



DATE: September 27, 2016

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **400 San Antonio Road Mixed-Use Development**

RECOMMENDATION

1. Approve an Initial Study of Environmental Significance for the 400 San Antonio Road mixed-use development project, pursuant to Section 15168 of the California Environmental Quality Act (Attachment 1 to the Council report).
2. Adopt a Resolution Conditionally Approving a Planned Community Permit and Development Review Permit for a 583-Apartment Unit Development with 11,171 Square Feet of Ground-Floor Commercial Space in Two 5-Story Buildings and One 7-Story Building with Two Levels of Underground Parking and a 35 Percent State Density Bonus with Development Waivers; a Provisional Use Permit for Rooftop Amenities above the Third Floor; and a Heritage Tree Removal Permit for the Removal of 65 Heritage Trees at 400 San Antonio Road, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution Conditionally Approving a Preliminary Parcel Map to Merge Five Existing Parcels into Two Separate Parcels at 400 San Antonio Road, to be read in title only, further reading waived (Attachment 3 to the Council report).

BACKGROUND

In January 2013, the City Council authorized a Gatekeeper request by the Pillar Group for a mixed-use, high-density apartment project at 400 San Antonio Road. Since the initial request, the Prometheus Real Estate Group took over the project and is now the applicant. The San Antonio Precise Plan was adopted in December 2014 and the General Plan Land Use Designation amended, allowing this project to proceed without a General Plan Amendment or rezoning.

Site Location

The approximately 5.7-acre project site is located on the west side of San Antonio Road between Miller Avenue and Fayette Drive and consists of five parcels. The parcels are currently developed with commercial, office, and industrial buildings and one residence totaling approximately 80,500 square feet.

Surrounding land uses include multi-family housing to the west; Merlone Geier’s San Antonio Center mixed-use project directly across San Antonio Road to the east; a parking lot and commercial uses across Miller Avenue to the north; and commercial uses, single-family residences, and multi-family housing, including a recently approved 4-story, 24-unit condominium project at 2645 and 2655 Fayette Drive, to the south.



Project Overview

Prometheus Real Estate Group proposes to redevelop the site located at 400, 462, and 480 San Antonio Road; 2615 Miller Avenue; and 2624 and 2630 Fayette Drive with 583



Site Plan

rental apartment units and 11,171 square feet of ground-floor commercial space. The project includes 48 units designated as affordable for very low-income households.

The project includes one 7-story building (labeled A and B in the site plan; the building appears as two separate buildings on the ground level but connects at upper stories) and two 5-story buildings (labeled C

and D) with two levels of underground parking; and dedication of a 0.5-acre public park to the City of Mountain View. The 583 units are comprised of 54 studios, 320 one-bedroom units, 169 two-bedroom units, and 40 three-bedroom units.

The project has three street frontages – San Antonio Road, Miller Avenue, and Fayette Drive. Each frontage has one vehicular entrance to the underground parking garage. Various on-site amenities are included throughout the project site such as open space areas, private residential balconies, two swimming pools, three spas, a community garden, bike storage and repair facilities, two rooftop decks with amenities, private residential storage areas, barbecue pits, a bocce court, fitness rooms, and more.

The applicant is requesting a Tier 1 development under the San Antonio Precise Plan, which allows up to 1.85 floor area ratio (FAR), and a 35 percent density bonus under the State Density Bonus Law. With the State Density Bonus Law request, discussed later in this report, the project FAR is allowed to increase up to 2.50 FAR.

Previous Meetings

City Council Study Session

In October 2015, the City Council reviewed the project at a Study Session. At that time, the project had 605 rental apartment units with 9,200 square feet of ground-floor commercial space, including the 35 percent State Density Bonus. Council was generally supportive of the development, including the height and massing of the building; however, three Councilmembers were concerned with the height transitions to the residential developments west of the project site.

Council also discussed the public benefit contribution and was agreeable to the public benefit program not targeting a specific improvement project(s) and accepting a monetary benefit if there were no immediate improvements identified for the area. Four Councilmembers noted they would support the public benefit going towards a park and more open space; one of those four was also supportive of public benefit funds going towards a new school site. Council also supported locating the public park along Fayette Drive and directed staff to include the park area when calculating floor area.

Neighborhood Meeting

The applicant hosted a neighborhood meeting on March 10, 2016. Property owners and residents within a 500' radius of the project site were noticed and five neighbors and interested parties attended. Most of the attendees supported the development;

however, one attendee raised concerns regarding traffic and development in the Bay Area in general and had questions regarding the regional planning process.

