

# 5.1

## CITY OF MOUNTAIN VIEW

### ENVIRONMENTAL PLANNING COMMISSION STAFF REPORT MAY 6, 2020

#### 5. PUBLIC HEARINGS

- 5.1 **Public Hearing for a General Plan Map Amendment from General Industrial to Mixed-Use Center and Related General Plan Text Amendments; Zoning Map Amendment from ML (Limited Industrial) and MM (General Industrial) Districts to the P (Planned Community) District; Planned Community Permit and Development Review Permit to Construct a Seven-Story, 203-Unit Apartment Building with Two Levels of Podium Parking and 3,000 Square Feet of Ground-Floor Commercial Space, Seven-Story, 100 Condominium-Unit Residential Building with Two Levels of Podium Parking, and Six-Level Office Parking Structure; Heritage Tree Removal Permit to Remove 23 Heritage Trees; Vesting Tentative Map to Create Four Parcels of which Three Are for Condominium Purposes, and a Common Lot; and an Environmental Impact Report for the Residences @ Shoreline Gateway Project Located at 1001 North Shoreline Boulevard**

#### RECOMMENDATION

That the Environmental Planning Commission:

1. Adopt a Resolution Recommending that the City Council Certify the Residences @ Shoreline Gateway Project Final Environmental Impact Report (EIR) and Mitigation Monitoring or Reporting Program, to be read in title only, further reading waived (Exhibit 1 to the EPC Staff Report).
2. Adopt a Resolution Recommending that the City Council Approve an Amendment to the General Plan Land Use Map for a Property Located at 1001 North Shoreline Boulevard from General Industrial to Mixed-Use Center and Related General Plan Text Amendments, to be read in title only, further reading waived (Exhibit 2 to the EPC Staff Report).
3. Adopt a Resolution Recommending that the City Council Approve a Zoning Map Amendment for the Properties Located at 1001 North Shoreline Boulevard from the ML (Limited Industrial) and MM (General Industrial) Zoning Districts to the P (Planned Community) Zoning District, to be read in title only, further reading waived (Exhibit 3 to the EPC Staff Report).

4. Adopt a Resolution Recommending that the City Council Approve a Planned Community Permit and Development Review Permit to Construct a Seven-Story, 203-Unit Apartment Building with Two Levels of Podium Parking and 3,000 Square Feet of Ground-Floor Commercial Space, Seven-story, 100-Condominium-Unit Residential Building with Two Levels of Podium Parking, and a Six-Level Office Parking Structure Project, and a Heritage Tree Removal Permit for the Removal of 23 Heritage Trees on a 7.81-Acre Site Located at 1001 North Shoreline Boulevard, to be read in title only, further reading waived (Exhibit 4 to the EPC Staff Report).
5. Adopt a Resolution Recommending that the City Council Approve a Vesting Tentative Map to Create Four Lots of which Three Are for Condominium Purposes, and a Common Lot at 1001 North Shoreline Boulevard, to be read in title only, further reading waived (Exhibit 5 to the EPC Staff Report).

## 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. A separate notification of the City Council public hearing will occur for this project.

## BACKGROUND

### Project Site

The approximately 7.8-acre project site is located on the northeast corner of North Shoreline Boulevard and Terra Bella Avenue. Surrounding land uses include Highway 101 to the north and office/industrial uses to the east, west, and south. To the east, the project shares the block with the Church of Scientology and a small light industrial/office building.



Figure 1 – Location Map

Phase I of the site's development included the existing office building located near the corner of Terra Bella Avenue and North Shoreline Boulevard. The office

development was approved by the Zoning Administrator on July 9, 2015 and completed in 2017. The project included construction of a four-story, 111,443 square foot office building with 371 surface parking spaces.

The project site is adjacent to the Highway 101 on-ramp and MV Go shuttle station, providing easy access to employment centers in North Bayshore as well as downtown Mountain View. The nearest residential uses are located approximately 350' southeast of the project site, with a larger residential neighborhood located approximately 650' south of the project site along Linda Vista Avenue. The nearest retail (Bailey Park Shopping Center) is located about 0.5 mile south of the site on North Shoreline Boulevard. The site is located in the Mountain View Whisman and Mountain View Los Altos High School Districts and is currently served by Monta Loma Elementary School, Crittenden Middle School, and Mountain View High School.

