

CITY OF MOUNTAIN VIEW

ENVIRONMENTAL PLANNING COMMISSION
STAFF REPORT
SEPTEMBER 21, 2022

4. PUBLIC HEARINGS

4.1 Mixed-Use Development at 334 San Antonio Road

RECOMMENDATION

That the Environmental Planning Commission Recommend the City Council:

1. Adopt the Initial Study of Environmental Significance for the 334 San Antonio Road Mixed-Use Project and determine that the project is consistent with the San Antonio Precise Plan Final Environmental Impact Report and Mountain View 2030 General Plan and Greenhouse Gas Reduction Program Final Environmental Impact Report, pursuant to Sections 15162 and 15183 of the California Environmental Quality Act Guidelines (Exhibit 1 to the EPC Staff Report).
2. Adopt a Resolution of the City Council of the City of Mountain View Approving a Planned Community Permit and Development Review Permit for a New Five-Story Mixed-Use Development with 62 Residential Units and 2,000 Square Feet of Ground-Floor Commercial Space Above Two Levels of Underground Parking, Including a 50% State Density Bonus Request with Development Waivers and Concessions; and a Provisional Use Permit to Allow Rooftop Amenities Above the Third Floor at 334 San Antonio Road (Exhibit 2 to the EPC Staff Report).
3. Adopt a Resolution of the City Council of the City of Mountain View Approving a Vesting Tentative Map for Condominium Purposes for 62 Residential Units and One Commercial Unit at 334 San Antonio Road (Exhibit 3 to the EPC Staff 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. A City Council meeting will be held regarding this project, and property owners and interested parties will be notified.

BACKGROUND

- Project Location: 334 San Antonio Road, on the southwest corner of San Antonio Road and California Street.
- Project Site Size: Approximately 0.62 acre.
- General Plan Designation: Mixed-Use Corridor.
- Zoning Designation: P(40)—San Antonio Precise Plan.
- Surrounding Land Uses: North—commercial uses (across California Street); south—bank and residential uses; east—commercial uses (across San Antonio Road); and west—restaurant and residential uses.
- Current Site Conditions: Valero gas station (with auto repair service).
- Applicant/Owner: Mircea Voskerician for 334 San Antonio LLC.

Project Overview

The project would redevelop the site with a new five-story, mixed-use development, which includes 62 residential ownership units and a 2,000 square foot ground-floor commercial space above two levels of underground parking. The unit mix includes 17 one-bedroom units and 45 two-bedroom for-sale condominium units (see Exhibit 4—Project Plans).

The five-story building wraps around a small ground-level courtyard oriented toward California Street with an adjacent community room. The ground-level commercial space fronts on San Antonio Road and has direct access to a small public plaza, partially within a covered arcade, at the corner of California Street and San Antonio Road. The public plaza area will include seating, landscaping, and art. Additional private open space is provided in a common rooftop deck, and each residential unit also has a deck/balcony or ground-level patio.



Figure 1: Location Map

Two floors of underground parking for the commercial and residential units is provided beneath the building and accessed from a driveway and garage ramp on California Street. The project includes a State Density Bonus request, discussed in detail later in this report.

