

CITY OF MOUNTAIN VIEW

ENVIRONMENTAL PLANNING COMMISSION
STAFF REPORT
NOVEMBER 2, 2022

5. PUBLIC HEARINGS

5.1 Affordable Housing Development at 1265 Montecito Avenue

RECOMMENDATION

That the Environmental Planning Commission recommend the City Council:

1. Adopt a Resolution of the City Council of the City of Mountain View Adopting the Initial Study/Negative Declaration for the 1265 Montecito Avenue Residential Project Pursuant to the California Environmental Quality Act Guidelines, to be read in title only, further reading waived (Exhibit 1 to the EPC Staff Report).
2. Adopt a Resolution of the City Council of the City of Mountain View Approving a General Plan Map Amendment from Neighborhood Commercial to High-Density Residential for the Property Located at 1265 Montecito Avenue, to be read in title only, further reading waived (Exhibit 2 to the EPC Staff Report).
3. Adopt an Ordinance of The City Council of the City of Mountain View Approving a Zoning Map Amendment from the CN (Neighborhood Commercial) Zoning District to the R4 (High-Density Residential) Zoning District for the Property Located at 1265 Montecito Avenue, to be read in title only, further reading waived (Exhibit 3 to the EPC Staff Report).
4. Adopt a Resolution of the City Council of the City of Mountain View Approving a Development Review Permit to Construct a Five-Story Affordable Housing Development with 84 Affordable Rental Units and One Manager's Unit with At-Grade Parking and a State Density Bonus with a Development Concession and a Heritage Tree Removal Permit to Remove Six Heritage Trees at 1265 Montecito Avenue, to be read in title only, further reading waived (Exhibit 4 to the EPC Report).

PUBLIC NOTIFICATION

The Environmental Planning Commission's (EPC) 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. Following this EPC meeting, a City Council public hearing will be held regarding this project, and property owners and interested parties will be separately notified of the hearing.

BACKGROUND

- Project Location: Located on the southwest corner of Montecito Avenue and North Shoreline Boulevard.
- Project Site Size: Approximately 1.04 acres.
- Existing/Proposed General Plan Designation: Neighborhood Commercial to High-Density Residential.
- Existing/Proposed Zoning Designation: CN (Neighborhood Commercial) to R4 (High-Density Residential).
- Surrounding Land Uses: *North*—shopping center anchored by a Safeway grocery store (across Montecito Avenue); *south*—three-story, multi-family residential project and the City and County of San Francisco SFPUC property; *east*—self-service car wash facility (across North Shoreline Boulevard) and Mountain View Buddhist Temple; and *west*—two-story, multi-family residential project.
- Current Site Conditions: Existing 12,300 square foot vacant two-story office building.
- Applicant/Owner: Kathy Robinson for Charities Housing/Montecito Charities LLC.

Project Overview

The project would demolish the existing building, improvements, and landscape to redevelop the site with a new five-story, 100% affordable residential building, including 85 units and at-grade parking with 45 parking spaces (Exhibit 5—Project Plans). The unit mix includes 24 studios, 18 one-bedroom units, 21 two-bedroom units, and 22 three-bedroom units (including the manager’s unit).

The project includes a State Density Bonus, discussed later in this report, which allows a density bonus, development waivers, and concessions, along with a maximum parking standard for projects within one-half mile of a major transit stop (Downtown Transit Center). The proposed parking is provided in an at-grade podium garage level, covering a large portion of the site; the parking is tucked behind usable ground-floor building area with a slightly raised entry plaza (with seating area) along the Montecito Avenue frontage, the manager’s unit, and bicycle room facing North Shoreline Boulevard, and is largely open along the westerly and southerly project frontages. Vehicle access to the garage is provided via single-driveway entrance to/from Montecito Avenue, along the westerly property line.

Open space amenities include a small gathering space with a barbecue in the southwest corner of the property, a children’s play area, and other smaller amenity spaces next to the ground-level laundry room. These spaces are connected via exterior stairs to a larger landscaped podium courtyard on the second level, which bisects the building into two connected wings at the upper floors as shown in Figure 2.



