

CITY OF MOUNTAIN VIEW**ENVIRONMENTAL PLANNING COMMISSION****STAFF REPORT****WEDNESDAY, FEBRUARY 20, 2019****5. PUBLIC HEARINGS**

- 5.1 Public Hearing for Consideration of a Planned Community Permit and Development Review Permit to construct a five-story, 71-unit affordable studio apartment development (including one, 2-bedroom manager's unit) and a Density Bonus request with waivers; a Provisional Use Permit for roof-top amenities above the third floor and residential accessory uses utilizing the ground-floor commercial setback; a Heritage Tree Removal Permit to remove eight Heritage trees; and a determination that the project is exempt pursuant to Section 15194 of the CEQA Guidelines (Affordable Housing Exemption).**

RECOMMENDATION

That the Environmental Planning Commission (EPC) adopt:

1. A Resolution Recommending the City Council Approve a Planned Community Permit and Development Review Permit for a Five-Story, 71-Unit Affordable Studio Apartment Development (Including One, 2-Bedroom Manager's Unit) and a Density Bonus Request with Waivers, a Provisional Use Permit for roof-top amenities above the third floor and residential accessory uses utilizing the ground-floor commercial setback, and a Heritage Tree Removal Permit to Remove Eight Heritage Trees at 950 West El Camino Real (see Exhibit 1)

PUBLIC NOTIFICATION

The Commission's agenda is advertised on Channel 26, and the agenda and this report appear on the City's Internet website. All property owners within a 750' radius and other interested stakeholders were notified of this meeting. Staff will send a separate notification for the future City Council meeting regarding this item.

BACKGROUND

Project Site

The approximately 0.6-acre project is located on the north side of El Camino Real between Oak Street and Castro Street. The project site is currently developed with a 2,200 square foot Taco Bell restaurant. A one-story, strip center commercial building is located to the east of the site, two-story hotel is located to the west of the site, and a two-story multi-family residential building is located to the north of the site.



Location Map

Proximity to Services

Transportation is easily accessible from the site with six Valley Transportation Agency (VTA) bus routes within a one-half mile radius. Bus lines 522, 22, 52, and 81 are within one-quarter mile while bus lines 34 and 35 are within a one-half mile distance. The Mountain View Transit Center is located just under one mile of walking distance from the project site and is along the VTA Bus line 52 so there is convenient access VTA light rail or Caltrain regional rail service.

The project site is less than a quarter-mile to McKelvey and Eagle Parks. The project is located on El Camino Real and near the intersection of Castro Street so there is a variety of retail within a short walking distance or accessible by bus.

Project Description

The applicant, Palo Alto Housing (PAH), is proposing the redevelopment of the project site with a new five-story, 71-unit affordable studio apartment development (including one, 2-bedroom manager's unit) with ground floor parking. Of the seventy units, 42 studios will be affordable to households with incomes at or below 50 percent Area Median Income (AMI), 28 units affordable to 70 percent AMI and the remaining two-bedroom unit would be for the property manager. The current funding proposal targets adults with developmental

disabilities in 15 of the 50 percent AMI units with the remaining units available to the eligible general population. On-site amenities will include a community room with kitchen, lounges, a music room, a quiet room, and laundry facilities.

As part of the project, PAH is also requesting a Density Bonus with waivers from development standards for building height, side setback, and common usable open area, as permitted under the State Density Bonus Law (see Attachment B – Project Plans).

NOFA Process

In February 2014, the City of Mountain View released a Notice of Funding Availability (NOFA) for affordable housing developments. On May 15, 2018, as part of the NOFA process, Palo Alto Housing (PAH) requested \$1.7 million reservation of funding from the City Council for use on predevelopment activities. When appropriating funding outside of the budget process, at least five Council votes are necessary. Since the City Council only had four votes to appropriate the necessary funding, the City Council voted to add the \$1.7 million to the City budget for predevelopment activities. The budget was approved in June 2018 for fiscal year 2018-19 and PAH is negotiating the predevelopment agreement with the City.

PAH requested a total reservation of \$22,772,844 in Below Market Rate (BMR) funds with the \$1.7 million for predevelopment activities included in this amount. The source of the BMR funds is Prometheus Real Estate Group's prefunding of its BMR obligations for its future projects. Future projects may include 525, 555, and 769 East Evelyn Avenue, among others. The City's BMR Ordinance allows for developers to propose an alternate mitigation in lieu of providing the affordable units in their developments. In this scenario, the City of Mountain View would not formally commit any existing NOFA funds to the project; instead, the funding would be provided by Prometheus in the form of an advance on its future BMR requirements. Prometheus has proposed that the number of units funded at the 950 West El Camino Real site become "BMR unit credits" which can then be applied to Prometheus projects moving forward, including, but not limited to, the Flower Mart site on East Evelyn Avenue.

