

Council Questions

April 11, 2023 - City Council Meeting

ITEM 4.3 Downtown Priority Development Area Grant Application-Downtown Precise Plan

1. According to the staff report, Full Plans must be “informed by community engagement.” What does this mean, and is this defined by MTC/ABAG?

The grant application discusses community engagement as follows: “Engagement throughout the planning process that elicits meaningful input from a full range of community members living within and nearby the planning area. Engagement efforts must ensure participation of residents of all incomes, races and ethnic backgrounds, employees of local businesses, community- and faith-based organizations, and staff from public agencies providing services in the area.

2. Do our historic preservation efforts pre-empt any of the MTC minimum requirements? How can we protect the historic core of Downtown?

Staff specifically requested this to be added to the MTC Transit Oriented Community Policy Guidelines, but it does not appear to have been added in the latest draft. Therefore, Council should presume that historic sites or districts do not pre-empt any of the minimum requirements. However, this does not preclude the City from allowing densities and intensities prescribed by the Policy on a given site, while still enforcing local preservation requirements. This is how the City’s historic preservation ordinance currently works. The effect is that existing buildings could be preserved and would not affect the “average density” calculations. Staff plans to pursue this issue with MTC if Council is interested in moving forward with the grant.

3. The staff report says, “The minimum and maximum densities and intensities are average across nonresidential sites within one-half mile of the Transit Center.” Yet, Table 2 lists residential densities and indicates with a * that the footnote applies to residential as well as non-residential. Does averaging across sites not apply to residential densities? What is the point in the paragraph between Tables 1 and 2 on page 4 of the staff report?

This response may best be provided by comparing two different types of sites and how they are included in the calculations.

- Sites allowing residential, but not currently containing residential, within the Downtown Precise Plan, such as City parking lots, and office/retail buildings.
- Sites allowing residential, but not currently containing residential, outside the Downtown Precise Plan, such as commercial buildings at Villa and Calderon, the Portuguese Hall on Villa, or the IFES Hall on Stierlin.

Sites in category #1 will presumably be rezoned through the Downtown Precise Plan update. If there were no sites in category #2, the minimum density of category #1 sites would need to be at least 50 DU/ac and the maximum density would need to be at least 75 DU/ac (per Table 1). However, there are category #2 sites and, presumably, these sites will not be rezoned consistent with the MTC Policy. Therefore, the densities at category #1 sites need to be higher than 50 and 75 DU/ac to compensate for the lower allowed densities at the category #2 sites. This higher density is reflected in Table 2. A similar calculation applies to sites that allow office, but do not currently contain residential.

4. Since we do not yet have community input on updates to the Downtown Precise Plan, how do we know that the community will support MTC's Transit-Oriented Communities Policy that sets minimum requirements for several key land use standards, which the Downtown Precise Plan does not currently meet?

We don't yet have community input on this Policy. However, the grant would provide monetary resources to begin the project and spent funds would not need to be returned if Council provides different direction. The City can use the funds to prepare policy options and gather community input on the Policy.

5. What is the status of the Historic Preservation Ordinance update? And what is the status of the identification of historic resources in the downtown area and submitting the applications for inclusion on the State/Federal list of historic resources?

The first deliverable, the draft Historic Context Statement (HCS), will be ready for public review in Summer of this year. This work is occurring concurrently with the Citywide Reconnaissance Survey. The consultants are currently preparing draft nominations of Castro Street commercial properties to the National Register of Historic Places. After a period of public review and comment, staff will provide an update at upcoming EPC and CC study sessions, tentatively scheduled for Fall 2023.

6. How will the Historic Preservation Ordinance fit with an updated Downtown Precise Plan?

The Historic Preservation Ordinance and Register Update will identify historic buildings and potential historic districts within the City including the Downtown. The updated Historic Preservation Ordinance will provide the legal framework for recognizing, protecting, and managing changes to the City's historic resources. This will include updated criteria and processes for designating local historic districts and implementation of historic preservation incentives.

The Downtown Precise Plan will focus on uses, development standards, public improvements, and other content typical to Precise Plans. The Precise Plan will continue to refine the objective design standards included in Phase 1, which require new development to incorporate architectural and site design features that fit in with the historic character of the area.

7. If the City receives this grant, how would staff recommend that we reprogram the money currently allocated for the Downtown Precise Plan update? What would be funded that currently is unfunded?

In order to preserve flexibility for the Council to decide on the final policies in the Downtown Precise Plan, staff recommend reserving the funds until the Precise Plan is adopted. If there are any remaining funds at the end of the process, Council can allocate them to other long-range projects.

For example, staff plans to prepare a multi-year implementation plan for the Housing Element which will require funding. The funds remaining after the Downtown Precise Plan is completed can be allocated to future phases of the Housing Element implementation plan.

8. This grant is slated for planning of densities that are much greater than what we currently have in the Downtown, but I understand that the requirement for the densities is that you study them, not that you adopt them. Is that correct?

Yes, that is correct per staff's discussion with MTC. If upon analysis, the City Council decides not to pursue the densities and intensities in the Policy, the City would forfeit remaining unspent funds, but we would not need to return any spent funds.

9. What resources are needed to develop a precise plan and what are the costs needed to cover that?

The City would hire consultants to help with outreach and analysis, to conduct environmental review, and to provide any specialized expertise necessary for the project (including historic design, economic feasibility, retail demand, environmental review, etc.). At this time, the estimated consultant costs are \$1,365,000.

10. If there is push back on getting funding for this work, should the downtown precise plan be de-prioritized for demonstrated lack of community support? What would be the implications of that?

Push-back on the grant may not mean that there is lack of community support for amendments to the Precise Plan. In fact, community push-back on the grant may reflect community interest in changes to the Precise Plan, that may not be fully consistent with the MTC Policy. There are several reasons to comprehensively review and amend the Downtown Precise Plan regardless of whether the MTC grant is pursued. The Draft 2023-2031 Housing Element includes programs to increase housing opportunities, deliver 65 affordable units in the Downtown and remove minimum parking requirements. Removing minimum parking requirements is also required by State law (AB 2097) for a significant portion of the Downtown effective January 1, 2023, which will require implementation of policies in the Downtown Parking Strategy such as transportation demand management (TDM) and revisions to the parking permit program to manage parking impacts. Additionally, Council and community-members have identified priorities for the Downtown such as, reviewing office and residential development standards, encouraging programs to reduce ground floor vacancies, and developing objective design standards which could be included in a Precise Plan update.

11. If so, based on who definition of historic significance? (local, state, federal?)

The Policy does not reference historic significance as a factor in the calculations. If the City wanted to establish historic buildings or districts, it would be within their discretion to designate them (local, state and/or federal).

12. If local, would we have time to implement our own historic protections before the creation/implementation of a precise plan that could put the buildings in danger?

The update to the Historic Preservation Ordinance and Register is under way. It is currently anticipated that it will be completed before the Downtown Precise Plan is completed.

13. Why wasn't Moffett the subject for this grant? Vs. downtown?

Staff submitted two preliminary applications, one for Moffett and one for Downtown (subject to Council authorization). MTC advised staff that Downtown was the stronger application for several reasons: larger size, greater growth opportunity, greater potential to be a model for other cities, and stronger existing policy commitments of the Downtown Parking Strategy and draft Housing Element. They specifically called out the Transit Center joint development as a key opportunity.

14. Can we make the Historic District out of bounds as the study area for this grant?

Staff specifically requested this to be added to the MTC Transit Oriented Community Policy Guidelines, but it does not appear to have been added in the latest draft. Therefore, Council should presume that historic sites or districts are not “out of bounds” in the MTC Policy Area. However, this does not preclude the City from allowing densities and intensities prescribed by the Policy on a given site, while still enforcing local preservation requirements.

15. Besides not getting the money, what is the downside of not applying for this grant? For instance, are there any future sources of funds that will only be available to communities who have gotten this grant?

