



COUNCIL REPORT

DATE: April 11, 2023
CATEGORY: Consent
DEPT.: Community Development
TITLE: **Downtown Priority Development Area Grant Application—Downtown Precise Plan**

RECOMMENDATION

Adopt a Resolution of the City Council of the City of Mountain View Authorizing the Advanced Planning Manager to Submit a Grant Application for the Downtown Precise Plan in the Amount of \$1,200,000 in Response to the Metropolitan Transportation Commission’s Priority Development Area Grant Call for Projects, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

In 2011, the City established downtown as a Priority Development Area (PDA). The PDA program is a voluntary partnership between local governments, the Metropolitan Transportation Commission (MTC), and the Association of Bay Area Governments (ABAG). Through the PDA program, local governments identify areas envisioned for future housing and job growth that are served by transit. Bay Area cities have nominated 218 PDAs since 2007.

PDAs facilitate coordinated regional planning for future growth and transportation investment. In addition to shaping the location of anticipated growth and major transit investments, PDAs receive a dedicated share of funding for local planning and for transportation improvements, such as complete streets, bikeways, and parking programs. This is reflected in Plan Bay Area 2050, the region’s current long-range land use and transportation plan.

In December 2022, MTC released a Call for Projects for PDA Planning Grants open to local governments with one or more PDA. To date, these grants have funded more than 80 plans and a wide range of technical assistance. This round of funding supports three types of planning activities:

- **Full Plans** that, at a minimum, establish development standards and identify public improvements, informed by community engagement and resulting in an adopted plan, California Environmental Quality Act (CEQA) analysis, and zoning and general plan amendments. (Maximum grant amount: \$1,200,000.)

- **Plan Amendments** that update an adopted plan to reflect changing community priorities, State and regional policies, and economic trends. Plan amendments typically involve revising part, but not all, of a plan and result in updates to the zoning code and, if applicable, an Environmental Impact Report (EIR) and General Plan land use designations. (Maximum grant amount: \$600,000.)
- **Plan Implementation**, including technical assistance to develop and adopt policies or programs that facilitate the implementation of an adopted plan for one or multiple PDAs. (Maximum grant amount: \$200,000.)

The comprehensive update to the Downtown Precise Plan is considered a “Full Plan” for the purposes of the grant. Staff has preliminarily applied for the full \$1.2 million eligible under this category and is recommending Council authorization of the resolution to submit the grant.

Relationship to Other City Projects

A comprehensive update to the Downtown Precise Plan would support the following related City projects and activities:

- Council Work Plan. On February 28, 2023, the City Council discussed the Fiscal Year 2023-25 Work Plan, where a comprehensive update to the Downtown Precise Plan was presented as a proposed planned project. The City Council directed staff to include the project in the next step of the work plan development process, which includes analysis and prioritization of the 42 potential projects identified.
- Housing Element. The Draft Housing Element includes programs and actions that are related to downtown but do not necessarily require a comprehensive update to the Downtown Precise Plan. These programs include:
 - Develop at least 65 additional units of affordable housing downtown, either through the Below-Market-Rate (BMR) program or through development of one or more City-owned sites.
 - Rezone the Downtown Transit Center for at least 75 dwelling units per acre (du/ac).
 - Eliminate parking minimums throughout the Precise Plan.

In addition, if zoning and development constraints are reduced in the Downtown Precise Plan and viable development opportunity sites are thereby created, these sites may contribute to the City’s Housing Element Sites Inventory if current inventory sites are removed for any reason.

- Downtown Parking Strategy. In 2021, the City Council adopted the Downtown Parking Strategy, which includes several implementation items related to the Downtown Precise Plan. In addition, State law (Assembly Bill (AB) 2097) has affected the City's enforcement of existing parking standards.
- Castro Street Pedestrian Mall. The planned Castro Street Pedestrian Mall project may affect design, circulation, loading, parking and other issues downtown, which may be addressed through a comprehensive update to the Precise Plan.