Development Review Committee (DRC)

The DRC reviewed the project over the course of three meetings. The DRC forwarded a positive recommendation to the Environmental Planning Commission (EPC) with design conditions to continue to work with staff on the design of a portion of the Building A retail facade; the garage/loading zone/lobby entries on Miller Avenue; recessed window locations and design; and the pedestrian environment between Buildings A and B along San Antonio Road.

The applicant has begun to integrate these changes into the project plans and, if the project is approved, will continue to work with staff on these items during the building permit process according to the specific direction provided in Condition of Approval No. 12.

Environmental Planning Commission

On September 7, 2016, the EPC held a Public Hearing to review the proposal. EPC members supported the mixed-use project and commented that the location was highly suitable for high-density housing and the project design was of high quality. The EPC voted 5-0-1-1 (with one abstention and one absence) to recommend Council approval of the proposal with minor modifications to the Conditions of Approval (see Attachment 2, Exhibit A) for resident bicycle parking design and the proposed Public Benefit Program, as discussed later in this report.

Staff received three comment letters on the project prior to the EPC hearing (see Attachment 10). Three members of the public spoke at the hearing, all of whom were supportive of the project but commented on the public benefit contribution. At the meeting, concerns were raised by both the EPC and one member of the public regarding the need for pedestrian improvements in the Precise Plan area and crossing El Camino Real, as also discussed later in the report.

State Density Bonus Law

The State Density Bonus Law has been in effect since 1979 and was enacted in California to aid in the development of affordable housing by providing waivers/reductions of development standards for the construction of affordable or senior housing in residential projects. The intent of the law is to address the shortage of affordable housing by making its development more financially feasible and 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 State Density Bonus Law provides a sliding scale for bonus density (up to a maximum increase of 35 percent) based upon the percentage of units set aside for senior, very low-, 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 or General Plan designation for a project site. The proposed development includes 11 percent very low-income units, making it eligible for the maximum 35 percent density bonus.

The State Density Bonus Law allows developers to request a waiver or reduction in applicable development standards and design requirements (i.e., reduction in setbacks, height, etc.) that would otherwise prohibit the development of the density bonus project. The State Density Bonus Law parking standard was recently updated for developments within one-half mile of a major transit stop and that include 11 percent very low-income units, to allow a parking ratio of 0.5 parking stall per bedroom.

To streamline the review process, the State Density Bonus Law prohibits cities from requiring a General Plan Amendment, Zoning Amendment, or similar discretionary approval for the density bonus, or any requested development waiver(s). Essentially, this allows a developer to request a development waiver that may not be consistent with City plans and ordinances without requiring an amendment to those regulations. The developer requesting the density bonus must provide the affordable units for a minimum of 55 years and is required to demonstrate that the development waiver(s)/reductions are needed in order to construct the density bonus project.

ANALYSIS

General Plan

The project site has a General Plan Land Use Designation of Mixed-Use Corridor, which supports a broad range of commercial, office, and residential uses and public spaces serving both surrounding neighborhoods and visitors from nearby areas. The Mixed-Use Corridor accommodates development of up to 1.85 FAR, and heights of four stories. As a point of reference, the General Plan Designation allows for up to six stories in key locations where intensities above 1.85 FAR are specified through Precise Plan standards. The site is located within the San Antonio Change Area, which focuses on improving accessibility, expanding community space, revitalizing the San Antonio Center, and enhancing the mix of uses.

The proposed project is consistent with the following General Plan policies:

LUD 3.1: Land use and transportation. Focus higher land use intensities and densities within a half-mile of public transit service, and along major commute corridors.

The proposed project is in an ideal location for high-density housing. It is located within one-half mile of the San Antonio Transit Center (a major bus stop for six different bus routes) and the San Antonio Caltrain Station. Regional access to the project site is provided by U.S. 101, SR-237, SR-85, SR-82/El Camino Real, and Central Expressway/Alma Street. The project is located along San Antonio Road, which provides access to North Bayshore and connects directly to major commute corridors U.S. 101, SR-82/El Camino Real, and Central Expressway/Alma Street.

LUD 3.5: Diversity. Encourage residential developments serving a range of diverse households and incomes.

The project will include 583 units, of which 48 are designated for very low-income households (less than 50 percent AMI). The 583 units include a mix of studio, one-, two-, and three-bedroom unit types serving a range of household sizes.

LUD 6.3: Street presence. Encourage building facades and frontages that create a presence at the street and along interior pedestrian paseos or pathways.