There are no future sources of funds only available to recipients of the planning grant. However, there is significant future funding, infrastructure projects for example, that is only available to cities/agencies that comply with the Transit Oriented Communities Policy, regardless of whether they have received the planning grant.

16. How does the density average work out?

The density averaging allows cities to designate sites for higher or lower density, as long as the average meets the standard in the Policy. For example, 3 acres of sites allowing 90 dwelling units per acre and 1 acre of sites allowing 30 dwelling units per acre would average to 75 dwelling units per acre: $(3 * 90 + 1 * 30) / 4 = 75$.

17. What are some examples in MV of office at these densities?

The office building at the corner of West Evelyn Avenue and Bryant Street is approximately 4.0 FAR, and staff are not aware of any buildings with higher FAR. Taller buildings in Mountain View have lower FARs because they tend to also have larger setbacks. For example, the 11-story building at 444 Castro Street is only approximately 2.5 FAR.

18. What have your interactions with the granting agency been like? If this is a new grant program, let's think of input to the grantors about what we would like to see in the future? At the NLC conference a few weeks ago, we heard from several agencies that the grant programs related to the BIL and IRA were new and consequently likely to change based on input about how they worked and what was really needed.

This is a well-established grant program. It funded the El Camino Real Precise Plan.

19. With the requirements of the grant, will we still be able to create historic protections for certain buildings in the historic core of downtown?

Please see the response to Question 14.

ITEM 6.1 2023-2031 Housing Element Adoption

1. How much investigation and/or consideration was done on the projects listed in the Housing Element to make sure they are feasible and needed? For example:
 - Does the city have any concrete examples of landlord retaliation, and if so, what are the landlords being accused of doing that is considered retaliation?

Staff commonly receive input from tenants regarding actual retaliation as well as the fear of retaliation. Some common examples of retaliation reported include threatening eviction (verbally or with a termination notice), intimidation, harassment, failure to abide by Hearing Officer decisions, increasing service costs such as for parking spaces or utilities that should otherwise be included as part of rent, etc.

The fear of retaliation may result from actual or perceived disparities in power between a property owner and a tenant. A common example is undocumented residents who may be concerned about reporting issues to the property owner because of their status. Those who have limited English proficiency have also noted concerns about retaliation. These and other tenants may also not be aware of their rights or obligations of the property owners, or how to access help. The availability of legal assistance – particularly pro bono, in multiple languages, and combined with education and outreach – provide important resources to tenants and is commonly included in the menu of tenant protection options provided by the State, HUD, and other public agencies.

- COPA and TOPA seem to be used in cities where large corporations are buying up residential properties and then renting them. Is there any evidence of large corporations buying up housing in Mountain View?

Staff do not have comprehensive data on who is buying residential properties in other cities that have or are considering COPA/TOPA. Staff are aware there have been news articles regarding corporate buyers conducting bulk purchases of properties in the Bay Area, often focused on single-family homes. Staff are not aware of corporate buyers conducting bulk purchases of single-family homes in Mountain View.

The City's displacement response strategy is focused on multi-family apartments covered under the Community Stabilization and Fair Rent Act (CSFRA). Prior to SB 330, demolition of CSFRA apartments – or older apartments prior to the adoption of the CSFRA – was a primary cause of tenant displacement. Based on CSFRA sales transaction data between 2012 and November 2022, there appears to have been a consistent variety of the type of purchasers, including family trusts (both local and national), individual buyers, developers, and investment firms. The staff does not have data regarding the number of properties owned by these entities, and whether any of the entities would be considered corporate.

In staff research and discussions with other jurisdictions to-date, cities that have passed or are considering COPA/TOPA seek to address a wide range of issues. These cities can and do develop COPA/TOPA programs that are tailored to address local priorities, the type of investor purchasing properties (corporate or non-corporate), the type of properties being purchased, and the type of displacement that is occurring. COPA/TOPA can be structured in a variety of ways that provide an affirmative opportunity for mission-driven entities – such as non-profit developers, tenant-based organizations, community land trusts, etc. – to bid on properties for sale, prevent tenant displacement, and achieve other housing opportunities that the market typically does not otherwise provide, such as homeownership for lower-income households.

- SB330 pretty much ended redevelopments that resulted in tenant displacement. What specific circumstances are occurring now that are resulting in tenant displacement?

During the displacement response stakeholder outreach process conducted throughout 2023, staff have received input from mobile homeowners and tenants that the Allowable General Adjustment (AGA) – which is based on inflation and capped at 5% – for rent increases is resulting or will result in displacement due to high inflation rates.

Additionally, during the pandemic, reduction or loss of employment resulted in tenant instability because it impacted their ability to pay rent. CSA has been implementing the City's COVID-19 Rent Relief Program, which has served over 1,500 unduplicated households during this time.

SB 330 is currently scheduled to sunset in 2030. Should that sunset date remain in place, a concern is that the eventual loss of State tenant protections and replacement requirements contained in SB 330 would lead to the return of similar demolition/redevelopment projects – and ensuing tenant displacement – that occurred prior to SB 330.

The staff is working on the Displacement Response Strategy which will include options to replace existing units and help with tenant displacement. A Council study session to review options is scheduled in May 2023.

- What are the potential threats to elimination of mobile home parks in Mountain View? Have there been any proposals over the past 5 years to eliminate a mobile home park?

Over the past two years, residents in both Sahara and Santiago Villa Mobile Home Parks have received letters from the park owner (it is the same owner for both parks) indicating he is willing to sell the parks. The City also received a letter from this park owner offering the parks up for sale during this time. Additionally, the Community Development Department receives inquiries from developers from time to time evaluating potential opportunities to redevelop mobile home parks. However, over the past five years, the City has not received any formal applications to redevelop a mobile home park.

Staff would like to note that Mobile Home parks in Mountain View have a special General Plan land use designation of Mobile Home – Residential and are zoned as RMH (Mobile Home). Any changes to convert mobile home parks to another use would require a General Plan and zoning amendment which would trigger a Gatekeeper or Council authorization process.

2. If the city-owned lots downtown area developed with housing, will the public parking spaces be replaced elsewhere downtown?

The council could decide on the number of parking spaces to be replaced. The manner in which they were replaced could either be in an underground garage or adjacent parking structure. Other options include funds provided to replace parking elsewhere, such as in the Lot 12 project. Program 4.5 provides a flexible path for accommodating affordable units Downtown. These units could come from sites other than City parking lots such as BMR (below market rate) units in market-rate projects, implementation of the Mountain View Transit Center, or the remnant site remaining from the redevelopment of the Public Safety building.

3. Is staff proposing to include the Builder’s Remedy applications as “pipeline projects?” Do these applications help the City meet the RHNA obligation?

Cities with Builder’s Remedy projects can include them as Pipeline Projects and that would reduce the number of opportunity sites needed to be identified to meet RHNA. For Mountain View, since the projects were submitted only in the last couple of months, they are not reflected in the current draft. To maintain the current schedule, and take a conservative approach, staff will not add the new applications to the Housing Element unless unforeseen changes to the site’s inventory necessitate it. Regardless, all housing units that receive building permits within specified timelines will be reflected in the Annual Progress Reports (APRs) sent to HCD (CA Department of Housing and Community Development) and will help meet the Regional Housing Needs (RHNA) obligation for the 2023-2031 Housing Element Cycle, whether they are included as Housing Element sites or not.

4. How would fee payment at issuance of the certificate of occupancy affect City operations?

The Park Land Dedication In-Lieu fees are used for acquisition of park land, construction of new parks and recreational facilities, and additional amenities/improvements to existing parks and recreational facilities. Postponing payment of the Park Land fees until issuance of the certificate of occupancy delays the availability of this funding for these purposes. This will not affect operations and maintenance of the existing parks and recreational facilities; however, it would add administrative tasks to ensure collection of the fees owed prior to granting occupancy.

5. How will the City evaluate the fee stack after the park fee reduction is implemented?

There are many different inputs that will inform how the evaluation for park in-lieu fees will be conducted with the first being the completion of the Nexus Study. The inputs are yet to be determined and depend on other actions included in the Housing Element, such as:

- Code changes that streamline review and reduce development standards;
- changes in market conditions; and/or
- other fee or ordinance changes.

