

## CITY OF MOUNTAIN VIEW

## ENVIRONMENTAL PLANNING COMMISSION

## STAFF REPORT

WEDNESDAY, JUNE 7, 2017

## 5. PUBLIC HEARINGS

- 5.1 **Public Hearing for Consideration of a Planned Community Permit and a Development Review Permit to Allow Construction of a Five-Story, 211-Unit Apartment Development with a Two-Level Underground Parking Garage, a 22.5 percent Density Bonus Request with Waivers, a Provisional Use Permit to Allow Rooftop Amenities Above the Third Floor and a Shared Workspace Use at the Neighborhood Corner, a Heritage Tree Removal Permit to Remove Eight Heritage Trees on a 2.28-Acre Project Site, and a Determination that the Project has Prepared an Initial Study of Environmental Significance Pursuant to Section 15168 of the California Environmental Quality Act (CEQA)**

## RECOMMENDATION

That the Environmental Planning Commission (EPC) recommends that the City Council:

1. Approve the Initial Study of Environmental Significance for the Five-Story, 211-Unit Apartment Development Project at 2700 West El Camino Real, pursuant to Section 15168 of the California Environmental Quality Act (CEQA) (Exhibit 1 to the EPC Staff Report).
2. Adopt a Resolution Conditionally Approving a Planned Community Permit and a Development Review Permit for a 211-Unit, Five-Story Apartment Development with Two Levels of Underground Parking, and a 22.5 Percent Density Bonus Request with Waivers, a Provisional Use Permit for Rooftop Amenities Above the Third Floor, and a Heritage Tree Removal Permit to Remove Eight Heritage Trees (Including Three Street Trees) on a 2.28-Acre Project Site Located at 2700 West El Camino Real (Exhibit 2 to the EPC Staff Report).
3. Adopt a Resolution Conditionally Approving a Provisional Use Permit to Allow a Shared Workspace Use at the Neighborhood Corner in a New Apartment Development Located at 2700 West El Camino Real (Exhibit 3 to the EPC Staff Report).

4. Adopt a Resolution Conditionally Approving A Vesting Preliminary Parcel Map For Condominium Purposes At 2700 West El Camino Real (Exhibit 4 to the EPC Staff Report)

## PUBLIC NOTIFICATION

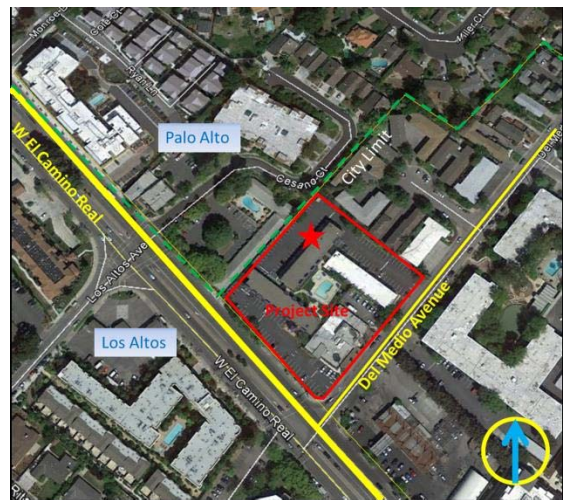
The Commission's agenda is advertised on Channel 26, and the agenda and this report appear on the City's Internet website. All property owners and tenants within a 300' radius and other interested stakeholders were notified of this meeting. A City Council meeting will be held regarding this project, and property owners, tenants, and interested parties will be notified.

## BACKGROUND AND ANALYSIS

### Site Location and Characteristics

The 2.28-acre project site is located on the north side of El Camino Real between Del Medio Avenue and Cesano Court in the P-38 (El Camino Real) Precise Plan. The project site is at the edge of the City boundary sharing a property line with the City of Palo Alto to the west. The City of Los Altos is located directly across El Camino Real to the south.

The site is currently developed with a 98-room, two- and three-story motel, a swimming pool, a vacant restaurant building, and associated parking.



**Figure 1 – Project Location**

The surrounding land uses include a single-story motel to the northwest of the site in Palo Alto; several two-story multi-family residential buildings to the northeast; a car wash and three-story multi-family residential buildings to the southeast; and a gas station and a three-story residential condominium community across El Camino Real to the southwest in Los Altos.

