



COUNCIL REPORT

DATE: January 24, 2023

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **General Plan, Zoning, and Precise Plan Amendments Related to the Housing Element Update**

RECOMMENDATION

1. Adopt a Resolution of the City Council of the City of Mountain View Certifying the 2023-2031 Housing Element Update Environmental Impact Report and Adopting Findings Related to Environmental Impacts, Mitigation Measures, and Alternatives and Adopting a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program in Compliance with the California Environmental Quality Act, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Amending the General Plan Land Use Map from High-Intensity Office to High-Density Residential for the Properties Located at 57/67 and 87 East Evelyn Avenue South of East Evelyn Avenue, Between State Route 85 and Pioneer Way, and from General Industrial to High-Density Residential for the Property Located at 1110 Terra Bella Avenue/1012 Linda Vista Avenue at the Northwest Corner of Linda Vista Avenue and Terra Bella Avenue; and Amending the General Plan to Clarify Floor Area Ratio (FAR) Exemptions and Make Other Minor Modifications, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Introduce an Ordinance of the City of Mountain View Amending Sections of Chapter 36 (Zoning) of the City Code to Eliminate Lot Area and Lot Width Minimums in the Residential High-Density (R4) Zoning District for 100% Affordable Housing Developments that Receive Authorization Through the City Notice of Funding Availability Process; Allow Residential Mixed-Use Village Center Development Where the General Plan Land Use Designation Allows Residential Uses on Sites Within the Commercial Neighborhood (CN) and Commercial Services (CS) Zoning Districts; and Establish Definitions, Procedures, and Standards for Such General Plan Mixed-Use Village Center Development, to be read in title only, further reading waived, and set a second reading for February 14, 2023 (Attachment 3 to the Council report).
4. Introduce an Ordinance of the City of Mountain View Amending the Zoning Map from the General Industrial (MM) Zoning District to the High-Density (R4) Zoning District for the

Properties Located at 57/67 and 87 East Evelyn Avenue South of East Evelyn Avenue, Between State Route 85 and Pioneer Way; and 1110 Terra Bella Avenue/1012 Linda Vista Avenue at the Northwest Corner of Linda Vista Avenue and Terra Bella Avenue, to be read in title only, further reading waived, and set a second reading for February 14, 2023 (Attachment 4 to the Council report).

5. Adopt a Resolution of the City Council of the City of Mountain View Amending the El Camino Real Precise Plan to Increase the Maximum Floor Area Ratio (FAR) and Height Allowances for Residential/Mixed-Use Development for Tier 1 Projects in Village Center Areas Consistent with the General Plan and Make Other Minor Text Amendments, to be read in title only, further reading waived (Attachment 5 to the Council report).
6. Adopt a Resolution of the City Council of the City of Mountain View Amending the Grant-Phyllis Precise Plan to Allow General Plan Mixed-Use Village Center Development as a Provisional Use and Add Development Standards, to Update the Administration Provisions, and to Make Other Minor Text Modifications and Clarifications, to be read in title only, further reading waived (Attachment 6 to the Council report).

BACKGROUND

City Council Study Session—First Draft Housing Element

On [June 14, 2022](#), the City Council reviewed the Draft Housing Element and provided direction on various programming and narrative modifications. Additionally, the City Council directed staff to:

1. Prepare zoning amendments for proposed 100% affordable housing developments (57/67 and 87 East Evelyn Avenue and 1110 Terra Bella Avenue/1012 Linda Vista Avenue);
2. Prepare El Camino Real Precise Plan Amendments to eliminate the “Tier 2” overlay zoning requirement for residential projects greater than 1.85 floor area ratio (FAR); and
3. Prepare Zoning and Precise Plan Amendments to allow residential uses and require neighborhood commercial uses and publicly accessible open areas at shopping centers identified in the General Plan as “Village Centers.”

Second Draft Housing Element Submitted to HCD

The First Draft of the Housing Element Update was submitted to the Department of Housing and Community Development (HCD) on July 1, 2022. Staff received HCD formal comments at the end of September and met with the HCD reviewers to review comments and discuss revisions in September and October. The Second Draft Housing Element revisions were completed and

published on November 10, 2022. Staff submitted the Second Draft to HCD on November 18, 2022. The City received some informal initial comments at a meeting with HCD reviewers on December 12, 2022, mainly to provide additional clarifications and information. Staff made revisions to address the comments and published the revisions on December 22, 2022. These revisions were submitted to HCD on January 4, 2023. Staff met with the HCD reviewers the same day to discuss the revisions and additional public comments received.