The subsequent development constraints analysis can follow a similar methodology to the analysis conducted in Appendix H to the Housing Element. In addition, the total government constraints can be compared to other cities and regional best-practice standards (to be determined once the scope of inputs is evaluated).

6. What would the “trade-off” be if the City moved the MHRSO update milestone/timeframe to end of December 2024?

The RHC sets the Annual General Adjustment for the MHRSO each year in May, which goes into effect the following September. Moving the MHRSO update to December 2024 – instead of completing it in March 2025 – would not cause the next AGA to go into effect any sooner. Additionally, moving the MHRSO item sooner would require another item to be delayed. If the Council wishes to move the MHRSO item earlier, staff recommend studying the efficacy of TRA0 by March 2025 (instead of by December 2024).

7. Would the park fee reduction be so significant that projects will become financially feasible? Or will the remaining fees, even after the park fee reduction, continue to be a constraint?

The intent of Program 1.8 is to reduce government constraints on residential development while finding opportunities to provide new open space. However, it is difficult to assess which projects would be financially feasible due to the fact that projects vary greatly based on density and site size. Additionally, while the fee reduction would help improve financial feasibility overall, it may not be enough to eliminate other financial constraints such as market conditions, labor rates and material prices.

8. How do the Annual Progress Reports account for building permits? How do the proposed pipeline projects that already have received building permits get accounted for in 6th Cycle Annual Progress Reports?

In Annual Progress Reports (APRs), units are only counted towards meeting RHNA for the year building permits are issued. Pipeline projects that have already been issued building permits will appear in the 6th Cycle APRs only when they receive Certificates of Occupancy, but this is provided only for reporting purposes and not counted towards RHNA.

9. What are the penalties for failure to meet building permit milestones in the Annual Progress Reports?

There are no formal penalties for not meeting RHNA numbers. However, effective in 2018, the State established the SB 35 streamlining process that allowed certain affordable housing developments to be approved through a ministerial process. If Mountain View has not met half its market rate RHNA on APRs by halfway through the cycle, certain projects with 10% lower-income units would be eligible for ministerial review. If Mountain View has not met half its lower-income RHNA on APRs by halfway through the cycle, certain projects with 50% lower-income units would be eligible for ministerial review (as is the case today).

The second consequence is that cities are required to ensure that as sites are developed there is “no net loss” in the various income categories. Therefore, the city may be required to identify additional sites in the site’s inventory to make up for the loss. Staff review this on an annual basis as part of the Annual Progress Report.

10. What data will be collected as part of the ADU/SB9 programs?

Program 1.7 includes an action to develop a monitoring survey to collect data that can enhance reporting on Annual Progress Reports and help the City in informing future program improvements. This can include occupancy status, rent levels, experience with approval process, funding sources, etc. The final

list has not been determined and staff is open to Council direction. Additionally, the Santa Clara County Collaborative is spearheading an ADU program and resources and best practices on data collection can inform what is included in the City's monitoring survey.

11. Can staff provide more information about how sites would be deemed appropriate for removal in the resolution clause authorizing the Community Development Director to "remove sites from the inventory if existing uses are found to be an impediment to redevelopment?" What are some examples?

HCD is the ultimate authority of whether there is adequate evidence in the Housing Element for a particular site. Staff have sent their sites analysis of those identified in the HAC letter to HCD for their review.

HCD has already identified 325 and 450 East Middlefield Road as sites that will need to be removed, since they likely have leases that end late in the Cycle. In addition, 630 San Antonio Road will have its projected units reduced to match the discount applied to other "major shopping center" sites.

Staff will be reporting on this change at the Council meeting tonight.

12. In the same resolution clause referenced in the preceding question, what are examples of "non-substantive changes or amendments" that could be requested by HCD? What are the parameters staff would use to determine whether an amendment or change is significant enough that it warrants returning to the Council for approval?

Substantive changes would be those with an effect on targets, workload, zoning or other legislation, or timeframes. Non-substantive changes would include word choices, clarifications, and sites inventory changes that don't result in the need to rezone a property, or a reduction of sites below the buffer in the resolution.

13. Can staff list the organizations and individuals that have provided letters of support for the Housing Element draft?

The following organizations have sent in letters of support for the latest Housing Element draft and modifications included in Exhibit E of Attachment 1: League of Women Voters of Los Altos-Mountain View (additional minor comments), Cafecito and Reach Potential, Chamber of Commerce, Alta Housing (additional minor comments), Mountain View Tenants Coalition, Mountain View YIMBY, and Fondo de Solidaridad.

14. What is the downside of approving the Housing Element before it has been approved by HCD?

The downside to adopting the Housing Element before HCD has certified the document could mean that if HCD finds the submitted, adopted Housing Element out of compliance with State Law, revisions would need to be made and would need to be brought to EPC and the City Council for readoption.

However, staff have been in constant communication with our HCD reviewers and were given guidance to proceed with our adoption schedule. Furthermore, HCD provided informal feedback on our latest draft early this week stating they had no additional comments. Additionally, adopting the Housing

Element would not add any more time to the project schedule than if the City had sought formal HCD concurrence prior to adoption.

15. Why isn't having a designated person in all the departments that approve housing specially trained on affordable housing a good idea?

Staff were concerned that the intent of the recommendation was to have only dedicated staff work on affordable housing projects. The Community Development Department does not have the luxury of having one or two dedicated staff to work on such projects since workload has to be assigned on an as needed basis. As a result, the departments have relied heavily on training staff working on these projects in the required processes, which is a better approach. The revised language reflects this intent.

Currently, Program 4.1 (a) currently states:

“Review and update the City's affordable Housing NOFA process to improve coordination and communication internally (e.g., coordination between Housing, Planning and other departments and internal processes in Planning and other departments) and with applicants. Encourage affordable housing developers to work with outside funding sources to leverage the City's local funds to the maximum extent possible. Initial steps in the review include additional developer roundtables, garnering consultant advice, and reviewing other public agency best practices.

“In addition, the City will continue to facilitate and support 100% affordable housing development in the review process, by allocating dedicated staff and utilizing streamlining opportunities.”

The City received revised language by Alta Housing clarifying their intent in their letter dated, April 11, 2023. Staff is recommending the following revised language based on this intent (with the deletions shown with ~~strikeouts~~ and additions shown in underlined text).

Program 4.1(a)

“Review and update the City's affordable Housing NOFA process to improve coordination and communication internally (e.g., coordination between Housing, Planning and other departments and internal processes in Planning and other departments) and with applicants. Encourage affordable housing developers to work with outside funding sources to leverage the City's local funds to the maximum extent possible. Initial steps in the review include additional developer roundtables, garnering consultant advice, and reviewing other public agency best practices.

In addition, the City will continue to facilitate and support 100% affordable housing development in the review process, by ~~allocating dedicated~~ utilizing trained staff in each Department and Division involved in the development review and building permit processes, and by utilizing streamlining opportunities. ~~The dedicated staff members will be trained in processes, requirements, timelines, and financing specific to affordable housing projects.~~”

Staff will include this revision in a desk item to the Council at tonight's meeting.

16. Do we have an estimate of the cost of implementing all of the programs in the Housing Element? How will those costs be handled?

The cost of implementation has not been finalized, however, many of the programs identified have overlapped with other active or pending projects and can result in cost savings. For example, the ADU enhancements will mainly be under the County Collaborative with some staff time, and the R2 rezoning project could be absorbed into the R3 zoning Update. After certification of the Housing Element by HCD, staff plan to develop a phased implementation plan based on the timelines required and will bring Council a funding plan for each phase.

17. The Housing Element proposes reductions to park fees on housing. Can we raise park fees on office as it seems there’s a nexus as more jobs lead to more housing requirements in the next RHNA cycle?

This can be studied as part of the Nexus Study proposed in Program 1.8.