## Project Description

The applicant is proposing to demolish all the existing structures and associated parking areas to construct an approximately 227,390 square foot, mixed-use project at a 2.27 floor area ratio (FAR), which qualifies as a Tier 1 project (see Exhibit 3—Project Plans). The project consists of 211 apartment units and 2,000 square feet of commercial space within a five-story building at and above grade with two levels of underground parking and surface parking. The new 52' high residential building will provide a mix of 145 one-bedroom and 66 two-bedroom units. The units range in size from 710 square feet to 1,169 square feet (see Exhibit 5—Project Plans).

The project has two street frontages—El Camino Real and Del Medio Avenue. The main building entry is oriented toward the corner with a small entry plaza providing access from adjacent street frontages to the main lobby. Vehicle access to the underground garage is provided from Del Medio Avenue. The project open space and community gathering areas are distributed throughout the site and building, including rooftop decks, a programmed central courtyard, and smaller open areas to the west of the building. Ground-floor uses include residential, lobby, lounge area, clubroom, a programmed central courtyard, and a commercial use at the corner of El Camino Real and Del Medio Avenue; while the second to fourth floors are proposed to be strictly residential with roof decks, including a 1,920 square foot dog park on the fifth floor.



**Figure 2— El Camino Real Elevation**

The project complies with the development standards and guidelines of the Precise Plan, including FAR, lot coverage, building placement, building massing, and height, with one minor exception to allow 2' side-yard encroachments by the upper-level balconies along the western property line and 4' patio projections along the Del Medio Avenue frontage. The Precise Plan allows upper-floor architectural projections such as balconies and porches to encroach up to 2' into the side yard setback area and up to 8' into the streetside setback area. The Precise Plan provides flexibility in meeting the development standards if this results in a superior project design which meets the intent of the Precise Plan.

### Public Hearings and Meetings

The proposed project has gone through various levels of project review and public hearings since the formal application submittal. Below is a brief overview.

#### *Neighborhood Meeting*

On March 8, 2017, a neighborhood meeting was held to solicit public input on the project. Property owners and residents within a 500' radius of the project site were noticed and 20 neighbors and interested parties attended the meeting, including residents from the City of Palo Alto and the City of Los Altos. Most of the attendees supported the development, and overall feedback was positive. A few attendees expressed concern about traffic impacts on El Camino Real, specifically about the traffic queuing at the left turn on Del Medio Avenue.

#### *Development Review Committee (DRC)*

The project was reviewed by the Development Review Committee (DRC), which provided design recommendations on several iterations of the project design. The project received a recommendation of approval from the DRC on March 15, 2017, with recommended design modifications which have been incorporated as conditions of approval (see Exhibit 2). These include continuing to work with staff on final design details, landscaping, colors, and materials.

## **ANALYSIS**

This report outlines the project's consistency with the General Plan and El Camino Real Precise Plan; describes the proposed development and the proposed use; evaluates the project architecture, open space, landscaping, trees, sustainability, and transportation impacts; and provides a summary of the environmental review process which was completed for the project.

## General Plan

The project site has a General Plan Land Use Designation of Mixed-Use Corridor for the parcels fronting El Camino Real, which allows heights up to four stories. The General Plan for this site envisions a diverse mix of commercial and residential uses making this transit corridor a vibrant, landscaped, comfortable, and convenient place for gathering. Buildings in this area are required to transition appropriately to adjacent residential neighborhoods. The proposed project is consistent with the following General Plan policies:

*LUD 3.1: Land use and transportation.* The project is proposing to demolish the existing motel and redevelop the site with a 211-unit, higher-intensity residential development. The project site is located within one-half mile of 14 Santa Clara Valley Transportation Authority (VTA) local, community, and rapid (express) bus routes and the Marguerite Shuttle service operated by Stanford University. The project is located in proximity to several existing and proposed bikeway facilities.

*LUD 6.3: Street presence.* The project meets required residential and commercial setbacks along El Camino Real, creating a pedestrian-oriented design with a generous and tree-lined sidewalk. The proposed building creates a presence on the street, utilizing a distinctive corner design, and engaging ground-floor building and site features to engage the street frontage.

