

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOUNTAIN VIEW
AUTHORIZING THE NORTH BAYSHORE PRECISE PLAN
NONRESIDENTIAL BONUS FLOOR AREA RATIO REQUEST FROM
THE JEFFREY A. MORRIS GROUP, INC., FOR AN ALLOCATION
OF 86,994 NET NEW OFFICE SQUARE FEET AT 1808 NORTH SHORELINE BOULEVARD
SUBJECT TO A MINIMUM AFFORDABLE HOUSING CONTRIBUTION OF
\$4.7 MILLION, A MINIMUM TRANSPORTATION CONTRIBUTION OF \$200,000, AND TIMELY
SUBMITTAL OF APPLICATIONS FOR A MASTER PLAN AND PLANNED COMMUNITY PERMIT

WHEREAS, on July 10, 2012, the City Council adopted the 2030 General Plan, establishing a vision, goals, and policies for the North Bayshore Change Area; and

WHEREAS, on November 25, 2014, the City Council adopted a new North Bayshore Precise Plan to implement the City's General Plan vision for the area; and

WHEREAS, the North Bayshore Precise Plan established guidelines that allow property owners to request higher floor area ratios (FAR) above the nonresidential base FAR through the Bonus FAR authorization process; and

WHEREAS, on December 12, 2017, the City Council adopted an updated North Bayshore Precise Plan with Complete Neighborhood targets for residential and other uses; and

WHEREAS, on December 7, 2021, the City Council amended the North Bayshore Precise Plan, adding new criteria and qualifying thresholds to the Bonus FAR Review Guidelines (Appendix F to the North Bayshore Precise Plan); and

WHEREAS, on October 7, 2022, the City issued a Request for Proposals inviting property owners within the Complete Neighborhoods area to apply for Bonus Office FAR; and

WHEREAS, by the deadline of January 9, 2023, the City received one application from the Jeffrey A. Morris Group, Inc., for a net increase of 86,994 square feet to construct a six-story office building comprised of 108,856 square feet of office, 4,000 square feet of ground-floor retail, three levels of aboveground parking, and outdoor rooftop terraces on a 1.99-acre site; and

WHEREAS, on May 23, 2023, the City Council held a public hearing to consider the said application; now, therefore, be it

RESOLVED: that the City Council of the City of Mountain View finds that the authorization of Bonus Office FAR does not constitute a project under the California Environmental Quality Act pursuant to Section 15378 of the CEQA Guidelines because the City Council is authorizing an application to submit a formal application; and be it

FURTHER RESOLVED: that the City Council of the City of Mountain View authorizes an allocation of up to 86,994 square feet of additional office gross floor area at 1808 North Shoreline Boulevard, based on the compliance of their proposal with North Bayshore Bonus FAR Guidelines; the key principles and objectives of the North Bayshore Precise Plan; consistency with the character area; and proposed public and community benefits, all as further described in the North Bayshore Nonresidential Bonus FAR Council Report for the May 23, 2023 City Council meeting. This authorization is subject to and conditioned on:

1. Timely submittal of a formal Planned Community Permit or Master Plan application for implementation of the 86,994 square feet of additional office gross floor area no later than June 13, 2024 with the opportunity for one 6-month extension with City Council approval prior to June 13, 2024. If the applicant submits a Master Plan, the applicant must submit a Planned Community Permit application within one year of the Master Plan approval. This authorization shall expire if either application is not submitted within this timeline or if an application is timely submitted but deemed inactive pursuant to Section 36.56.75 of the City Code.

2. Substantial consistency with the proposal and materials submitted by the Jeffrey A. Morris Group, Inc., dated January 9, 2023, as modified by the letter by Jeffrey A. Morris and Kerry M. Williams, dated May 11, 2023 (both letters attached hereto as Exhibit A), except such changes as necessary to better comply with the standards, guiding principles and intent of the North Bayshore Precise Plan, and any other City code, policy or requirement.

3. A minimum contribution of \$4.7 million toward affordable housing (inclusive of \$1.7 million in public benefits for the requested Bonus FAR under the applicable Bonus FAR tiers and \$3 million to meet the qualifying threshold to provide residential units under the Bonus FAR Guidelines), and \$200,000 toward North Bayshore transportation improvements (in compliance with Bonus FAR tier up to 0.75 FAR), consistent with the applicant's proposal. These contribution amounts are in 2023 dollars and shall increase annually by the prior year San Francisco Engineering News-Record Construction Cost Index (ENR-CCI).

4. Review and approval of all necessary permits for the development project, consistent with the development standards, guiding principles and intent of the North Bayshore Precise Plan.

TIME FOR JUDICIAL REVIEW

The time within which judicial review of this decision must be sought is governed by California Code of Civil Procedure, Section 1094.6, as established by Resolution No. 13850, adopted by the City Council on August 9, 1983.

EY/8/RESO
810-06-13-23r

Exhibit: A. Project Letters

The Jeffrey A. Morris Group, Inc.
2500 Sand Hill Road, Suite 240 Menlo Park, CA 94025

May 11, 2023

VIA ELECTRONIC DELIVERY

Ms. Ellen Yau, Senior Planner
Community Development Department | Planning Division
500 Castro Street
Mountain View, CA 94041 Ellen.Yau@MountainView.gov

RE: Supplemental Bonus FAR Authorization Submission for 1808 N. Shoreline Boulevard

Dear Ms. Yau:

On behalf of the Jeffrey A. Morris Group (“**Morris Group**”), we would like to amend our proposal of Community Benefits in our January 9, 2023 letter requesting Bonus FAR Authorization of 69,668 sq. ft. under the North Bayshore Precise Plan (“**NBPP**”), to allow development of a 6 story, 108,856 sq. ft. office building on a 1.9992-acre site at 1808 N. Shoreline Boulevard in Mountain View, CA. This supplemental letter is intended to be read in combination with our original January 9, 2023 letter, which includes a full project description. For a detailed breakdown of our amended proposal, please see **Exhibit A**.

After collaborative discussions with Staff, we are pleased to present the following amended proposal to enhance our original offer of Community Benefits to further advance the Precise Plan’s goals for affordable housing. In compliance with the Qualifying Thresholds in the NBPP Exhibit F: Bonus FAR Guidelines (“**Guidelines**”), our proposal includes residential units off-site to achieve the housing targets in the Precise Plan by contributing funding to the City for the construction of 100% affordable units on land dedication sites owned or to be owned by the City in the NBPP (such as the Sobrato and Google land dedication sites), or for other purposes at the City’s discretion. Specifically, the project is proposing:

- ❖ **\$7.2 million** in critically needed funding for affordable housing consisting of:
 - **\$4.7 million** in Community Benefit Funds (This represents an increase of \$1 million over our prior proposal of funding for affordable housing of \$3.7 million.)
 - **\$2.5 million** in required Non-Residential Housing Impact Fees (adjusted annually).
 - Funding supports **58 affordable units** based on an average City subsidy of \$125,000 per unit.
- ❖ **\$2,560,000** Total contribution in Community Benefits and Impact Fees for Transportation:
 - **\$200,000** in Community Benefit Funds for transportation improvements. (To prioritize housing, this represents a \$500,000 reduction from our prior offer of \$700,000.)
 - **\$2,360,000** in required Transportation Impact Fees (adjusted annually).
- ❖ **\$9,760,000 Total Community Benefit Funds and Impact Fees for Housing and Transportation:**
 - **\$4.9 million** in Community Benefits for Affordable Housing and Transportation (a total increase of \$500,000 over our prior offer of \$4.4 million.)
 - **\$70.33/sq. ft. of Bonus FAR** (includes \$27.25/sq. ft. of Tier 1-3 Benefits)¹
 - **\$4,860,000** in required Impact Fees for Housing and Transportation (adjusted annually)

¹ Matches the current East Whisman and Middlefield Park Public Benefit Fee FY 2022-23 of \$27.25

Background on NBPP Bonus FAR Guidelines – Qualifying Thresholds and Criteria

On December 5, 2021, the City Council amended Exhibit F: Bonus FAR Guidelines Section F(1) “Qualifying Criteria” to include a new set of thresholds “**Qualifying Thresholds**” related to housing. Under the amended Guidelines, to be considered for a Bonus FAR allocation “*proposals must also include residential units on-site or off-site to achieve the housing targets in the Precise Plan.*”²

In response to concerns raised by Morris Group at the December 5, 2021 hearing, Council members and Staff acknowledged the need to allow flexibility for smaller property owners to meet the new Qualifying Thresholds through other creative proposals, including through the contribution of funding to the City for affordable housing in lieu of constructing units or dedicating land. To reinforce that flexibility, Council elected not to impose a specific ratio or quantitative formula for determining the number of units required to receive additional Bonus FAR.