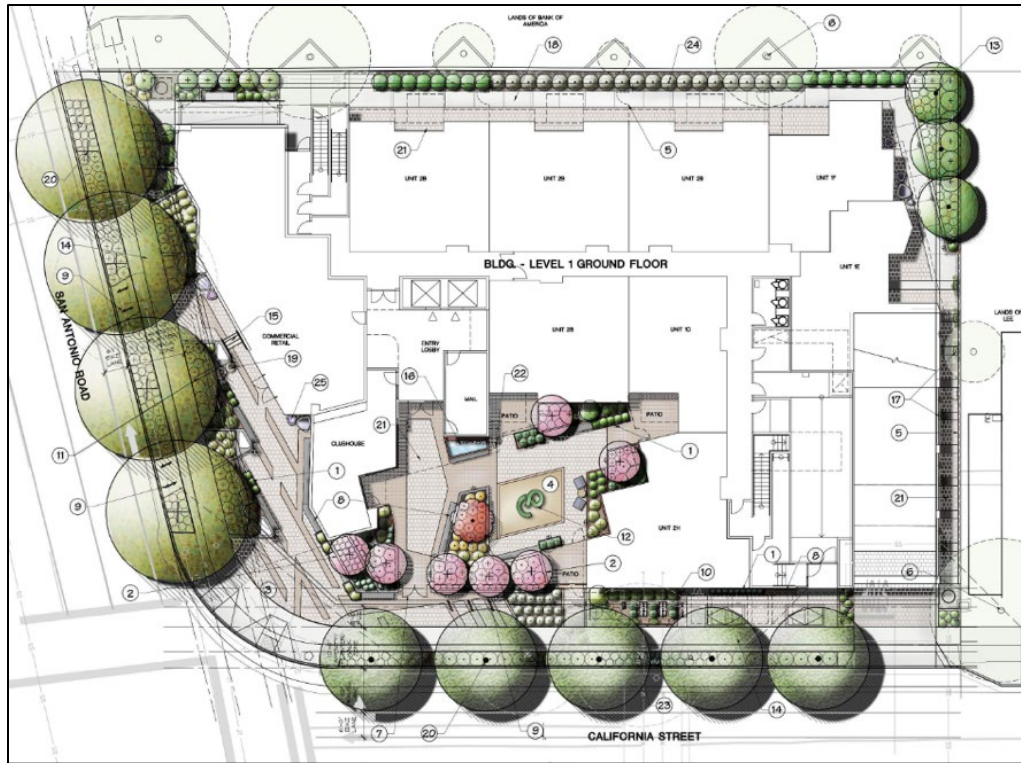


Figure 2: Site Plan

The building has a contemporary design, featuring warm wood panels/siding as the principal upper-floor residential material along with white and brown-grey stucco. The commercial frontage on San Antonio Road has a zig-zag pattern of transparent storefront glazing and an angular cornice, accented by a mix of white, grey, and green cementitious panels cut in angular shapes, some with grooves providing additional shadow and texture. The balance of the ground-floor building area employs a mix of



Figure 3: View from San Antonio Road/
California Street Intersection

The balance of the ground-floor building area employs a mix of

the above-noted commercial and residential material/color palette. The main corner tower features a zig-zag pattern in the wood siding application and an angled roof to complement the commercial storefront and provide additional visual interest at a gateway intersection to the San Antonio Precise Plan (SAPP) area.

Prior Meetings and Hearings

Neighborhood Meeting

The applicant hosted a virtual neighborhood meeting on November 19, 2021. Approximately 10 people attended the meeting, including a mix of nearby residents and other stakeholders. Attendees largely supported the project, highlighting the need for housing in the community and complimenting the design and bike parking rooms off California Street. The applicant answered questions about solar orientation/solar shading of windows, parking, tree removals, estimated completion timeline, and maximizing unit count through more, smaller units. No specific project concerns were identified.

Development Review Committee

The Development Review Committee reviewed the project at two meetings in December 2021 and June 2022, which included final recommendations to work with staff to refine the “white-framed bays,” public plaza art, ground-level unit entry patio (along California Street), wood-siding colors, simplified material application at key locations (i.e., ground-level along California Street, southwest building corner, etc.), tree canopy and landscape buffers, and planters above the garage ramp. Some of these items have been addressed in the plans, and others have been added as design conditions of approval which will be addressed with review of the building permit submittal.

ANALYSIS

General Plan

The proposed project complies with the General Plan Land Use Designation of Mixed-Use Corridor, which allows for a broad range of commercial and residential uses and public spaces serving both surrounding neighborhoods and visitors from nearby areas at intensities of up to 1.85 floor area ratio (FAR) and heights up to four stories for the San Antonio area. The additional FAR and height proposed by the project is considered compliant, pursuant to the State Density Bonus request, as discussed later in this report.