### **Project Description**

The project includes a request to change the General Plan designation of the whole 10-acre project site to Mixed-Use Center and rezone the site to P (Planned Community) to allow the site to be redeveloped with a seven-story, 203-unit apartment building with two levels of podium parking and 3,000 square foot of ground-floor commercial space, seven-story, 100-condominium-unit residential building with two levels of podium parking, and six-level office parking structure (see Exhibit 9 – Project Plans).

### **Prior Hearings and Meetings**

#### *Gatekeeper Authorization*

In [December 2015](#), the City Council authorized staff resources for the consideration of a General Plan and Zoning Map Amendment to allow a mixed-use project (office, residential, and retail). See Exhibit 6 for details of the Gatekeeper Authorization.

#### *EPC and City Council Study Sessions*

Following an informal application submittal in early 2017, the project was reviewed by the Environmental Planning Commission (EPC) and City Council at two separate Study Sessions on February 15, 2017 and April 4, 2017, respectively, to provide input on the proposal (see [Exhibit 7 – EPC Staff Report, February 15, 2017](#); and [Exhibit 8 – City Council Study Session Report, April 4, 2017](#)).

The EPC and the City Council were generally supportive of the project design and provided the following feedback:

- Supported shared parking between various uses on-site and use of parking ratios lower than Model Parking Standards on-site for residential development.
- Supported accepting park land in-lieu fees rather than requiring a park on-site.
- Recommended the project be required to include retail consistent with its Gatekeeper authorization, if feasible based on a financial study.
- Recommended a project-specific financial study be completed by the City to determine the appropriate community benefits contribution of this project.
- Supported the proposed aboveground residential parking podium wrap and office garage, and directed the applicant to work with staff to further develop the architectural treatments for both. Underground parking was not mandated due to the project's proximity to the Teledyne Spectra-Physics groundwater contamination plume.
- Supported the podium-level residential open spaces, but requested the applicant work with staff and the DRC to develop the design of the proposed open space(s) and connectivity to/between open spaces. Additionally, the City Council requested the plaza between the office and residential buildings be well-designed and inviting to the public.
- Requested the site layout be adjusted to preserve more of the existing trees, primarily along the site perimeter.

The applicant made revisions to the project, based on direction from the EPC and City Council Study Sessions, and submitted a formal application in March 2017, and the project commenced the development and environmental review process.

#### *Development Review Committee*

The project was reviewed by the Development Review Committee (DRC) three times. The DRC provided design recommendations on several iterations of the

project design and the project received a final recommendation of conditional approval in October 2019.

Based on the earlier direction from EPC and Council direction, staff and the DRC worked with the applicant to enhance the street-level presence of all the buildings, highlight ground-level unit entries, improve upper-floor step-backs, provide more visual interest and wall movement, use of high-quality material to differentiate buildings, introduce recess windows and other elements to incorporate richness to the residential design.

The DRC recommended approval of the project with design conditions for the applicant to continue to work with staff on the following items as part of the building permit review process: enhance the design of the office parking garage to provide visually interesting screening through design features that complement the appearance of other garage elements and adjacent on-site buildings; enhance the entry plaza of the residential condominium building along Terra Bella Avenue to create an inviting area with a unique art/landscape element to signify the project entrance.

The applicant has begun to address DRC recommendations in the current plans and will continue to work with staff through the building permit process if the project is approved.

#### *Neighborhood Meetings*

The applicant conducted an extensive community outreach program, including meetings with adjacent property owners, the surrounding neighborhood, local community organizations, and other interested parties and stakeholders. A summary of the meetings is provided below. In addition, the applicant has been engaged in ongoing communications with neighbors, residents, and stakeholders via phone and e-mail.

