



DATE: September 14, 2021

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **Rowhouse Development at 570 South Rengstorff Avenue**

RECOMMENDATION

1. Adopt a Resolution of the City Council of the City of Mountain View Conditionally Approving a Planned Unit Development Permit and Development Review Permit to Construct an 85-Unit Rowhouse Development to Replace 70 Apartment Units and a Heritage Tree Removal Permit to Remove 38 Heritage Trees, and Finding the Project to be Exempt from Review Under the California Environmental Quality Act Pursuant CEQA Guidelines Section 15332 (“Infill Development Projects”) at 570 South Rengstorff Avenue, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Conditionally Approving a Vesting Tentative Map to Create 11 Lots and Seven Common Lots for Condominium Purposes, and Finding the Project to be Exempt from Review Under the California Environmental Quality Act Pursuant to CEQA Guidelines Section 15332 (“Infill Development Projects”) at 570 South Rengstorff Avenue, to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

The approximately 4.07-acre project site is located on the west side of South Rengstorff Avenue, between Latham Street and California Street (see Figure 1). The site is currently developed with 11 two-story apartment buildings consisting of 70 units, known as the Mountain View Gardens Apartments, and is surrounded by residential land uses on all sides and retail uses to the southeast across South Rengstorff Avenue. There is a mix of residential uses in the vicinity, including single-family, multiple-family, condominiums, and apartments, and the El Camino Real commercial corridor is in close proximity, including retail, medical, and office uses. Klein Park is within approximately one-fifth mile, and Rengstorff Park is within approximately one-quarter mile.



Figure 1: Location Map

Previous Meetings and Public Hearings

Neighborhood Meetings

Two neighborhood outreach meetings were held regarding tenant relocation assistance. These meetings were held on August 21, 2019 (held in English) and October 23, 2019 (held in Spanish). These meetings explained the proposed development project, the anticipated timeline, eligibility assistance under the City’s Tenant Relocation Assistance Ordinance (TRAO), and the required application process.

Additionally, a neighborhood outreach meeting was held on December 19, 2019, noticed to residents and property owners within 750’ of the project site. There were two people at the meeting who expressed concerns about the tree removal, view of the future project, and traffic during construction. Attendees also expressed their support of the project to provide additional housing and high-quality architectural design.

Development Review Committee

The project was reviewed by the Development Review Committee (DRC) on April 7, 2021, where the DRC provided comments directing additional design

development and a recommendation for approval. Specific comments provided by the DRC include:

- Facade composition and detailing, particularly in terms of accent features, trim detailing, entry accents, and choice and location of color and materials.
- Pedestrian and open-space design, particularly with regard to creating well-defined, semiprivate spaces at unit entries by using a patio wall and landscape features, providing high-quality children’s play area, equitable distribution of short-term bike parking across the site, etc.
- Site access and circulation, in terms of providing robust understory planting to sculpt pedestrian spaces and providing specialty paving at site access points to ensure adequate traffic calming measures.

Revisions were made to the project based on the direction the DRC provided and are reflected in the proposed plans.

Administrative Zoning/Subdivision Committee Public Hearing

The project was reviewed by the Zoning Administrator and Subdivision Committee on August 11, 2021, where it was recommended for approval. No one from the public spoke at the meeting, and three letters were received prior to the meeting (see Attachment 3 – Public Comment Letters). Comments received raised questions about the applicability of Senate Bill (SB) 330 and the City’s Below-Market-Rate (BMR) Phase II Ordinance. These questions are addressed later in this Council report.

ANALYSIS

Project Description

The project proposes the redevelopment of the project site with 85 ownership rowhouse units and supporting open space amenities. The dwelling unit mix consists of 35 four-bedroom, 26 three-bedroom, and 24 two-bedroom units ranging in size from approximately 1,040 square feet to 1,833 square feet (see Attachment 4 – Project Plans).



Figure 2: Site Plan

The organizing principles underpinning the site plan are consistent with the Rowhouse Guidelines. This includes maximizing the number of units facing the public street or onto pedestrian walkways internal to the site, a centralized common open space, and a connected internal circulation network. The proposed site layout is configured to provide an activated street presence with the individual front unit entries along South Rengstorff Avenue, Latham Street, and the open space areas; and a large centralized common open space is located in the center of the site with smaller open space areas located between buildings and at the periphery of the site.