Figure 1: Location Map



Figure 2: Site Plan

The five-story building has a simple, modern design with a mix of six primary materials. Most of the building is clad with integral color stucco and horizontal fiber-cement siding. Key building corners and other accent areas (e.g., exterior stairs/corridors) employ fiber-cement siding in a special board and batten pattern and/or decorative metal panels. Along the Montecito Avenue frontage, the ground-floor facade is accented with cedar siding and decorative metal garage screens. Steel awnings also occur in limited locations, such as the cedar-clad community room along Montecito Avenue. The color palette is primarily white, gray, and a warmer orange color, with a brighter red accent color employed at certain key locations. Large, stacked windows are located to emphasis and accentuate building corners.



Figure 3: View from Montecito Avenue

Prior Meetings and Hearings

Neighborhood Meeting

On January 14, 2021, in collaboration with Housing Division, the applicant hosted a virtual neighborhood meeting. A total of 32 people attended the meeting, including a mix of nearby residents and other stakeholders. Some attendees highlighted concerns with increased traffic, but most attendees supported the project, highlighting the need for housing. Attendees also requested more information on leasing criteria and how to apply for the affordable units. The Multimodal Transportation Analysis (MTA) prepared for the project determined there would be no significant traffic impacts as the project would result in minimal increases in traffic trips (17 to 23 more trips at peak hours).

NOFA Council Subcommittee Meeting

On June 7, 2021, the Notice of Funding Availability Council Subcommittee (NOFA Committee) met to review the funding request from Charities Housing for this project. The NOFA Committee discussed project costs, property acquisition, sources of financing, and the target population for the development, and voted unanimously to recommend the City Council authorize the \$18 million funding reservation request, including \$1.3 million in predevelopment funding.

City Council Public Hearing on Funding Reservation

On June 22, 2021, the City Council discussed and reviewed the recommendation from the NOFA Committee to reserve \$18 million in City affordable housing funds for the project (Exhibit 6—[Council Report](#)). The City Council discussed the project's funding sources, project cost, and project design, including input on the children's play area and west facade as well as the proposed removal of six Heritage trees. Council highlighted tree preservation is important but did not want the project to lose affordable units in order to

preserve additional trees. Ultimately, Council authorized \$16 million in funding reservation for the project, including \$1.3 million in predevelopment funds.

Development Review Committee

The Development Review Committee (DRC) reviewed the project at two meetings in November 2021 and July 2022, which included final recommendations to work with staff to refine the design of the west elevation, where second-floor balconies were removed to comply with Fire Department access requirements. The DRC also requested the applicant work with staff to finalize the stucco design/texture, prioritizing a smoother, high-quality finish. The applicant has begun to incorporate improvements to address design recommendations for the west elevation, which staff generally supports. These items have been added as design conditions of approval to be addressed in full through the building permit review process.

ANALYSIS

General Plan

Currently, the project site has a General Plan Land Use Designation of Neighborhood Commercial, which promotes commercial use but does not allow residential uses. To facilitate the project, the proposal includes a General Plan Map Amendment to change the General Plan Land Use Designation to High-Density Residential, which supports high-density, multi-family residential uses.

The proposed High-Density Residential Land Use Designation would allow a density of up to 80 units per acre, permitting the development to build up to 84 units. The project proposal includes 85 units, with a project density of 81.73 units per acre. To achieve the proposed 85-unit project, the applicant is requesting a State Density Bonus of 1.2%, as discussed below. The project density is considered compliant with the High-Density Residential General Plan pursuant to provisions of the State Density Bonus Law.

The proposed General Plan Map Amendment is appropriate as the project aligns with City objectives and General Plan policies to provide additional housing opportunities serving a range of diverse households and incomes and focus higher land use intensities and densities within one-half mile of public transit service and along major commute corridors, such as Shoreline Boulevard. Additionally, the project site is immediately adjacent to other residential development sites, and the neighborhood would retain access to commercial services at the shopping center across the street from the project site.