ANALYSIS

Staff has already submitted the PDA grant application (Attachment 2—PDA Planning Grant Application), which was due February 23, 2023. The deadline for a Council resolution of support is April 15, 2023. If Council chooses not to adopt the draft resolution in Attachment 1, the City's application will be withdrawn and the City would not be eligible for the funds.

The grant application proposes a comprehensive update to the Precise Plan and includes a tentative scope of work, budget, and schedule (which are expected to be revised once a consultant is hired). The project is expected to be completed by fall 2025.

Minimum Grant Requirements

To ensure both local and regional benefits, plans funded through the PDA program must meet minimum requirements but can do so in a way that addresses community priorities. At a minimum, plans must include: development standards; standards for public rights-of-way and other public spaces; capital improvements; a funding strategy; actions to expand equity; any necessary environmental analysis; and updates to zoning and the General Plan to achieve consistency with the grant-funded plan. By receiving funding, grant recipients are committing to ensuring that plans are consistent with any applicable State and regional laws and policies, such as MTC's Transit-Oriented Communities Policy. MTC/ABAG staff will support City staff in ensuring minimum requirements are met and will offer technical resources and best practices.

MTC Transit-Oriented Communities Policy

The MTC Transit-Oriented Communities Policy sets minimum requirements for a broad range of land use policies and standards. First, the City would be required to adopt policies from a set of options related to affordable housing, anti-displacement, commercial protection/stabilization, and improved access to the Transit Center. **There are options among these policies that are generally consistent with existing or planned City policies.**

Second, and of note and consequence, the MTC Transit-Oriented Communities Policy sets minimum requirements for several key land use standards, which the Downtown Precise Plan does not currently meet. These are summarized in Table 1 below.

Table 1: Selection of Transit-Oriented Communities Standards

Requirement	Existing Downtown Standard	Transit-Oriented Communities Standard
Maximum Residential Density	30 to 50 du/ac	Minimum 75 du/ac*
Minimum Residential Density	None	Minimum 50 du/ac*
Maximum Office Intensity	1.85 to 2.75 floor area ratio (FAR)	Minimum 4.0 FAR*
Minimum Office Intensity	None	Minimum 2.0 FAR*
Minimum Parking	None in most areas, due to recent State law (AB 2097)	No minimum allowed
Maximum Residential Parking	None	Maximum 1 space per unit
Maximum Office Parking	None	Maximum 2.5 spaces per 1,000 square feet

* Average across nonresidential sites within one-half mile of the Transit Center.

The minimum and maximum densities and intensities are *average across nonresidential sites within one-half mile of the Transit Center*. As staff interprets these requirements, zoning on sites outside the Precise Plan can influence the minimums and maximums within the Precise Plan. The resulting densities and intensities in downtown and Moffett Boulevard are summarized in Table 2 below, and a map of all nonresidential sites affected by the policy is shown in Figure 1. Note that these assume that *both* Moffett Boulevard and downtown comply with the MTC Transit-Oriented Communities Policy. If only one or the other do, the densities and intensities could be significantly higher.

Table 2: Required Density and Intensity, Given Existing Zoning Outside Downtown and Moffett

Requirement	Transit-Oriented Communities Standard
Maximum Residential Density	Minimum 82 du/ac
Minimum Residential Density	Minimum 57 du/ac
Maximum Office Intensity	Minimum 4.84 FAR
Minimum Office Intensity	Minimum 2.50 FAR