Zoning

The project site is zoned P(40), San Antonio Precise Plan, and meets the development standards and guidelines of the SAPP with approval of a Provisional Use Permit (PUP) for rooftop amenities above the third floor and an FAR exemption detailed below. Other deviations from SAPP standards and permitted pursuant to State Density Bonus Law allowances, including the concessions, parking standards, and waivers/reductions of development standards, are discussed later in this report.

SAPP Exemption from Floor Area Calculations

The SAPP requires active space along the project's San Antonio Road frontage and defines a range of land uses and improvements that qualify as ground-level interior or exterior active space. The project complies with this requirement by providing retail-commercial tenant space with a transparent storefront and a residential community room on the ground floor as well as exterior design elements, such as the small public plaza, public art, a landscaped partial arcade with pathways, and seating to enrich the pedestrian realm, and additional planting areas along the sidewalk on San Antonio Road.

The project complies with SAPP requirements for active spaces but includes a request to exempt the 2,000 square foot commercial tenant space from the project's FAR calculations. The SAPP reserves this exemption for developments that preserve existing on-site businesses as part of the new development or provide space to relocate small businesses from elsewhere in the City. Under the SAPP, this exemption applies to "up to 7,500 square feet of building area, for one or more qualifying businesses such as nonprofit organizations, other culture/public service providers and existing neighborhood-serving retail businesses providing goods and services to residents in the surrounding area and generally excluding businesses with multiple regional, statewide and/or national locations."

The applicant is aware of and proposes to comply with the requirements of the SAPP, which is included as Condition of Approval No. 4 for the project (see Exhibit 2). The project would not comply with maximum FAR allowances, including the State Density Bonus area, if the FAR exemption is not approved. The exemption applies only to the FAR calculation for the project. The commercial square footage would be factored into the public benefit program requirements and other fees/requirements based on project square footage.

Staff recommends approval of this FAR exemption request because the ground-floor commercial space is important to helping create an active pedestrian frontage and provides dedicated space for existing small businesses and/or nonprofit uses in Mountain View.

Provisional Use Permit

The project includes a common roof deck above the fifth floor, which requires PUP approval as required by the SAPP for any rooftop amenities above the third floor. The PUP is intended to facilitate discretionary review of the location and design of such improvements, with the aim of limiting off-site impacts. The proposed roof deck is centralized on the building roof and oriented toward California Street, which means it will be inset from any building wall located closer to existing/future residential interfaces.

Staff supports the proposed amenity as it helps the project to be closer to compliance with common open space requirements and is sensitively located. Currently, the project provides approximately 75% of the SAPP-required common open space as permitted pursuant to State Density Bonus law waivers/reductions of development standards. Without the proposed roof deck, the project would only provide roughly 42% of the required common open space for the residential portion of the project.

Trees and Landscaping

An arborist report was completed for the project by Kielty Arborist Services, LLC, and reviewed by the City arborist. The tree survey evaluated existing trees for health and preservation suitability, the latter of which took into consideration the trees' age, health, structural condition, and proximity to the proposed project improvements. The report analyzed the site's three existing street trees, two liquidambar trees on California Street and one London plane tree on San Antonio Road, as well as off-site trees located on the adjacent bank and restaurant sites. The existing site is almost entirely paved or occupied by building areas utilized by the currently operating service station, and there are no other on-site trees located on the project site.

The project proposes to remove the existing three street trees due to a combination of health, proximity to planned streetscape/utility improvements implementing pedestrian-oriented features required by the SAPP, and/or nonsuitability for transplantation. None of the trees are California natives or specimen tree species pursuant to the City's Protection of the Urban Forest Ordinance. The development is not anticipated to impact the off-site trees on the bank and restaurant sites and will follow tree protection measures applied through project conditions of approval.