#### **2018**

- October 25: Public Storage
- December 14: Stierlin Estates Neighbors

**2019**

- January 8: Palo Alto Housing
- February 22: Stierlin Estates Neighbors
- February 26: Mountain View Whisman School District
- May 24: Stierlin Estates Neighbors
- June 5: Stierlin Estates and Stanton Place Neighbors
- June 10: Stierlin Estates and Stanton Place Neighbors
- August 30: Palo Alto Housing
- September 6: Stierlin Estates Neighbors
- September 12: 1001 North Shoreline Boulevard Community Meeting
- December 20: Stierlin Estates Neighbors

**2020**

- January 15: Silicon Valley Leadership Group
- February 24: Mountain View YIMBY
- March 6: Stierlin Estates Neighbors

To date, the applicant has conducted over 14 meetings with Terra Bella Avenue property owners and interested neighbors in Stierlin Estates and Stanton Place to introduce the project, seek feedback on the design, listen to concerns, and provide updates on the project status and development schedule. At these meetings, neighbors expressed concerns about the massing of the project along Terra Bella Avenue; ensuring adequate on-site parking; and neighborhood safety concerns with existing cut-through traffic. Stakeholders specifically expressed concerns regarding existing and increased traffic on Shoreline Boulevard and congestion at the Terra Bella Avenue/North Shoreline Boulevard intersection. In response, the applicant made numerous changes to the proposed architectural design to enhance and soften the transition along Terra Bella Avenue between the project and the

residential neighborhood to the south. In addition, the applicant has proposed a robust TDM program and an innovative and efficient shared parking strategy, among the office, retail and residential uses, to ensure that parking demand can be satisfied on-site.

The applicant held a community meeting on September 12, 2019 at the Mountain View Senior Center to provide an overview of the project and solicit input on the proposed project. Notices were mailed to residents within a 1,000' radius to reach the entirety of the Stierlin Estates neighborhood; 12 residents attended the meeting, including one EPC member. At this meeting, stakeholders expressed concerns about traffic congestion and spillover parking from the proposed development into surrounding residential neighborhoods. Meeting attendees expressed support for the overall architectural design, bike and pedestrian connectivity through and around the site, the proposed retail and open space configuration, and the diversification of housing, especially the additional ownership housing in the neighborhood.

#### *Airport Land Use Commission*

The project site is located within the Moffett Federal Airfield, Airfield Influence Area (AIA). Pursuant to State law, the City must refer the application to the Airport Land Use Commission (ALUC) any time a General Plan and/or Zoning Amendment is proposed within the AIA of an airport or airfield with an adopted Comprehensive Land Use Plan (CLUP) to provide a consistency determination with the appropriate CLUP policies prior to final approval of the General Plan and/or Zoning Amendment by the City. The ALUC reviewed the project on August 28, 2019 and made a determination of consistency with the Moffett Federal Airfield CLUP.

## **ANALYSIS**

### **Project Overview**

The applicant, Sares Regis, proposes to develop the existing, surface parking lot surrounding the existing office building to construct residential buildings, consisting of a mix of stacked condominiums and apartments, and a six-level parking structure, which are further described below (see Exhibit 9—Project Plans).

**Apartments:** The seven-story apartment building is located on the northwest corner of the site and includes 203 units, two levels of podium parking, and ground-floor retail space. It provides a mix of 120 one-bedroom units, 69 two-bedroom units, and 14 three-bedroom units. The building has three large outdoor courtyards accessed from the third floor with a pool, spa, fitness room, common club room, and other outdoor amenities. The 86'6" tall building also has a 1,500 square foot roof deck above the seventh floor. Bike storage and repair facilities are provided on the podium levels along with dedicated space for package deliveries and a pet spa. The apartment building employs a contemporary design with stucco, siding, tiles, and metal panels details throughout. The proposed ground-floor retail space is located closer to Shoreline Boulevard and has been designed with special emphasis on pedestrian-scale entry facade and treatments.



Figure 2 – Site Plan

**Condominiums:** The seven-story condominium building is located in the southeast corner of the project site with 100 units and two levels of podium parking. It provides a mix of 39 one-bedroom units, 55 two-bedroom units, and 6 three-bedroom units. The 87'3" tall building also includes a central podium courtyard located on the third floor with lounge seating and a fireplace with a common club room. Bike storage and repair facilities are provided on the podium levels along with dedicated space for package deliveries. The condominium building also employs a contemporary design with stucco, siding, and tiles throughout. New homeowners will also have the option to purchase a monthly membership to use the apartment community's pool and fitness amenities.