18. On P. 23 the Housing Element says, “Considering below market rate units already permitted and units in the housing development pipeline, the City will likely meet or exceed its quantified construction objectives for all income categories.” Can you break out how many units we were assigned in the last RHNA cycle and how many we have produced, including those permitted and in the development pipeline? Can you make that breakout by income level?

The table below includes:

1. The 5th Cycle RHNA with the number of new housing units for which the City was required to provide sufficient sites for construction between 2015-2023.
2. The quantified objective the City established for the number of constructed units based on available resources and constraints; and
3. The number of units that were issued building permits.

Page 23 of the Housing Element shows a table of the permitted units between 2015-2021, but the table below also includes units reported in the latest 2022 APR.

The City has exceeded its quantified construction objectives for all income categories except for the Very Low-income category (by 22 units).

| | Very Low-Income Units | Low Income Units | Moderate Income Units | Above Moderate-Income Units | Total Unit Capacity |
|---|------------------------------|-------------------------|------------------------------|------------------------------------|----------------------------|
| <i>5th Cycle RHNA</i> | 814 | 492 | 527 | 1,093 | 2,926 |
| <i>5th Cycle Construction Quantified Objective</i> | 250 | 20 | 45 | 1,000 | 1,315 |
| <i>Building Permit Issued in 5th Cycle</i> | 228 | 242 | 136 | 4,860 | 5,466 |

19. How many Builder’s Remedy projects have been introduced in Mountain View thus far? How many units would these projects create in each income category?

There are four Builder’s Remedy projects identified as of this writing and their unit breakdown by income category are shown below. 901 North Rengstorff Avenue has not yet had its preliminary application deemed complete. 1500 North Shoreline Boulevard is not expected to start construction of all units by the end of the cycle.

| | Low Income Units | Moderate Income Units | Above Moderate- Income Units | Total Unit Capacity |
|----------------------------|---------------------------------|--------------------------------------|---|--------------------------------|
| 1500 N Shoreline Boulevard | 440 | 0 | 1,760 | 2,200 |
| 294 Tyrella Avenue | 17 | 0 | 68 | 85 |
| 1920 Gamel Way | 40 | 0 | 160 | 200 |
| 901 N Rengstorff Avenue | 77 | 0 | 308 | 385 |
| Total | 574 | 0 | 2,296 | 2,870 |

20. On P. 14 the staff report says that we, “Added language about neighborhood commercial preservation standards for select sites to comply with Council direction to preserve retail in neighborhood commercial shopping areas.” Is this sufficient or is there more we should/could do to preserve neighborhood serving retail?

This language under program 1.1 highlights the directive for preserving neighborhood commercial and is sufficient for a high-level planning document like the Housing Element. The rezoning action will be brought to the Council to review, and specific development standards can be discussed at that time. Note that since these sites are not used to meet a shortfall, this does not preclude retail requirements from being regulated and enforced.

21. On P. 15 the staff report says that we will, “Add concrete objectives and metrics to further fair housing in higher resource areas... [and add an] objective of 65 units proposed on religious/institutional sites south of El Camino Real with a time frame of 2027, with additional actions for policy change if objective is not met.” Have any property owners south of El Camino expressed any interest in developing housing?

No. One site has expressed interest in being on the inventory, but not a specific interest in developing housing.

22. On P. 21 the staff report says that “Last year, the State adopted Assembly Bill (AB) 2339, a bill that seeks to facilitate the development of emergency shelters throughout the State... [and that] Cities must identify zoning districts where emergency shelters are allowed without a conditional use permit or other discretionary permit and subject only to specific objective standards.” What is the definition of an emergency shelter under AB 2339? Can the city decide what kind of emergency shelter is provided, for example day shelters vs. full time shelters or teen/young adult shelters or women’s and children’s shelters?

Government Code Section 65582(d) defines an emergency shelter as “housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.” AB2339 clarifies that for the purposes of meeting the AB2339 requirements, “emergency shelter” can include other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care.

AB2339 provides a list of objective standards emergency shelters can be subject to which does not include limiting who can be serviced. Day shelters would likely not be considered “housing.”

23. What changes have been made to the Site Inventory since the Housing Action Coalition letter was written and Builder’s Remedy projects have been submitted?

The current draft Housing Element includes the Sites Inventory table below.

| Project Category Type | Lower-Income | Moderate-Income | Above-Moderate-Income | Total Capacity (Units) |
|------------------------------|--------------|-----------------|-----------------------|------------------------|
| Pipeline (A) | 1,201 | 274 | 4,311 | 5,786 |
| Opportunity (B) | 4,246 | 1,946 | 4,536 | 10,728 |
| Total Inventory (A+B) | 5,447 | 2,220 | 8,847 | 16,514 |
| Sixth-Cycle RHNA (C) | 4,370 | 1,885 | 4,880 | 11,135 |
| RHNA Buffer (A+B)-C | 25% | 18% | 81% | 48% |

So far, HCD has indicated that we should remove two sites (325 and 450 East Middlefield Road) and recategorize one site (630 San Antonio Road). This results in 380 fewer lower-income units and 26 fewer moderate-income units, reducing the buffers to 16% each.

HCD has advised that newly submitted applications (which include Builder's Remedy projects) can be included in the Pipeline. Since the "Builder's Remedy" projects were submitted only in the last couple of months, they are not reflected in the current draft. To maintain the current schedule, and take a conservative approach, staff are recommending not adding new applications to the Housing Element unless additional unforeseen changes to the site's inventory necessitate it.

24. The Housing Element shows a high vacancy rate in MV compared to the county and Bay Area. What do you attribute to that relatively high rate too? It also shows a high vacancy rate due to seasonal/recreational/Airbnb uses compared to the rest of the county? Do our Airbnb regulations need to be improved?

Vacant units can include units that are sold or rented but not occupied (due to foreclosure, personal/family reasons, legal proceedings, repairs/renovations, abandonment, extended absence for reasons such as a work assignment, military duty, or incarceration), units that are held for seasonal or occasional use, and units that are available for rent or for sale.

Mountain View has a robust pipeline of residential development. Depending on the timing of data collection, new rental units recently added to the housing stock could lead to the City's vacancy rate looking higher than it otherwise would because there are new units that have not yet been fully leased. Additionally, overall, the City has a large rental inventory and rental units tend to have higher rates of turnover and therefore are likely to have a higher vacancy rate than a comparable city with a smaller rental inventory.

Figure 11 in the HEU shows that Mountain View has a higher proportion of seasonal/recreational/occasional use vacant units, but the larger dataset (not shown in Housing Element) is that the estimate is about 423 vacant units, which amounts to 1.2% of the City's housing stock. This is a small share, meaning that policies aimed at reducing that number are going to have a fairly small impact on the City's overall housing inventory.

Since the 1.2% (423 units) are not limited to Airbnb or short-term rentals it is not likely that Airbnb units and policies regulating them will have a big impact on the City's housing inventory.



COMMUNITY DEVELOPMENT DEPARTMENT

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DATE: April 11, 2023

TO: City Council

FROM: Eric Anderson, Advanced Planning Manager

**SUBJECT: Housing Element Update, Additional Recommended Modifications – AB 2339/
Program 1.1, Program 1.8, Program 4.1, and Addendum to Non-Vacant Sites
Analysis**

Several additional modifications to the draft Housing Element have been identified since the deadline to prepare and post the Council Agenda. These modifications are shown in the Attachment to this memo and described more fully below.

RECOMMENDED MODIFICATIONS RELATED TO AB 2339/PROGRAM 1.1

AB 2339 was approved in 2022 and addresses local need for emergency shelters by requiring cities to a) identify sites for emergency shelters in their Housing Elements, and b) adopt zoning allowing shelters in those zones by right.