The proposed development will incorporate significantly more trees, landscaping, and open space than exist today, including nine new 36" box street trees, five along California Street and four along San Antonio Road, as well as 24 new on-site trees primarily located within the central courtyard and roof deck areas. Because the development is built over two levels of underground parking, a majority of the on-site planting areas will occur within podium planters, which can limit the growth potential of proposed trees. A condition of approval

has been placed on the project to ensure a minimum of 75% of the proposed tree and plant species will be California natives.

Based on the new tree plantings, the on-site tree canopy coverage is expected to exceed existing conditions over all phases of tree growth, as shown in the Table 1 below. Some additional on-site canopy is expected from the new street tree plantings provided by the project, but this area is not included in enclosed canopy data.

Table 1: Tree Canopy Coverage

Coverage Canopy	Site Coverage
Existing	0%
New After Five to 10 Years	4%
New After 15 Years (~Full Growth)	6%

State Density Bonus Law—Waivers and Concessions

The project provides a total of 13 affordable units (10 low-income units and three moderate-income units); the affordable units provided by the project, and their compliance with density bonus and Below-Market-Rate (BMR) Ordinance regulations, including levels of affordability, are discussed later in this report. Based on the 10 low-income (80% area median income (AMI)) units, the project is eligible for a 50% State Density Bonus. The 50% density bonus is the maximum allowed for this project type under State Density Bonus Law.

The SAPP limits new residential and mixed-use development in the Mixed-Use Corridor subarea to 1.85 FAR, consistent with the applicable General Plan land use designation, and with provision of a public benefit program proposal. Based on the methodology adopted in the City’s Density Bonus Program Guidelines, a 1.85 FAR project at this site would result in a 41-unit “base project.” The base project density is the datum point for identifying inclusionary (BMR) housing requirements for the project. However, pursuant to the City’s Density Bonus Ordinance and Administrative Guidelines, the State Density Bonus is applied to the maximum 1.85 FAR allowed by the General Plan and SAPP for the project.

Pursuant to provisions of State Density Bonus Law, the project also qualifies for and proposes three concessions (or incentives), unlimited development standard waivers, and alternate parking standards. The applicant is requesting three concessions, six development standard waivers/reductions, and use of the State Density Bonus parking standards as part of the density bonus project, as described below and in the applicant’s density bonus letter (see Exhibit 5—Density Bonus Letter).

Concessions

The project's State Density Bonus request includes and qualifies for three concessions. Under the State Density Bonus statute, any concessions must be proposed by the developer and result in "identifiable and actual cost reductions to provide for affordable housing costs." The applicant's density bonus letter identifies the following requested concessions and provides a more detailed explanation of the cost savings associated with each:

- Housing Unit Mix: For the 13 affordable units to be provided within the project, the applicant proposes to provide 11 one-bedroom units and 2 two-bedroom units in lieu of a BMR unit mix that is proportional to the overall project composition (10 two-bedroom units and 3 one-bedroom units). Modifying the BMR unit mix would result in a net reduction in development costs for providing the affordable units by allowing the developer to sell more, larger units at market-rate prices.
- BMR Unit Affordability Levels (Area Median Income): The BMR Ordinance requires ownership developments to include BMR units affordable to households earning between 80% and 120% of AMI, with a weighted average of 100% AMI. In partial compliance with BMR Ordinance requirements, the applicant is providing four low-income units (80% AMI) and three moderate-income (120% AMI) units, which would result in a weighted average of less than 100%. The 80% AMI units in the project (including the four provided for BMR Ordinance compliance and six additional low-income units) qualify the development for a State Density Bonus, which is necessary to provide for the costs of developing the affordable units. To comply with the weighted average requirements, the project would need to provide one additional moderate-income unit (120% AMI) or convert one 80% AMI unit to a higher AMI. Adding another higher AMI unit, through either of those means, would increase the costs associated with constructing the affordable units by supplanting a more economically productive use—either reducing the number of market-rate units or reducing the amount of State Density Bonus area the project is eligible to add.
- BMR Unit Locations: The BMR Ordinance requires BMR units to be equitably dispersed within a development. The preliminary unit layout proposed by the applicant includes one or more BMR units on the first four floors of the building and no BMR units on the fifth (top) floor. Additionally, the units are limited to two areas of the building, which also means the two-bedroom BMR units only feature the smallest of the two-bedroom floor plans in the project. As such, Housing and Neighborhoods Division staff determined the BMR unit locations do not fully meet the unit distribution requirements of the BMR Ordinance. The applicant has indicated that more fully meeting the requirement would prevent them from selling market-rate units in areas with better views and larger home sizes, creating a loss of revenue that increases the cost of providing the affordable units.