**Parking Garage:** The six-level parking structure building is immediately behind and attached to the condominium building. The parking structure includes 359 parking spaces to replace the surface parking spaces for the office building.

Located at the Shoreline Boulevard Gateway, the project was designed to create a strong sense of arrival to the City. Complementing the new modern office building, the proposed architecture addresses the project's presence along U.S. 101 while also including rich architectural variations to scale the project appropriately to the residential neighborhood to the south of Terra Bella Avenue. The project's two street frontages have different character and context. The project intends to create distinct project presence along each street and have used varying architectural designs and pedestrian-level engagement to respond to the varying street frontage conditions.

The proposed buildings use a contemporary architectural style with high-quality details, finishes, and unique design expressions. The three buildings vary in height, between six and seven stories, with a maximum height of 87'3". They use a range of strategies to fit in with the area and provide harmonious transition from office to the residential units along North Shoreline Boulevard. They all aim to provide a clear building base, middle and top, and to incorporate striking design elements to create visual interest.

The junction of North Shoreline Boulevard and U.S. 101 is anchored by a strong tower element with sculptural metal paneling with angled orientation accented by a bold frame element. The primary curved facade to the north of the apartment building, echoing the shape of the on-ramp, is proudly modern with metal-clad bay windows and a dramatic sweeping roof line. The main orthographic facades on both buildings are articulated with modern bay windows and recessed areas of wood siding and plaster. Entrances to the buildings are announced with tile facades and storefront assemblies with metal canopies. The top floors are carefully stepped back to reduce the verticality of the buildings and transition to surrounding neighborhoods, creating private outdoor spaces with open railings.



**Figure 3 – View Along North Shoreline Boulevard**

The leasing office for the apartment building is located in the southeast corner, adjacent to ground-floor retail space along Shoreline Boulevard. The lobby entrance to the condominium in the southwest corner of the building frames the main entrance from Terra Bella Avenue. Both residential buildings propose to partially wrap the two parking levels with residential units facing Shoreline Boulevard, Terra Bella Avenue, and some interior site areas to help screen public view of the garage podium. Special emphasis has been given to screening design of the podium-level parking in the condominium building to reduce light impact to the adjacent properties.

The parking garage building uses simple massing with decorative two-toned perforated panels arranged at varying angles and metal railings are a distinctive feature that accents stucco wall areas. If the project is approved, final design of the parking garage building will be refined with staff through building permit review, based on DRC-recommended design conditions.

The project is designed around a new public plaza that will serve as a key hub for pedestrian access throughout the site, daily interactions between workers and residents and the surrounding neighborhood, and for community gatherings. Through the design review process, the plaza and project entrance design has been refined with the use of accent paving, in-ground lighting, and interesting landscaping.



**Figure 4 – View of the Central Plaza**

### **General Plan Text and Map Amendment and Rezoning**

The project site currently has a General Plan Land Use Designation of General Industrial. The project includes a proposed General Plan Map Amendment to change the site's General Plan designation from General Industrial to Mixed-Use Center and related text amendments to allow Mixed-Use at this location (see Exhibit 2).

The General Industrial land use designation allows a maximum 0.55 FAR and up to three-story height. The proposed mixed-use project with a density of 38.8 dwelling units per acre is consistent with the proposed Mixed-Use Center Designation, which allows multi-family residential uses up to 70 dwelling units per acre and eight stories in height. The proposed General Plan Amendment aligns with City objectives to provide additional housing opportunities and is supported by the following General Plan policies:

- *LUD 3.1: Land Use and Transportation.* Focus higher land use intensities and densities within one-half-mile of public transit service and along major commute corridors.
- *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 or pathways.
- *LUD 9.3: Enhanced Public Space.* Ensure that development enhances public spaces through these measures:
  - Encourage strong, pedestrian-oriented design with visible, accessible entrances, and pathways from the street.
  - Encourage pedestrian-scaled design elements, such as stoops, canopies, and porches.
  - Encourage connections to pedestrian and bicycle facilities.
  - Locate buildings near the edge of the sidewalk.
  - Encourage design compatibility with surrounding uses.
  - Locate parking lots to the rear or side of buildings.
  - Encourage building articulation and use of special materials to provide visual interest.
  - Promote and regulate high-quality sign materials, colors, and design that are compatible with site and building design.
  - Encourage attractive, water-efficient landscaping on the ground level.
- *LUD 10.7: Beneficial Landscaping Options.* Promote landscaping options that conserve water, support the natural environment, and provide shade and food.
- *POS 1.2: Recreational Facilities in New Residential Developments.* Require new development to provide park and recreation facilities.