Mountain View is not required to comply with AB 2339, since, presumably, the City will next submit an adopted Housing Element to the State for review. Conversely, if, at this point, the City was to submit a draft to HCD for their review, it would need to comply with AB 2339. Nonetheless, staff have prepared the requisite analysis and program to comply with the statute. See the following within Attachment 1, Exhibit D to the Staff Report:

- Program 1.1 - Zoning Ordinance Update for Consistency with State Laws on page 33 of the of the Housing Element, and
- Analysis on pages 350 to 351 of the Housing Element, at the end of Appendix E.

The site identified in the Housing Element is 860 Bay Street, a vacant site located in the El Camino Real Precise Plan. However, on March 15, a formal application for a 4-unit development was submitted on this site. Therefore, this site may no longer be appropriate as an opportunity site for an emergency shelter.

As a result, staff recommends modifying the Program language and the analysis to acknowledge this new information, and to direct staff to find an additional site at the time of rezoning that is vacant or meets the general characteristics identified in the “Suitability of Non-Vacant Sites” analysis in Appendix E of the Housing Element. If the new site is not in the El Camino Real Precise

Plan, that district will be rezoned to accommodate emergency shelters in addition to the El Camino Real Precise Plan.

Alternatively, Council could direct staff to remove any content related to AB 2339 from the Housing Element.

RECOMMENDED MODIFICATIONS RELATED TO PROGRAM 1.8 - PARK LAND ORDINANCE UPDATE

Staff received recent public comments from developer representatives, stating that the payment of fees at occupancy, rather than building permit, can significantly improve project feasibility. This is because developers would not need to pay financing costs on the fee until there is already a cash flow for the project. The comment was generally regarding all fees, though the focus in the Housing Element is regarding the Park Land Dedication In-lieu fee, specifically, since it is the most significant fee paid by residential development.

The previous draft of the Housing Element included language that the City would “consider” all or partial payment of Park Land Dedication In-Lieu fees at project occupancy. However, the California Department of Housing and Community Development (HCD) is cautious about language like “consider” in Housing Element Programs. Staff recommends modifying this language to shore up HCD review, as well as to address the feasibility effects of the program.

Postponing payment of the Park Land fees until issuance of the certificate of occupancy delays the availability of this funding for these purposes. This will not affect operations and maintenance of the existing parks and recreational facilities; however, it would add administrative tasks to ensure collection of the fees owed prior to granting occupancy. The “criteria” in the proposed language could help address this issue, among others identified at a later date.

RECOMMENDED MODIFICATIONS RELATED TO PROGRAM 4.1 - DEVELOPMENT STREAMLINING AND PROCESSING REVISIONS

Staff received public comment from an affordable housing developer and other stakeholders that greater specificity is necessary in Program 4.1 regarding trained, dedicated staff in all departments for affordable housing review. See, for example, the March 14, 2023, letter and April 10, 2023 email from Alta Housing and the April 10, 2023, letter from the League of Women Voters.

This language largely reflects the recommended language from Alta Housing, but focuses on “utilizing trained staff” rather than “allocating dedicated staff”, which may be misinterpreted in the future as limiting that staff’s capacity for other projects.

Eric Anderson, Advanced Planning Manager

April 11, 2023

Page 3

RECOMMENDED MODIFICATIONS RELATED TO NON-VACANT SITES ANALYSIS

HCD has advised staff that more robust site-specific analysis should be provided in response to the March 13, 2023, letter received by the Housing Action Coalition (HAC) (included in Attachment 4 to the Council Report). The project team prepared this analysis and submitted it to HCD. Staff recommends this letter be included as Appendix I to the Housing Element.

Attachments: 1. Recommended Modifications – 6th Cycle Housing Element 2023-2031

Attachment 1 to April 11, 2023, Memo

Recommended Modifications - 6th Cycle Housing Element 2023-2031

Page numbers reference Exhibit D – March 8th Draft Housing Element 2023-2031

Recommended **added** or **deleted** text to the March 8th Draft as modified by Exhibit E

Chapter 3, Page 34

1.1 Zoning Ordinance Update for Consistency with State Laws

Update the Zoning Ordinance to address consistency with the following State laws and HCD guidance:

- a) Add provisions for Low-Barrier Navigation Centers in compliance with AB 101 (2019)
- b) Add provisions for Employee Housing in compliance with Health and Safety Code, § 17000 et seq)
- c) Add provisions to allow mobilehome parks in all residential zones in compliance with Government Code 65852.7
- d) Amend ordinance to add definition of residential care homes and allow residential care homes as a permitted use regardless of the number of residents.
- e) Amend ordinance to remove unnecessary findings associated with Reasonable Accommodation permits to remove constraints to housing for special needs populations (Program 2.3)
- f) Amend the Zoning Ordinance to allow emergency shelters by right consistent with AB2339. At minimum, this will include the El Camino Real Precise Plan (consistent with the analysis provided in the sites inventory, Appendix E). **In addition, identify at least one additional site consistent with the AB2339 methodology and the non-vacant sites analysis in Appendix E, and amend the subject Zoning District or Precise Plan as necessary.**
- g) Ensure zoning and general plan for all sites is consistent with the Housing Element site inventory and pipeline projects. The following areas will be rezoned:¹
 - a. Leong Drive and Fairchild Drive properties at the west end of the Evandale Precise Plan (up to at least 43 DU/ac) – the rezoning will also identify which sites will have required neighborhood commercial
 - b. 1702 Miramonte, 777 Cuesta Drive, and 1949 Grant Road (up to a least 30 DU/ac)
 - c. Moffett Boulevard (up to at least 1.85 FAR, approximately 72 DU/ac) – the rezoning will also identify which sites will have required neighborhood commercial
 - d. 677-699 Calderon Ave (up to at least 30 DU/ac) – with required neighborhood commercial
 - e. Mountain View Transit Center (up to at least 75 DU/ac)– in addition, the City will continue to work with and facilitate Caltrain in the development of residential on this site, possibly with other uses

¹ The rezonings cover more parcels than the sites inventory to provide additional housing opportunities, especially in high-opportunity areas.

Objectives and Metrics:

- Update the Zoning Ordinance as needed to fully accommodate the City's 6th Cycle RHNA.
- Update the Zoning Ordinance to be consistent with recent legislation, Government Code and Health and Safety Code regulations.

Milestone and Timeframe:

- Adopt zoning updates for AB 2339 by March 31, 2024
- Adopt general zoning updates by December 31, 2024
- Adopt zoning updates needed for any sites included in the sites inventory by December 31, 2024. If a pipeline rezoning project is not approved by this date, those units will be removed from the buffer. If there is no buffer remaining, then additional sites will be identified through the “no net loss” process.
- Adopt zoning updates annually as necessary to respond to future changes in State law (ongoing).

Responsibility: Planning Division

Potential Funding: Development Services Fund (DSF) and General Fund

AFFH Program: Housing Mobility

[Chapter 3, Page 39](#)

1.8 Park Land Ordinance Update

a) Complete Phase 2 of the Park Land Dedication Ordinance update and the Parks and Recreation Strategic Plan. Analysis that would support fee reductions could include:

- Review of best-practices for parkland acquisition funding
- Pursuit of grants and other funding sources
- Review of the City's population density assumptions
- Opportunities for private development to provide public open space through existing zoning requirements (e.g., POPAs)
- Development incentives and exceptions to standards for public open space

b) Adopt a Nexus Study that compares the City's in-lieu fee to other cities, incorporates other sources of funding, revises valuation methodology, **considers** **establishes criteria for** all or partial payment of fees at project occupancy, and other factors for the adoption of lower residential park in-lieu fees. Prior to the adoption of these fees, reevaluate the cumulative impact of all residential fees.

This responds to input received from market-rate housing developers during the outreach process (see Chapter 1: Introduction, Public Participation section).

Objectives and Metrics: Reduce constraints on residential development by reviewing and revising the park land dedication requirements to maintain access to high quality open space while reducing the financial impact to residential development. Reduce the monetary parkland in-lieu fee payment by at least 20%, on average, across a range of typical residential projects, through reduced fees as determined by the Nexus Study and/or through other ways for developments to receive parkland credit and thereby reduce fees through relaxing regulations on the size and type of privately owned, publicly accessible (POPA) areas and/or allowing parkland credit for new pedestrian connections and trails.