A Call for Proposal was issued by City Staff on October 7, 2022, and applications were due on January 9, 2023. The Call for Proposal included the following language regarding Qualifying Thresholds, with additional language highlighted below that is not in the adopted Guidelines³:

1. Qualifying Thresholds: Bonus FAR proposals must meet the following qualifying thresholds.
 - a. Proposals must be for properties located within the North Bayshore Precise Plan Complete Neighborhood Areas (see Attachment 1)
 - b. Proposals must demonstrate substantial compliance with the Precise Plan vision and guiding principles, including goals, objectives, and strategies in the applicable Character Areas.
 - c. Proposals must include residential units on- or off-site (within the North Bayshore Precise Plan Complete Neighborhoods Area) **proportional to the Bonus FAR requested to achieve the housing targets in the Precise Plan.**

Seeking clarification on this new text, on October 28, 2022, we noted in written comments to Staff that the additional text “**proportional to the Bonus FAR requested**” is not contained in the adopted Guidelines, and asked, “since the language relates to a Qualifying Threshold, please specify clearly what is meant by “proportional to” and how it is calculated.”⁴ On November 17, 2022, Staff responded in writing with the following guidance:

RESPONSE to Q-1: “Proportional to the Bonus FAR requested” is not in the Guidelines. However, this language adds a quantitative interpretation of the rest of the clause “to achieve the housing targets in the Precise Plan”, which is in the Guidelines. . . For additional guidance, please review the housing targets in the Precise Plan (i.e., Chapter 3 Table 2) and to the best of your ability, provide a statement indicating how the proposal meets the Qualifying Thresholds.⁵

² North Bayshore Precise Plan Exhibit F, as amended on December 5, 2021

³https://www.mountainview.gov/depts/comdev/planning/activeprojects/northbayshore/_north_bayshore_bonus_far_allocation.asp, NBPP Call for Proposal, October 7, 2022.

⁴ Comment Letter from Morris Group submitted October 28, 2022.

⁵See Pre-Submittal Q&A <https://www.mountainview.gov/civicax/filebank/blobdload.aspx?BlobID=38936>

Per Chapter 3, Table 2, the NBPP's targets for Complete Neighborhood Areas include a total of 9,850 units, with the goal of 20% affordable (1,970) units. These are challenging economic times, and the value of office space as "currency" for housing has diluted significantly since 2017. We are in a post pandemic world, construction costs remain high, and the LEED Platinum building design and other features needed to meet the NBPP design objectives, and community benefit funds and impact fees add a significant cost premium. As evidence of the impact of these economic changes, Google recently announced it is pulling back from its' original goal of 20% affordable housing in North Bayshore stating it is no longer feasible and has reduced its commitment to 15% affordable housing. Google is no longer proposing inclusionary housing, but rather to meet its affordable requirement exclusively through land dedication.

Proposal to Provide Funding to Meet City's Critical Needs for Affordable Housing

In lieu of any specific formula or ratio for determining how to meet the Qualifying Thresholds, we did our best to provide a strong and compelling proposal for the project's contribution to achieving the targets in the Precise Plan. As described in our January 9, 2023 letter, our proposal includes residential units off-site by providing critical funding to the City to subsidize the construction of 100% affordable housing on land dedication sites owned or to be owned by the City in the NBPP (e.g. Google and Sobrato) at a time when the City is anticipating a \$66 million deficit over the next five years. We believe this proposal meets the spirit, intent, and language of the Bonus FAR Guidelines and that the project therefore satisfies the Qualifying Thresholds for housing.

Morris Group Proposed Increase in Affordable Housing Contribution to \$7.2 million

After additional collaborative conversations with City Staff, and in an effort to align as much as possible with the City's affordable housing goals, we have increased our original January 9, 2023 proposal from \$6.2 million to **\$7.2 million** in funding for affordable housing. This includes **\$4.7 million** in Community Benefits for affordable housing, and **\$2.5 million** in Non-Residential Housing Impact Fees.

The proposed funding is equivalent to an increase over our original proposal from 50 units to **58 units** at an average City subsidy of \$125,000 per unit. The 58 units represents 2.94% of the NBPP 20% goal of 1,970 affordable units, and 3.92% of the minimum 15% affordable (1,478 units) under the NBPP. Per Chapter 3, Table 2, the project represents 2.18% of total NBPP employment uses (108,856 sq. ft. building/5,000,000 sq. ft. total employment uses), and 2 acres (1.3%) of the total 154 acres in the three core neighborhoods.

To prioritize housing, we reduced our original proposal of \$700,000 in Community Benefits for transportation funding to \$200,000. The project will therefore be providing a total of **\$2,560,000** for NBPP transportation improvements, including \$200,000 in Community Benefits and \$2,360,000 in required Impact Fees. In all, the total value of our amended proposal for Community Benefits, excluding required impact fees, is **\$4.9 million, or \$70.33 per sq. ft. of Bonus FAR**. Combined, transportation and housing community benefits and impact fees total **\$9,650,000**. Collectively, project community benefits, total development impact fees (city-wide impact fees, utilities, etc.) and city processing fees are estimated to total **\$13 million**.

Master Plan and Development Agreement

One of the concerns we expressed in our January 9, 2023 submittal letter is the need for additional time to process a complete development application, especially given the current challenges in the economy. To address this concern, based on discussions with Staff, it is our understanding that, if the Council grants our Bonus FAR authorization request, the Morris Group may submit an application for a Master Plan and

a Development Agreement to extend the timeframe, and to memorialize the commitments above and other items, including but not limited to the timing of payment of fees, to be negotiated between the parties.

Commitment to 45% SOV Rate

Our transportation consultant, Hexagon, has advised that it will be difficult for tenants without a private shuttle system to achieve the 45% SOV rate required under the NBPP. However, recent trends toward remote work have significantly reduced the number of SOV trips, and we believe that the 45% SOV rate may be achievable. Therefore, we have revised our proposal and will commit to meeting the City's 45% SOV requirement.

Thank you for the opportunity to provide this enhanced offer to support the City's affordable housing goals. We are excited to contribute to the City's vision for North Bayshore.

Very Truly Yours,



Jeffrey A. Morris
The Jeffrey A. Morris Group



Kerry M. Williams, Principal
Kerry M. Williams Consulting, LLC

w/Enclosure: Exhibit A

EXHIBIT A

**AMENDED PUBLIC BENEFIT SUMMARY
1808 N. SHORELINE BOULEVARD**

Total Combined Public Benefit Contribution for Affordable Housing and Transportation: \$4,900,000

REVISED
Table 2

Green Building/Sustainability Features

- LEED Platinum, Core & Shell (80 points minimum)
- Innovative Mass Timber construction

Retail/Active Uses

- **4,000 sq. ft.** of ground floor retail/active uses

Affordable Housing Contribution/Benefits

- **\$4,700,000** Community Benefits contribution for the construction of 100% affordable, off-site units on land dedication sites in NBPP. This includes: **\$1,700,000** in Bonus FAR Tier 2 and 3 Benefits, and **\$3,000,000** in-lieu contribution to meet the Bonus FAR housing “Qualifying Thresholds.”
- **\$2,500,000** Estimated *required contribution* for NBPP Non-Residential Housing Impact Fees (FY 2022-23)⁶ on total net new floor area of 86,994 sq. ft.
- **\$7,200,000** Total Public Benefits and Impact Fees for Affordable Housing.
- Funding supports **58 affordable units** at an average City subsidy of \$125,000 per unit.⁷

Total Public Benefits Contribution per Sq. Ft. of Bonus FAR	
Bonus Sq. Ft. Requested	69.668 Sq. Ft.
Funds for Affordable Housing	\$4,700,000
Funds for Transportation	\$200,000
Total Public Benefit Funds	\$4,900,000
Benefit Per Bonus Sq. Ft.	\$70.33

Transportation Benefits & Pedestrian/Bike Improvements:

- **\$200,000** Bonus FAR Tier 1 Public Benefits contribution toward any priority NBPP transportation project(s) at the City’s discretion.
- **\$2,360,000** (at \$27.11 per net new sq. ft.)⁸ estimated NBPP Transportation Impact Fee (FY 2022-23)
- **\$2,560,000** Total contribution in Public Benefits and Impact Fees for transportation improvements.
- Project will construct key transportation improvements, including a 12-foot-wide multi-use path along the site frontage, provide a 12-foot-wide parkway strip with new trees and landscaping, and dedicate 1 foot of ROW along the site frontage to advance the NBPP vision for N. Shoreline Boulevard.
- The project will also plant new street trees along the building frontage to create a high-quality, attractive pedestrian/retail environment.

Transportation Demand Management (TDM) Plan

- Proposed Mode Share of 45% SOV and 10% minimum carpool.
- Vehicle trip cap of 240 vehicles.
- Program Highlights: Carpool Incentives, Transit Passes, Bicycle Storage, TMA Membership, Telecommute/Flexible Work Schedule Program, On-Site Showers & Lockers, Preferential Parking for Carpools/Vanpools, TDM Coordinator, Guaranteed Ride Home Program, Parking Cash-Out Program, Online Information Center, Rideshare Matching Services, etc.

⁶ FY 2022-23 fee estimate of **\$2,506,507** on total net new building area of 86,994 sq. ft. Fee is based on \$15.28 for first 10,000 sq. ft. of net new office area, and \$30.57 for net new office sq. ft. over 10,000.

⁷ Average City subsidy of \$125,000 per unit provided by Housing Staff and Planning Staff.

⁸ Estimated NBPP Transportation Impact Fee (FY 2022-23) for office (at \$27.11 per net new sq. ft.) is \$2,358,407.