Waivers

The 50% State Density Bonus allows the project to construct 21 additional units by providing for roughly 25,000 additional square feet of building area (up to a maximum of about 2.78 FAR) in excess of what could be constructed under the SAPP maximum of 1.85 FAR (with public benefits provided). The project complies with the density bonus maximum FAR, including the FAR exemption of the commercial unit square footage allowed per the SAPP and as discussed above.

Table 2: Density Bonus Waivers/Reductions of Development Standards

Standard	Requirement	Proposed
Building Height	Four stories/55' (maximum)	Five stories/65' to 78'
Frontage Line Setbacks <i>(The frontage line is the public street curb line of public streets.)</i>	San Antonio Road: 18' (minimum) California Street: 24' (minimum)	18' + 19'6"
	Building floors >55': An additional 10' setback for 80% of the frontage	8'
Retail Space Depth	40' (minimum)	27.4' (average)
Common Open Space	175 square feet per unit	131 square feet per unit
Raised Entries along Street Frontage(s)	Units along public streets must have direct entries, raised 2' to 5'.	One unit entry, raised 9.6"

As summarized in Table 2 above and described in detail within the density bonus request letter, the project proposal also includes six waivers/reductions to development standards, which are allowed by State Density Bonus Law as needed to physically construct the density bonus project. In order to accommodate the additional density bonus area/units, the building needs to be taller, located closer to the street and with reduced commercial space dimensions. The ability to provide compliant common open space is also limited by the small site area and constraints on the amount of roof area available for the common roof deck as a result of City Reach Code requirements for rooftop solar panels. The ability to provide the raised entry fully consistent with SAPP requirements is inhibited by Americans with Disabilities Act requirements. The State Density Bonus project could not be constructed without these development standard waivers/reductions as full code compliance would generally require a reduction in density bonus area.

Parking Standards

The project is also utilizing the parking standards in the State Density Bonus regulations, which restrict the City from requiring more than one-half parking space per unit with no

guest parking requirement, in lieu of the City’s parking requirement of one parking space per studio/one-bedroom unit and two parking spaces per two-bedroom or large unit. This means that in addition to the 20 commercial parking spaces, the City can only require 31 parking spaces for the residential portion of the development. However, the applicant has voluntarily elected to provide additional residential parking spaces, meaning there will be 77 parking spaces provided for the residential units, including two accessible parking stalls, and a total of 97 parking spaces for the project. The 20 parking spaces for the commercial unit will allow for a range of future commercial uses. The applicant also proposes to make some of the commercial parking spaces available to residential guests after business hours.

Affordable Units—State Density Bonus Law and BMR Ordinance Compliance

The project is required to provide affordable units in compliance with State Density Bonus Law and the City’s BMR Ordinance, as described below. The project proposal complies with both State Density Bonus law to qualify for a 50% density bonus and the City’s BMR Ordinance, as shown in Table 3 below. State law expressly states that affordable units are inclusive, meaning each affordable unit can count toward both State Density Bonus and local BMR Ordinance requirements, as long as affordability levels are satisfied. In this case, some of the project’s 13 affordable units are provided to comply with BMR Ordinance requirements, some are provided for State Density Bonus eligibility, and some satisfy both requirements.