Milestone and Timeframe:

- By December 31, 2024, adopt the Parks and Recreation Strategic Plan (addressing anticipated open space needs and long-term funding strategies)
- By December 31, 2025, adopt the Nexus Study, reduced fees, alternate mitigations and/or other programs to reduce costs on residential.

Responsibility: Community Services Department, Public Works Department and Planning Division

Potential Funding: Park Land Dedication Fund and Shoreline Regional Park Community Fund

[Chapter 3, Page 50](#)

4.1 Development Streamlining and Processing Revisions

Implement processing procedures and technology improvements that will reduce Planning and Building Permit review timelines to address constraints resulting from the duration of staff review.

- a) Review and update the City's affordable Housing NOFA process to improve coordination and communication internally (e.g., coordination between Housing, Planning and other departments and internal processes in Planning and other departments) and with applicants. Encourage affordable housing developers to work with outside funding sources to leverage the City's local funds to the maximum extent possible. Initial steps in the review include additional developer roundtables, garnering consultant advice, and reviewing other public agency best practices. In addition, the City will continue to facilitate and support 100% affordable housing development in the review process, by ~~allocating dedicated~~ utilizing trained staff in each Department and Division involved in the development review and building permit processes, and by utilizing streamlining opportunities. The staff members will be trained in processes, requirements, timelines, and financing specific to affordable housing projects. This responds to input received from affordable housing developers during the outreach process (see Chapter 1: Introduction, Public Participation section).
- b) Review development and post-development processes, timelines, and approval body levels to streamline permitting processes. Adopt procedures that improve internal coordination and staff throughput. This responds to input received from market-rate housing developers during the outreach process (see Chapter 1: Introduction, Public Participation section).
- c) Continue to implement the 2021 Development Review Assessment (“Matrix Study”), building off of completed recommendations (such as revisions to Project Coordinating Committee

process, updated application forms, application inactivity policy, and creation of Permit Navigator position).

- d) Acquire additional tools and software that will improve development review, monitoring of housing supply, management of funding, transparency of data and approvals, and other processes involved in housing development for staff and public use.

In addition, Program 1.3 will streamline development review by improving the consistency, transparency and relevance of the standards that affect residential development.

Objectives and Metrics:

- Facilitate at least 1,100 units of 100% affordable development by streamlining the funding approval process, prioritizing staff review, utilizing State streamlining (e.g., SB35).
- Reduce the number of resubmittals and time between application completeness and approval through process and approval body revisions.
- Identify thresholds for multifamily projects that can be eligible for ministerial approvals.
- Reduce the number of compliant projects in Precise Plans that require Council hearings.
- Bring the city fully into compliance with new transparency legislation by posting project-specific fees online.
- Improve the development review process through implementation of the 2021 Matrix Study.

Milestone and Timeframe:

- Bring City into full compliance with transparency requirements as soon as possible.
- Review and update NOFA process by June 30, 2024.
- Update the Zoning Ordinance process and approval bodies by December 31, 2026
- Implement the following 2021 Matrix Study recommendations:
 - Implement an online permitting system for Building, Planning and Public Works (ProjectDox) by December 31, 2024
 - Streamline the City's contract process for consultant services related to development review by December 31, 2024
 - Establish and publish formal planning application review timelines and track performance by December 31, 2024
 - Standardize development permit-related comment letters to refer to adopted codes, design standards and include checkboxes for staff/applicant by December 31, 2024
 - Expand the City's GIS system for the public on City's website by December 31, 2025
 - Create a dashboard with historic and current performance indicators for the development review process by December 31, 2025
 - Create a dashboard for the implementation of the Matrix Study recommendations by December 31, 2024
 - Conduct a Development Services Fund Fee Study and update the Master Fee Schedule based on results by December 31, 2024
- Acquire additional software and tools as identified.

Responsibility: IT Department, Finance Department, Housing, Building and Planning Divisions

Potential Funding: General Fund, Development Services Fund and local housing funds

AFFH Program: Housing Mobility, Access to Opportunity

Site-Specific Information

Beyond market conditions and development trends, other site-specific conditions found in select sites, as outlined below, make them viable for inclusion in the inventory and provide evidence that discontinuation of the existing use during the 6th cycle is probable. These factors include dilapidated building and site conditions, development agreements, landowners expressing development interest, and expiring lease data. While existing leases or other contracts in non-vacant sites have been considered, it is important to note that leases and contracts related to privately owned properties are not public information, and the City does not have any power to require or compel property owners to provide this information. However, through public listings the City has identified that nearly one fifth of the non-vacant sites in the inventory have some level of tenant or site vacancy.

[In addition to the information below, Appendix I includes more information about inventory sites that were challenged through public comment.](#)

Sites for Emergency Shelters

Pursuant to AB2339 (Government Code Section 65583(a)(4) and (7)), the City must identify sites and zoning districts for emergency shelters.

The land area need for emergency shelter sites is based on the latest point-in-time count (published in the 2022 Santa Clara County Point-in-Time Report on Homelessness, from Applied Survey Research and the County of Santa Clara), any pipeline funded rapid rehousing and permanent supportive housing units in the City, and a ratio determined by State law. These are summarized in Table 70 below. It should be noted that this is a conservative estimate since the units in Table 70 may be expected to house more than one person.

Table 70: Need for Emergency Shelters

| | |
|--|----------------------|
| 2022 Point-In-Time Count (Unsheltered) | 206 |
| Pipeline Rapid Rehousing and Permanent Supportive Housing (See Table 71) | 174 |
| Remaining Need | 32 |
| Land Area Needed (based on 200 sq. ft per person) | 6,400 sq. ft. |

Table 71: Pipeline Rapid Rehousing and Permanent Supportive Housing

| Project | Units |
|-----------------------------------|--------------|
| Crestview (901 E. El Camino Real) | 20 |
| Lot 12 | 20 |
| 1265 Montecito Avenue | 41 |
| 1100 La Avenida | 30 |
| 1020 Terra Bella Avenue | 27 |
| 1012 Linda Vista Avenue | 16 |
| 96 W. El Camino Real | 20 |
| Total Units | 174 |

The following site can accommodate an emergency shelter and is greater than 6,400 square feet.

860 Bay Street, APN 158-01-039

This is a vacant 10,900 square foot site in the El Camino Real Precise Plan. It has excellent access to transit, since it is 550 feet walking distance from a VTA route 22 stop (the most frequent service in Santa Clara County) with service to Downtown Mountain View and other major commercial and job centers throughout the South Bay and Peninsula. It is less than a 1,500 foot walk to two major shopping centers with groceries (Nob Hill, 99 Ranch, Nijiya), a pharmacy (Walgreens), and myriad other goods and services. It is less than a mile to El Camino Hospital, a major facility with emergency services and Palo Alto Medical Foundation, another major medical facility. Mental health services are provided at the Community Health Awareness Council, less than a half mile away.

Shortly before adoption of this document, an application to develop this site with housing units was submitted. If this project proceeds, the site will be unavailable for an emergency shelter. To support continued compliance with the intent of AB 2339, the City will identify one or more additional sites of at least 6,400 square feet that meet the non-vacant sites analysis characteristics identified for housing sites earlier in this appendix.

Program 1.1 will **rezone** amend the El Camino Real Precise Plan consistent with AB 2339, allowing emergency shelters without a conditional use permit and identifying objective standards. In addition, the Program directs the City to identify one or more additional sites and to amend the Zoning Ordinance or Precise Plan as necessary.

Appendix I (New)

See *following pages*.