The Jeffrey A. Morris Group, Inc.
2500 Sand Hill Road, Suite 240
Menlo Park, CA 94025

January 9, 2023

VIA ELECTRONIC DELIVERY

Ms. Ellen Yau, Senior Planner
Community Development Department | Planning Division
500 Castro Street
Mountain View, CA 94041
Ellen.Yau@MountainView.gov

RE: Bonus FAR Authorization Submission – 1808 N. Shoreline Boulevard, Mountain View, CA

Dear Ms. Yau:

On behalf of The Jeffrey A. Morris Group, I am pleased to present this request for a Bonus FAR Authorization Allocation of 69,668 sq. ft. to enable the development of a 6 story, 108,856 sq. ft. office building on a 1.9992-acre site located at 1808 N. Shoreline Boulevard in Mountain View, California (the “site”). I am a long-time property owner in the North Bayshore Precise Plan area (“NBPP” or the “Plan”) and one of the few remaining, “non-Google” landowners in the Plan. I purchased the property and built the existing building more than 35 years ago. Since that time, I have operated the single-story, 21,862 square foot office building on the site, long before the City established the NBPP vision for the area.

Over the past four years, I have discussed with Planning Staff and Council my interest in participating in the transformation of North Bayshore from a suburban style campus environment into a dynamic, mixed-use, urban community. My property is well situated within the heart of the Core Character area along N. Shoreline Boulevard to contribute to this exciting vision.

Project Benefit Summary

The 1808 N. Shoreline Project (the “1808 N. Shoreline Project” or the “Project”) would provide the following benefits designed to further the Precise Plan vision and Guiding Principles, as described in this cover letter and the attached design submittal:

- Redevelopment at densities commensurate with the NBPP within a warm, modernistic, highly sustainable, LEED Platinum and innovative “Mass Timber” design.
- Publicly accessible urban frontage with new pedestrian/bicycle/landscape improvements, and public art designed to create a rich, highly walkable experience along the N. Shoreline corridor.
- **4,000 sq. ft.** of retail/active uses at the ground level, and a commitment to keep storefronts of any vacant spaces activated with cultural, art or other engaging displays.
- **\$3.7 million** of critically needed funding for the development of 100% affordable housing on dedicated land sites in North Bayshore, and/or for other City affordable housing priorities.
- **\$700,000** for priority transportation improvements, construction of a 12’ wide multi-use path and 12’ wide parkway, and ROW dedication to support the future buildout of N. Shoreline Boulevard.
- **\$4.4 million (\$63.15 per sq. ft.)** in Total Public Benefits for Affordable Housing and Transportation.

- Enhanced pedestrian, bicycle and greenway connections to future planned open space and parks within Google’s Framework Master Plan.

Proposal to Provide In-Lieu Public Benefit Contribution for Affordable Housing Based on Hardship to Smaller Property Owners

Under the NBPP Exhibit F: Bonus FAR Guidelines amended December 5, 2021 (F) Qualifying Thresholds and Criteria, “proposals must also include residential units on-site or off-site to achieve the housing targets in the Precise Plan.” At the Dec. 5, 2021 City Council hearing, in response to comments made by Morris Group, Council members and Staff expressed the need to allow flexibility for smaller property owners to meet the requirements through other creative proposals. Unlike Google and other large property owners, for smaller property owners like myself, it may not be feasible to dedicate land or construct units on-site or off-site.

Although we recognize the City’s first priority is the construction of housing units to support the jobs/housing balance, due to the constrained size of the Project site (1.9992 acres), and the extremely limited options remaining in North Bayshore for partnering with market rate or affordable housing developers, the Project is proposing to meet the Bonus FAR Guidelines housing Qualifying Threshold by making a significant contribution of critically needed funding towards the development of 100% affordable housing in North Bayshore.

As further described in the attached Project submittal, the proposed Qualifying Threshold Public Benefit contribution for affordable housing would be **\$2.5 million** which is equal to the Project’s Non-Residential Housing Impact Fee. (Currently, for FY 2022-23, the Project’s Housing Impact Fee is approximately \$2.5 million.) Therefore, the Project would essentially pay double the Housing Impact Fee, or \$5 million.

City Anticipates Critical Affordable Housing Funding Deficit of \$66 million over next 5 years

We believe the Project’s contribution of additional funding for affordable housing is especially timely for the City. In August 2022, Staff presented to Council an Affordable Housing Strategic Plan which identified “the significant need for additional resources in order to continue to realize the City’s affordable housing goals.”¹ The Report states that Staff “**anticipates a funding deficit when the first five anticipated land dedication sites in East Whisman and North Bayshore** become available to the City”, and projects “a funding gap of nearly **\$66 million** for its five-year pipeline.”²

The Project’s goal is to provide critically needed funding for the Council to use at its discretion to help the City continue to address a wide range of affordable housing needs in Mountain View. This funding can be used to fund the development of 100% affordable housing on pipeline land dedication sites in North Bayshore from the Google and Sobrato projects, or others. Alternatively, at the Council’s discretion, the funds can be directed to other high priority needs. For example, the Strategic Plan identifies a number of other critical needs, including but not limited to:

¹ Affordable Housing Strategic Plan, August 30, 2022, page 5.

² Ibid.

- The urgent need for ELI and Supportive housing units for households earning less than 30% AMI.
- Funding to cover operational costs for existing supportive projects, such as LifeMoves.
- Additional support for the City’s anti-displacement program, including funding for an acquisition/preservation program.

Interest in Participating in Google’s Shoreline Amphitheatre Parking Garage

To further reduce trips associated with the Project site, we are in the process of exploring the feasibility of participating in Google’s District parking program, which is part of their Master Framework Plan and Development Agreement with the City (both currently under review).

Inherently, the North Bayshore Precise Plan contemplates properties plan-wide participating in shared parking strategies to reduce overall and localized trips.³ We have reached out to Google and the City to discuss the potential for other property owners such as myself to fund their fair share of the cost of the District parking garage currently planned for the City’s Shoreline Amphitheatre site in exchange for the ability to share usage of the facility. Google has told me that it is premature to consider my participation in the District parking while its Master Plan is under review. I respect this position and look forward to exploring shared usage of the garage after Google receives approval of its Master Plan.

Request for Additional Time to Submit Complete Application

At the December 3, 2021 Council hearing regarding amendments to the Exhibit F: Bonus FAR Review Guidelines, Staff proposed and Council adopted, among other revisions, some new timing requirements for successful applicants to file planning applications with the City. As shown in the excerpt below from the December 3, 2021 Supplemental Staff Memo, successful applicants are now required to “submit a complete application for either a Master Plan or a Planned Community Permit no later than one year from the date of City Council Bonus FAR authorization.”

E. Post-Review Process

1. ~~Applications whose Bonus FAR applications are eligible to apply shall submit a complete application for either a Master Plan and/or a Planned Community Permit no later than one year from the date of City Council Bonus FAR authorization. Applicants may be granted one six-month extension by the City Council.~~
2. If Bonus FAR development projects are substantially modified from the original qualifying Bonus FAR authorization request, either by project scope or FAR amount, then the Bonus FAR request shall return to the City Council for review and requalification within the one-year authorization period. In considering a request for requalification, the City Council ~~may~~ shall use the qualifying thresholds and criteria listed below. ~~An applicant shall submit a planning application or request an extension for the Bonus FAR request no later than two years from the date City Council grants requalification.~~

³ “Shared parking facilities . . . can be very effective in optimizing the use of parking supply, and limiting the number of vehicle trips and local congestion. Coordination between developers, area property owners and tenants, the City, and the Transportation Management Association will ensure existing or new parking facilities are efficiently shared and conveniently located for users.” NBPP, Page 190.

Although we understand the intent of the language is to encourage applicants to move forward expeditiously, and if the Project receives an allocation, we will commence work immediately to meet all City requirements for a complete application. However, given the complexity of the Project (particularly the LEED Platinum sustainability features and Mass Timber design), we are concerned that twelve months from the date of the Bonus FAR allocation, with the potential for a six-month extension, will not be sufficient to achieve “complete application” status by the City.

Based on experience, it is not uncommon for the planning process to take more than one year from the date of first filing a planning application to get to a “complete” application (which has an extensive set of requirements, and carries certain weight under the Permit Streamlining Act), and depending upon the level of environmental review, availability of staff resources, the number of comments or changes, and other factors, it could take much longer (18 to 24 months or more). Further, the above timeline does not account for the substantial time needed in advance of commencement of the planning process for applicants to prepare a fully developed project design (6 to 12 months).

Additionally, given the complexity of the North Bayshore Precise Plan and the context and timing of Google’s Framework Master Plan, the design and planning process may require additional careful coordination and planning to find optimal solutions for the benefit of the City, Google and the Project.

We would therefore like to respectfully request that the City consider allowing 2 years plus up to a one-year extension for applicants to file a “complete” application as long as applicants are proceeding in good faith and working diligently with Staff to ensure the application is complete as soon as possible.


Bonus FAR Submittal Package


The enclosed Bonus FAR Allocation package includes the following documents and drawings:

- Planning Application signed by the Jeffrey A. Morris Group
- \$30,000 fee delivered to Ms. Ellen Yau, Community Development Department on 1/6/23
- 1808 N. Shoreline Boulevard Bonus FAR Application Project Description
- TDM Plan prepared by Hexagon Transportation Consultants (Exhibit A)
- Project Design Package prepared by Gensler Architects, The Guzzardo Partnership landscape architects, BKF Engineers and Atelier Ten sustainability consultants

We are grateful for the opportunity to present this proposal for your consideration and are excited to contribute to the City’s vision for North Bayshore.