The project is located at the required setbacks along all frontages to emphasize a pedestrian-oriented design. Ground-floor commercial space occurs along the San Antonio Road frontage and includes high-quality materials, storefront canopies, and shading lattice. The storefronts include recesses, lighting, landscaping, and special pavers to highlight the pedestrian environment. Porches and building entries occur along other street frontages and two public pedestrian/bicycle pathways, which also feature high-quality materials such as special pavers, benches, and other furnishings as well as water features and other landscape art forms, run through the site. The careful design attention given to these areas creates a strong, welcoming presence at the street and along the interior pathways.

LUD 8.3: Enhanced publicly accessible bicycle and pedestrian connections. Encourage new and existing developments to enhance publicly accessible bicycle, pedestrian, and transit connections.

The project includes improvements along San Antonio Road, Miller Avenue, and Fayette Drive to create wider and safer sidewalks. The project also includes two public pedestrian/bicycle pathways that provide connections through the project site towards

the San Antonio Center, the San Antonio Caltrain Station, and the San Antonio Transit Center.

LUD 8.4: Pedestrian-oriented civic and public spaces. Create and encourage new pedestrian-oriented civic and public spaces throughout the City.

In addition to the pedestrian/bicycle pathways previously mentioned, the project includes an open space plaza along the San Antonio Road frontage. The plaza and pathways include outdoor seating, water features, lighting, and landscaping, creating an attractive environment to the public. The project also includes a 0.5-acre dedication to the City of Mountain View for a new public park. The park will be located along the Fayette Drive frontage adjacent to the Hetch Hetchy right-of-way and will provide a new open space area for existing and future residents.

Zoning

The zoning designation for the site is P-40 (San Antonio) Precise Plan. The project site is located within the Mixed-Use Corridor sub-area, which allows residential and commercial land uses under two tiers of development intensity, according to the table below.

	INTENSITY TYPE	
	Base	Tier 1
MAXIMUM FLOOR AREA	1.35 Up to 0.50 can be office or commercial	1.85 FAR Up to 0.50 FAR can be office or commercial
MAXIMUM STORIES	3 stories	4 stories ¹
MAXIMUM BUILDING HEIGHT	45 feet	55 feet ¹
PUBLIC BENEFITS REQUIREMENT	No public benefit contribution required.	Public benefit contribution required.
<small><i>1. Up to 5 stories (65 feet) will be considered on a case-by-case basis if project provides significant public benefits or major open space improvements per Figure 4-2. Additional height (in feet) may be allowed if needed to accommodate commercial uses.</i></small>		

The Precise Plan includes guiding principles to achieve the General Plan's objectives for the area and provides direction for review of future development projects. The project achieves the following key principles:

- *Revitalize the Plan Area*

The existing project site contains approximately 80,500 square feet of primarily commercial, office, and industrial buildings with an abundance of surface parking. The site is highly underutilized, as compared to the development potential allowed under the Precise Plan. The proposed project will revitalize the site by providing an attractive, vibrant, and pedestrian-oriented mixed-use development. The dedication of a 0.5-acre public park will enhance amenities in a neighborhood identified as having an open space deficiency in the Parks and Open Space Plan.

- *Seek Broad Public Benefits*

The applicant has applied for a Tier 1 development which requires a public benefit program with a total contribution of \$5,065,317, or equivalent improvements, as discussed later in this report.

- *Promote Coordinated and Well-Integrated Development*

The project site is currently five separate parcels with little coordination and integration. The project creates a well-integrated development with buildings oriented towards public streets and pathways, and improved circulation and access to public amenities and on-site destinations. The site's paths promote walking and bicycling, and allow on-site residents and neighbors easy access to the San Antonio Center. The proposed residential development complements development in the San Antonio Center, which is located directly across the street and will include a movie theater, grocery store, and mixture of retail, restaurant, and office uses once current construction is completed.

- *Support Increased Housing Supply and Diversity*

The project provides a broad spectrum of housing types by offering studio, one-, two-, and three-bedroom units for rent. The project includes a range of affordability through the unit mix and by dedicating 48 of the 583 units to very low-income households.

State Density Bonus Request

The project includes a 35 percent density bonus in exchange for providing 11 percent very low-income units on-site. Because the Precise Plan regulates development based on building intensity (FAR) versus residential density (dwelling unit/acre), the proposed 35 percent density bonus is calculated on top of allowed FAR. The density bonus, therefore, allows a 2.50 FAR rather than the maximum 1.85 FAR allowed for Tier 1 projects in the Mixed-Use Corridor sub-area of the San Antonio Precise Plan.