Two driveways are provided for vehicles to access the site on South Rengstorff Avenue and on Latham Street, and internal sidewalks connect to the street, units, common open space area, guest parking spaces, and bike parking spaces. All of the units have two-car garages, and 31 guest parking spaces are provided primarily along the western edge of the site. Each unit has private bike parking provided in garages, and guest bike parking is provided in shared U-racks at both the east and west edges of the central common open spaces, adjacent to the children’s play area to the northwest of the project site and at the

northeast corner of the site under a shade pergola, and the southwest corner of the site, also under a shade pergola.

The proposed Spanish Colonial architectural style of development includes stucco and stone veneer exterior wall finishes, tile roofs, metal rails, and balconies. Units are differentiated through building massing, using a balanced variety of projections and offsets, including recessed unit entries; varied roof lines; articulated unit patios, porches, balconies, and pergolas; and high-quality materials and colors as well as decorative tile, stucco molding, and metal railings.



Figure 3: View from Rengstorff Avenue

SB 330

SB 330 (Housing Crisis Act of 2019) took effect on January 1, 2020. The SB 330 provisions apply to residential projects with applications not deemed complete under the Permit Streamlining Act prior to January 1, 2020. This project's application was deemed complete on October 4, 2019, prior to the effective date of SB 330. Under the Permit Streamlining Act, after the developer submits its formal development application, the City has 30 days to review the application for completeness and return written comments identifying deficiencies. With each resubmittal by the developer, the City has 30 days to review the application submittal for completeness in this manner. For this project, one of the incompleteness letters was inadvertently sent a few days after the 30 day review period expired on October 4, 2019, and the application was thus deemed complete by law.

Additionally, the applicant entity changed over the course of the application, and the change was finalized in 2020 over a number of months. A change in the applicant/developer entity alone is not sufficient to trigger treatment as a new application under SB 330.

As noted above, because the application was deemed complete on October 4, 2019, prior to January 1, 2020, the provisions of SB 330 do not apply to the project, including those related to requirements for replacement of protected units and tenant relocation requirements.

Tenant Relocation

The subject site's existing 70 dwelling units are subject to the City's Community Stabilization and Fair Rent Act (CSFRA) and TRAO. On the date of application (June 2019), the developer was required to comply with the City's 2018 TRAO requirements. The City Council subsequently amended and updated the minimum TRAO requirements in 2020. The developer responded to the TRAO updates by voluntarily offering the 2020 TRAO requirements.

Existing units range from one- to three-bedrooms, ranging in monthly rent from \$2,158 to \$3,208.

Thus far, the following has taken place per TRAO requirements:

- On July 1, 2019, a Notice of Intent (NOI) as required by the TRAO was mailed to all units. At the time, the NOI included an estimated vacate date of December 2020. This was followed up by community meetings, one on August 21, 2019 (English) and another one on October 23, 2019 (Spanish). The NOI and community meetings explained the proposed development project, the anticipated timeline, and the household's potential eligibility for tenant relocation assistance under the City's TRAO.
- Approximately one year later, on October 20, 2020, an update letter went out to all households. The update letter extended the estimated vacate date to winter 2021.
- As of August 17, 2021, a total of 37 households have applied and have been deemed eligible to receive TRAO benefits. Another 31 households vacated the property without applying for relocation benefits (but may still be eligible to apply). The two remaining tenants have not applied. All 70 households will be contacted again to

inform them of the 2020 enhanced TRAO benefits that will be provided by the developer.

- In addition, two new households moved to the property after the NOI was issued and are not eligible for relocation benefits.
- The developer will provide the 2020 TRAO assistance to all households that occupied an existing unit on the date of NOI (July 1, 2019). For households that have already received assistance under the 2018 TRAO, the developer will provide the difference between the 2018 TRAO benefits and the 2020 TRAO enhanced benefits. For eligible households that have not yet applied for any assistance under TRAO, the 2020 TRAO benefits will be provided. The following table provides a comparison between the 2018 and 2020 TRAO benefits:

2018 TRAO	2020 TRAO
Income Eligibility: 120% Area Median Income (AMI)	Income Eligibility: 120% AMI plus \$5,000.
Refund of the tenant’s security deposit.	Same.
A 60-day subscription to a rental agency.	An unlimited subscription to a rental agency.
	A personal relocation advisor to assist in securing a tenant replacement housing.
The cash equivalent of three months’ rent based on the median monthly rent for a similarly sized unit in Mountain View.	Same.
An additional \$3,389 per rental unit for special-circumstances households.	An additional \$8,000 per rental unit for special-circumstances households adjusted annually for Consumer Price Index (CPI) (currently \$8,160).