Very Truly Yours,


Jeffrey A. Morris
The Jeffrey A. Morris Group


Kerry M. Williams, Principal
Kerry M. Williams Consulting, LLC

w/Enclosures

PROJECT DESCRIPTION

Project Site: 1808 N. Shoreline Boulevard

Precise Plan Location: Core Character, Joaquin Neighborhood

Project Description: A LEED Platinum, innovative “Mass Timber” designed, 6-story, 108,856 sq. ft. of office building with 4,000 sq. ft. of ground floor retail/active use space¹ on a 1.9992-acre site (1.25 FAR). Includes 3 levels of above ground parking (at 2.7/1,000) and 3 levels of office space with outdoor terraces on each level designed to step back from the street and allow employees to enjoy views of the North Bayshore area and neighboring planned park and green spaces. Floor plates have been strategically designed to maximize worker wellbeing by allowing daylight deep into the building. The Project employs warm colors and materials in a modernistic design in accordance with the NBPP’s design standards. Vehicle access is from N. Shoreline Boulevard. The perimeter of the site includes new canopy trees, landscaping and common areas, outdoor seating, bike/pedestrian pathways and public art designed to create a highly attractive environment at human scale, and to optimize and enhance connections to the public park and POPA spaces within Google’s Framework Master Plan.

Figure 1
Project Site in Core Area of NBPP



Figure 2
1808 N. Shoreline Land Use Plan



In addition to existing easements, the Project would dedicate 1’ of ROW along the site frontage to facilitate the installation of a future 13’ wide two-way cycle track, and would construct an upgraded 12’ wide multi-use path and plant new street trees along the building frontage. The Project would also provide a 12’ wide parkway strip with trees and landscaping to facilitate a transition towards the street improvements envisioned under full buildout of the NBPP. The Project design meets the requirements of the Core Character Design Guidelines.

Table 1
1808 N. Shoreline Design Basics

Standards	Proposed	Required
FAR	1.25	0.45 min. 1.5 max.
Height	84 ft./100 ft. top of parapet	110 ft. max
Stories	6	6
Vehicle Parking	294	294 max.
Vehicle Parking Ratio	2.7/1,000	2.7/1,000 max.
Bike Parking - Office (Short/Long Term)	11/55	11/55
Building Coverage	52%	70% max.
Landscaping/Open Area	37.7%	20% min.
Paving	9%	10% max.
Note: Project will comply with Core Character Design Guidelines.		

¹ “Active Use” is defined as any combination of retail, cultural, community and other uses, including restaurants, cafes, popups, makerspace, cultural arts and learning spaces, non-profit organizations, and other flexible uses, including small businesses, consistent with Google’s North Bayshore Framework Master Plan, March 2022, page 24.

PUBLIC BENEFIT SUMMARY

Total Combined Public Benefit Contribution for Affordable Housing and Transportation: \$4,400,000

Green Building/Sustainability Features

- LEED Platinum, Core & Shell (80 points minimum)
- Innovative Mass Timber construction

Retail/Active Uses

- **4,000 sq. ft.** of ground floor retail/active uses

Affordable Housing Contribution/Benefits

- **\$3,700,000** Community benefit contribution toward the development of 100% affordable housing on land dedication sites in NBPP, or for other housing needs at City’s discretion. This includes **\$1,200,000** (\$17.04 per bonus sq. ft.) in Bonus FAR Tier 2 and 3 Benefits, and a **\$2.5 million** in-lieu contribution to meet the Bonus FAR “housing Qualifying Threshold.”
- **\$2,500,000** Estimated *required contribution* for NBPP Non-Residential Housing Impact Fees (FY 2022-23)² on total net new floor area of 86,994 sq. ft.
- **\$6,200,000** Total contribution in Public Benefits and Impact Fees for Affordable Housing.

Table 2

Total Public Benefits Contribution per Sq. Ft. of Bonus FAR	
Bonus Sq. Ft. Requested	69,668 Sq. Ft.
Funds for Affordable Housing	\$3,700,000
Funds for Transportation	\$700,000
Total Public Benefit Funds	\$4,400,000
Benefit Per Bonus Sq. Ft.	\$63.15

Transportation Benefits & Pedestrian/Bike Improvements:

- **\$700,000** (\$10.21 per bonus sq. ft.) Bonus FAR Tier 1 Public Benefit contribution toward any priority NBPP transportation project(s) at the City’s discretion.
- **\$2,360,000** (at \$27.11 per net new sq. ft.)³ estimated NBPP Transportation Impact Fee (FY 2022-23)
- **\$3,060,000** total project contribution for public benefits and required impact fees toward NBPP transportation improvements.
- Project will construct key transportation improvements, including a 12-foot-wide multi-use path along the site frontage, provide a 12-foot-wide parkway strip with new trees and landscaping, and dedicate 1 foot of ROW along the site frontage to advance the NBPP vision for N. Shoreline Boulevard at buildout, including a future, 13-foot-wide, two-way cycle track.
- The project will also plant new street trees along the building frontage to create a high-quality, attractive pedestrian/retail environment.

Transportation Demand Management (TDM) Plan

- Proposed Mode Share of 45% SOV and 10% minimum carpool if Google (or comparable company with a private shuttle program is the tenant), and 65% SOV if tenant is unable to offer a private shuttle program for employees.
- Vehicle trip cap of 240 vehicles if Google is tenant; 327 vehicles for tenants without shuttle program.
- Program Highlights: Carpool Incentives, Transit Passes, Bicycle Storage, TMA Membership, Telecommute/Flexible Work Schedule Program, On-Site Showers & Lockers, Preferential Parking for Carpools/Vanpools, TDM Coordinator, Guaranteed Ride Home Program, Parking Cash-Out Program, Online Information Center, Rideshare Matching Services, etc.

² FY 2022-23 fee estimate of **\$2,506,507** on total net new building area of 86,994 sq. ft. Fee is based on \$15.28 for first 10,000 sq. ft. of net new office area, and \$30.57 for net new office sq. ft. over 10,000.

³ Estimated NBPP Transportation Impact Fee (FY 2022-23) for office (at \$27.11 per net new sq. ft.) is \$2,358,407.

COMPLIANCE WITH QUALIFYING THRESHOLDS & CRITERIA

Location and Guiding Principles

The Project is located at 1808 N. Shoreline Boulevard in the Core Character Area of the NBPP, in the Joaquin Neighborhood. Therefore, the Project meets the location criteria for Bonus FAR Allocation Authorization. Further, as discussed later in this document and in the attached Bonus FAR Design Package, the Project has been designed to comply with the Precise Plan vision and guiding principles, including goals, objectives, and strategies in the Core Character Area.

Proposal to Provide In-Lieu Public Benefit Contribution for Affordable Housing based on Hardship to Smaller Property Owners

Under the NBPP Exhibit F: Bonus FAR Guidelines amended December 5, 2021 (F) Qualifying Thresholds and Criteria, “proposals must also include residential units on-site or off-site to achieve the housing targets in the Precise Plan.” At the Dec. 5, 2021 City Council hearing, in response to comments made by Morris Group, Council members and Staff expressed the need to allow flexibility for smaller property owners to meet the requirements through other creative proposals. Unlike Google and other large property owners, for smaller property owners like myself, it may not be feasible to dedicate land or construct units on-site or off-site.

Although we recognize the City’s first priority is the construction of units to support the jobs/housing balance, due to the constrained size of the Project site (1.9992 acres), and the extremely limited options remaining in North Bayshore for partnering with market rate or affordable housing developers, the Project is proposing to meet the housing Qualifying Threshold **by making a significant Public Benefit contribution towards the development of 100% affordable housing in North Bayshore to fund critical housing needs.**

The proposed Affordable Housing contribution would be equal to the Project’s Non-Residential Housing Impact Fee at issuance of building permit. As shown in **Table 3**, based on the current FY 2022-23 Fees and the amount of “Net New” square footage proposed (86,994 sq. ft.), the Project would be required to pay a Non-Residential Housing Impact Fee of approximately \$2,500,000. Therefore, to meet the Qualifying Threshold for Bonus FAR Allocation Authorization, the Project would contribute *an additional \$2,500,000*. (The Project would essentially pay double the Housing Impact Fee, or \$5 million.⁴)

Table 3
Calculation of Project’s Non-Residential Housing Impact Fee

	Office/R&D	
FY 2022-23	Amount	Total
Non-Residential Housing Impact Fee		
First 10,000 SF (on Net New SF)	\$15.28	\$152,800
Over 10,000 SF Net New SF (76,994 SF)	\$30.57	\$2,353,707
Total Housing Impact Fee for 86,994 SF	--	\$2,506,507

⁴ Fees are paid at building permit and adjusted annually by the City. The project would therefore pay an additional Public Benefit Fee towards affordable housing equal to the Non-Residential Housing Impact Fee in effect at the time.