The minor text amendments to the General Plan Mixed-Use Center Land Use section would allow mixed-use at this location. The proposed mixed-use is consistent with the land use envisioned in the surrounding area, including the Gateway Master Plan area and North Bayshore Precise Plan Area.

The project includes a request to rezone the project site from the MM (General Industrial) and ML (Limited Industrial) Districts to the P (Planned Community) District. Under the Planned Community designation, the project is approved with the proposed development standards (open space, setback, building height, etc.). Any major modification to the approved standards will require additional project review by the City Council (see Exhibit 3).

### **Parking**

At the April 2017 Study Session, Council supported shared parking between various uses on site and use of parking ratios lower than Model Parking Standards on-site for residential development. The project is proposing 244 dedicated parking spaces in the apartment podium garage (203 reserved at one space per unit and 41 unbundled parking spaces); 128 dedicated parking spaces in the condominium building podium parking garage, 52 surface parking lot parking spaces, and 359 parking spaces in the office parking garage building. Residents and guests of the apartments and condominiums will be able to use the new office parking garage after hours on weekdays (between 6:00 p.m. and 8:00 a.m.) and 24 hours per day on weekends.

Parking within the apartment building garage is proposed at 1.2 spaces per unit, and parking within the condominium garage is proposed at 1.28 spaces per unit, including guest parking. The residential portion of the project includes 399 dedicated parking spaces, which is 11 percent below the Model Parking Standard of 447 spaces. The surface parking lot will have 12 dedicated parking spaces for the ground-floor retail customers, 15 dedicated for residential guests, and the remaining 25 spaces will be shared between retail, residential guests, and office users on first-come, first-served basis. At build-out, the project proposes 783 parking spaces at a 7 percent reduction from City's Model Parking Standard. Required parking as per the City's Model Parking Standards (CMPS) for residential and parking standards for retail and office uses are summarized in Table 1 below.

**Table 1: Parking Summary**

<b>Land Use</b>	<b>Required Parking*</b>	<b>Proposed Parking</b>
Office (111,443 sq. ft.)	359 (@ 1/300 sq. ft.)	359
Retail (3,000 sq. ft.)	30 (@ 1/100 sq. ft.)	12
203 Apartment Units	286 (@ CMPS)	244
100 Condominium Units	161 (@ CMPS)	128
Surface Parking Lot		40

\* As per City's Model Parking Standards for residential and parking standards for retail and office uses.

To accommodate parking on site the project would implement a shared parking plan. A parking analysis was prepared by WTrans to assess the project parking supply, demand, City parking requirements, shared parking potential based on interaction of various land uses to be located on-site, and evaluate whether the proposed parking would be sufficient to serve the project (included in Exhibit 10).

The analysis uses ULI's parking demand and shared parking model to assess project needs and provides insight into how the amount of parking proposed on-site is sufficient for the project, based on the distribution of parking, results from the parking analysis, and proximity to transit. Typical projects with affordable housing usually have lower parking demand and vehicle trip generation rates because there is a lower automobile ownership rate among residents in lower-income/affordable units. Providing a certain percentage of the units at below-market rate will help reduce the need for parking.

Additionally, the project also includes bicycle parking spaces and an on-site bicycle repair facility in each residential building. The apartment building will include 203 bicycle parking spaces for residents and 21 guest bicycle parking spaces. The condominium building will include 100 bicycle parking spaces for residents and 10 bicycle spaces for guests, for a combined total of 110 bicycle spaces.