*LUD 8.3: Enhanced publicly accessible bicycle and pedestrian connections.* The project is conditioned to provide a 12' wide bike path along the northern property line to connect Del Medio Avenue with Cesano Court in the City of Palo Alto. This connection will help create a safe and pedestrian-friendly environment and a safe route to school for the children in the community.

*MOB 10.2: Reduced travel demand.* The project would reduce travel demand by incorporating TDM measures.

## Zoning

The zoning designation for the site is Medium-Intensity Corridor (P-38, El Camino Real Precise Plan), which allows a base FAR of 1.35 and maximum height of 45' or three stories. This zoning designation allows a Tier 1 bonus up to the allowed FAR of 1.85 and height up to 55' or four stories, if the project includes public benefits.

Although waivers from certain development standards are proposed as part of the density bonus, the project implements key streetscape design standards and attempts to meet the intent of the development standards for which waivers are requested. In addition, based on State Density Bonus Law, the project is considered consistent with the General Plan and Precise Plan standards even though the FAR exceeds what is allowed for the site. The project also meets several key “guiding principles” of the Precise Plan, including, but not limited to:

- *Create a more livable and beautiful corridor.* The development will expand sidewalk areas and improve streetscape landscaping while providing new housing units in an attractively designed building.
- *Improve bicycle access and facilities.* The project will provide a direct bicycle connection to the City of Palo Alto.
- *Seek broad public benefits and improve bicycle access and facilities.* The project will provide a direct bicycle connection to the City of Palo Alto.
- *Promote diversity and flexibility.* The project will provide a variety of new, affordable, and market-rate housing units.

## Project Design

### *Site Plan*

The proposed building sits at the center of the site with peripheral landscaping and a central courtyard. As required by the El Camino Real Precise Plan, the vehicular access to the site is provided from Del Medio Avenue rather than El Camino Real and the entrance to the garage is set back significantly from the street to deemphasize its appearance. The semi-underground, two-level garage provides 277 parking stalls, consistent with the ratio established by the Model Parking Standard, secure bicycle parking for each unit, and secure storage lockers for all the units.



**Figure 3 – Site Layout**



The central courtyard is the main amenity area proposed to include passive gathering space, raised planter beds for gardening, a swimming pool, a spa, lounge seating, hammocks, fireplaces, and an outdoor kitchen. The project also includes an plaza at the corner of El Camino Real and Del Medio Avenue; the plaza includes a seating area, bike racks, enhanced paving, an engaging sculpture, and interesting landscaping.

The project also includes a 12' bicycle and pedestrian path connecting Del Medio Avenue and Cesano Court in the City of Palo Alto in an effort to promote bicycling and provide bike facilities between the neighboring cities (see Exhibit 6 – Proposed Bike Path Connection).

### *Architecture*

The proposed building design employs a contemporary architectural style, a mix of three main colors and two main materials, window recesses, architectural projections, and setbacks to taller building areas to create a simple, but striking, design. The building will be clad in stucco, fiber cement panels, and high-pressure laminate.



**Figure 4 – Del Medio Elevation**

The project design uses various facade treatments with superimposition of materials, color, and texture. Building elevations predominantly use stucco, with high-pressure laminate used to define the top level and limited areas with fiber cement panels. Along the rest of the street frontages, the design achieves a distinct

bottom, middle, and top, with a storefront appearance along the El Camino Real and Del Medio Avenue intersection; ground-floor entries on El Camino Real; recessed windows and projecting solar shades; and warm materials and colors at the ground level and corner elements. The fifth floor is stepped back from lower levels along the streets and rear elevation.

### Density Bonus

The State Density Bonus Law has been in effect since 1979 and was enacted to aid the development of affordable housing in California by providing incentives/concessions or waivers/reductions of development standards for the construction of affordable or senior housing units in residential projects. The Density Bonus Law provides a sliding scale for additional/bonus density (up to a maximum increase of 35 percent), based upon the percentage of units set aside for seniors, low-, very low-, or moderate-income households within a proposed development project. Depending on the percentage of units and level of affordability proposed, the developer can request one or more concessions (or incentives), which result in identifiable cost reductions enabling the affordable housing provision or waivers/reductions of development standards.