General Plan Designation

The site’s General Plan designation is Medium-High Density Residential (26 to 35 dwelling units per acre). The project proposal is consistent with the General Plan’s vision

for the area, which allows a residential project at 21 dwelling units per acre and furthers the following General Plan policies:

- ***LUD 6.1: Neighborhood character.*** Ensure that new development in or near residential neighborhoods is compatible with neighborhood character.
- ***LUD 6.3: Street presence.*** Encourage building facades and frontages that create a presence at the street and along interior pedestrian paseos and pathways.
- ***LUD 9.1: Height and setback transitions.*** Ensure that new development includes sensitive height and setback transitions to adjacent structures and surrounding neighborhoods.
- ***LUD 10.1: Sustainable design and materials.*** Encourage high-quality and sustainable design and materials.

Zoning Designation

The site's zoning designation is R3-1.25 (Multiple-Family Residential) and allows residential uses with a maximum of 134 units on the site. The R3 Zoning District allows rowhouse developments consistent with the Rowhouse Guidelines with a Planned Unit Development (PUD) Permit. The proposed development complies with all the standards and guidelines applicable to rowhouses, and no exceptions are requested. The table below shows the project proposal's compliance with the standards.

Table 1: Compliance with Rowhouse Guidelines

Standard	Requirement	Proposed
Units	134 units max.	85 units
Floor Area Ratio	1.05 max.	1.01
Front Setback	15' min.	15'
Side Setbacks	10' for first and second floors min. 15' for third floor min.	13' min. at first and second floors 15' min. at third floor
Rear Setbacks	10' first and second floor min. 15' third floor min.	40' first and second floor min. 40' third floor min.
Building Coverage	35% max.	35%
Height	45' max. 36' to wall plate max.	44' 35'
Open Area	35% min. 100 sq. ft. per unit private min. 100 sq. ft. per unit common min.	35% 100 sq. ft. per unit private min. 100 sq. ft. per unit common min.
Private Storage	164 cu. ft. per unit min.	164 cu. ft. per unit min.
Parking	two (2) covered spaces per unit + 0.3 guest spaces min. (31 guest spaces)	two-car garages + 31 guest spaces

Open Space and Trees

The project proposal includes approximately 62,506 square feet of open area (35%) which meets the minimum 35% open space requirement, including an approximately 8,471 square foot centrally located common open area. The common areas include amenities such as seating, dining tables, shade trellis, barbecue pits, children's play structures, pool, and passive landscaped areas.

The project proposal includes robust landscaping throughout the site, including common open space areas, residential unit entries, site entries at Rengstorff Avenue and Latham Street, paseo, and street frontages. The proposal includes a variety of native and nonnative species, with California natives comprising approximately 24% of the plant palette. Staff has included a condition of approval (Condition No. 29) requiring the landscape plan submitted with the building permit application be revised with a minimum of 75% native plants. Additionally, the proposed project complies with the requirements of the City's Water Conservation in Landscape Ordinance.

A tree survey has been completed for the subject site by HortScience/Bartlett Consulting and reviewed by the City arborist. The tree survey identifies, measures, maps, and assesses the existing trees' suitability for preservation. The assessment takes into consideration the trees' age, health, and structural condition as well as the trees' proximity to the proposed structures, critical infrastructure, and other aspects of the proposed site development. The survey finds the majority of existing trees exhibit poor to moderate health. These trees show dieback, bleeding, spreading crown, trunk decay, codominant stems and attachments, root damage, and browning fronds and foliage. Additionally, existing trees are planted in the landscape areas surrounding the existing buildings proposed to be demolished and are located in the proposed project's essential utilities and fire access paths, necessary site grading, building footprints, site circulation, including driveways and guest parking, and pavement. Of the existing trees, four are native tree species, and four have been assessed for their suitability for transplantation. Given these existing conditions, the project proposal includes the removal of 35 Heritage trees due to poor health and direct conflicts with the proposed building footprints, essential utilities, and site circulation. To achieve the proposed density and achieve the site planning requirements of the Zoning Ordinance and Rowhouse Guidelines, the proposed tree removal is necessary for the build-out of the project.