HCD provided formal written comments from their 60-day review of the Draft on January 17, 2023 (see Attachment 9—HCD Letter on Second Draft Housing Element Update). The letter was consistent with the discussion on January 4 and included comments about:

- Analyzing and addressing displacement of RV dwellers on the City-owned East Evelyn site;
- Updating the site inventory and related analysis based on new definition of “Pipeline” Projects;
- Updating relevant Affirmatively Furthering Fair Housing (AFFH) analysis due to the site inventory changes; and
- Ensuring non-English speakers have full access to drafts and opportunities for input.

Staff is working on addressing these comments and will provide more information at a later date. These General Plan, Zoning, and Precise Plan Amendments can be considered separately from the Housing Element Update.

Environmental Planning Commission Public Hearing

On [December 7, 2022](#), the Environmental Planning Commission (EPC) reviewed the Final Environmental Impact Report (EIR) and the rezonings and General Plan amendments related to the Housing Element. The EPC recommended approval of the staff recommendation on all actions, with the additional recommendation to modify the Mixed-Use Village Center development standards in the Zoning Ordinance amendment and Grant-Phyllis Precise Plan Amendment to add language that “standards may be waived if they physically constrain the residential floor area allowed in the General Plan.” More information about this amendment is provided under the “Analysis” section below.

No one from the public spoke at the meeting, but four written items of correspondence were received and posted to the agenda item [online](#). The public comments included the following (*staff comments are provided in italics*):

- Concern about compliance with Senate Bill (SB) 330. *The draft standards do not reduce the residential density allowed on Village Center sites, in compliance with the requirements of SB 330.*
- Request for a property on North Rengstorff Avenue to be included in the rezonings. *Staff is not recommending inclusion of the site for rezoning because it is not in the Sites Inventory or a 100% affordable housing project.*
- Support elimination of lot area and width minimums from R4 standards. *This action is being included in the recommendations for 100% affordable housing only. It is not recommended for market-rate projects because the R4 standards would be difficult to comply with on smaller sites, while affordable projects will likely be allowed waivers and concessions under State Density Bonus Law. The limitation of this change to facilitate 100% affordable projects is consistent with other City policies that allow greater flexibility to those developments that provide the greatest affordability, such as a density bonus greater than the State Density Bonus.*
- Questions about specific environmental impacts of mixed-use development on the Grant Park Plaza site. *The Final EIR includes evaluation of environmental impacts and mitigation measures for all actions recommended tonight. Council action will include adoption of the mitigation measures and a mitigation monitoring and reporting program to reduce the impacts to the extent feasible. Future projects on these sites will also conduct studies, especially related to site contamination, and will be required to comply with any additional requirements resulting from those studies.*

ANALYSIS

Timing of General Plan and Zoning Amendments

The 2030 General Plan identified Village Centers where residential uses could be added to existing neighborhood shopping centers. This General Plan policy direction has not yet been implemented through zoning. In addition, the El Camino Precise Plan includes areas where an additional legislative zoning process is necessary to meet the densities allowed under the General Plan. In both cases, the zoning designations for these sites are not consistent with the General Plan. As part of the Housing Element Update process, staff recommended rezonings for these sites so that **the zoning would allow for residential uses and densities consistent with the General Plan, and the additional residential capacity could also be captured in the Sites Inventory.**

These rezonings need to happen before the start of the Sixth Cycle planning period (January 31, 2023); otherwise, there may be a shortfall of existing sites with the necessary residential zoning to accommodate the RHNA. A shortfall would require the City to: (1) include a program in the

Housing Element to rezone sites to meet the shortfall; (2) require the program to include additional restrictions and requirements, such as approving residential developments with 20% or more affordable units by right with no discretionary review or allowing mixed-use designated sites to allow 100% residential development (which would preclude the City from requiring retail and neighborhood commercial uses in mixed-use Village Centers); and (3) require the rezonings to be completed within three years from January 31, 2023 (one year if the City's Housing Element is not substantially in compliance with State law by May 31, 2023).