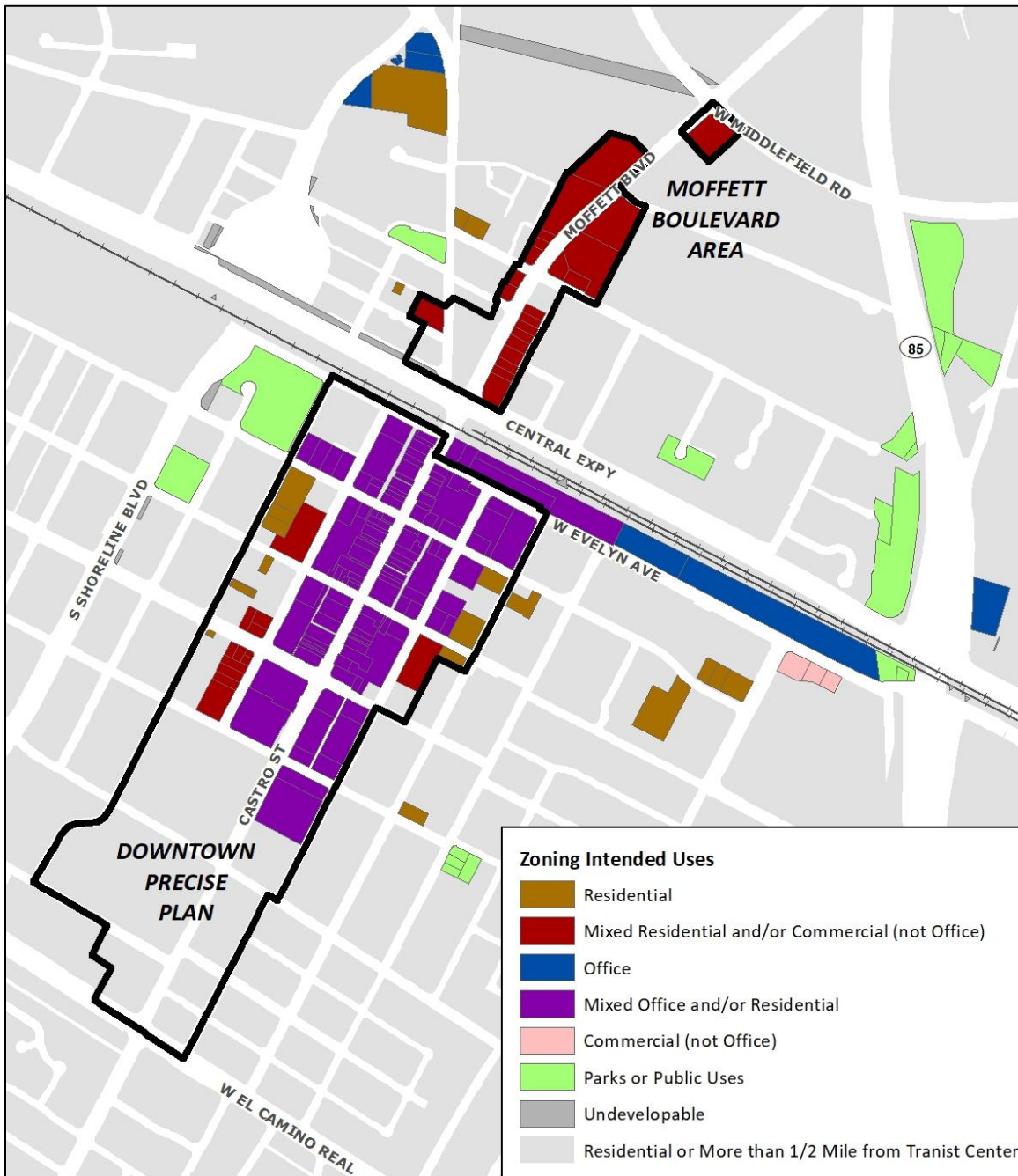


Figure 1: Map of Nonresidential Sites within One-Half Mile of Transit Center

Staff has provided feedback to MTC regarding the implementation of the MTC Transit-Oriented Communities Policy with concern about how the policy could have negative effects. For example, a 4.0 maximum FAR and 2.0 minimum FAR for office could exacerbate the region’s jobs-housing imbalance, which may make trips *more difficult* to serve by transit. However, there may still be ways to “tip the scales” to residential by, for example, allowing more residential density, limiting

areas where upper-floor office is allowed, requiring community benefits for higher office FARs or through a jobs-housing linkage program similar to the one included in the East Whisman Precise Plan.