Table 2: Tree Canopy Coverage

Existing Canopy	31%
Retained + New after 5 years	27%
Retained + New at Maturity	38%

The applicant proposes 144 replacement trees, or double the minimum replacement requirement. The typical replacement ratio for the removal of Heritage trees is 2:1, where the project provides a replacement ratio of approximately 4:1 that will provide greater tree canopy than exists today (see Table 2 for the existing and estimated future tree canopy coverage). In addition to increasing the site's tree canopy, the planting will be improved by providing more suitable growing conditions, tree sizes, tree locations, and tree species. Trees will be:

- Planted in 24" to 60" boxes with irrigation;
- Varied in size from approximately 6' to 60' canopies at maturity;
- Located in landscape and open areas that can accommodate the trees' mature root and canopy size with minimal obstruction; and

- Species, including native types (such as live oak, madrone, and linden), that have been chosen for the site's anticipated microclimate with the potential to withstand ample sun and that are drought tolerant.

The appropriateness of the tree selection and placement ensures that the site will be replanted with trees species whose health and performance are assured over their lifetime and where tree spacing and size are considered so that the long-term effects of overgrowth are minimized.

Subdivision Map

The proposed Tentative Map for the project includes 11 lots (one for each building) for condominium purposes and seven common lots for central open space, site circulation and guest parking, and children's play area. The Subdivision Committee met on August 11, 2021 and found that the project is consistent with the requirements of the Subdivision Map Act and the General Plan with incorporation of the draft Conditions of Approval (see Attachment 2 – Resolution for Vesting Tentative Map) and recommended approval of the Subdivision Map.

Below-Market Rate Requirements

The project is subject to the City's Below-Market-Rate (BMR) Ordinance, Phase I. As part of the BMR Ordinance, Phase II update, Council adopted a grandfather provision for projects that had submitted a formal application by June 30, 2019 and submitted additional information as requested by the City by August 24, 2019. The project submitted an application prior to June 30, 2019 with sufficient information for review; the project's 30-day review letter noted application completeness items and project comments, but no additional information was needed or requested in order to review the application for purposes of the BMR Ordinance. Therefore, the project was grandfathered under the BMR Phase II update and is subject to the requirements of the BMR Phase I Ordinance.

In order to satisfy the BMR Phase I requirements, the applicant proposes to pay BMR In-Lieu Fees of approximately \$3 million, based on the applicant's projected average sales price of \$1.2 million per unit.

ENVIRONMENTAL REVIEW

The project qualifies as categorically exempt under Section 15332 ("In-Fill Development Projects") of the California Environmental Quality Act (CEQA) Guidelines because it is characterized as an infill development, which is consistent with the applicable General

Plan and zoning designation; is on a project site that is less than five acres; contains no value as habitat for endangered, rare, or threatened species; would not result in any significant effects relating to traffic, noise, air quality, or water quality; and the site can adequately be served by all required utilities and public services.

FISCAL IMPACT

The subject site has a current total assessed value of approximately \$5.1 million, and the City's share of property taxes is approximately \$8,000 per year. If the site is developed with 85 units, the estimated assessed value would increase to \$108.8 million, and the City would receive approximately \$166,000 per year in additional property tax revenue.

The BMR In-Lieu Fees paid by the project would result in an estimated payment of approximately \$3 million, based on the applicant's projected average sales price of \$1.2 million per unit.

The project proposes 15 net new units from what exists on the site today and will, therefore, be required to pay Park Land Dedication In-Lieu fees for the net new units, in accordance with Chapter 41 (Park Land Dedication or Fees In Lieu Thereof) of the City Code, estimated at \$720,000.

CONCLUSION

The Zoning Administrator and Subdivision Committee recommended approval of the proposed rowhouse project. The project supports General Plan policies for neighborhood character and street presence and is consistent with the land use and development direction in the General Plan and is in compliance with the Zoning Code and Rowhouse Guidelines. The proposal promotes a well-designed development that is compatible with and harmonious with surrounding uses and developments and is consistent with other existing, under-construction, and proposed projects in the area.

The proposed subdivision, together with the provisions for the subdivision's design and improvements, is consistent with the General Plan Land Use Designation of Medium-Density Residential, the R3-1.25 Zoning District, Rowhouse Guidelines, the City's Subdivision Ordinance, and the Subdivision Map Act.

ALTERNATIVES

1. Approve the project with modified conditions.
2. Refer the project back to the DRC and/or Zoning Administrator for additional consideration.
3. Deny the project and/or deny the map.
4. Provide other direction.

PUBLIC NOTICING

The Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. All property owners and tenants within a 750' radius were notified of this meeting.

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- Attachments:
1. Resolution for Planned Unit Development, a Development Review Permit, and a Heritage Tree Removal Permit
 2. Resolution for a Vesting Tentative Map
 3. Public Comment Letters
 4. Project Plans