As noted earlier at the June Study Session, Council directed staff to move forward with the following General Plan Amendments, Precise Plan Amendments, and Rezonings:

1. Rezonings for 57/67 and 87 East Evelyn Avenue and 1110 Terra Bella Avenue/ 1012 Linda Vista Avenue (where affordable housing developments are proposed), streamlining the process for each of the projects proposed on those sites. To rezone the 1110 Terra Bella Avenue/1012 Linda Vista Avenue development, the R4 zone must also be amended to eliminate the minimum lot size for 100% affordable developments.
2. El Camino Real Precise Plan Amendments, consistent with State law and the General Plan, eliminating the requirement for an overlay zone to reach the highest densities in the Precise Plan ("Tier 2").
3. Zoning Ordinance and Grant/Phyllis Precise Plan Amendments, consistent with State law and the General Plan, creating objective standards to implement General Plan policy related to Mixed-Use Village Center developments.

A detailed discussion of each of the three major changes is provided later in this report. The changes are necessary for General Plan and El Camino Real Village Centers to be consistent with the General Plan and is necessary for Village Center sites and pipeline affordable housing sites to be included in the Sites Inventory.

1. **R4 Zoning District Ordinance and Site-Specific Rezoning Amendments**

As discussed earlier in this report, the City Council directed staff to include the rezonings of sites that are planned for 100% affordable housing developments. This will streamline their subsequent review, for example, by making them eligible for the SB 35 ministerial review process. These sites include 57/67 East Evelyn Avenue and 87 East Evelyn Avenue and 1110 Terra Bella Avenue/1012 Linda Vista Avenue.

Past affordable housing development projects have been developed on sites in the R4 Zoning District since it is the residential zone allowing the greatest density. However, the 1110 Terra Bella Avenue/1012 Linda Vista Avenue site does not meet the minimum lot area and lot width minimums of the R4 Zoning District. Therefore, staff recommends

amending the R4 Zoning District standards in the Zoning Code to eliminate lot area and lot width minimums for 100% affordable housing developments that receive funding through the City's Notice of Funding Availability (NOFA) process. This change will not modify any other R4 standards nor affect other development types but would allow for more flexibility for 100% affordable housing development at higher densities while maximizing development potential on smaller lots that currently would not be able to be zoned R4 (see Attachment 3).

EPC Recommendation: The EPC recommended the staff recommendation.

2. **El Camino Real Precise Plan Amendments to Remove Tier 2 Overlay Requirement**

The El Camino Real Precise Plan (adopted in 2014) was developed with a three-“tiered” approach with varying maximum densities/FAR and heights depending on the location as prescribed by the Precise Plan and by the public benefits provided by the project. “Base” development is allowed throughout the Precise Plan area; “Tier 1” development is allowed in areas adjacent to multi-family neighborhoods and allows for additional height and FAR above the Base; and “Tier 2” development is only allowed in Village Centers and allows for the highest FAR. The El Camino Real Precise Plan Village Centers are located at major intersections that could accommodate additional intensities (FAR and height) but require a rezoning process called the “Village Center Overlay” for FAR above 1.85 (Tier 1) and up to 2.3. The General Plan, on the other hand, allows FARs higher than 1.85 at key locations.

To address this inconsistency between the Precise Plan and the General Plan, the Precise Plan's overlay rezoning process must be removed to be consistent with State law. This also increases unit capacity for the sites in this category that are included in the Sites Inventory. The specific changes to the El Camino Real Precise Plan include (see Attachment 5):

- Increase maximum FAR and height allowances for Residential/Mixed-Use Development for Tier 1 projects (which currently do not require a rezoning process and will remain unchanged); and
- Minor text edits throughout the Precise Plan in reference to Tier 1 and Tier 2 thresholds.

EPC Recommendation: The EPC recommended the staff recommendation.

3. **General Plan Mixed-Use Village Centers**

The General Plan includes policies and land use designations creating Mixed-Use Village Centers at key shopping centers and nodes. These are areas where retail uses would be maintained or improved and new multi-family housing would be added. Council directed

staff to integrate these General Plan Village Centers into the Sites Inventory, to propose zoning amendments that address the General Plan policy direction, and to ensure that the following were provided by projects in the Village Centers:

- Neighborhood commercial uses;
- Publicly accessible open spaces; and
- Sensitive transitions to surrounding residential uses.