## **Transportation**

### *Traffic Study*

A Traffic Impact Analysis (TIA) was prepared for the project to evaluate potential effects of the project on the roadway system. The City is in the process of developing standards and thresholds related to Vehicle Miles Travelled (VMT) in preparation for replacing the level of service (LOS) significance criterion with VMT. In accordance with requirements of Senate Bill 743, the City is required to adopt VMT as a significance criterion by July 2020. In the interim, a generalized VMT assessment was conducted for the project and included in the TIA. The study determined the traffic impacts of the proposed development on 12 signalized intersections during the weekday a.m. and p.m. peak hours of traffic. In addition, a freeway segment capacity analysis was conducted, and other traffic operations issues were addressed.

The TIA found that the project is estimated to generate 291 net new a.m. peak hour trips and 178 net new p.m. peak hour trips. The existing on-ramp storage is expected to be adequate to serve the vehicle queues that would occur with the addition of project-generated traffic. The project is expected to increase the daily traffic volumes on two study intersections (Linda Vista Avenue south of Terra Bella Avenue and Terra Bella Avenue east of Shoreline Boulevard) by at least 25 percent.

Intersection level of service analysis results show that most of the study intersections would operate at acceptable levels during both the a.m. and p.m. peak hours except two intersections that would operate at an unacceptable level (LOS E or F). This assumes the reversible bus lane project is constructed, but it does not include the new U.S. 101 off-ramp and the Plymouth Street realignment improvements. The North Shoreline Boulevard/Pear Avenue intersection would continue to operate at LOS F during the a.m. peak hour and the North Shoreline Boulevard/U.S. 101 northbound off-ramp intersection would continue to operate at LOS F during both a.m. and p.m. peak hours. However, the project would not result in a significant project impact at either of these two intersections because the project traffic would not cause an increase in critical-movement delay of four or more seconds or an increase critical v/c of one percent (0.01) or more. Therefore, the incremental increase in travel delay noted based on the increase in trips would push any of the intersections below the level of service threshold.

The TIA also includes a queueing analysis for four intersections: westbound left-turn at North Shoreline Boulevard and U.S. 101 northbound ramps/La Avenida;

northbound left-turn at North Shoreline Boulevard and U.S. 101/State Route 85 southbound ramps; southbound left-turn at North Shoreline Boulevard and Terra Bella Avenue; and eastbound left-turn at North Shoreline Boulevard and Middlefield Road. The project would add up to three vehicles to two out of four intersections (Shoreline Boulevard and Terra Bella Avenue; Shoreline Boulevard and Middlefield Road) and would result in the queue exceeding the vehicle storage capacity at these intersections. After the planned Gateway transportation improvements, the new U.S. 101 off-ramp improvement, and the Plymouth Street realignment improvements are completed, the need for additional turn pocket storage would wane and the vehicle queues would be contained within the turn pocket.

#### *Transportation Demand Management Plan*

The project proposes a Transportation Demand Management (TDM) plan for the project which would result in a 6 percent reduction in peak-period trips. In order to achieve the 8 percent reduction, the TDM plan includes a monthly transit subsidy for all residents, bicycle storage and repair facility, an on-site TDM coordinator, and will join the Mountain View Transportation Management Association (TMA) and remain a member for the life of the project. Further details of the TDM plan can be found in Exhibit 11.

#### **Trees**

A total of 341 trees exist on the project site (including Phase I development), of which 32 are designated as Heritage trees; 23 of the Heritage trees are proposed to be removed, along with 215 non-Heritage trees (including 155 Phase I trees). All of the trees on the site have been reviewed by an arborist, who concluded that many of the existing trees are within the footprint of the new structures and will be affected by the construction work for the proposed project. If approved, the project proposes to plant 192 new trees. Table 2 summarizes the tree canopy coverage estimated for the project.

**Table 2: Tree Canopy Coverage**

<b>Canopy</b>	<b>Site Coverage</b>
Existing	4.7%
Retained + New After 5 Years	18.5%
Retained + New After 10 Years	29.6%
Retained + New at Maturity	54%



### **Tentative Subdivision Map**

The proposed Vesting Tentative Map for the project includes the creation of five residential lots: (1) a lot for condominium purposes to accommodate 203 residential units and a commercial unit; (2) a lot for office development; (3) a lot for condominium purposes to accommodate a parking garage; and (4) a lot for condominium purposes to accommodate 100 residential units. The map also includes a common lot (Lot No. 5) to accommodate circulation throughout the project and shared common areas. Staff finds that the Tentative Map is consistent with the requirements of the Subdivision Map Act and the General Plan, subject to the recommended Conditions of Approval (see Exhibit 5—Resolution for Vesting Tentative Map).