The requirement for 11 percent very low-income units is calculated based on project composition before the density bonus is applied. The applicant and staff estimated a comparable 1.85 FAR (Tier 1) development would yield approximately 432 units, so 47.4 affordable units would be required to comply with density bonus requirements. The State Density Bonus Law requires calculations resulting in fractional units to be rounded up to the next whole number; thus, 48 very low-income units are proposed with the project.

Under the Law, affordable units provided on-site as part of a density bonus project are allowed to count toward compliance with the City's local affordable housing requirements. Because the number of affordable units being provided by the project (48 units) is greater than the number of units that would be required to be equivalent to the Rental Housing Impact Fee (45 units), no additional Rental Housing Impact Fee is required for this development.

The applicant is also requesting waivers/reductions 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 Precise Plan allows a maximum height of four stories and 55', but allows up to five stories (65') to be considered on a case-by-case basis. Additionally, the maximum height of new development in neighborhood transition areas shall not exceed the allowed height of the adjacent residentially zoned property by more than one story at all setback lines. The residential properties to the west are zoned multi-family residential, which allows a maximum of three stories. This limits the buildings along the west property line to four stories. The proposed project includes one 7-story building fronting San Antonio Road and Miller Avenue and two 5-story buildings facing the residential properties to the west.

The 7-story building (A and B) is approximately 92' tall. The height waiver is consistent with State law because it is necessary in order to accommodate the density bonus units into the project. The height and massing of the building are similar to the approved Merlone Geier Phase II project directly across San Antonio Road, which is over 100' tall. The upper floors of the building have step backs to reduce the mass of the structure. Along San Antonio Road, Floors 2 through 5 step back approximately 15' from the ground floor and Floors 6 and 7 have an additional 8'6" step-back. Along Miller Avenue, Floors 1 through 5 are set back 24' from face of curb, as required by the Precise Plan, and Floors 6 and 7 are set back an additional 8'6" to 10'. These upper-story step-backs reduce the overall mass of the building from the pedestrian level.

The five-story buildings (C and D) facing the west property line are approximately 66' tall. These buildings are five stories rather than seven along this property line to address the lower-density residential west of the project site. As previously mentioned, the Precise Plan allows up to five stories on a case-by-case basis, but the waiver is being requested for C and D since they are otherwise limited to four stories due to the zoning of the adjacent residential apartment site. The waiver is consistent with State law because it is necessary in order to accommodate the density bonus units into the project. The buildings step back at the fifth floor between 8'6" and 10' and include special design features such as the elimination of corner units, etc., in particularly sensitive areas to help reduce the overall mass.

Waiver 2: Residential Height Transitions

The Precise Plan states when additional height is permitted adjacent to existing residential properties, additional step-back of 10' per story is required. The proposed fifth story steps back along the west property line; however, the step-back varies between 8'6" and 10'. The waiver from this development standard is consistent with State law because the reduction is relatively small, occurs in limited locations, and is necessary to construct the density bonus units. In most areas, the project complies with this Precise Plan requirement.

Waiver 3: Height at Frontage Setback

Where more than four stories are allowed, the Precise Plan requires at least 80 percent of the building's linear frontage above four stories to step back a minimum of 10' on every street the project faces. The waiver is requested for Building B's Miller Avenue frontage as the building steps back at the sixth floor rather than the fifth floor, and the step-back varies between 8'6" and 10'. The waiver is consistent with State law because the applicant uses variation in material, architectural projections, and building and window recesses to help reduce the scale and mass of the building, is meeting the 10'

step-back requirement on the sixth floor as closely as possible, and it is necessary to construct the density bonus units.

Project Design

As noted earlier, the project has three vehicular access points leading to the underground garage—one on each frontage. The residential loading zone and trash enclosure entrance are also located on Miller Avenue, for a total of three curb cuts on Miller Avenue. The Precise Plan limits the number of curb cuts to two per block; however, since the applicant is only proposing one curb cut along Fayette Drive and one along San Antonio Road, they are under the total number of curb cuts allowed for the project site. The Precise Plan allows flexibility through the Planned Community Permit process, and due to the intensity of traffic along San Antonio Road and dedication of the public park along Fayette Drive, staff is supportive of three curb cuts along Miller Avenue rather than an additional curb cut on either San Antonio Road or Fayette Drive.



Site Circulation Diagram 1

Prioritizing pedestrian improvements is a guiding principle in the Precise Plan. To enhance the pedestrian environment, the applicant proposes a vibrant paseo (between Buildings A/B and Buildings C/D) and other large pathways between buildings and

plazas in various locations. To improve connectivity throughout the plan area, the proposal includes two public pedestrian/bicycle paths:

- Paseo that runs north-south through the center of the site, from Miller Avenue to the future park; and
- Major pathway that runs east-west, along the southern portion of the site, adjacent to the Hetch Hetchy right-of-way from San Antonio Road to the future park.