While the zoning at some General Plan Village Centers already allows residential uses (such as Middlefield/Whisman in the East Whisman Precise Plan and the majority of Moffett Boulevard), other areas have not been similarly rezoned. These General Plan Village Center sites have one of three General Plan Land Use Designations (Mixed-Use Corridor, Neighborhood Mixed-Use, or General Mixed-Use) and one of three zoning designations (CN—Neighborhood Commercial, CS—Commercial-Services, or P(27)—Grant-Phyllis Precise Plan). Each of the General Plan Land Use Designations allow for residential, but none of the zoning designations do (see Table 1 and Figure 1). Therefore, the amendments related to Mixed-Use Village Center developments are only made to the Zoning Ordinance, specifically the CN and CS Zoning Districts, and the Grant-Phyllis Precise Plan.

Table 1: General Plan Mixed-Use Village Centers

Map No.	Location	General Plan Land Use	Zoning
1	Rengstorff/Middlefield	General Mixed-Use	CS (Commercial-Services)
2	Rengstorff/Central	Neighborhood Mixed-Use	CN (Neighborhood Commercial)
3	400 Moffett Boulevard	Mixed-Use Corridor	CN (Neighborhood Commercial)
4	Grant Park Plaza	Mixed-Use Corridor	P(27) Grant Phyllis Precise Plan
5	Blossom Valley	Neighborhood Mixed-Use	CN (Neighborhood Commercial)



Figure 1: Mixed-Use Village Center Locations

Key Considerations

To include key developable sites in the Sites Inventory and to address this inconsistency, staff prepared amendments to the General Plan, the Zoning Ordinance, and the Grant-Phyllis Precise Plan. The following were key considerations for the amendments:

- To avoid changes to the zoning districts that could affect existing uses and developments, the sites were not rezoned; rather, a new “General Plan Mixed-Use Village Center” option was added in the Zoning Ordinance for these sites where the General Plan designates Mixed-Use Village Centers.

- A new “General Plan Mixed-Use Village Center” land use and definition is proposed to be added in the Zoning Ordinance and the Grant-Phyllis Precise Plan, including requirements consistent with the General Plan. This would be the only land use that permits residential in these commercial districts, so residential development would need to comply with all the standards of the land use category.
- **Residential development was already allowed on these sites under the General Plan.** Therefore, under SB 330, the development standards (such as required commercial space and associated parking) must not constrain residential development previously allowed under the General Plan. More information is provided in Table 3 below.
- The El Camino Real Precise Plan development standards were used as the basis for the development of the Mixed-Use Village Center standards (see Table 2 below), such as setbacks, neighborhood transitions, and open area, since there are multiple examples of multi-family development in the Precise Plan area. This ensures that the density allowed in the General Plan is not constrained by the proposed development standards (per SB 330 requirements).
- For example, maximum heights in different Village Centers are based on the allowed densities. To ensure that residential density allowed in the General Plan is not constrained, the number of stories **must be one greater than the proportional number of stories in the El Camino Real Precise Plan** since ground-floor commercial is newly required. While the General Plan designation has a height guideline that may be less than the proposed standard, the General Plan also allows flexibility on height for projects that advance larger General Plan goals or policies (such as Village Center development). More detail is shown in Table 2 below.

Table 2: Maximum Heights and FARs

Area	Maximum Residential Density in General Plan	Maximum Height (Existing Zoning)	Maximum Height (Proposed)
<i>El Camino Real Precise Plan— Basis, No Commercial</i>	1.85 FAR	55' (four stories)	
Cuesta/Miramonte (Blossom Valley)	1.05 FAR	35' (two stories)	45' (approx. three stories)
Rengstorff/Central	1.05 FAR	35' (two stories)	45' (approx. three stories)
Rengstorff/Old Middlefield	1.35 FAR	No maximum	55' (approx. four stories)
400 Moffett Boulevard	1.85 FAR	35' (two stories)	65' (approx. five stories)
Grant/Phyllis (Grant Park Plaza)	1.85 FAR	35' (two stories)	65' (approx. five stories)

Development Standards for General Plan Mixed-Use Village Centers

The following highlights the major development standards related to Mixed-Use Village Center developments that were added to the Zoning Ordinance and Grant-Phyllis Precise Plan. All proposed changes can be found in Attachment 3 (Zoning Ordinance) and Attachment 6 (Grant-Phyllis Precise Plan).