1808 N. Shoreline to Provide Critically Needed Funding for City's Affordable Housing Priorities

City Anticipates Critical Affordable Housing Funding Deficit of \$66 million over next 5 years

We believe the Project's contribution of additional funding for Affordable Housing is especially timely for the City. The Project's goal is to provide critically needed funding for the Council to use at its discretion to help the City continue to address a range of affordable housing needs in Mountain View. As discussed below, this funding can be used to fund the development of affordable units on pipeline land dedication sites in North Bayshore from the Google and Sobrato projects, or others. Alternatively, at the Council's direction, the funds can be directed to other high priority needs.

In August 2022, Staff presented to Council an Affordable Housing Strategic Plan which identified "the **significant need for additional resources** in order to continue to realize the City's affordable housing goals."⁵ Staff identified a number of strategies to address priority affordable housing needs, including developing "an affordable housing funding strategy to significantly increase resources to achieve the City's affordable housing pipeline."⁶ According to the Strategic Plan, the "City's current affordable housing stock and pipeline represent both an extraordinary commitment to affordable housing, as well as **significant areas of need and critical gaps**."⁷ Staff writes: "Prioritizing the delivery of BMR units over in-lieu fees has led to more options in how affordable housing is produced, but it also decreases available fees for affordable housing development."⁸ Staff and Council have identified a number of priority needs for funding of housing and services in the City including, but not limited to, the following:

- The need for ELI and Supportive housing units for households earning less than 30% AMI.
- Funding to cover operational costs for existing supportive projects, such as LifeMoves.
- Funds to advance the City's anti-displacement program, including funding for an acquisition/preservation program.⁹

The report states that the City "**must identify additional funding sources/revenues** to facilitate development of the pipeline, **primarily for future land-dedication sites** that the City will receive as part of BMR alternative mitigations."¹⁰ Staff "**anticipates a funding deficit when the first five anticipated land dedication sites in East Whisman and North Bayshore** become available to the City", and projects "a funding gap of nearly **\$66 million** for its five-year pipeline. Therefore, staff recommends the development of a funding strategy over the next five years **as a top focus**."¹¹

Therefore, the Project's proposed contribution of approximately \$2.5 million will help the City fund 100% affordable housing projects on the pipeline land dedication sites in North Bayshore, and/or provide funds for other high priority needs, services and programs at the City's discretion.

⁵ Affordable Housing Strategic Plan, August 30, 2022, page 5.

⁶ Ibid. Page 16

⁷ Ibid. Page 4.

⁸ Ibid. Page 4.

⁹ Ibid. Page 9. The report states "Note that the \$66 million does not include potential City funding needed to implement an acquisition/preservation program as part of the displacement response strategy"

¹⁰ Ibid. Page 6.

¹¹ Ibid. Page 9.

SUMMARY OF BONUS FAR REQUEST

Bonus FAR Calculation

There is an existing, single story, 21,862 sq. ft. (.25 FAR), office building on the 1.9992-acre site. The project is proposing to redevelop at a 1.25 FAR with a total office floor area of 108,856 sq. ft. The project proposes a total net new office square footage of 86,994 sq. ft. Under the NBPP, the base allowable FAR is .45. Based on the site area of 1.9992 acres, the base allowable floor area is 39,188 sq. ft. Therefore, as shown in **Table 4**, the project is requesting a total office Bonus FAR Allocation of **.80 FAR**, or **69,668 sq. ft.**

Table 4

Square Footage Breakdown of 1808 N. Shoreline Project					
Existing Sq. Ft.		Proposed Sq. Ft. (1.25 FAR)	Baseline Sq. Ft. (0.45 FAR)	Bonus Sq. Ft. (0.80 FAR)	Net Increase in Sq. Ft.
Demolish	Retain				
21,862	0	108,856	39,188	69,668	86,994

Note: Total net increase in office over baseline is 69,668 sq. ft.

Bonus FAR Request: To obtain **69,668 sq. ft. (0.80 FAR)** bonus floor area above the baseline, the Project is proposing to provide the Tier 1 – 3 Benefits, as shown in **Table 5** below:

Table 5

Bonus FAR Tiers	Bonus FAR Requirements	Proposing
1.25 - 1.50 Tier 4	Provide a Transfer of Development	Not Proposed
1.00 - 1.25 Tier 3	Provide one of the following: (1) Higher performing green building, (2) zero net green building, (3) a public benefit, or (4) a district improvement project.	Provides Affordable Housing Public Benefit
.75 - 1.00 Tier 2	Provide one of the following: (1) Higher performing green building, (2) zero net green building, (3) a public benefit, or (4) a district improvement project.	Provides Affordable Housing Public Benefit
.45 -.75 Tier 1	Earn LEED Platinum <u>and</u> a public benefit or district improvement project, focusing on transportation	Will achieve LEED Platinum <u>and</u> Provides Public Benefit focused on Transportation
Up to .45 FAR Baseline	Meet standards in the Land Use & Design Chapter	Project Complies
	Meet standards in the Green Building & Site Design Chapter	Project Complies

Compliance with Bonus FAR Requirements – Contribution of Public Benefits

Bonus FAR Tiers

In accordance with NBPP Figure 9: Non-Residential Bonus FAR Combinations – Core Character Area, to be eligible for the requested Bonus FAR of .80 to achieve a total FAR of 1.25, the Project must meet certain requirements to achieve a Tier 3 Bonus. Accordingly, as shown in **Table 6**, the Project is proposing to match the current East Whisman and Middlefield Park Public Benefit fees of **\$27.25 per sq. ft.**¹² This results in a Total Tier 3 Bonus FAR Public Benefit contribution of **\$1,900,000**, including \$700,000 for Transportation and \$1,200,000 for Affordable Housing, which meets the requirements for each incremental bonus Tier in FAR requested, as shown below.

Table 6

BASELINE: .45 Base FAR – The Project will meet the applicable standards in the Land Use and Design Chapter and, through the innovative use of Mass Timber design and by achieving LEED Platinum, will exceed the green building standards described in the Green Building and Site Design Chapter.

TIER 1: .45 to .75 FAR - The Project will achieve LEED Platinum and provide a Public Benefit contribution of **\$700,000** focused on transportation to achieve the requested bonus FAR increment from .45 to .75 FAR (.30), as required under the NBPP, for the City to use at its discretion to fund priority transportation projects in North Bayshore.

TIER 2: .75 to 1.0 FAR - The Project will provide an additional Public Benefit contribution for Affordable Housing of **\$600,000** to achieve the bonus FAR increment from .75 to 1.0 FAR (.25), and

TIER 3: 1.0 to 1.25 FAR - The Project will provide an additional Public Benefit contribution for Affordable Housing of **\$600,000**, to achieve the Bonus FAR increment from 1.0 to 1.25 FAR (.25).

Housing and Transportation Public Benefits Tier 1 - 3 (1.25 FAR)	
Bonus FAR Requested	69,668 Sq. Ft.
Benefits Per Bonus Sq. Ft.	\$27.25*
Benefit Allocation	
Transportation	\$700,000
Affordable Housing	\$1,200,000
Total Public Benefit Contribution	\$1,900,000
*Equivalent to E. Whisman & Middlefield Park Public Benefit Fees	

Table 7 below includes a detailed calculation of the Public Benefit Contribution required to achieve a Tier 3 Bonus FAR of 1.25.

¹² The City has not formally adopted a Public Benefit Fee for North Bayshore. Rather, such fees are determined on a case-by-case basis for Bonus FAR projects. Per the City’s Development Fees for FY 2022-2023, the City has adopted Public Benefit Fees for most of the Precise Plans, including El Camino Real (\$25.17 psf over 1.35 FAR), San Antonio (\$25.17 psf over base FAR), and East Whisman (\$27.25 psf over .40 FAR). According to the Nov. 15, 2022 Staff Report for the recently adopted Google Middlefield Park Master Plan, the Public Benefit Fee is equal to about \$27.25 per sq. ft. of non-residential area.¹²

Table 7

Calculation of Public Benefit Contribution Required to Achieve Tier 3 Bonus FAR of 1.25 on 69,668 Sq. Ft.

Description of Public Benefit Contribution	Allow-able FAR	Allow-able Sq. Ft.	Incremental Sq. Ft. of Building Area	Public Benefit Fee Allocation %	Breakdown of Public Benefit Fee Per Sq. Ft.	Total Public Benefit
Base Office FAR - Up to .45	0.45	39,188	--	--	--	--
Tier 1: .45 - .75 (.30) - For Transportation	0.75	65,314	26,126	37.50%	\$10.21	\$711,312
Tier 2: .75 - 1.0 (.25) - For Affordable Housing	1.00	87,085	21,771	31.25%	\$8.52	\$593,268
Tier 3: 1.0 - 1.25 (.25) - For Affordable Housing	1.25	108,856	21,771	31.25%	\$8.52	\$593,268
Total Bonus Office FAR Requested	0.80	69,668	69,668	100.00%	\$27.25	\$1,897,847

*\$27.25 is the current East Whisman and Middlefield Park Public Benefit Fee FY 2022-23.