The leasing office/Building A lobby entrance is located along San Antonio Road, in the southeast corner of the building and adjacent to the east-west pedestrian/bicycle pathway. The lobbies for Buildings B and C are located along Miller Avenue, and the lobby for Building D is located across from the proposed public park, where the north-south paseo meets the east-west pathway. Each lobby is placed adjacent to public sidewalks or pedestrian/bicycle pathways for easy access from the street.

The buildings use a contemporary architectural style; they vary in height, setbacks, materials, and colors. The upper floors of Building A and the majority of Building C use stucco, while Buildings B and D incorporate a mix of stucco and horizontal wood siding. Trespa, a wood-like panel system, is used as a special accent material to highlight key locations throughout the project, such as the corner towers, building lobbies, ground-floor retail, and along the ground floor of Building A (fronting the park). As tenants occupy the ground-floor commercial space, exterior modifications to the commercial storefronts may occur, with City approval, to allow tenants to customize and personalize their storefronts while maintaining compatibility with the buildings and adjacent commercial tenants.

Height variations between the three buildings, upper-floor step-backs and other recesses, and projecting features such as balconies, help provide visual interest, reduce the overall appearance of the building height and mass, and create smoother transitions to adjacent properties. The variation in heights, colors, and materials allow the buildings to complement each other yet provide differentiation between each building.

San Antonio Road Frontage

The ground-floor commercial space of Buildings A and B face San Antonio Road. One existing site tenant (Masa Sushi) will occupy the retail space on the corner of San Antonio Road and Miller Avenue. The Precise Plan allows floor area for



Building A – View Looking North on San Antonio Road

existing small businesses preserved as part of a new development to be exempt from FAR calculations, at the discretion of the City Council, so the 2,280 square foot Masa Sushi is expected to occupy was not included in the FAR calculation. Buildings A and B connect starting at the second level at the rear of the building next to the paseo, but appear to be two separate buildings from San Antonio Road. This deep break in the building assists with the overall massing of the project along San Antonio Road and provides a nice pedestrian plaza.

The plaza area will be furnished with pedestrian-scaled lighting, landscaping, and outdoor seating to create a comfortable gathering space for commercial customers, visitors, and residents. Storefront windows, shading lattice, canopies, variation in materials, window recesses, and architectural projections contribute to creating a pedestrian-friendly streetscape. The public streetscape along San Antonio Road will



Plaza Fronting San Antonio Road

include a wider 8' sidewalk, 6' amenity/planter zone (next to the street), and 4' of exterior active space (next to project buildings). As discussed earlier in this report, the building steps back at the second floor and again at the sixth floor along San Antonio Road, which exceeds Precise Plan requirements. All of these design features assist in creating a human-scaled environment along the street.

Miller Avenue Frontage



Building B – View from San Antonio Road/Miller Avenue Intersection

The Building B frontage along Miller Avenue is set back 24' at the ground level and provides a more residential design character as the project transitions into the adjacent neighborhood. Pedestrian improvements along this frontage include a 6' sidewalk, 4'

amenity/planter zone, and 14' landscaped setback area next to the building, which includes ground-floor unit entries.

Both Buildings B and C have recessed wall areas where greater setback is provided, and upper-floor step-backs along Miller Avenue to help with the overall mass and scale of the buildings as they transition into the adjacent residential neighborhood. The public pedestrian/bicycle paseo separates these two buildings and connects Miller Avenue to the public park to be dedicated along Fayette Drive. The paseo entrance includes seating, water features, landscaping, and special pavers to create a warm, inviting environment.

West Elevations Adjacent to Residential

Careful design considerations were taken into account along these frontages as the buildings are adjacent to two residential developments. The residential development west of the project site fronting



View from Miller Avenue

Fayette Drive is three stories and the residential development west of the project site fronting Miller Avenue is two stories. Particular attention was given to the north side of Building D and the south side of Building C as this is the area most visible from the two-story residential development fronting Miller Avenue. The building frontage along the west side of the property is set back 25' as the Precise Plan requires and the buildings step back at the fifth floor. The applicant has eliminated the fourth- and fifth-story corner units at the northwest corner of Building D, reducing the height at the

corner to approximately 33'. The applicant has also increased the building setback along the southern side of Building C so it is 38' from the property line. Thirty-five (35) Heritage trees are being preserved along this frontage and will assist in screening the new development from both existing residential developments.