### **Below-Market-Rate (BMR) Housing**

At the April 2017 Study Session, the City Council reviewed the project proposal which committed to provide 10 percent of the total units (30 of 303 units) at below-market rates. Since then, while the project's CEQA study and design review process have progressed, the City has updated the BMR Housing Ordinance to increase the inclusionary requirement for rental projects to 15 percent of units (known as the "Phase I" update). In response to this update, the project is to provide 30 BMR rental units in the apartment building (15 percent of 203 units), at a weighted average of 65 percent AMI, and 10 BMR ownership units in the condominium building (10 percent of 100 units), at a weighted average of 90 percent AMI. The proposed 40 BMR homes will be distributed throughout the respective buildings and allocated across all unit types, excluding the limited number of premium penthouse units. (See Exhibit 12 for Project BMR Proposal.) The City Council recently voted to approve an additional "Phase II" modification to the Affordable Housing Ordinance and created an exemption for Gatekeeper projects that meet certain criteria. The proposed project is exempt from these additional Phase II requirements, subject to being "deemed ready for a public hearing for project approval" by City staff by December 20, 2019.

### **Retail Study**

As part of this project, the City conducted an independent retail study to assess whether a retail use would be feasible at this location. The study assessed the market support, opportunities, and constraints for a retail space at this location. The study used various established data sources and is based on interviews with local real estate brokers, a review of competitive supply and proposed development, and consumer spending potential from residential and employment

growth in the area. The study concluded that the project site's capture of new retail space would likely support between 3,500 square feet and 5,000 square feet of new retail, based on the assumption that 10 percent of the new retail demand would be captured by new retail stores on the project site. Likely tenants are small restaurants, cafés, and/or service stores. In response to City Council direction at the April 2017 Study Session, the applicant is proposing a 3,000 square foot ground-floor retail space in the apartment building.

### **Community Benefits and School Strategy**

In compliance with the General Plan, the applicant is required to provide a community benefit(s) in exchange for additional development intensity and to advance the goals and policies of the General Plan in regard to intensification of land uses in the area and better connections with surrounding areas. At the April 2017 Study Session, the City Council directed staff to conduct a project-specific financial study to determine the appropriate community benefits contribution of this project. Strategic Economics, an independent contractor to the City, has prepared a Community Benefits analysis for the project, which was published on January 16, 2020. Based on financial analysis, which includes estimating all development costs and expected revenues and calculating the residual land value for the base FAR project (0.39) and the proposed project (2.08), Strategic Economics found that there is no value uplift from the proposed project and, therefore, it cannot support a community benefits contribution. Although the proposed project has a greater FAR compared to the base project, the increase in residential floor area does not result in a net increase in project value. There are a variety of factors that make higher-density residential development less lucrative than commercial development in Mountain View, including: high construction costs, impact fees (which are higher for residential than commercial uses), and inclusionary housing requirements.

Notwithstanding the above, and in recognition of the importance of providing a comprehensive benefit package for the City of Mountain View and the local Terra Bella community, the project applicant is proposing to provide an additional contribution of \$4,177,985 toward Community Benefits, based on \$23.60 per additional square foot allowed under the rezoning (consistent with El Camino Real and San Antonio's calculation of community benefits). A portion of this community benefit amount will include a credit for the Public Utility Easement in the amount of \$2,879,270 and the remaining amount of \$1,298,715 may be applied to other community benefits (see Exhibit 14 for Project Community Benefit Proposal). The credit for a Public Utility Easement is for an easement on the

subject property for sewer and water utility improvements and connections through the site that are needed to support future growth in the City.

The applicant has also offered \$1,588,345 of additional community benefits (for a total of \$5,766,330, or \$2,887,060 after the easement) which may be applied to the project's voluntary school contribution.

The City Council was scheduled to provide final direction on a policy for voluntary school contribution strategies, but the item has been postponed. In October 2019, Council directed staff to study voluntary contributions from residential development between \$6.30 and \$13.16. Background on this issue can be found in the [Citywide School Strategy City Council report on October 15, 2019](#). The applicant has proposed a voluntary school strategy package within this range (see Table 3).