#### *Project Density Bonus Proposal*

The project will provide affordable housing units on this site and includes a request for a 22.5 percent density bonus (see Exhibit 7—Project Description and Density Bonus Request). Because the El Camino Real Precise Plan regulates development based on FAR, a building intensity versus residential density metric, the proposed 22.5 percent density bonus is calculated on top of allowed FAR versus dwelling units per acre (a typical residential density metric). By providing 6 percent of the base project's dwelling units (11) as affordable to very low-income households (<50 percent Area Median Income), this project is entitled to a density increase of 22.5 percent over the otherwise maximum allowable residential density.

The project proposes 2.27 FAR versus the 1.85 FAR maximum allowed for Tier 1 projects in Medium-Intensity Corridor locations in the El Camino Real Precise Plan. The applicant is also requesting waivers from development standards. Under the State Density Bonus Law, the following development standards cannot be applied by the City as written as they would have the effect of physically precluding the construction of the density bonus project.



### Waiver 1: Building Height

The El Camino Real Precise Plan limits the maximum height to four stories and 55'. A height waiver for the fifth floor is required to accommodate the density bonus units above the fourth floor. Without the fifth-floor height waiver, the density bonus project could not be constructed.

### Waiver 2: Common Usable Open Area (Residential)

A waiver is requested to allow approximately 120 square feet of common usable open area per unit rather than the El Camino Real Precise Plan required 175 square feet of common open area per unit. Approximately 29,822 square feet of usable open area is provided instead of the required 36,925 square feet. The density bonus units increase the required open area while reducing available space for open areas to be constructed to meet the Precise Plan standard. Proposed open areas are well distributed throughout the building and site. Three units also have private patios; the development has a range of interior lounges and supportive service rooms providing additional amenities; and there are other roof decks and landscaped setback areas available for passive enjoyment, which do not meet minimum 20' dimensions. The density bonus project could not be constructed without this waiver.

The Density Bonus Law also allows the applicant to meet the City's parking requirement with tandem parking spaces. The applicant is requesting the City to allow 33 of the 284 parking spaces to be tandem spaces. All 33 of the tandem parking spaces will be assigned to a single unit for better parking management and minimize any parking conflicts.

### Parking

Consistent with the Precise Plan, the project is proposing to provide one parking space for one-bedroom units, two parking spaces for two-bedroom units, and 11 parking spaces for the proposed ground-floor corner commercial use. The total parking provided is 288 spaces. Of the total residential parking, 15 percent or 32 spaces are made available for guests. Moreover, of the 235 resident-only parking spaces, 33 spaces are provided in a tandem paired format. The tandem will be assigned to a single unit to minimize parking conflicts. The project also proposes to include 216 permanent bike storage spaces for the residents, 22 guest bike spaces, and an additional 12 public bike spaces.

## Trees

A tree survey was completed for the project site and areas of off-site improvements by HortScience. There are 30 existing trees on the site, including 8 Heritage trees. The applicant is requesting to remove all 30 trees. The trees are categorized as being in poor condition and/or having poor structure and are recommended for removal due to their overall health, structure, and proximity to the excavation of the site for the underground parking garage. The required replacement ratio for the Heritage trees proposed to be removed is 2:1, resulting in a total of 16 new 24" box replacement trees. The applicant is proposing to plant 71 new trees, including 8 new street trees along the El Camino Real frontage as per the El Camino Real Precise Plan requirements.

## *Sustainability Features*

The applicant is proposing the building be designed to achieve 90 points on the GreenPoint Rated Checklist. Sustainable building and site features include, but are not limited to, high-efficiency irrigation, heating and cooling systems, and insulation, as well as bicycle parking stalls for residents.

## Parcel Map

The proposed project includes a Preliminary Parcel Map for condominium purposes (see Exhibit 4) to accommodate the proposed development.

## Provisional Use Permit

The El Camino Real Precise Plan requires a Provisional Use Permit for rooftop amenities above the third floor and office use in a ground-floor commercial area.

- *Roof Decks:* The Provisional Use Permit process allows for careful review of proposed rooftop amenities to ensure they are suitable for the development and avoid off-site impacts to neighboring properties. The DRC reviewed the proposal and worked with the applicant to create a sensitive design.
- *Neighborhood Corner Commercial Use:* The El Camino Real Precise Plan identifies neighborhood corner locations (such as the subject site) intended to provide community-oriented ground-floor commercial uses. The applicant is requesting a Provisional Use Permit to allow a shared workspace use in the designated Neighborhood Corner location (see Exhibit 8 – Shared Workspace Use Request). The shared workspace concept is fairly new and although it

serves an office need, it is not a typical office use. There are not very many examples of such uses existing in the City; but they are found in many neighboring cities.