View from Fayette Drive

Open Space and Landscaping

Approximately 43 percent of the project site will be landscaped and 103,300 square feet of open area will be provided, including paseos and plazas, pool and spa areas, rooftop decks, a barbecue pit, and community garden. The project exceeds the Precise Plan requirement of 40 percent landscape area and 175 square feet of common open space per unit.

The project proposal also includes a 0.5-acre public park dedication along the Fayette Drive frontage and adjacent to the Hetch Hetchy right-of-way. In addition to the park land dedication, the applicant will be paying approximately \$24,900,000 in Park Land Dedication fees.

Trees

An arborist report was prepared by a certified arborist at HortScience, Inc., to evaluate 194 existing trees, including 103 Heritage trees, which could be impacted by the project. The arborist examined the existing health of the trees and suitability for preservation. The arborist recommended removal of 65 Heritage trees throughout the 5.7-acre project site.

Of the 65 Heritage trees proposed to be removed, 43 are located within the garage footprint, 10 will be removed due to grading, 3 are located within a drive aisle, and 9 have low suitability for preservation. The project will preserve 38 (32 on-site and 6 off-site) Heritage trees and 3 non-Heritage trees. Recommendations on design, preconstruction treatment, and protection during construction were provided to ensure success of the trees being preserved. Approximately 244 new trees, including 26 street trees, will be planted throughout the project site. The City arborist has reviewed the arborist report and agrees with the recommendation to remove 65 Heritage trees, the protection measures, and the number of trees being replanted.

The existing canopy coverage is 29.1 percent of the site. The anticipated tree canopy coverage will be 7.3 percent of the site at planting. In 5 to 10 years, the canopy coverage is expected to be 14.5 percent, and the anticipated tree canopy coverage at maturity will be 42 percent of the site.

Green Building Requirements

The buildings will be designed to meet 110 points on the GreenPoint Rated Checklist, achieving a Gold® Certification level and the ground-floor commercial space will be designed to meet the LEED Certified™ standard. Sustainable building and site features include, but are not limited to: stormwater filtration and bioretention, drought-tolerant landscaping and hydrozoning, recycled materials in building components, low-flow fixtures and submetering for tenants, Energy Star® appliances and efficient lighting, and solar hot water systems for the pools.

Public Benefit Contribution

The San Antonio Precise Plan requires Tier 1 developments to provide public benefits for all square footage above the Base 1.35 FAR, amounting to a total of \$5,065,317 for this project. The Precise Plan does not identify a priority public benefit, in contrast to the El Camino Real Precise Plan which prioritizes affordable housing; for the San Antonio area, the City Council preferred to establish and adapt public benefit priorities to changing needs in the Precise Plan area over time.

At the October 2015 Study Session, Council discussed the public benefit contribution. Council indicated that accepting a monetary contribution was acceptable if there were no immediate improvements identified for the area.

The applicant is proposing to donate \$500,000 to the Community Services Agency (CSA) Homeless Prevention and Homeless Services Program (described in Attachment 4) and provide the remainder of the public benefit requirement as a monetary contribution. The EPC was supportive of the CSA funding and provided recommendations for how to use the remaining \$4,565,317 in public benefit contributions, in the following order of priority:

- Pedestrian crossing/intersection improvements adjacent to the project site or within the Precise Plan area;
- Funding for a Los Altos School District (LASD) facility/site in the Precise Plan area; and

- Upgraded tunnel from Showers Drive/San Antonio Caltrain Station to the far side of Central Expressway.

The EPC acknowledged the project was already providing affordable rental units, but felt it was important to identify and earmark funds for pedestrian improvements in the Precise Plan area, with a special focus on San Antonio Road and El Camino Real.

The San Antonio Precise Plan identifies several opportunities near the project site for potential new or improved pedestrian and/or bicycle crossings, which staff evaluated for inclusion in the public benefit proposal:

