.** 25% of the apartments will be for Low- and Moderate-Income households, providing much-needed housing for the “missing middle.”
- **New Public Park,** easily accessible from Middlefield Road, with the potential for expansion when the neighboring sites are redeveloped. Simply paying the park in lieu fees would have had much less financial impact on the project.
- **New Public Paths.** The project will include a public bike path with benches and landscaping and a public walking path to allow convenient connectivity through the site and link with future trails available to all residents. We will continue to work with the City to receive recognition and partial fee credits for the value of these privately owned, publicly accessible spaces.
- **Over \$25 million in Fees** to support parks, public infrastructure, school districts and the City.
- **Exceptional Sustainability Features.** The project will be 100% electric and operate purely on clean, renewably sourced electric power — including an estimated 1,700 solar panels — and is designed to achieve a GreenPoint Gold rating for its energy efficiency, low water use, and low environmental impact.
- **Extensive Recreation Space.** The project will include more than 125,000 square feet of recreational space, landscaping, and private balconies for residents and guests, including two swimming pools, two fitness centers, two club rooms and seven roof decks, all of which benefit both the residents and the community by reducing the burden on public recreation spaces. In addition, the project will plant over 300 new trees, more than three times the number of trees at the site today.
- **Transportation funding.** The project will provide funding for public transportation through membership in the City’s Transportation Management Agency (“TMA”) and implement a robust TDM plan to reduce single-occupant car trips and encourage alternate modes of transportation.

April 23, 2020

Page 3

- **Brownfields Redevelopment.** At substantial added effort and expense, this project entails the redevelopment of a brownfield site (the MEW Superfund site) in order to provide new housing for Mountain View.

SummerHill is pleased to propose the first housing project in the City's newly adopted East Whisman Precise Plan area and to offer a substantial package of benefits to the City, the school districts, and the community. We respectfully request your support for our proposal at the final Council hearing.

Thank you,

A handwritten signature in black ink that reads "Katia Kamangar". The signature is written in a cursive, flowing style.

Katia Kamangar
Executive Vice President

Cc: Lindsay Hagan, Deputy Zoning Administrator
Jeff Roche, Senior Planner
John Hickey / Kevin Ebrahimi – SummerHill



March 11, 2020

Aarti Shrivastava
Assistant City Manager and Community Development Director
City of Mountain View
500 Castro Street
Mountain View, CA 94041

Re: 355-415 E. Middlefield Road – Community Benefits and Requests for Future Consideration

Dear Aarti:

As you know, in June 2018, SummerHill submitted applications to develop approximately 460 new residential units on a site at 355 – 415 E. Middlefield Road in the East Whisman Precise Plan area. Since then, SummerHill has worked closely with Staff to revise and refine the project to conform to the Precise Plan as the plan evolved from a high-level land use plan to a detailed set of guidelines and requirements.

As we explained in our October 30, 2019, letter to Council regarding the Precise Plan, we appreciate the effort that the City made to address some of the concerns that were raised about the Precise Plan and the impact that it would have on new development, but the Precise Plan still poses a substantial challenge for residential development.

As Staff has acknowledged, residential development currently may not be financially viable in the Precise Plan area due to the high cost of land, high construction costs, and public agency fees. SummerHill's proposed project is the first residential project proposed under the Precise Plan, and it would provide almost 10% of the new housing that the City hopes to see in East Whisman — but only if the project is built.

Community Benefit Program

To make the project financially feasible and achieve the City's goal of providing new housing, SummerHill respectfully requests that the City accept the following community benefit package for the project:

1. \$1,300,000 Direct Payment to School District. SummerHill has signed a Letter of Intent to acquire 10,000 square feet of development rights through the City's LASD TDR program. SummerHill will pay \$1,300,000 to the school district, but the project will not use the added 10,000 square feet.
2. \$20,000,000 Benefit to School District. The Jobs-Housing Linkage Program in the Precise Plan is predicated in part on lumping the LASD TDR projects together — in effect, requiring residential TDR projects like ours to donate their jobs-housing linkage rights to the commercial TDR projects. Even though this puts SummerHill at a substantial disadvantage relative to other residential projects in East Whisman, SummerHill accepts it because the commercial TDR projects are expected to provide approximately \$20,000,000 to the school district for the construction of a new school. SummerHill simply asks that the City recognize SummerHill's contribution to this major benefit to the school district.
3. Mix of Ownership and Rental Housing. SummerHill also requests that the City recognize that the project would provide a mix of condominiums and apartments to help the City achieve its goal of providing a range of housing types. The 193 stacked-flat condominiums that SummerHill proposes

to provide are more challenging to finance than apartments, particularly at a large scale like the podium condominium building. SummerHill requests that the City acknowledge that the 193 ownership housing units — more than 40% of the total project — will be a benefit to the community.

Partial Open Space Credit and Transportation Impact Fee Exemption

In addition, SummerHill respectfully requests that the City Council take up the following matters for consideration at a date in the near future:

1. Extend Exemption from Transportation Impact Fee. SummerHill respectfully requests that the City continue to exempt Gatekeeper projects in the Precise Plan area from the Transportation Impact Fee. When the City adopted the Transportation Impact Fee in September 2018, the Council chose to exempt pending Gatekeeper projects, so long as a building permit is issued for the project by December 31, 2020.

At the time the Transportation Impact Fee was adopted, it appeared that pending Gatekeeper projects would be able to obtain a building permit prior to December 31, 2020. However, the approval process for the Precise Plan was delayed almost a year, severely shortening the amount of time available for SummerHill to obtain a building permit before the deadline. To preserve the Council's intent, we request that the Council extend the deadline by one year — to December 31, 2021.


2. Offer Partial Park Credit for Privately Owned Open Space. SummerHill respectfully requests that the Park Land Dedication Ordinance be amended to offer partial credit for privately owned open space, including credit for on-site paseos and multi-use pathways provided pursuant to the Precise Plan. It is our understanding that Staff expects to bring proposed amendments to the Council for consideration in the second quarter of 2020. SummerHill respectfully requests that the Council allow SummerHill to seek credit pursuant to the Ordinance, including any amendments that the Council adopts.

School District Strategy

The East Whisman Precise Plan requires Bonus FAR projects to provide a School District Strategy to support local schools. At a Council Study Session on October 15, 2019, Council provided initial direction on a Citywide School Strategy and requested that Staff come back with further analysis and a recommendation. The Citywide School Strategy is tentatively on the Council's agenda for March 24, 2020.

SummerHill has been actively engaged in discussions regarding the Citywide School Strategy. We remain concerned that the requirement to provide a School District Strategy will hinder residential development in the Precise Plan area. However, following the adoption of the Citywide School Strategy, SummerHill will meet and confer with the school districts to develop a School District Strategy for the project as required.

Thank you.



Katia Kamangar
Executive Vice President

Cc: Lindsay Hagan, Deputy Zoning Administrator
Jeff Roche, Senior Planner