Zoning

The project site is currently in the CN (Neighborhood Commercial) Zoning District, which does not allow residential redevelopment of the site. The project proposal includes a Zoning Map Amendment to change the site zoning to R4 (High-Density Residential) to facilitate construction of the high-density residential project.

As proposed, the project would meet all applicable development standards for residential projects in the R4 Zoning District (setback, height, open space, etc.) with the exception of density, parking, and personal storage requirements. The project is considered compliant with the applicable R4 zoning regulations, pursuant to provisions of the State Density Bonus Law.

State Density Bonus Request

The affordable units proposed will be available to households earning at or below 60% of the Average Median Income (AMI). Based on the 60% AMI income criteria for the proposed units, the project is eligible for an 80% State Density Bonus, which is the maximum density bonus allowed for this project type under State Density Bonus Law and would allow up to 150 units on the site. The project applicant is requesting a 1.2% density bonus to allow the proposed 85 units and has indicated that additional bonus density is not requested in order to preserve financial feasibility due to the increased operational and construction costs of developing a larger project on the site.

Pursuant to provisions of State Density Bonus Law, the project also qualifies for four concessions and unlimited waivers of development standards. The applicant is pursuing only one concession and is not requesting any waivers of development standards. The applicant also proposes to use the parking standards in the State Density Bonus Law, which establish the maximum parking a city may require to be built in a State Density Bonus project, as described below and in the applicant's density bonus letter (Exhibit 7—Density Bonus Letter).

Concession Request

Under the State Density Bonus Law, any concessions must be proposed by the developer and result in "identifiable and actual cost reductions to provide for affordable housing costs." The applicant proposes a concession related to personal storage requirements per unit.

The R4 development standards require multi-family projects to provide 80 square feet (or 164 cubic feet) of storage area per unit, which is intended to provide for the storage of larger household items. The proposed 85-unit project would require 6,800 square feet of

total storage area. The applicant is requesting a concession to provide no personal storage on-site. While the proposed units include bedroom closets, and some units have additional common-area closets, no additional personal storage would be provided for the units. Per the applicant, providing the required personal storage would cost approximately \$2 million, an average of \$300 per square foot. Further, to accommodate the storage spaces, the project would require a redesign resulting in a net loss of units, which would cause a funding gap of up to approximately \$3.38 million based on eligibility criteria for outside funding sources. Staff has determined the proposed request meets the criteria for a concession, pursuant to State Density Bonus Law.

Parking Standards

Based on the project site's location within one-half mile of a major transit stop (Downtown Transit Station), the State Density Bonus Law restricts the City from requiring more than one-half parking space per unit, inclusive of accessible and guest parking spaces. This means the City cannot require more than 44 parking spaces for the development, in lieu of the City's model parking standard of one parking space per studio/one-bedroom unit and two parking spaces per two-bedroom or more units (which would have required a total of 107). The applicant has voluntarily elected to provide one additional parking space for a total of 45 spaces on-site.

The project adheres to the City's zoning requirements for bicycle parking by providing one long-term bicycle parking space per unit for a total of 85 secure bike parking spaces. The spaces are provided in an enclosed room fronting Montecito Avenue, with quick and convenient access to adjacent public streets/sidewalks via the entry plaza ramp and an additional pathway leading to the corner of Montecito Avenue and North Shoreline Boulevard.

Trees and Landscaping

An arborist report was prepared for the project, which evaluated existing trees for health and preservation suitability, accounting for tree health, structural condition, and proximity to the proposed project improvements. The report analyzed 131 trees within the project area, including 20 Heritage trees comprised of nine different species.