- *Fayette Drive/San Antonio Road:* Intersection improvements require a dedication from the corner property at 2620 Fayette Drive. This parcel is not included in the project site, but staff would pursue improvements to this intersection if/when the site is redeveloped.
- *Hetch Hetchy Greenway/San Antonio Road:* A potential new crossing was identified in the Precise Plan at this location, which roughly aligns with the project's flexible connection from San Antonio Road to the new public park. The Precise Plan acknowledged this crossing would require special study, given its proximity to the Fayette Drive intersection. The applicant's traffic consultant and City's Traffic Engineer concluded adding a new crosswalk would cause significant traffic delays and did not recommend construction of a new intersection at this time. Instead, signage will be installed to direct pedestrians to nearby existing crossings of San Antonio Road.
- *Miller Avenue/San Antonio Road:* The project includes curb bulb-outs and other intersection improvements on Miller Avenue at this intersection. These improvements are required off-site improvements, and are not eligible to be part of the public benefits program. The Merlone Geier Phase 2 development is improving the existing Miller Avenue crossing of San Antonio Road, as part of their overall San Antonio Road improvements.
- *Improvements Along El Camino Real:* The Precise Plan identifies potential crossing improvements at the El Camino Real/San Antonio Road intersection and the El Camino Real/Showers Drive intersection. The Precise Plan acknowledges these crossings would require special study and coordination with other agencies because the El Camino Real right-of-way is outside of Mountain View's jurisdiction. If directed by Council, staff could begin discussions with the City of Los Altos and Caltrans regarding the feasibility and design of potential El Camino Real improvements, but, at this time, no specific improvements have been identified.

Improved pedestrian and bicycle circulation, including intersection improvements, are a critical need in the Precise Plan area. However, the Public Works Department has not identified any immediate pedestrian/bicycle improvements that could be implemented by the project because many improvements in the Precise Plan area, such as buffered bike lanes, require additional street right-of-way and will be reliant on redevelopment. Some improvements are currently under way and/or funded as part of the Merlone Geier Phase 2 development (including a bike lane on San Antonio Road) and this project. Additional improvements can and will be accomplished as redevelopment occurs in the Precise Plan area.

Based on the EPC's recommendation and further staff discussion, staff recommends the public benefit contribution be comprised of the following:

- Allocate \$500,000 to the City to be used to provide services to the homeless. The City Council will be evaluating programs that provide assistance to the homeless on October 4, 2016. Staff recommends that at this time, Council earmark the funds for assistance to the homeless but determine which program(s) to be allocated to on October 4. These funds would be provided at the time of building permit submittal.
- Place the remaining \$4,565,317 in the Public Benefit In-Lieu Fund to be used for one or more of the following: future bicycle/pedestrian improvements in the plan area (including improvements along El Camino Real, if directed by Council); a new school facility/site for LASD once a site has been secured; and design and/or construction of the underground tunnel connecting Showers Drive to the far side of Central Expressway (100 Mayfield Avenue site). The funds could be allocated to one or more specific CIP projects by the City Council during the CIP process next spring.

Transportation Demand Management Plan (TDM)

The Precise Plan requires new commercial development that generates over 50 employees to implement a TDM plan that achieves an 8 percent single-occupant vehicle (SOV) rate reduction. It also requires the provision of a transit pass subsidy for residents and employees, such as a one-year transit pass for new residents for the first 10 years of the project or participation in VTA's Eco Pass program, or equivalent, for the first three years of the project. It also requires Tier 1 development projects to join the Mountain View Transportation Management Association (TMA).

The applicant has submitted a TDM plan that complies with all of the Precise Plan requirements and includes the following: full transit pass subsidies to employees;

financial incentives for employees to walk/bike to work; resident reimbursement for transit passes or alternative transportation program, including bike share, Caltrain, VTA, and Zipcar of up to \$25 per month with a \$300 per year cap for the first year of residency for the first 10 years of the project; Eco Pass (or equivalent) for the first three years; and at least three Zipcars on-site.

The project also includes 647 permanent bike storage spaces and a bike repair facility on the upper floor of the parking garage and 38 surface-level, short-term bike racks along the frontages and along the paseo, and a bike-share station to promote bicycling in the Precise Plan area.

A monitoring program will be established for the site to ensure compliance with TDM requirements. Failure to meet the established trip reduction requirement would result in fines as well as corrective actions to bring the trip reduction back to 8 percent.

Parking

The proposed project includes 870 parking stalls. Although 879 stalls are required per the Precise Plan and Zoning Code, the Precise Plan allows up to a 10 percent parking reduction for projects that include a TDM program. Staff is supportive of the reduction because the applicant has provided a comprehensive TDM plan and is only requesting a 1 percent reduction. Additionally, the site-specific traffic analysis provided a shared parking demand calculation that concluded nine parking spaces could be shared between the restaurant/retail uses; therefore, no parking issues are expected to arise due to the parking reduction.

Parcel Map

The proposed project includes a Preliminary Parcel Map to merge five existing parcels into two separate parcels (Attachment 3, Exhibit A). The project will be developed on Parcel 1 which will consist of approximately 5.2 acres. Parcel 2 will consist of approximately 0.5 acre and will be dedicated to the City of Mountain View for a public park.