1808 N. SHORELINE BOULEVARD – COMBINED TOTAL PUBLIC BENEFIT CONTRIBUTION

Total Qualifying Threshold and Tier 1 – 3 Bonus FAR Contributions

As shown in **Table 8** below, the Project is proposing a combined Total Public Benefit contribution of **\$4,400,000**, including \$1,900,000 in Tier 1 - 3 Public Benefit Fees at \$27.25 per sq. ft. of Bonus FAR, and *an additional contribution* of approximately \$2,500,000 towards 100% affordable housing to meet the housing Qualifying Threshold in the NBPP. Overall, the total Public Benefit Contribution equals **\$63.15 psf** of the 69,668 Sq. Ft. Bonus FAR requested, **or more than double the Public Benefit Fees in East Whisman and Middlefield Park**. Under the Project proposal, the lion’s share of these funds (**\$3,700,000, or 84%**) would go to help meet critical affordable housing needs.

Table 8

Total Project Public Benefits per Sq. Ft. of Bonus FAR requested

Bonus FAR Public Benefit Category	Contribution per Sq. Ft. of Bonus FAR (69,668 Sq. Ft.)	Total Public Benefit Contribution
Public Benefit Contribution		
Funding for Tier 1 Transportation Improvements	\$10.21	\$700,000
Tier 2 and Tier 3 Funding for Affordable Housing	\$17.04	\$1,200,000
Subtotal Tiers 1 - 3 Public Benefit Contribution	\$27.25	\$1,900,000
Qualifying Threshold Public Benefit equal to 100% of Housing Impact Fee	\$35.90	\$2,500,000
Total Project Public Benefit Contribution	\$63.15	\$4,400,000

Residential (Affordable and Market Rate) Units Created by the Project

Need for Gap Funding is a Critical Component of Delivering Completed Housing Units in North Bayshore

Per the City's Affordable Housing Strategic Plan, "The land dedication sites that are being proposed through the BMR alternative mitigations provision, so far entirely in the City's Precise Plan areas of **East Whisman and North Bayshore**, will be the focus of the City's longer-term affordable housing pipeline and will require increased resources."¹³ According to a recent Study prepared by Seifel Consulting, Inc. and Strategic Economics for Google's land dedication affordable housing strategy under the Middlefield Park Master Plan (the "**Seifel/SE Study**"), these land dedications require a significant investment from the City:

"Therefore, the applicant's land dedication essentially creates a trade-off for the City: the cost of land can pose a significant challenge for affordable housing development, so land dedication creates the opportunity to construct 100 percent affordable housing projects with more units and at deeper levels of affordability; **and this approach requires investment from the City, and creates a need to seek additional outside funds for affordable housing needs.**¹⁴

In the case of Google's North Bayshore Framework Master Plan, the plan calls for up to 7,000 units, of which the goal is to achieve 20% affordable (1,400 units). However, Google is only proposing to construct 5% (350) of the units, which are planned as inclusionary within their market rate projects. In lieu of building the remaining 15% (1,050 units), Google would dedicate land to the City, as it plans to do at Middlefield Park.

Once the land dedications are made in accordance with Google's phasing plan, the City takes on the responsibility of completing the 1,050 remaining affordable housing units; the City must then select an affordable developer/partner and provide critical funding to subsidize the growing gap between the cost of projects and the availability of financing, and to help provide early seed funding to enable projects to compete successfully for Low Income Housing Tax Credits and State and other agency grant funds. According to the Seifel/SE Study, typically, the City's local funding contribution is 30% of the total development costs of a 100% affordable housing project.¹⁵

Estimated Number of Units Created by the Project through Fees and Public Benefit Funds

As shown in **Table 9**, when taken together, the Project's required North Bayshore Non-Residential Housing Impact Fee of approximately \$2,500,000, along with the Project's Combined Total Public Benefit funds for 100% affordable housing of \$3,700,000, would result in a **total Project contribution towards the construction of affordable units in North Bayshore of \$6,200,000**.

In order to derive an approximate equivalency for approximately how many new affordable units the Project would support, using the Seifel/SE Study as a reference, and based on recent conversations with City Housing Staff, the City's average subsidy is estimated to be **\$125,000 per unit**.¹⁶ This results in a total

¹³ Ibid. Page 4.

¹⁴ Evaluation of Alternative Mitigation of Below Market Rate Proposal for the Middlefield Park Master Plan," Page 9, dated September 23, 2022, prepared by Seifel Consulting, Inc. and Strategic Economics.

¹⁵ Ibid. Page 21.

¹⁶ Based on a call with Michael Hellman Tincher on October 12, 2022, the average cost of subsidy per unit is currently about \$125,000 per unit, though with Measure A ending and the increasing competitiveness of securing State and Federal LIHTC funds, the average cost of subsidy is anticipated to increase. For Google's recently approved

estimated number of units of approximately **50 units** funded by the Project to help meet the Joaquin Complete Neighborhood Targets, support the jobs/housing balance, and provide critically needed funding for affordable housing.

Table 9

Funding and Estimated Number of Units Created by the 1808 N. Shoreline Project

Affordable Housing Public Benefit Category	Project Contribution	Est. Number of Units at \$125,000 per Unit
1. Non-Residential Housing Impact Fee ¹⁷ (required)	\$2,500,000	20
2. Tier 1 – 3 Bonus FAR Public Benefit Contribution for Affordable Housing	\$1,200,000	10
3. Qualifying Threshold Contribution for Affordable Housing Equal to Non-Residential Housing Impact Fee	\$2,500,000	20
Total Affordable Housing Public Benefits And Estimated Units	\$6,200,000	50

Phasing of Public Benefit Funds Prior to or Concurrent with Office Development

The City’s NBPP Non-Residential Housing Impact Fee is required to be paid at building permit. The Project will pay the additional proposed Qualifying Threshold Public Benefit Contribution for Affordable Housing of approximately \$2,500,000 at issuance of building permit,¹⁸ and the Tier 1 – 3 Bonus FAR Public Benefit Contribution funds of \$700,000 for transportation and \$1,200,000 for Affordable Housing totaling \$1,900,000 (for an estimated combined total of \$4,400,000) prior to certificate of occupancy of the Project. The estimated construction and occupancy period for the project is 30 months. This will ensure that the bulk of the affordable housing funds are provided at least 2 years prior to Project completion, and all funds provided prior to Project occupancy.

Middlefield Park Master Plan, which includes the dedication of two land sites with the potential for 338 affordable units, the Seifel/SE study estimated the City’s subsidy to be approximately **\$121,900 per unit**.

¹⁷ Although these fees are required for all non-residential projects, without the 1808 N. Shoreline Project, the City would not receive these funds for affordable housing.

¹⁸ Total Project Development Fees as of FY 2022-23 are estimated at \$7.4 million, not including the proposed additional \$4.4 million in Public Benefit Fees.

COMPLIANCE WITH THE PRECISE PLAN VISION AND GUIDING PRINCIPLES, including goals, objectives, and strategies in the Joaquin Neighborhood

Project Location and Character Designation

The Project site is located along the west side of N. Shoreline Boulevard, approximately 1/2 mile north of Highway 101 in the Joaquin Neighborhood of the Core Character Area of the North Bayshore Precise Plan.

As shown in the design drawing package, the project is designed to fit seamlessly into Google's proposed Framework Master Plan¹⁹, and to complement and help activate Google's proposed dedicated parkland and POPA (Privately Owned Publicly Accessible Open Space) areas, shown in **Figures 3 and 4**, through the design of on-site landscape areas around the project perimeter.

Figure 3

Google's Park and Open Space Network



Figure 4

Project Enhances Google's Open Space Plan



Further, as shown in **Figure 5**, the southern edge of the project site is located directly north and adjacent to Phase I of Google's Master Plan along the N. Shoreline Boulevard corridor²⁰. Together, Google's Phase I and the 1808 N. Shoreline Project will provide an important anchor along the western side of N. Shoreline Boulevard extending towards Charleston East, which will help complete critical components of transportation, pedestrian, and bicycle infrastructure along both sides of N. Shoreline Boulevard.

¹⁹Google North Bayshore Framework Master Plan, Sept. 2021, updated March 2022.

²⁰ Ibid. March 2022.