This project includes removal of six Heritage trees and 36 other trees, due to conflicts with the building envelope and proposed stormwater treatment/utility areas, and low suitability for preservation. At the prior Council meeting in June 2021, discussion occurred regarding the cluster of existing redwood trees along Shoreline Boulevard and whether these trees could be retained or relocated on-site. Upon further investigation, the project applicant considered preservation of the four redwood trees, but it would displace a stack of five

units or pushed that row of units further west and eliminated the rear play yard and common open space. The applicant also evaluated transplanting the trees, but feels it is not a viable option because redwoods are not native to the drier inland microclimate, and it would require a substantial amount of water to reestablish after transplanting and require ongoing long-term irrigation in excess of what is allowed by the City’s Water Conservation Ordinance.

The proposed development will plant new trees, install new landscaping, and create more open space on-site than exists today. The Heritage trees will be replaced at a 2:1 ratio (12 Heritage tree replacements), and non-Heritage trees will be replaced at a 1:1 ratio (36 replacement trees). Proposed tree plantings include 10 new green ash street trees along Montecito Avenue and 38 on-site replacement trees. Based on the new tree plantings, the on-site tree canopy coverage is expected to exceed existing conditions (by 29%) between 10 and 15 years from project construction, as shown in Table 1 below.

Table 1: Tree Canopy Coverage

Coverage Canopy	Site Coverage
Existing	10%
New After Five to 10 Years	9%
New After 15 Years (~Full Growth)	39%

The project also complies and exceeds the minimum 30% open space requirement for multi-family projects in the R4 Zoning District by providing approximately 20,000 square feet (or 44%) of the project site as common open space and landscape area. Additionally, approximately 77% of the proposed landscaping will be California native species.

ENVIRONMENTAL REVIEW

Pursuant to the California Environmental Quality Act (CEQA), an Initial Study and Negative Declaration was prepared for the project to evaluate any potential environmental impacts that could result from project implementation. The Draft Initial Study was circulated for public review for a 30-day comment period from July 22, 2022 to August 22, 2022. The City received one comment letter from the Department of Toxic Substance Control (DTSC). Minor text updates were made to the Initial Study in response to the comment and a response letter was provided to DTSC. Pursuant to Sections 15063 and 15074 of the CEQA Guidelines, the environmental analysis determined the proposed project would not have any significant effect on the environment. A Negative Declaration was prepared (see Exhibit 1—Resolution for an Initial Study and Negative Declaration).

Vehicle Miles Traveled Assessment

The City adopted a new Vehicle Miles Traveled (VMT) metric to evaluate transportation impacts on the environment for new development.

Pursuant to the City-adopted VMT policy, this project is presumed to have a less than significant impact with no further VMT analysis required based on two screening thresholds: (a) the “Affordable Housing Screening threshold,” which states that projects with 100% affordable housing do not require further VMT analysis; and (b) the “Transit Screening threshold,” which further states that all projects within one-half-mile of a major transit stop or high-quality transit corridor do not require further VMT analysis. The proposed project would include 100% affordable housing and is one-half-mile from the Downtown Transit Station, therefore, requiring no further VMT analysis.

NEXT STEPS

Following this EPC public hearing, the project and EPC recommendation will be considered at a City Council public hearing, tentatively scheduled for December 6, 2022.

ALTERNATIVES

1. Recommend approval of the project with modified conditions of approval.
2. Recommend denial of the General Plan and/or Zoning Map Amendments.
3. Recommend denial of the project.

CONCLUSION

Staff recommends the EPC recommend the City Council approve the proposed project as it achieves the General Plan goals; increases affordable housing opportunities; is sensitive to the existing uses that surround the site; complies with applicable development standards based on the proposed General Plan and Zoning Amendments; complies with State Density Bonus Law; and will result in a development that has a high quality of livability.

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- Exhibits:
1. Resolution for an Initial Study and Negative Declaration
 2. Resolution for a General Plan Map Amendment
 3. Ordinance for a Zoning Map Amendment
 4. Resolution for Project Approval
 5. Project Plans
 6. [Council Report Dated June 22, 2021](#)
 7. State Density Bonus Concession Request