Table 3: Affordable Unit Requirements

Standard	State Density Bonus Law Proposal for 50% Density Bonus	City BMR Ordinance	
		Required	Proposed
No. of Units	<ul style="list-style-type: none"> 10 units 	<ul style="list-style-type: none"> 15% of base project (41 units) = seven units (6.15 units rounds to seven) 	<ul style="list-style-type: none"> Seven units
Affordability	<ul style="list-style-type: none"> 10 Units at 80% AMI 	<ul style="list-style-type: none"> Provide units at two income levels (minimum) between 80% to 120% AMI 100% AMI weighted average 	<ul style="list-style-type: none"> Four Units at 80% AMI Three units at 120% AMI 97% AMI, weighted average*
Total BMR Units		13 total units: <ul style="list-style-type: none"> 10 units at 80% AMI Three units at 120% AMI 	
Compliance	Yes	N/A	Yes

* NOTE: Deviation from the weighted average requirement is allowed per State Density Bonus Law, as discussed earlier in this report.

Homeowners Association Reserve Fund

The City's BMR Ordinance also requires any developer proposing a project with for-sale BMR units set at income levels lower than 80% AMI ("low-income units") or units sold to households earning less than 80% AMI to set aside a reserve (referred to as the "homeowners association (HOA) reserve fund"), which "can be utilized by lower-income owners to fully pay for the future expenses related to increases in homeowners association fees or other assessments, such that the overall housing cost of homeownership is maintained at an affordable level," pursuant to the affordability criteria established in the [BMR Ordinance](#) for the HOA reserve fund.

The requirement was established to address the acknowledged issue of household income growth not keeping pace with increases in the cost of homeownership over time. The City administers the fund, and the Community Development Director or designee is assigned responsibility for establishing standards for calculating the amount of the reserve. In order to calculate the required reserve amount, City staff analyzes projected housing costs for lower-income households over time and adds together any cumulative costs exceeding 30% of a household's income over a 55-year period. Based on this analysis, City staff has estimate the project will need to provide \$170,000 in HOA reserve funds (\$17,000 per 80% AMI unit) to comply with this requirement and help assure applicable households can sustainably maintain affordable homeownership in the project.

Transportation

A Multi-Modal Transportation Analysis (MTA) was prepared for the project by Fehr & Peers transportation consultants. The MTA provides project-specific analysis and supplemental review of the project's multi-modal transportation improvements and setting and is an attachment to the project's Initial Study (Exhibit 1). The MTA evaluates potential adverse impacts by the project on the multi-modal transportation system, consistent with standards and policies set forth by the City and VTA Congestion Management Program (CMP).

Overall, this analysis found the proposed mixed-use residential development would result in fewer vehicle trips than the existing service station, and, if anything, would result in a net benefit to existing traffic levels of service. The MTA also concludes the project would generally improve multi-modal site access and circulation through construction of SAPP-required street improvements, including wider detached sidewalks on both public street frontages and a wider bike lane along the California Street project frontage. The project will also comply with SAPP-required transportation demand management (TDM) measures for residential development and will apply additional TDM measures to the commercial tenant space pursuant to the project's TDM Program (attached as part of Exhibit 1). As

such, the project would not result in intersection impacts or conflict with any applicable transportation plan, ordinance, or policy established for the circulation system.

Public Benefits

The project will provide public benefits per the SAPP requirements for a Tier 1 Project. The base FAR permitted without a public benefit proposal is 1.35, and a Tier 1 residential/mixed-use project is permitted up to 1.85 FAR with a public benefit proposal. SAPP public benefit requirements may not be applied to bonus area (above 1.85 FAR) provided to the project through the State Density Bonus regulations.