Acceptance of the grant would require the City to develop a plan containing the densities, intensities, and parking standards as a condition of receiving the funds. Since the City has not yet conducted the comprehensive outreach or analysis that would confirm these changes, it is possible the City Council could ultimately decide on standards that do not meet those in the MTC Transit-Oriented Communities Policy, based on CEQA analysis or any other factors. In such an event, the City would forfeit any remaining unspent grant funds but would not be required to repay already spent funds.

Staff Recommendation

Despite the constraints of the Transit-Oriented Communities Policy, staff recommends applying for the grant for the following reasons:

1. **Funding Amount.** The amount of funding is significant, and especially helpful given the number and scale of projects in the Housing Element and anticipated Council Work Plan.
2. **Housing Element Programs.** The project generally, and the Transit-Oriented Communities Policy specifically, would support several Draft Housing Element programs, including:
 - Eliminating minimum parking requirements;
 - A target of 65 additional affordable units in the downtown area;
 - No net loss of RHNA capacity in the downtown area and south of El Camino Real; and
 - Rezoning the Transit Center to allow residential development at up to 75 dwelling units per acre.
3. **Residential Densities.** The Moffett Boulevard area already allows 70 to 75 dwelling units per acre under the General Plan. Therefore, the maximum density increases could be small in the plan area and stay consistent with the Transit-Oriented Communities Policy. The project can also study innovative standards for buildings with higher densities to fit into the historic character of downtown. In general, the residential density increases do not appear to be a significant concern.
4. **Office Intensities.** While the prescribed office intensities are a greater concern than the residential densities, the project can study innovative ways to address the issues associated

with office growth. In addition, MTC will continue to provide clarification on the policy that may allow some flexibility in compliance.

5. **Repayment.** The City would not be required to repay spent funds as of the date Council chooses standards that do not comply with some aspect of the Transit-Oriented Communities Policy. In that sense, the grant would not be predetermining the Precise Plan but would provide funding to study innovative ways for the downtown area to accommodate more sustainable and transit-oriented density.

Moffett Boulevard Precise Plan Grant Application

The City also submitted a grant application for a Moffett Boulevard Precise Plan. However, since the application was submitted, MTC staff has advised that the City would not be eligible for two grants in the same PDA. Further, of the two, MTC staff provisionally advised that the Downtown Precise Plan was the stronger application. Therefore, the City will be withdrawing the Moffett Boulevard Precise Plan grant application. This would not prevent the City from proceeding with the Moffett Boulevard Precise Plan within the Moffett Boulevard Change Area, as prescribed in the Council Work Plan. It would also be acceptable to MTC (though not required) if the City Council decides at a future date to modify the proposed Downtown Precise Plan project by integrating Moffett Boulevard into the Downtown Precise Plan. MTC staff also advised that there will be additional rounds of funding available as well which the City could apply for at a later time.

FISCAL IMPACT

If awarded, this grant can provide up to \$1.2 million to fund a comprehensive update to the Downtown Precise Plan, expected to cost approximately \$1,365,000. The City already has a Capital Improvement Program for updates to the Downtown Precise Plan (20-66) with approximately \$1,320,000 of available budget. If the grant is awarded, the remainder of these funds could be reprogrammed for other planning projects such as the implementation of Housing Element action items.

CONCLUSION

Staff recommends the City Council adopt the resolution authorizing the application for the PDA Planning Grant.

ALTERNATIVES

1. Do not adopt the resolution and direct staff to use existing budgeted funding sources for the Downtown Precise Plan update.
2. Provide other direction.

PUBLIC NOTICING

Agenda posting. In addition, the Chamber of Commerce, Old Mountain View Neighborhood Association, Downtown Committee, and email interest lists for the Housing Element, Downtown Transit Center Master Plan, Moffett Boulevard Precise Plan and Downtown Precise Plan Update were notified.

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EA/6/CAM
899-04-11-23CR
202932

- Attachments: 1. Resolution
 2. PDA Planning Grant Application