City Comments on Sites Identified in Farella Braun + Martel Letter

March 31, 2023

| Site Address | Comment in March 13 FBM Letter | City Response |
|---------------|---|---|
| 1350 Pear Ave | It is not vacant; there are tenants there, and as of February 2023, the building continues to be offered for commercial leases | This property is comprised of a single-story, multi-tenant light industrial building that was constructed in 1987, with a current FAR of 0.332, well below the development potential for the site. As discussed in the Housing Site Analysis and Inventory appendix of the Housing Element Update, these characteristics make this site similar to sites that have recently redeveloped with residential uses and sites that are currently in the City's residential pipeline. Many of the sites that have recently redeveloped or are in the residential pipeline had tenants and/or were offered for lease prior to redevelopment, and nonetheless have since been slated for residential projects (see Table 50). The available office space in the property is listed with an asking rent of \$27 per square foot per year. According to the data available from Costar, this is lower than the per-square-foot asking rent for all multifamily rental properties that have been constructed in Mountain View in the past 20 years, including for 100 percent affordable properties. The higher rental rate for residential uses and the additional development potential for the site make this site an attractive development opportunity. In addition, the City has several years during the 6th Housing Element cycle implementation period to convince property owners to pursue redevelopment through streamlining, lower fees, and other programs. City staff have reached out to the property manager for this site in writing and by phone but have not yet received a response. |
| 885 Maude Ave | this site's capacity should be adjusted so that it matches the realistic density of other sites with the same zoning. The site is currently zoned as East Whisman "Medium Intensity"7; based on Table 46 at p. 300 of the draft, it thus has a "realistic density" of 79 du/ac.; Because it is only 1.03 acres, it should therefore be shown on the site inventory as 81 units (i.e., 1.03 times 79 du/ac). | 885 Maude is comprised of two sites, including APN 16059006, with a total area of 1.8 acres. Further, the City has conducted prototype and economic analyses on these land dedication sites to guarantee that the number of units can be built. |

City Comments on Sites Identified in Farella Braun + Martel Letter

March 31, 2023

| Site Address | Comment in March 13 FBM Letter | City Response |
|---------------------|---|--|
| 1250 Space Park Way | question as to either the timing or the realistic capacity under the existing zoning; At page 323 of the March 6, 2023 draft Housing Element, it explains that the timeline of Phase 2 in the North Bayshore Precise Plan is many years away: “land dedication” is “tentatively by 2029,” with construction starting “within two years from land dedication.” | The timing for the North Bayshore Precise plan that is presented in the draft HEU is a worst-case scenario. It is more likely that the units will be constructed before 2031. The City can take a number of steps to facilitate the development of the site for affordable housing prior to land dedication, including issuing an RFP for an affordable housing developer to develop the site. Program 4.5 in the draft HEU obligates the City to act on these sites to develop 100 percent affordable housing as soon as the sites are dedicated to the City. |
| 1345 Shorebird Way | question as to either the timing or the realistic capacity under the existing zoning; At page 323 of the March 6, 2023 draft Housing Element, it explains that the timeline of Phase 2 in the North Bayshore Precise Plan is many years away: “land dedication” is “tentatively by 2029,” with construction starting “within two years from land dedication.” | See notes for 1250 Space Park Way |
| 1375 Shorebird Way | question as to either the timing or the realistic capacity under the existing zoning; At page 323 of the March 6, 2023 draft Housing Element, it explains that the timeline of Phase 2 in the North Bayshore Precise Plan is many years away: “land dedication” is “tentatively by 2029,” with construction starting “within two years from land dedication.” | See notes for 1250 Space Park Way |

City Comments on Sites Identified in Farella Braun + Martel Letter

March 31, 2023

| Site Address | Comment in March 13 FBM Letter | City Response |
|----------------------|--|---|
| 608 San Antonio Road | has a bank (Citibank), an art school (Cal Color Academy) at 612 San Antonio, a religious organization at 616 San Antonio; a space that appears to be available for lease at 620 San Antonio | This property is comprised of a single-story retail building that was constructed in 1970, with a current FAR of 0.222, well below the development potential for the site. As discussed in the Housing Site Analysis and Inventory appendix of the Housing Element Update, these characteristics make this site similar to sites that have recently redeveloped with residential uses and sites that are currently in the City's residential pipeline. Many of the sites that have recently redeveloped or are in the residential pipeline had commercial businesses operating on the site prior to redevelopment, and nonetheless have since been slated for residential projects (see Table 50). In addition, the City has several years during the 6th Housing Element cycle implementation period to convince property owners to pursue redevelopment through streamlining, lower fees, and other programs. |
| 1070 La Avenida | U.S. Postal Service Carrier Annex; The block itself is unlikely to be redeveloped as housing; the Postal Service annex is across the street from Microsoft's Silicon Valley headquarters, and one door down from an additional Microsoft research facility | This property is comprised of a single-story building that was constructed in 1980, with a current FAR of 0.334, well below the development potential for the site. As discussed in the Housing Site Analysis and Inventory appendix of the Housing Element Update, these characteristics make this site similar to sites that have recently redeveloped with residential uses and sites that are currently in the City's residential pipeline. The site's location near Microsoft facilities does not preclude the use of the site for residential uses; residential properties near other major employers in Mountain View have been redeveloped as housing. In fact, a property that is three properties away from 1070 La Avenida is under development as a 100% affordable housing development. In addition, the City has several years during the 6th Housing Element cycle implementation period to convince property owners to pursue redevelopment through streamlining, lower fees, and other programs. |

City Comments on Sites Identified in Farella Braun + Martel Letter

March 31, 2023

| Site Address | Comment in March 13 FBM Letter | City Response |
|----------------------|---|--|
| 401 E Middlefield Rd | <p>At 401 E. Middlefield Road (APN 160-52-021), on the same block (and currently occupied by MobileIron, a technology company whose headquarters are across the street, the site inventory indicates that an earlier application “for residential development on this site [was] withdrawn due to historic significance of adjacent site.” If the owner has decided, after due deliberation, not to proceed with development for this reason, then it would seem to preclude listing the site, because it is not realistic to expect it to redevelop; We do note that the prior proposal had far fewer affordable units: just 27 lower income units and 41 moderate on a project encompassing 6 acres</p> | <p>This property is comprised of a single-story light industrial building that was constructed in 1997, with a current FAR of 0.35, well below the development potential for the site. As discussed in the Housing Site Analysis and Inventory appendix of the Housing Element Update, these characteristics make this site similar to sites that have recently redeveloped with residential uses and sites that are currently in the City's residential pipeline. Many of the sites that have recently redeveloped or are in the residential pipeline had businesses operating on the site prior to redevelopment, and nonetheless have since been slated for residential projects (see Table 50). In addition, the City has several years during the 6th Housing Element cycle implementation period to convince property owners to pursue redevelopment through streamlining, lower fees, and other programs.</p> <p>The earlier development application for this included both 401 E Middlefield site and 355 East Middlefield site. 355 East Middlefield is the site that was identified as having historic significance, and is not included in the site inventory. The historic significance of 355 East Middlefield would have no bearing on the development potential for 401 E Middlefield if a developer wanted to develop just the 401 E Middlefield site.</p> |
| 1280 Space Park Way | <p>Pickering Laboratories, which makes high technology instruments and chemical reagents for environmental, pharmaceutical, and biochemical laboratories. Pickering owns the building, and is headquartered here.</p> | <p>This property is comprised of a two-story industrial building that was constructed in 1959, with a current FAR of 0.42, well below the development potential for the site. As discussed in the Housing Site Analysis and Inventory appendix of the Housing Element Update, these characteristics make this site similar to sites that have recently redeveloped with residential uses and sites that are currently in the City's residential pipeline. Many of the sites that have recently redeveloped or are in the residential pipeline had businesses operating on the site prior to redevelopment, and nonetheless have since been slated for residential projects (see Table 50). In addition, the City has several years during the 6th Housing Element cycle implementation period to convince property owners to pursue redevelopment through streamlining, lower fees, and other programs.</p> |