As part of the shared workspace, office desks and meeting rooms will be available to the public for rent. This can be rented by individuals or companies. This is not a conventional use category and hence not clearly identified in the current Precise Plan.

The applicant has identified a growing need for shared workspaces that provide office space and business resources for professionals, tech start-ups, and other small businesses. The applicant has also designed the space to ensure market flexibility and suitability for retail or café uses. Although a retail or café use is a permitted use in the Precise Plan, an office use requires a Provisional Use Permit. Hence, the applicant is requesting a Provisional Use Permit to allow the option to use the space as a shared workspace location. With the changing work environment, shared workspaces are emerging in the region and are found to be serving a need of the community.

### Public Benefits

The Precise Plan requires Tier 1 developments to provide significant public benefits for all square footage above the base 1.35 FAR, amounting to a total of \$1.68 million for this project (including the additional floor area for density bonus) (refer to Exhibit—9 for the Project Public Benefit Memo). The 2,000 square foot ground-floor commercial area is not accounted for in the public benefit calculations. The Precise Plan identifies the provision of new affordable housing and pedestrian improvements as the highest priority.

As part of the project public benefit contribution, the applicant will provide a public access easement and construct a 12' bike path along the northeast property line to provide a connection between Del Medio Avenue and Cesano Court in Palo Alto (refer to Exhibit 6—Bike Path Connection). The cost of construction for the proposed bike path is estimated at a value of \$65,546. As a result of the proposed bike path, the applicant is also proposing to install Silva Cells to treat the stormwater on-site. This is a fairly new treatment option, the first time being proposed in the City, but has been used in projects in other jurisdictions. The cost and installation of the Silva Cells (estimated at \$112,000) will be credited towards the project public benefit contribution.

The original project design included a dog park at the rear of the property. The applicant had to relocate the dog park to the fifth-floor rooftop along the western property line to accommodate the bike path design. The additional cost of dog park construction on the fifth floor is estimated at \$115,000 and will be credited towards the project public benefit contribution.

The applicant is proposing to provide the remaining public benefit contribution (estimated at \$1.43 million) toward the City's Affordable Housing Fund. The table below shows how the public benefit contribution was calculated:

<b>Permitted Base Floor Area (at 1.35 FAR)</b>	134,327.7 sq. ft.
<b>Proposed Building Floor Area (including 2,000 sq. ft. ground-floor commercial)</b>	227,390 sq. ft.
<b>Bonus Square Footage<sup>1</sup></b>	81,839 sq. ft.
<b>Community Benefits Valuation at \$21.09/sq. ft.</b>	\$1,725,993
<b>Bike Path Easement and Cost of Construction</b>	\$65,546
<b>Dog Park Construction Cost on the Fifth Floor</b>	\$115,000
<b>Credit for Silva Cells Installation and Cost</b>	\$112,600
<b>Affordable Housing Fund</b>	\$1,432,847

## Transportation

### *Traffic Study*

A site-specific traffic analysis was prepared by Hexagon Transportation Consultants, Inc., for the proposed project and provides a supplemental traffic analysis which builds upon the El Camino Real Precise Plan Environmental Impact Report (EIR) certified in November 2014. Potential impacts were evaluated in accordance with standards set forth by the City and the VTA Congestion Management Program (CMP).

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 61 new trips during the a.m. peak hour and 84 new trips during the p.m. peak hour.

<sup>1</sup> Gross square footage of the affordable units has been subtracted from the final square footage number used to calculate the bonus square footage project is getting.

The analysis of intersection levels of service was supplemented with a vehicle queuing analysis for left-turn lanes at signalized intersections where the project would add a substantial number of trips to the turn movements. The queuing analysis indicated that the estimated maximum vehicle queues would exceed the vehicle storage capacity at one intersection. Increase in the left-turn queue was also a concern raised by the neighbors during the project's community meeting. Hence, the project is conditioned to prohibit on-street parking by installing red curbs up to 200' on Del Medio Avenue along the project frontage to provide room to lengthen the left-turn pocket. The applicant will also work with Caltrans for changing the signal timing at this intersection to a lead-lag progression for eastbound left-turn movement to alleviate the shortage of queuing space.