The project proposal (see Exhibit 6) includes a monetary contribution to satisfy the SAPP public benefit program requirement for the net new building area between 1.35 and 1.85 FAR (roughly 13,525 square feet). The currently adopted SAPP public benefit value is \$25.17 per square foot, which would result in an estimated public benefit contribution of approximately \$340,400 from this project, to be used for capital improvements or other City projects benefiting the area.

ENVIRONMENTAL REVIEW

The certified San Antonio Precise Plan Environmental Impact Report (EIR) (2014) and comprehensively evaluated the environmental impacts of projected development of the SAPP area, including analysis of 1,235 net new residential units. Consistent with the requirements of the California Environmental Quality Act (CEQA) Guidelines Section 15168, the program-level analysis in the SAPP EIR considered broad environmental impacts of the overall SAPP, including estimated development implementing SAPP land use policies and objectives. Since the SAPP EIR was adopted, the City has reviewed and approved entitlements allowing 1,397 residential units to be constructed in the SAPP area. While the amount of approved residential development exceeds what was analyzed in the SAPP EIR, there is no regulatory cap on development of additional residential units in the SAPP area and does not preclude the project from being eligible for streamlined CEQA analysis. San Antonio area growth was also analyzed in the previously certified General Plan (2030) and Greenhouse Gas Reduction Program EIR.

The SAPP EIR acknowledged that subsequent development of the SAPP area would occur in multiple years and phases. Subsequent zoning-compliant activities may be considered under the scope of the program EIR analysis, with no further environmental documents required, if the City determines no new or substantially more severe environment impacts would result from the project, new circumstances under which the project would be undertaken, or any new information that was not and could not have been known at the time of the SAPP.

An Initial Study of Environmental Significance (Initial Study) was prepared for this project, pursuant to Section 15183 and Section 15162 of the CEQA Guidelines, to evaluate whether any subsequent/supplemental EIR analysis is required due to any new or substantially more severe environmental impact(s). The checklist (see Exhibit 1) examined each of the environmental review categories in terms of the above criteria. Project-specific technical studies were prepared to provide technical guidance in the areas of air quality, cultural (historic) resources, noise, transportation, and utilities. The Initial Study found that with implementation of the SAPP standards and guidelines, Mountain View City Code requirements, standard City Conditions of Approval, State regulations, and SAPP EIR mitigation measures, the proposed project would not result in any new or substantially more severe environmental impacts compared to those evaluated in the previously certified EIRs. As a result, the project is covered by the previously certified environmental review, and no additional environmental documentation is needed.

Vehicle Miles Traveled Assessment

Since the SAPP EIR was adopted, the criteria for analyzing transportation impacts under CEQA has changed to remove automobile delay or traffic congestion as the determining factor for impact determinations. The City adopted a new transportation policy for CEQA analysis to establish Vehicle Miles Traveled (VMT) as the new metric to evaluate transportation impacts on the environment, pursuant to the requirements of Senate Bill 743, and identify screening criteria for projects where no VMT impact is expected and no further VMT analysis is required as part of the project's MTA.

With the assistance of Fehr & Peers, staff analysis has concluded this project meets two VMT screening criteria:

1. Map-Based Screening: For projects in low VMT areas (15% or greater below existing regional average VMT); and
2. Transit Screening: For projects within one-half mile of a major transit stop.

As such, the project is presumed to have a less-than-significant VMT impact, and no further analysis is required.

NEXT STEPS

Following this EPC public hearing, the project and EPC recommendation will be considered at a City Council public hearing, tentatively scheduled for October 25, 2022.

ALTERNATIVES

1. Recommend approval of the project with modified conditions of approval.
2. Recommend denial of the project.

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Approved by:

Stephanie Williams
Planning Manager/
Zoning Administrator

RS/6/CDD
803-09-21-22SR

- Exhibits:
1. Initial Study of Environmental Significance (CEQA)
 2. Draft Project Resolution
 3. Draft Vesting Tentative Map Resolution
 4. Project Plans
 5. Density Bonus Letter
 6. Public Benefits Letter