Table 3: General Plan Mixed-Use Village Centers Development Standards

Standard	Requirement	Basis for Requirement	SB 330 Consistency Determination
A. Neighborhood Commercial Floor Area	0.25 FAR minimum	Determined by a survey of existing shopping centers.	Additional height beyond ECRPP standards would accommodate and would not reduce the permissible residential floor area.
B. Tenant Space to Accommodate Grocery Store	At least 15,000 square feet	Supports General Plan policies and addresses community needs for grocery stores nearby residential neighborhoods, such as the ones that exist in Blossom Valley and Grant Park Plaza shopping centers. Determined by analysis of typical grocery tenant spaces.	Area would be included in the required Neighborhood Commercial Floor Area and would not reduce residential FAR.
C. Ground-Floor Building Frontage (Storefront)	75% of building frontage along busy adjacent street	Prioritizes commercial use location in visible locations and areas less suitable for residential.	Provides standard for the configuration of neighborhood commercial area but is not an added constraint.
D. Height Limits	65' for 1.6 FAR or greater 55' between 1.2 FAR and 1.6 FAR 45' for 1.2 FAR or less	Heights are proportionally based on ECRPP (1.85 FAR with 55' height limits) plus one story.	Would allow neighborhood commercial to be provided at the level proposed without reducing residential FAR by limiting heights.

Standard	Requirement	Basis for Requirement	SB 330 Consistency Determination
E. Street Setbacks	15' minimum	ECRPP requires 16' minimum.	ECRPP has 100% residential projects meeting their allowed 1.85 FAR with these setback requirements and, therefore, is not a constraint.
F. Rear and Side Setbacks	Not adjacent to residential zoning districts: 15' minimum Adjacent to residential zoning districts: 25' minimum	Same as ECRPP.	ECRPP has 100% residential projects meeting their allowed 1.85 FAR with these setback requirements and, therefore, is not a constraint.
G. Open Area	30% of site area	ECRPP requires 40%.	Reducing the requirement allows the area to be used to prioritize commercial uses, associated parking, and accessibility and connections.
H. Publicly Accessible Open Space	Cumulative 5% of project site area	Recent formal application on El Camino Real (Chase Bank site) includes over 10% public plaza.	This requirement allows for open area to be located between buildings and within setback areas, so it is likely not a constraint.

The approval processes for these projects are consistent with the underlying zoning districts or Precise Plan:

- Consistent with the Zoning Ordinance, the CN and CS District Mixed-Use Village Centers will be approved by the Zoning Administrator.
- Consistent with development in the Grant-Phyllis Precise Plan, Mixed-Use Village Centers will be approved by the City Council.

EPC Recommendation: The EPC recommended the staff recommendation along with a recommendation to modify the Mixed-Use Village Center development standards in the Zoning Ordinance amendment and Grant-Phyllis Precise Plan Amendment to add language

that “standards may be waived if they physically constrain the residential floor area allowed in the General Plan.” This modification is a “belt-and-suspenders” approach to ensure compliance with SB 330’s prohibition on standards reducing residential capacity as applied to particular projects.

Further Staff Analysis: Based on the comments received by a developer and upon further review of the EPC comments, staff is recommending adding language to the Zoning Ordinance and the Grant-Phyllis Precise Plan to allow the following “if the standard would physically prevent the construction of the residential floor area allowed in the General Plan”:

- Reduction of minimum Neighborhood Commercial Floor Area and Ground-Floor Building Frontage (Storefront) to 50% of required¹; and
- Exceptions to the following standards: Height, Rear and Side Setbacks (not adjacent to residential zoning districts), Open Area, and/or Personal Storage.

The other standards are directly related to General Plan policy and should not be reduced. The City Council can consider eliminating the exceptions from this list (e.g., not allowing exceptions to Open Area), but staff does not recommend this because it would reduce flexibility in achieving density while providing retail and neighborhood services. In addition, some additional language was also added to the introductory language in Section 36.30.110 to further reinforce the key General Plan policies that a project must comply with. Attachments 3 and 6 reflect the staff-recommended changes.