With the implementation of the project conditions, the proposed project was determined not to result in any new or substantially increased intersection impacts than those described in the El Camino Real Precise Plan EIR; would not conflict with an applicable plan, ordinance, or policy established measures of effectiveness for the performance of the circulation system; and would not conflict with the Santa Clara County Congestion Management Program.

#### Transportation Demand Management (TDM)

The Precise Plan requires all Tier 1 developments to develop and implement TDM plans to reduce vehicle trips associated with new development consistent with the Greenhouse Gas Reduction Program (GGRP). The GGRP requires a 4 percent reduction in peak-hour drive-alone trips. The project applicant has proposed a TDM plan that includes free transit passes for new residents for one year for the first five years after occupancy begins, two parking spaces reserved for car-share service, and a tenant web portal for carpooling (see Exhibit 10 – TDM Plan). The project is also conditioned to join the Mountain View Transportation Management Association (TMA) and remain a member for the life of the project.

### **ENVIRONMENTAL REVIEW**

The El Camino Real Precise Plan EIR is considered a program EIR and comprehensively evaluated the environmental impacts of the El Camino Real Precise Plan. The Mountain View City Council certified the El Camino Real Precise Plan EIR and approved the El Camino Real Precise Plan in November 2014.

Subsequent activities which are 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 subsequent development activity.

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. Project-specific technical studies were also prepared to provide technical guidance in the areas of utilities and transportation.

The Initial Study found that with implementation of the El Camino Real Precise Plan standards and guidelines, State regulations, and mitigation measures identified in the Precise Plan EIR, 2030 General Plan, GGRP EIR, and City standard conditions of approval, the proposed project would not result in any new environmental impacts beyond those evaluated in these EIRs and that no further documentation is needed.

#### **FISCAL IMPACT**

If approved, the project is expected to generate \$187,781 in new property tax revenue for the City. The project is subject to the City's Park Land Dedication Fee for each new residential unit. An estimated fee of \$8.65 million would be paid to the City prior to the issuance of building permits to satisfy this requirement.

#### **NEXT STEPS**

Following a recommendation from the EPC at this public hearing, the project will be heard at a City Council public hearing tentatively scheduled for June 27, 2017

#### **CONCLUSION**

The proposed redevelopment of the project site with a five-story, 211-unit apartment development and a two-level underground parking garage with a ground-floor shared workspace commercial use is consistent with the General Plan and Zoning requirements and would result in a project which furthers the vision and goals for the development of the El Camino Precise Plan area. The site layout and architecture of the building, including colors, materials, and architectural elements, are well-designed and compatible with the surrounding area. Additionally, approval of the project would not result in significant environmental impacts with implementation of the conditions of approval; therefore, the proposed project would not have a significant impact on the environment. The



DRC reviewed the project and recommends approval to the EPC, subject to the recommended conditions found in Exhibit 2 and Exhibit 3.

### **ALTERNATIVES**

1. Recommend approval of the project with modified conditions.
2. Refer the project back to the DRC for additional consideration.
3. Deny the project application, finding the site is not physically suitable for the type of development.

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DP/7/CDD  
807-06-07-17SR-E

- Exhibits:
1. Initial Study of Environmental Significance for the 2700 West El Camino Real Apartment Development Project
  2. Resolution Recommending Approval of the Planned Community Permit, Development Review Permit, a Provisional Use Permit to Allow Rooftop Amenities above Third Floor, and a Heritage Tree Removal Permit with Conditions
  3. Resolution Recommending Approval of a Provisional Use Permit to Allow a Shared Workspace Use at the Neighborhood Corner with Conditions
  4. Resolution Recommending Approval of a Vesting Preliminary Parcel Map for Condominium Purposes at 2700 West El Camino Real with Conditions
  5. Project Plans
  6. Proposed Bike Path Connection
  7. Project Description and Density Bonus Request Memo
  8. Shared Workspace Use Request
  9. Public Benefit Memo
  10. TDM Plan