Figure 5

GOOGLE FRAMEWORK MASTER PLAN PHASING PLAN



Project Helps City Meet Character Areas' Goals, Objectives, and Strategies

Joaquin Complete Neighborhood Targets

The Joaquin neighborhood is centered on Joaquin Road and is bounded by N. Shoreline Boulevard, Charleston Road, Huff Avenue, and Highway 101. The neighborhood character as defined in the NBPP is envisioned to include:

- Gateway area with mix of retail, entertainment, recreational, office, hotel, and residential uses.
- A mix of higher-intensity residential, office, and mixed-use buildings.
- A neighborhood-serving retail core area, accessible from N. Shoreline Boulevard.
- Ground-floor retail from the Gateway area retail core into the adjoining neighborhood.
- A central public open space and a publicly accessible, smaller neighborhood park.
- New street and pedestrian and bicycle connections that break up large blocks and create a fine-grained network of human-scale streets.²¹

As shown in **Table 10** below, the NBPP also includes Targets for Complete Neighborhood Areas. For the Joaquin Neighborhood, the goal is to produce: (1) 3,950 units, of which 20% (790 units) are affordable units, (2) 2,500,000 sq. ft. of employment, including office, R&D, industrial and service uses, (3) 240,000 sq. ft. of retail and entertainment, (4) hotel(s) with at least 200 rooms, and (5) a community park and neighborhood park.²²

Google's Proposed Development Program for Joaquin Neighborhood

According to Google's proposed North Bayshore Framework Master Plan, Google is planning to develop a net new addition of 919,856 square feet of office space in the Joaquin Neighborhood, for a total of 1,506,303 square feet. Google is planning for a total of 4,330 units, of which 20% would be affordable. Of

²¹ NBPP, Page 43

²² NBPP, Page 53

this total, 5% would be built as affordable units by Google’s residential partner, Lendlease. In lieu of constructing the remaining 15% affordable units, Google is proposing to dedicate several parcels of land to the City in phases for future development of affordable housing.²³

Table 10

Targets for Joaquin Complete Neighborhood

JOAQUIN NEIGHBORHOOD			
	NBPP Table 2	Google Framework Master Plan	1808 N. Shoreline Project
Size	68 acres	68 acres	68 acres
Residential Units*	3,950 units	4,330 units	50 units ^{^^^}
Affordable Housing Units**	790 units	866 units (20%)	50 units ^{^^^} (100%)
Employment	2,500,000 Sq. Ft.	1,506,303 Sq. Ft.	108,856 Sq. Ft.
Retail and Entertainment	240,000 Sq. Ft.	61,000 Sq. Ft. of Active Uses ^{^^}	4,000 Sq. Ft. of Active Uses
Hotel	200 Rooms	275 Rooms	n/a
Public Open Space (Minimum)	Community Park; Neighborhood Park	3.9 ac Dedication 4.4-acre POPA	n/a

North Bayshore Precise Plan, page 53.²⁴

1808 N. Shoreline Project Contributes to Joaquin Complete Neighborhood Targets

Combined with Google’s proposed development program for the Joaquin Neighborhood, the Project would help the City to exceed its’ housing and affordable housing targets, increase the amount of neighborhood serving retail in the Core and along N. Shoreline Boulevard, and would not exceed the total target office capacity for the area. The project will help the City meet its’ Complete Neighborhood targets for the Joaquin Neighborhood by providing the following:

- 108,856 square feet of higher-intensity office to serve the employment needs in this important economic area of the city.
- 4,000 square feet of neighborhood-serving retail within the Core area of the plan directly accessible from N. Shoreline Boulevard, or other “active uses” such restaurants, cafes, popups, makerspace, cultural arts, community and learning spaces, non-profit organizations and other flexible spaces including small businesses.
- Commitment to keep storefronts of any vacant spaces activated with cultural, art or other engaging displays.

²³ Google’s North Bayshore Framework Master Plan, March 2022

²⁴ **Assumes 20% of the residential units are built as affordable. ^Includes new and existing building square footage. ^^Google’s Plan defines active uses as “any combination of retail, cultural, community and other uses per the definition of Active Use.” North Bayshore Framework Master Plan, March 2022, page 24. ^^^Based on total Project contribution of approximately \$6,200,000 towards affordable housing; assumes average city subsidy per unit of \$125,000, per City of MV Housing Staff, and the Seifel/SE Study “Evaluation of Alternative Mitigation of Below Market Rate Proposal for Middlefield Park Master Plan,” Sept. 23, 2022.

- Critically needed funding to support approximately 50 new, 100% affordable units to help offset the City's projected funding deficit over the next five years for land dedication sites already in the pipeline, including sites expected from Sobrato's Pear Avenue project, and Google's first phase in North Bayshore.
- Enhanced access and connectivity to Google's planned public open space and parkland.
- New street, pedestrian, and bicycle connections, as well as new canopy street trees, seating and plantings along N. Shoreline Boulevard and active ground level uses that serve to activate and break up large blocks and create a fine-grained network of human-scale streets.²⁵

Innovative Mass Timber Highlights Sustainable Architecture and Urban Design

The 1808 N. Shoreline Project is a world-class, high performance office building that embodies the spirit of the North Bayshore Precise Plan through its sophisticated and refined architecture and warm, inviting interior design. With LEED Platinum as a baseline, the building is designed with a best practices approach to sustainability that focuses creative strategies on achieving high levels of human comfort and wellness through sensitive, human centered design.

The architecture of the building, with its mass timber and CLT structural system achieves a significant step in decarbonization, is predicated on equitable access to daylight, use of outdoor environments for working, and access to views within an urban environment. The gently stepping building massing allows for terraces that provide for openness and access to nature and fresh air in post-pandemic times, while simultaneously nestling the building within the curated spaces of the Google masterplan.

The building responds to its immediate context with purposeful applications of natural elements such as planted walls and landscaped terraces that mirror the immediately adjacent planned future neighborhood. At the ground level, transparency and natural finishes in areas designated for retail or other active uses create a welcoming interior, drawing in the activity-filled spaces of the masterplan, extending the public realm, and completing the neighborhood.

The project aims at being a responsible steward of natural resources through its use of low embodied carbon materials, its design for reduction in material use and its responsible approach to reducing the amount of material discharges to landfill. A comprehensive strategy to use recycled water and low consumption fixtures is central to the design's building resilience approach.

At the street level, the project's façade mitigates the effect that the building has on the pedestrian environment by concealing the parking garage levels behind elegantly proportioned wall systems that use a combination of glazing and planting to create a harmonized pattern. Sensitively landscaped areas, marked by curated public art and low maintenance planting allow for an enhanced walkable environment.

Landscape Architecture

Landscape design for the Project creates an environment that is rich with strong community connections to the N. Shoreline Boulevard corridor and to future open space networks on neighboring Google sites. Ground floor frontage in the new building is activated with retail and active uses that open out onto a

²⁵ NBPP, Page 43

street side pedestrian plaza with café-style seating and architectural seatwalls. On-site walkways and plaza seating areas are envisioned as extensions of the neighboring Google open spaces and will provide a seamless park-like pedestrian and bicycle environment.

Strong pedestrian connections are provided at the North edge of the site to the neighboring Joaquin Grove open space. The west side of our site integrates directly into Google's open space corridor between the Joaquin Grove and Joaquin Commons open spaces. These spaces are outwardly focused on the trail network, providing welcoming, public focused spaces for community interaction.

Public art is proposed at the northeast corner of the site as a welcoming anchor at Google's proposed park area and at the Project's public pedestrian plaza. Additional public art is located at the southwest corner of the site to enhance the connection between Google's planned park spaces. Landscaped roof terraces with a variety of seating offer comfortable and engaging outdoor spaces for collaboration and social engagement, with generous views towards the activated parkways and surrounding open spaces.

Bicycle use is encouraged with the buildout of the bike lanes and public sidewalks along N. Shoreline Boulevard, with new street trees to provide shade canopy and separation along the street. Visitor bike parking is included at building entrances and a combined bike 'kitchen' secure storage room is proposed inside the building at the ground level to provide convenient access for employees.

Planting includes native drought tolerant plants that will conserve water and enhance habitat for birds, bees, and butterflies. Irrigation will be provided with a smart weather sensing recycled water system to conserve water resources. Significant existing trees will be preserved along the south and west property lines, with planting of new trees at the street frontage, property edges, and on the roof terraces.

Sustainable Design and LEED Platinum Strategy

With the goal of enhanced sustainability and LEED Platinum, the Project will reduce energy use with highly efficient building systems, produce on-site renewable energy, reduce potable water use by utilizing recycled water, reduce embodied carbon with a mass timber structure, and enhance thermal and visual comfort with targeted façade design. To improve site sustainability and connectivity, the Project will also include native and adapted species habitats, pedestrian, and cyclist facilities, and shaded outdoor gathering spaces.

As shown on the LEED Platinum Scorecard included in our submittal package, the Project will include green building performance and site elements, including but not limited to the following²⁶:

Sustainable Design Elements

Energy Efficiency

- All-electric systems
- High performance glass
- Natural ventilation with ceiling fans
- Domestic hot water heat pumps
- Air source heat pumps for HHW and CHW
- Tenant lighting power density reductions

Materials

- Mass timber structure
- Low-GWP UHPC cladding
- Steel with high recycled content
- 80% C+D waste diversion

Connectivity

²⁶ The Project will achieve the LEED Platinum designation. Specific features are subject to change based on final design considerations.

-Rooftop PV array

Thermal & Visual Comfort

-Optimized exterior shading for Daylight improvement and glare mitigation
-Trees for shaded exterior space

Sustainable Landscape Design

-Planting design utilizes native and drought tolerant plants to create habitat
-High efficiency, water sensing smart irrigation
-Bird safe design
-Reclaimed water irrigation supply
-High SRI pavement materials to mitigate urban heat island
-Preservation of large-scale existing trees at edges of site

-Optimized connections to future parks
-Public and Private Bicycle facilities
-Active design internal staircase
-Green terraces with views

Water Use Efficiency

-Highly efficient flush and flow fixtures
-Native and low water use vegetation
-Reclaimed water for flushing and irrigation
-Smart metering and leak detection
-Low carbon concrete for site paving
-“Dark Sky” low glare, full cut-off site lighting
- On-site stormwater treatment
- Reclaimed timber site furnishings

Description of Proposed Transportation Improvements

The Project Implements Precise Plan Priority Transportation Improvements

The NBPP identifies key transportation improvements along N. Shoreline Boulevard. As part of the priority transportation improvements, N. Shoreline Boulevard is identified as a “gateway boulevard” and is classified as a “high priority” improvement, which includes improving sidewalks and installing two-way cycle tracks on both sides. The project would dedicate 1’ of additional right-of-way (ROW) along its frontage to facilitate the installation of a 13-foot-wide cycle track and a 12’ sidewalk. The project proposes to reconstruct its frontage along N. Shoreline Boulevard with a new 12’ wide sidewalk and 12’ of trees and landscaping, as further described below. The proposed sidewalk and landscaping would facilitate a transition towards the construction of the proposed upgraded sidewalks and two-way cycle track.