The funding/credit system would be independent of project entitlement approvals and would not commit the City to entitling any Prometheus project. As with the City's affordable housing funds, this commitment would be provided to PAH in the form of a City loan which would be recorded against the property along with

regulatory agreements restricting the terms of affordability. The City Council approved a similar alternative proposed by LinkedIn last year and expressed interest in Prometheus' proposal for prefunding its BMR requirement at the study session held on December 5, 2017 for Prometheus' Villa Street project. In 2017, LinkedIn received approval from the City Council to invest \$10 million in the Housing Trust's Tech Fund. The \$10 million was later loaned to Eden Housing and Palo Alto Housing for the acquisition of land in Mountain View.

Neighborhood Meeting Input

Two neighborhood meetings were held to solicit public input on the project on May 9, 2018 and on December 13, 2018. A total of 16 neighbors and interested parties attended the meetings. Most of the attendees supported the development, and overall feedback was positive. A few attendees at the May 2018 meeting expressed concern regarding privacy prior to seeing the site design and concern over the trees along the rear property line causing a nuisance to the adjacent properties. Both City staff and the developer were able to respond and ease concerns by explaining the building envelope will be closer to El Camino Real allowing an adequate setback to ensure privacy. As for the trees, PAH has begun irrigating the trees, at the advice of a certified arborist, to reduce the dropping of needles on the neighboring properties.

ANALYSIS

Project Overview

PAH is proposing to construct a new five-story, 71-unit affordable studio development (including one, 2-bedroom manager's unit) with ground floor parking. As part of the project, PAH is also requesting a Density Bonus with waivers from development standards for building height, side setback, and common usable open area, as permitted



Site Plan

under the State Density Bonus Law. The density bonus request is based on the provision of 100% affordable units in the project and discussed later in this report. The project is also proposing a parking ratio of 0.45 spaces per unit and has provided a parking study supporting the viability of this amount of spaces.

The majority of the studio units average approximately 380 square feet in size. The proposed units are considered a livable size, and the proposed building includes a large community room, lounges on each floor, a library, outdoor amenity space, a laundry room, individual storage units, and additional management and service offices.

The project fronts El Camino Real and includes a lobby entry and plaza along the street frontage. Vehicle access is provided on the eastern side of the site with three parking spaces covered with residences above and the other 29 spaces are provided in a surface parking lot in the rear half of the property. The project open space and community gathering areas are distributed throughout the site and building, and include: a roof top deck accessible from the fifth floor, a programmed front patio/courtyard along the El Camino Real frontage, a community room on the first floor, and resident lounges on the second through fifth levels of the building.

The design employs a contemporary architectural style, a mix of four main colors/materials, window recesses and architectural projections, and taller wall areas to create a striking building. The western portion of the building includes an angular tower feature angled corner feature and the eastern portion is more horizontal in design with a curved, airfoil-like façade that is reminiscent of mid-century modernism. Tying these two areas together is a recessed plaza and lobby area with artful colored glass as well as an orange-colored elevator shaft projection that provides visual “pop”.



Elevation from El Camino Real

Along the El Camino Real frontage, the design achieves a distinct bottom, middle, and top, with active uses like the entry lobby and community room situated on the ground-floor. The sidewalk along El Camino Real is widened and landscaping between the sidewalk and building further enhance the pedestrian experience. The fifth floor is stepped back from lower levels along the building face.

Rooftop amenity space is provided as a gathering area for residents and the entrance includes a small, programmed plaza. Floors two through five also feature balconies along hallways to provide passive outdoor spaces for residents.

The parking lot provides 32 stalls, two motorcycle spaces, and a secure bicycle parking room is provided indoors for all residents. Twenty-nine of the parking stalls are completely behind the building and three parking stalls are under the building and behind an artful screening wall to deemphasize its appearance. The main parking lot in the rear of the building features landscaped areas and special paving to enhance the aesthetics. The parking lot also acts as a buffer between the project and the existing multi-family residential complex to the north. Additionally, eight mature redwood trees are proposed to be preserved along the rear property line to provide a significant landscape buffer between the new development and the adjacent residential complex, limiting any visual or noise disturbances.