As stated above, community benefits are intended to advance General Plan Vision, goals, and policies. They may include:

- Affordable Housing
- Transportation Improvements
- Open Space Improvements
- District Utility Improvements
- Or Buildings for Nonprofits and Community Facilities

The City Council may allocate some amount from the \$2.887 million Community Benefits to the school strategy. This will be further discussed at the Project City Council Meeting tentatively scheduled for June 30, 2020.

The table below illustrates the range of the school contribution if the minimum or all of the Community Benefit contribution would go to the schools.

**Table 3: Summary of Project's Voluntary School Strategy**

FEES	VOLUNTARY SCHOOL CONTRIBUTION	
	MINIMUM	MAXIMUM*
<b>City Community Benefits (Less Easement)</b>	\$1,298,715	\$0
<b>Community Benefit for Schools</b>	\$1,588,345	\$2,887,060
<b>State School Impact Fees</b>	\$1,704,000	
<b><i>Total School Strategy</i></b>	\$3,292,345	\$4,591,060
<b><i>Total Per Square Foot</i></b>	\$7.88	\$10.99

*\*Assumes all proposed community benefit fees go to School Districts.*

## ENVIRONMENTAL REVIEW

EIRs provide information to local decision-makers and the general public regarding the potential significant environmental impacts of a proposed project and how to mitigate them. The Residences @ Shoreline Gateway Project Draft EIR provides the environmental review appropriate for the project in accordance with the California Environmental Quality Act (CEQA) Guidelines. Prior to approving the project, the City Council must decide whether to certify the EIR. According to CEQA Guidelines, certification consists of three separate steps. The Council must: (1) conclude the document has been completed in compliance with CEQA; (2) review and consider the information contained in the Final EIR prior to approving the project; and (3) confirm the Final EIR reflects the Council's independent judgment and analysis.

In accordance with CEQA Guidelines, a Notice of Preparation (NOP) was circulated to the public and responsible agencies for input regarding the analysis in the Draft EIR from September 11, 2018 to October 12, 2018, and a public EIR scoping session for the project was held on September 26, 2018. In addition to this meeting that was held to provide scoping information for the Draft EIR, the proposed project has been discussed at several Environmental Planning Commission and City Council Study Sessions when the public also had an opportunity to comment on the project. The Draft EIR was circulated for public review for a 45-day comment period, which commenced on September 26, 2019 and ended on November 11, 2019. Staff received no comments on the Draft EIR and has included only minor text revisions in the Final EIR (see Exhibit 1, Attachment A). The Final EIR was made available to the public on January 13, 2020.

The EIR includes project-level mitigation measures that will reduce all potential environmental impacts from the project to less-than-significant levels. The mitigation measures have been included as conditions of approval in the project in addition to their incorporation into the mitigation monitoring program.

### **NEXT STEPS**

Following a recommendation from the EPC at this public hearing, the project and EPC recommendation will be considered at a City Council public hearing, tentatively scheduled for June 30, 2020.

### **CONCLUSION**

Staff recommends the EPC recommend the City Council approve the proposed project as it achieves the General Plan goals; increases 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; and will result in a development that has a high quality of livability given proposed private and public amenities.

## 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 the Council not adopt the CEQA document, deny the project, and/or deny the subdivision.

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DP/2/CDD  
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- Exhibits:
1. Resolution for Certification of the FEIR and EIR Documents
  2. Resolution for the General Plan Land Use Map and General Plan Text Amendments
  3. Resolution for the Zoning Map Amendment
  4. Resolution for the Planned Community Permit, Development Review Permit, and Heritage Removal Permit
  5. Resolution for the Vesting Tentative Map
  6. [Gatekeeper Application Staff Report, December 2015](#)
  7. [EPC Study Session Staff Report, February 15, 2017](#)
  8. [City Council Study Session Report, April 4, 2017](#)
  9. Project Plans
  10. Parking Justification
  11. Project TDM Program
  12. BMR Proposal
  13. Retail Study
  14. Project Request and Community Benefit Memo