N. Shoreline Boulevard Improvements

Existing N. Shoreline Boulevard is the frontage road along the east side of the project site. The roadway cross section consists of two vehicular travel lanes, a Class II bike lane and a 5-foot-wide sidewalk in each direction, separating by a raised median island. According to the City’s General Plan for Transportation, N. Shoreline Boulevard is classified as a Transit Boulevard. Due to the constraints of the existing conditions along properties to the north and south of the site, the development of roadway improvements as envisioned under the Precise Plan and General Plan is anticipated to take place in two phases, an Interim Phase – constructed by the Project – and Future Buildout Improvements to be constructed by the City.

Proposed Interim Improvements (by the Project)

As shown in **Figure 6**, the existing N. Shoreline Boulevard roadway cross section and alignment will remain. Along the project frontage, the project is proposing to construct one driveway for site access, one driveway for emergency vehicle access, a 12-foot-wide concrete sidewalk/multi-use path, and a 12-foot - wide temporary park strip with landscaping and trees which will be replaced with a Class I bike path as part of future roadway improvements. The project will also dedicate 1 foot of ROW to the City along the entire length of the project frontage, for a total land area of ± 245.98 SF, to support the City’s vision for North Shoreline Boulevard. In addition, the Project would plant street trees in planters along the front of the building to create an inviting pedestrian streetscape.

Future Build-Out Improvements (by City/others)

The NBPP envisions developing a connected network of pedestrian-oriented blocks and streets. As shown in **Figure 7**, in the ultimate buildout condition, the City's General Plan for Transportation recommends maintaining the existing roadway alignment with the addition of a 12-foot-wide sidewalk and a 13-foot-wide Class I bike path along N. Shoreline Boulevard southbound. A 5-foot-wide raised landscape median would separate the bike path and the vehicular travel lane. The existing bike lane along N. Shoreline Boulevard northbound would be eliminated. Presumably these improvements would be phased in over time as practicable as the NBPP and Google's Framework Master Plan develop.

Proposed TDM Plan

Hexagon Transportation Consultants, Inc. ("Hexagon") has completed a Transportation Demand Management (TDM) Plan for the proposed Project (please see **Exhibit A**). A TDM plan is a combination of services, incentives, facilities, and actions that reduce single-occupant vehicle (SOV) trips to help relieve traffic congestion, parking demand, and air pollution problems.

The Project is located within the NBPP area and is subject to meeting the minimum SOV trip rates and trip cap as described in the plan. Based on the standards described in the plan, the site would be subject to a maximum SOV mode share of 45% and a minimum carpool mode share of 10%. According to Hexagon, while a maximum SOV mode share of 45% is possible with a larger employer with a private shuttle program like Google, smaller companies that do not provide employee shuttles are unlikely to be able to meet this target. Hexagon estimates that Google buses carry about 30% of their employees. Therefore, if the final tenant after project opening is not Google, or a similar large employer with a private shuttle program, a higher SOV mode-share target would be necessary for the Project. The TDM plan proposes a target SOV mode-share of 65% for the case that the building would be occupied by a smaller company without a private shuttle system.

Accordingly, the Project proposes two versions of the TDM plan. One plan assumes that Google (or a similar large employer) would be the tenant and would include subscription buses in addition to the proposed TDM programs described below and a commitment to a maximum SOV mode share of 45%. The alternative TDM plan assumes that Google would not be the tenant, and therefore the subscription buses would not be included in the plan and the Project would commit to a maximum SOV mode share of 65%. All other TDM programs mentioned below are included under both plans.

The TDM plan includes design features, programs and services that promote sustainable modes of transportation and reduce vehicular demand that would be generated by the Project. Below is a list of TDM measures that the project would implement to achieve the required vehicle trip reduction target.²⁷

Project TDM Measures

- TDM Coordinator
- "Online Kiosk": An Online Information Center
- Rideshare Matching Services
- Carpool Incentives
- Transit Passes
- Bicycle Storage
- Transportation Management

²⁷ The Project may substitute alternative measures that would achieve an equivalent or greater trip reduction.

- Association (TMA) Membership
- On-Site Showers & Lockers
- Preferential Parking for Carpools/Vanpools
- Ground Floor Retail
- Flexible Work Schedule
- Guaranteed Ride Home Program
- Parking Cash-Out Program
- Google Bus Service (if applicable)

Estimated TDM Trip Reductions

Hexagon used the CAPCOA *Analyzing Greenhouse Gas Emission Reduction, Assessing Climate Vulnerabilities, and Advancing Health and Equity Handbook* to calculate the trip reduction due to the TDM Program (see **Table 11**). This handbook can calculate VMT reductions associated with certain TDM measures. A reduction in VMT is equivalent to a reduction in trips.

The results indicate that the plan would reduce the project trips by about 59%. (It should be noted that the maximum combined trip reduction allowed per the CAPCOA Handbook is 45%.) This doesn't include telecommuting because that measure is not included in the CAPCOA publication. Assuming that 10% of employees telecommute on an average day, this would reduce the trips by another 10%. This estimate also does not include the private bus reduction if Google is the tenant. It is estimated that Google buses carry about 30% of employees. Based on the assumption that Google buses carry about 30% of employees, this TDM plan would reduce project trips by up to 71% (1- [70% * (100%-59%)] = 71%).

Table 11

Trip Reductions due to TDM Measures

Element	Trip Reduction (up to)
Implement Commute Trip Reduction Program (Voluntary)	4.0%
Implement Commute Trip Reduction Marketing	4.0%
Provide Ridesharing Program	8.0%
Implement Subsidized or Discounted Transit Program	5.5%
Provide End-of-Trip Bicycle Facilities	4.4%
Provide Employer-Sponsored Vanpool	20.4%
Implement Employee Parking Cash-Out	12.0%
TOTAL (max combined: 45%)	58.30%
Notes:	
Source: CAPCOA Handbook for <i>Analyzing Greenhouse Gas Emission Reductions, Assessing Climate Vulnerabilities, and Advancing Health and Equity</i> .	

Project Trip Cap

The trip cap for projects located within the NBPP is calculated based on 4 employees per 1,000 square feet. The trip cap target should be calculated based on the number of employees and mode-share targets.

Since, as explained above, it is highly unlikely an employer other than Google could achieve a 45% SOV mode-share, this TDM plan proposes a different trip cap target based on the tenant of the project. Table 5 summarizes the proposed trip cap for future tenants of the project based on their respective mode-share targets. If Google is the tenant, a morning (7:00-10:00 am) and afternoon (4:00-7:00 pm) trip cap of 240 vehicles in each period would be established for the Project. If another employer that does not operate a private shuttle program occupies the building, a morning and afternoon trip cap of 327 vehicles in each period would be established for the project. (See **Table 12**)

Per Hexagon, by implementing the proposed trip cap and TDM Plan (under both scenarios), the Project would minimize the Project’s effects on roadways in the vicinity. The proposed TDM Plan and trip cap are consistent with policies described in the NBPP that contribute towards maintaining roadway performance standards.

As part of the TDM reporting requirements described in the NBPP, annual reporting of site-specific TDM measures, surveys of workers on their daily commute pattern, and vehicle counts are required to demonstrate compliance with the requirements described in the NBPP. The Project’s TDM coordinator would be responsible for conducting travel surveys and managing annual driveway counts. The TDM coordinator would submit an annual report to the City with the results of the travel surveys and annual driveway counts to demonstrate compliance with the mode share and trip cap targets.

TABLE 12

1808 N. Shoreline Project Trip Cap Calculation

Proposed Use	Tenant			
	Google		Other	
Office (4 emp X 108.9 ksf)	436	employees	436	employees
Drive alone (Google - 45%, Other - 65%)	196	trips	283	trips
Carpool (10%)	44	trips	44	trips
Total Proposed Office Trips	240		327	

Interest in Participating in Google’s Shoreline Amphitheatre Parking Garage

To further reduce trips associated with the Project site, we are in the process of exploring the feasibility of participating in Google’s District parking program as part of their Master Framework Plan and Development Agreement with the City, which are both currently under review. Inherently, the North Bayshore Precise Plan contemplates properties plan-wide participating in shared parking strategies to reduce overall and localized trips.²⁸ We have reached out to Google and the City to discuss the potential for other property owners to fund their fair share of the construction cost of the District garage currently planned for the Shoreline Amphitheatre site owned by the City in exchange for the ability to share usage of the facility.

²⁸ “Shared parking facilities . . . can be very effective in optimizing the use of parking supply and limiting the number of vehicle trips and local congestion. Coordination between developers, area property owners and tenants, the City, and the Transportation Management Association will ensure existing or new parking facilities are efficiently shared and conveniently located for users.” NBPP, Page 190.