General Plan Designation

The project site is located in the Mixed-Use Corridor General Plan land use designation, which allows a broad range of uses, including high-density, multi-

family residential development. The proposal advances several important General Plan policies such as:

- **LUD 3.5: Diversity.** The project will provide affordable housing to increase the diversity of new housing stock in the City, including provision of new housing opportunities for military veterans.
- **LUD 6.3: Street presence.** The proposed building creates a presence on the street, utilizing a distinctive design and engaging ground-floor building and site features to engage the street frontage.
- **LUD 20.4: Residential design transitions.** Although waivers to development standards are proposed, the project provides a significant setback from existing residential located along High School Way behind the project which aims to integrate new El Camino Real development with surrounding residential neighborhoods.
- **LUD 20.5: Landscaped pedestrian amenities.** In addition to providing on-site common open space, the project includes a programmed entry plaza and landscaped pedestrian amenities along El Camino Real.

Zoning Designation

The project site is located in the Castro/Miramonte Area of the El Camino Real Precise Plan. In this area of the precise plan is broken into two sub areas with this project being located in Sub-Area 1. The development standards in this area support a more downtown-like character with a smaller maximum El Camino Real setback and smaller side setbacks. A Base residential project is allowed a maximum floor area ratio (FAR) of 1.35 and height of 3 stories and 45 feet. Projects in this sub-area that contribute a public benefit may be awarded Tier 1 density of 1.85 FAR and a height of 4 stories and 55 feet. Since this project provides 100% affordable housing, it is deemed a community benefit in itself and a Tier 1 project.

Through the State Density Bonus law, the project is requesting several waivers including ones for FAR and height. The project is proposing an FAR of 1.95 and a height of 5 stories. While the roofline meets the 55 foot height standard, there are rooftop amenities for residents that exceed this height limit in certain areas. These waivers and others are discussed in the following Density Bonus Request section. Although waivers from certain development standards are proposed as part of the density bonus, the project implements key streetscape design standards and attempts to meet the intent of the development standards for which waivers are

requested. In addition, based on State density bonus case law, the project is considered consistent with the General Plan and Precise Plan standards even though the FARs exceed what is allowed for the site. The project also meets several key “guiding principles” of the Precise Plan, including, but not limited to:

- **Create a more livable and beautiful corridor.** The development will expand sidewalk areas and improve streetscape landscaping while providing new housing units in an attractively designed building.
- **Promote diversity and flexibility.** The project will provide a variety of new, affordable housing units, including housing for military veterans.
- **The new affordable and senior housing will support the City’s diversity and livability.** The development locates new affordable housing near commercial services, public parks, and transit options.

Density Bonus Request

The State Density Bonus Law has been in effect since 1979 and was enacted to aid the development of affordable housing in California by providing incentives/concessions or waivers/reductions of development standards for the construction of affordable or senior housing units in residential projects. The law has been amended over time to further enhance its application and reduce barriers to implementation. The intent of the law is to address the shortage of affordable housing by making its development more financially feasible for developers while also reducing regulatory barriers within local jurisdictions. The law applies to both rental and ownership housing developments with greater than five units and is separate from the City’s affordable housing programs.

The Density Bonus Law provides a sliding scale for additional/bonus density (up to a maximum increase of 35 percent), based upon the percentage of units set aside for seniors, low-, very low-, or moderate-income households within a proposed development project. The higher the percentage of affordable units proposed, the higher the allowed density increase for the project. The density bonus is calculated based on the maximum allowable density under the applicable zoning designation for the project site. Because the proposed development is a 100 percent affordable project, it is eligible for the maximum 35 percent density bonus.

Depending on the percentage of units and level of affordability proposed, the developer can request one or more concessions (or incentives), which result in identifiable cost reductions enabling the affordable housing provision. Density

bonus projects may also request waiver or reduction in applicable development standards and design requirements (i.e., reduction in setbacks, extra height, etc.) that would otherwise prohibit the development of the project.

The Density Bonus Law parking standard was recently updated, specifically for transit-oriented affordable developments, and allows a parking ratio of 0.5 parking stalls per bedroom. The project requests a parking ratio of 0.45 spaces based on a parking study analyzing expected demand based on comparable projects, rather than using special parking standards incorporated into the Density Bonus Law.