City Comments on Sites Identified in Farella Braun + Martel Letter

March 31, 2023

| Site Address | Comment in March 13 FBM Letter | City Response |
|------------------------|--|--|
| 325 E Middlefield Road | is the worldwide headquarters of IGM Biosciences; it also has a relatively new lease for a facility at 875 Maude; IGM Biosciences is not a short-term tenant at all: publicly available information shows that it signed a lease in 2021 that lasts until 2032; compstak | This property is comprised of a single-story light industrial building that was constructed in 1966, with a current FAR of 0.373, well below the development potential for the site. As discussed in the Housing Site Analysis and Inventory appendix of the Housing Element Update, these characteristics make this site similar to sites that have recently redeveloped with residential uses and sites that are currently in the City's residential pipeline. Many of the sites that have recently redeveloped or are in the residential pipeline had businesses operating on the site prior to redevelopment, and nonetheless have since been slated for residential projects (see Table 50). The lease information that is provided in the comment letter should not be assumed to override the characteristics that make this site a realistic site for residential development during the planning period, as discussed during the call that Reid and Stephanie had on March 29. In addition, the City has several years during the 6th Housing Element cycle implementation period to convince property owners to pursue redevelopment through streamlining, lower fees, and other programs. |
| 335 E Middlefield Road | is a research facility for Volvo's autonomous driving technology group; The property is currently leased to Volvo long-term under a ten year lease running until sometime in 2026; it is unclear whether Volvo has options to extend the lease. | This property is comprised of a single-story light industrial building that was constructed in 1982, with a current FAR of 0.357, well below the development potential for the site. As discussed in the Housing Site Analysis and Inventory appendix of the Housing Element Update, these characteristics make this site similar to sites that have recently redeveloped with residential uses and sites that are currently in the City's residential pipeline. Many of the sites that have recently redeveloped or are in the residential pipeline had businesses operating on the site prior to redevelopment, and nonetheless have since been slated for residential projects (see Table 50). The lease information that is provided in the comment letter should not be assumed to override the characteristics that make this site a realistic site for residential development during the planning period. Moreover, the lease expiration date that is cited in the comment letter is relatively early in the planning period, leaving time to develop the site after the lease expires. In addition, the City has several years during the 6th Housing Element cycle implementation period to convince property owners to pursue redevelopment through streamlining, lower fees, and other programs. |

City Comments on Sites Identified in Farella Braun + Martel Letter

March 31, 2023

| Site Address | Comment in March 13 FBM Letter | City Response |
|------------------------|---|---|
| 345 E Middlefield Road | is the worldwide headquarters of IGM Biosciences; it also has a relatively new lease for a facility at 875 Maude | See notes for 325 E Middlefield. It should be noted that information from Compstak indicates that the lease for this site expires in 2023, leaving plenty of time to develop the site after the lease expires. |
| 450 E Middlefield Road | is the headquarters of Coros, Inc., a technology company for supply chain issues founded in 2019; In 2021, it signed a seven year sublease for 448-450 East Middlefield, with an initial expiration date of 2028 | This property is comprised of a single-story light industrial building that was constructed in 1966, with a current FAR of 0.307, well below the development potential for the site. As discussed in the Housing Site Analysis and Inventory appendix of the Housing Element Update, these characteristics make this site similar to sites that have recently redeveloped with residential uses and sites that are currently in the City's residential pipeline. Many of the sites that have recently redeveloped or are in the residential pipeline had businesses operating on the site prior to redevelopment, and nonetheless have since been slated for residential projects (see Table 50). The lease information that is provided in the comment letter should not be assumed to override the characteristics that make this site a realistic site for residential development during the planning period. Moreover, the lease expiration date that is cited in the comment letter is within the planning period, leaving time for development after the lease expires. In addition, the City has several years during the 6th Housing Element cycle implementation period to convince property owners to pursue redevelopment through streamlining, lower fees, and other programs. |
| 1500 Shoreline Blvd | the City has not adequately demonstrated that a site this large can be developed as lower income housing (an affordable housing developer could not take on a project this large), and the City fails to show that "sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site . . ." | This property owner has expressed interest in redeveloping the site with residential uses, and has recently submitted an application that includes 440 lower income units. The site inventory conservatively assumes that the site will accommodate 1,000 units, including market-rate units, during the 6th Housing Element Cycle, though it could yield at least 1,732 units. The inventory assumes that 100 of these units would be lower-income units, which would be required as part of a residential development on the site due to the City's inclusionary requirements. This information is provided in the Housing Sites Analysis and Inventory chapter to demonstrate that the site inventory provides a conservative estimate of the lower-income capacity for this site. |

City Comments on Sites Identified in Farella Braun + Martel Letter

March 31, 2023

| Site Address | Comment in March 13 FBM Letter | City Response |
|---------------|---|--|
| 855 Maude Ave | HackerDojo (an open working space for software projects, founded in 2009), has a lease that currently runs until 2026; compstak | <p>This property is comprised of a single-story light industrial building that was constructed in 1966, with a current FAR of 0.369, well below the development potential for the site. As discussed in the Housing Site Analysis and Inventory appendix of the Housing Element Update, these characteristics make this site similar to sites that have recently redeveloped with residential uses and sites that are currently in the City's residential pipeline. Many of the sites that have recently redeveloped or are in the residential pipeline had businesses operating on the site prior to redevelopment, and nonetheless have since been slated for residential projects (see Table 50). The lease information that is provided in the comment letter cannot be verified and should not be assumed to override the characteristics that make this site a realistic site for residential development during the planning period. Moreover, the lease expiration date that is cited in the comment letter is relatively early in the planning period, leaving time to develop the site after the lease expires. In addition, the City has several years during the 6th Housing Element cycle implementation period to convince property owners to pursue redevelopment through streamlining, lower fees, and other programs.</p> |

City Comments on Sites Identified in Farella Braun + Martel Letter

March 31, 2023

| Site Address | Comment in March 13 FBM Letter | City Response |
|---------------|---|---|
| 875 Maude Ave | is the worldwide headquarters of IGM Biosciences; it also has a relatively new lease for a facility at 875 Maude | This property is comprised of a single-story light industrial building that was constructed in 1963, with a current FAR of 0.39, well below the development potential for the site. As discussed in the Housing Site Analysis and Inventory appendix of the Housing Element Update, these characteristics make this site similar to sites that have recently redeveloped with residential uses and sites that are currently in the City's residential pipeline. Many of the sites that have recently redeveloped or are in the residential pipeline had businesses operating on the site prior to redevelopment, and nonetheless have since been slated for residential projects (see Table 50). Information from Compstak indicates that the lease for this site expires in 2023, leaving plenty of time to develop the site after the lease expires. A leasing flyer advertising a space within the existing building in December 2021 listed an asking rent of \$2.50 per square foot per month. According to the data available from Costar, this is lower than the per-square-foot asking rent for all multifamily rental properties that have been constructed in Mountain View in the past 20 years, including for 100 percent affordable properties. The higher rental rate for residential uses and the additional development potential for the site make this site an attractive development opportunity. In addition, the City has several years during the 6th Housing Element cycle implementation period to convince property owners to pursue redevelopment through streamlining, lower fees, and other programs. |
| 475 Ellis St | research and development building used by the City's largest company: Google. 475 Ellis, also known as Google Building E475, had a number of recent projects to remodel its laboratories there, including several in 2021 and several more in 2022. | The property owner's representatives have met with City staff and have expressed interest in redeveloping this site. As stated in the Housing Element Update, recent tenant improvements have not appeared to constrain developer interest in redeveloping other properties in Mountain View. |

City Comments on Sites Identified in Farella Braun + Martel Letter

March 31, 2023

| Site Address | Comment in March 13 FBM Letter | City Response |
|--------------------|--|--|
| 630 San Antonio Rd | has existing, current uses of a Little Caesar's Pizza (in the main structure), an Oracare Dental (also in the main structure), and a La Salsa Mexican restaurant (in a building along the street frontage), in addition to the grocery space formerly occupied by Sprouts until June 2022; has more than three tenant spaces. Utilizing the same 80% discount approach to realistic capacity would reduce 630 San Antonio from 150 lower income and 20 moderate down to 30 lower income and 4 moderate | To provide a more conservative analysis, the City will apply a discount to the estimated capacity for this site. |