ENVIRONMENTAL REVIEW

The San Antonio Precise Plan EIR is considered a program EIR and comprehensively evaluated the environmental impacts of the San Antonio Precise Plan. The Precise Plan EIR projected an increase of 1,235 residential units, which includes the 583 units proposed in this project. The Mountain View City Council certified the San Antonio Precise Plan EIR and approved the San Antonio Precise Plan in December 2014.

Subsequent development activities which were analyzed in a program EIR may be determined to be adequately evaluated under CEQA, with no further environmental documents required, if it is found that no new environmental effects will occur and no new mitigation measures would be required for the specific subsequent development project.

An Initial Study of Environmental Significance was prepared for this project, to evaluate whether:

- Any new environmental effects would occur as a result of the project which were not already examined under the Precise Plan's program EIR; and
- Whether any new mitigation measures would be required.

The Initial Study relied on project-specific technical studies prepared to provide technical guidance in the areas of utilities, transportation, noise, and air quality.

Traffic Study

A traffic study was prepared by Hexagon Transportation Consultants, Inc., for the proposed project. The site-specific traffic analysis builds on the Precise Plan environmental analysis certified in December 2014. Potential impacts were evaluated in accordance with standards set forth by the City and the VTA Congestion Management Program (CMP). The analysis is slightly conservative as it is based on 600 units rather than the final unit count of 583.

After applying appropriate trip reductions and trip credits for existing land uses, in accordance with the VTA's Transportation Impact Analysis Guidelines, the project would generate 3,798 daily trips, including 239 net new trips during the a.m. peak hour (9 inbound and 230 outbound) and 249 net new trips during the p.m. peak hour (209 inbound and 40 outbound).

The traffic analysis showed that all study intersections would continue to operate at an acceptable level of service during the a.m. and p.m. peak hours. Accordingly, none of the intersections would be significantly impacted by the project. Although no intersections would be significantly impacted by the project, Hexagon did recommend one operational improvement to the eastbound Fayette Drive/San Antonio Road intersection. Specifically, the two eastbound lanes on Fayette Drive are not currently marked with arrows. Hexagon recommends adding pavement markings on Fayette Drive to define one lane as a right-turn-only lane and the other as a combined through left-turn lane. The VTA reviewed the traffic study and provided comments shown in Attachment 6.

Initial Study Conclusions

The Initial Study found that with implementation of the San Antonio Precise Plan standards and guidelines, State regulations, and mitigation measures identified in the Precise Plan EIR and the 2030 General Plan and Greenhouse Gas Reduction Program EIR, the proposed project would not result in any new environmental impacts beyond those evaluated in these EIRs and that no further environmental analysis is needed.

FISCAL IMPACT

If approved, the project is expected to generate \$366,450.43 in new property tax revenue for the City. The project is not subject to the Housing Impact Fee as there is existing industrial/office development on-site.

The project is subject to the Park Land Dedication Ordinance which requires park provision or payment of Park Land Dedication In-Lieu fees for net new units on a property. The project is providing a 0.5-acre dedication and an estimated in-lieu payment of approximately \$24,900,000.

CONCLUSION

Staff recommends that the City Council approve an Initial Study of Environmental Significance, adopt a resolution conditionally approving the 400 San Antonio Road development, and adopt a resolution conditionally approving a preliminary parcel map. The DRC has recommended approval of the design, with minor design conditions. The EPC has recommended approval of the project with modified conditions. The proposal is in compliance with the General Plan and the Precise Plan, exclusive of the Bonus FAR and the development waivers requested through State Density Bonus Law. City Council input is requested on the public benefit program.

ALTERNATIVES

1. Approve the project with modified conditions, including, but not limited to, changes to the Public Benefit Program (Condition of Approval No. 4).
2. Refer the project back to the DRC for additional consideration.
3. Deny the project application.
4. Provide other direction.

PUBLIC NOTICING

The agenda was posted and advertised on Channel 26, a notice was placed in the local newspaper, and all property owners and residents within a 500' radius of the project site and people on the interested parties list were notified of the public hearing.

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CP-RS-TB/7/CAM
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- Attachments:
1. Initial Study of Environmental Significance
 2. Resolution Approving the Project with Conditions of Approval
 3. Resolution Approving the Preliminary Parcel Map with Conditions of Approval
 4. CSA Public Benefit Contribution Description
 5. LASD Letter
 6. VTA Comments
 7. Project Plans
 8. State Density Bonus Request
 9. EPC Staff Report
 10. Public Comments