The project is requesting a density bonus based on the provisions allowed by state law by providing affordable housing units on this site. Because the El Camino Real Precise Plan regulates development based on FAR, a building intensity versus residential density metric, the proposed 5 percent density bonus is calculated on top of allowed FAR versus dwelling units per acre (a typical residential density metric). The project proposes 1.95 FAR versus the 1.85 FAR maximum allowed for Tier 1 projects in Medium-Intensity Corridor locations in the El Camino Real Precise Plan. The density bonus is requested in exchange for providing 100 percent of the units at low- or very low-income levels. PAH is also requesting waivers from development standards. Under the State Density Bonus law, the following development standards cannot be applied by the City if they would have the effect of physically precluding the construction of the density bonus project:

Waiver 1: Building Height

The El Camino Real Precise Plan limits the maximum height to four stories and 55'. Limited height projections are allowed (up to an additional 10') for architectural features and for access to rooftop amenities (rooftop amenities above the third floor require a Provisional Use Permit).

The proposed building generally conforms to the maximum height since its roof plate is 55' in height. However, a roof deck gathering space for residents is being proposed so architectural projections such as the elevator and photovoltaic shade structures extend beyond the 55' by more than the 10' allowed for architectural projections. The maximum height of the building is 71', reached by the elevator shaft. Without the height waiver, the roof deck amenity space for residents could not be constructed.

A waiver to allow the fifth floor is also required. The fifth floor provides an additional seventeen units of affordable housing. Without the fifth-floor waiver, the density bonus project could not be constructed

Waiver 2: Side Setbacks

The El Camino Real Precise Plan requires setbacks of 5' for projects in the Castro/Miramonte Area of the Plan. A waiver is requested to allow the building to have a side setback of 4' to the western property line and a 1.5' side setback to the eastern property line. The waiver applies to a limited portion of the building, as much of the building conforms to the 5' setback requirement. Only approximately 10' of the western building façade is at a 4' setback and 20' feet of the eastern building façade is within the 5' setback (ranging from 1.5' to 4' because it is angled).

Waiver 3: Common Usable Open Area (Residential)

A waiver is requested to allow approximately 95 square feet of common usable open area per unit rather than the El Camino Real Precise Plan-required 175 square feet of common open area per unit. Approximately 6,724 square feet of usable open area is provided instead of the required 12,425 square feet.

The lot is fairly small so there is limited site area available for usable open areas. Moreover, the density bonus units increase the required open area while reducing available space for open areas to be constructed to meet the Precise Plan standard. Proposed open areas are well distributed throughout the building and site. The development has a range of interior lounges and supportive service rooms providing additional amenities; and there are other landscaped setback areas available for passive enjoyment. The density bonus project could not be constructed without this waiver, and the waiver cannot be reduced without losing units.

Waiver 4: Open Space

A waiver is requested to allow the site to have 32% open space while the El Camino Precise Plan requires a minimum of 40% of the site be open space. The project is providing 8,505 square feet of open space when 10,612 are required. A roof deck is provided as well as landscaped and plaza areas on the ground floor. In order to make the project financially feasible, underground parking was not a viable option on this site so surface parking does not allow the site to reach its open space requirements.

Waiver 5: Automobile Pavement Coverage

In conjunction with open space, the project is requesting a waiver for automobile-oriented paving on the site. The El Camino Precise Plan allows up to 20% automobile-oriented pavement coverage (equaling 5,306 square feet minimum on the site) while the project proposes 42% pavement coverage (11,027 square feet). This waiver is necessary to sufficiently park the project. The parking lot also provides a significant buffer to existing residential abutting the rear of the site.

Provisional Use Permit

The El Camino Real Precise Plan requires a Provisional Use Permit for rooftop amenities above the third floor and residential accessory uses utilizing ground-floor commercial setbacks on El Camino Real.

- *Roof Deck:* The Provisional Use Permit process allows for careful review of proposed rooftop amenities to ensure they are suitable for the development and limit/avoid off-site impacts to neighboring properties. The DRC carefully reviewed the proposal and worked with the applicant to orient views away from the adjacent residential complex, through a combination of roof deck location, railing/landscape screening, and space planning so usable area is buffered from the rear-facing portion of the roof deck.
- *El Camino Real Setback:* The project is designed to comply with the El Camino Real ground-floor commercial setback requirements. The El Camino Precise Plan identifies locations where ground-floor commercial uses are specifically required, but other locations may be proposed and residential accessory uses may use the ground-floor commercial setbacks through a Provisional Use Permit process. The proposal includes provisionally allowed residential accessory uses on the ground-floor frontage, substantially incorporates El Camino Real Precise Plan design guidance intended to ensure the building design engages the street, and is located in a commercial area where this setback is contextually appropriate.

The DRC reviewed and supported the design of the features requiring a Provisional Use Permit.

Traffic and Circulation

A vehicle trip generation and trip distribution study was requested by staff to determine whether the project generated enough traffic to impact nearby intersections along El Camino Real. This study was performed by RKH Engineering in December, 2018, and submitted to the City for staff review. If the project generated more than 10 new vehicle trips per land during peak traffic hours, it would warrant further study. The study showed traffic and circulation patterns below this City threshold and was confirmed by staff so no further review was necessary and no traffic mitigation measures are needed.

Parking

The project proposes 32 parking spaces at a ratio of 0.45 spaces per dwelling unit plus two motorcycle spaces. A conventional apartment building in the El Camino Precise Plan area would require 71 parking spaces, with one space per unit as the standard parking ratio. Since the project is 100% affordable, the State of California mandates that required parking per dwelling unit shall not exceed 0.5 spaces per dwelling unit.

Additionally, a report provided to the Mountain View City Council on March 22, 2016, recommended that a parking ratio of 0.45 spaces per dwelling unit be applied to an affordable housing project (1701-1707 West El Camino Real) based on a study by traffic consultant CDM Smith. That report by CDM Smith based the recommended 0.45 ratio on nearby studies of similar developments.

The parking consultant for this project, RKH Engineering, determined that this study should apply to this project given the same 100% affordable nature of this project, a similar location along El Camino Real, and that the proposed project is in even greater proximity to high-quality public transit services. Given these findings, a parking ratio of 0.45 per dwelling unit is appropriate for this development, is in line with the requirements of AB744, and is supported by staff.

Heritage Trees

The project proposes to remove eight Heritage Trees: five Raywood Ash trees, one Mexican Fan Palm, one Blackwood Acacia, and one Crape Myrtle. The City arborist has reviewed the arborist reports and supports removal of these trees. Six of the eight trees were found to be in declining health with low suitability for preservation and two are within the proposed building footprint and are also not suitable for preservation. Sixteen new 24-inch box and 36-inch box trees are

proposed to be planted onsite at tree replacement ration of 2:1. Four new street trees (Scarlet Oaks) are also proposed along the project frontage.

Public Benefits

The El Camino Precise Plan allows two tiers of development floor area (FAR) in Medium-Intensity Corridor locations – BASE and Tier 1. BASE projects (up to 1.35 FAR) are not required to prepare a public benefits program. Tier 1 projects (between 1.35 FAR and 1.85 FAR) are required to provide a public benefits program. Public benefits are public improvements or equivalent resources, above and beyond what is required under existing regulations, to improve the quality of life for the community and to help implement the Precise Plan.

The El Camino Precise Plan provides a list of examples of public benefits and establishes affordable housing as a “Plan priority” for public benefits. Projects that are 100% affordable are deemed by the City to be community benefits and are exempt from further public benefit requirements including Park Land Dedication Fees.

ENVIRONMENTAL REVIEW

The project qualifies as exempt under the California Environmental Quality Act (CEQA) Section 15194 (“Affordable Housing Exemption”). This exemption is targeted to small affordable developments (less than 100 units and 5 acres) in urbanized areas, which can be served by existing utilities; are in areas where a community-level environmental review has occurred (e.g., General Plan or Precise Plan); and satisfy a long list of other criteria to ensure the site is free of contamination and the project would not impact the environment.

The project has also incorporated mitigation measures required by the El Camino Real Precise Plan Mitigation Monitoring and Reporting Program (MMRP), including utility and air quality analyses as well as required conditions of approval. Where required by the MMRP or analyses, design and/or construction requirements are incorporated into the project as conditions of approval.

NEXT STEPS

The EPC recommendation from this public hearing will be forwarded to the City Council for consideration at a public hearing tentatively scheduled for February 26, 2019.

CONCLUSION

Staff recommends the EPC adopt a resolution recommending approval of the 950 West El Camino Real affordable housing development. The DRC has recommended approval of the design, with minor design conditions. The proposal includes new, high-quality residential options at affordable rents for a diverse range of residents.

ALTERNATIVES

1. Recommend approval of the project with modified conditions.
2. Refer the project back to the Development Review Committee for additional consideration.
3. Recommended that City Council deny the project.

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- Exhibits:
1. Resolution Recommending Approval of the Project
 2. Project Plans
 3. Traffic/Parking Study