Other Amendments

General Plan Text Amendment

As described above, Mixed-Use Village Center required neighborhood commercial uses and their required parking cannot count against the maximum FAR allowed for residential uses in the General Plan (see the Key Considerations section on Page 8). The General Plan text amendment ensures such projects are not inconsistent with the General Plan by allowing these FAR exemptions when prescribed by zoning.

Other Minor Grant Phyllis Precise Plan Amendments

The Grant-Phyllis Precise Plan includes outdated descriptions of the shopping center, desired uses, and references to the Zoning Ordinance. These have been updated. In addition, the Precise

¹ The intent of these reductions is to accommodate circulation, leasing offices, and other ground-floor needs, especially on sites smaller than about two acres.

Plan is the only zoning district where provisional uses require Council approval. This process was updated to only require Zoning Administrator approval, consistent with other zoning districts and Precise Plans.

AIRPORT LAND USE COMMISSION RECOMMENDATION

Pursuant to State law, the City must refer an application to the Airport Land Use Commission (ALUC) when a project that includes a General Plan and/or zoning amendment is proposed within the Airport Influence Area (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. Since some of proposed rezonings and General Plan amendments (discussed earlier in the report) are located within the Moffett Federal Airfield, the project was referred to the ALUC at their October 21, 2022 meeting. The ALUC made a determination that the project is consistent with the Moffett Federal Airfield CLUP and recommends a condition of approval of an aviation easement prior to building permit issuance for affected properties. Staff is evaluating adding language to future code amendments to address the ALUC's recommendation.

ENVIRONMENTAL REVIEW

Due to the large scale of anticipated housing development from the RHNA and proposed rezonings, zoning amendments, and General Plan amendments, the City prepared an Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA) requirements to evaluate the impacts on the environment that could potentially occur with the implementation of the Housing Element Update. An EIR is a disclosure document on the expected direct and indirect environmental impacts associated with a project. Impacts are generally categorized as less-than-significant or no impact; significant impacts that can be mitigated to less-than-significant levels with mitigation measures; and significant and unavoidable impacts even after all feasible mitigation measures have been implemented.

Prior to approving the Housing Element and any of the rezonings, zoning amendments, or General Plan amendments currently under consideration, the City Council must certify the EIR and adopt required findings under CEQA. According to the CEQA Guidelines, 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 Council's independent judgment and analysis.

EIR Process

In accordance with CEQA, a Notice of Preparation was circulated to the public and responsible agencies to provide input on the scope and content of the environmental analysis from

February 4, 2022 to March 7, 2022. A virtual scoping meeting was held on February 27, 2022. The City received seven letters (see Attachment 7).

The Notice of Availability for the Draft Environmental Impact Report was posted from July 22, 2022 until September 6, 2022 for public comments. The City received seven comments from individuals, organizations, and agencies and comments from the EPC during the public meeting held on August 3, 2022. The themes include general comments on the Draft EIR in analyzing a range of different impacts related to hazardous materials, public services, transportation, groundwater and water supply, air quality, biological resources, greenhouse gas emissions, land use planning, and noise; comments on the Housing Element Update project not related to the analysis of environmental impacts per CEQA Guidelines, including development standards related to biological resources; comments on the need to analyze impacts cumulatively; and comments on the need to analyze additional project alternatives beyond the “No Project” and “Reduced Sites” alternatives.

Since the publication of the Draft EIR, changes have been made to the Housing Element, but these were mainly program details, background analysis, and minor site inventory changes that do not materially affect the analysis or conclusions reflected in the Draft EIR. More information on those revisions will be provided for the adoption of the Housing Element. No changes are proposed for rezonings, zoning text amendments, and General Plan amendments under consideration at this time.

Included in this report is the Final EIR, which includes responses to comments and changes made to the Draft EIR and was made available to the public on November 4, 2022 (see Attachment 1, Exhibit A). Since none of the comments or changes surfaced significant new information as defined by CEQA, recirculation of the EIR is not required.

Impacts and Mitigations

Environmental impacts that can be mitigated to a less-than-significant level include impacts related to sensitive populations being exposed to pollutants during construction, habitat destruction of special-status bats, demolition of historical resources, generation of greenhouse gases, and the need for infrastructure expansion/improvements to City utilities. The mitigation measures identified in the EIR for these potential impacts will be effective in reducing the impacts to less-than-significant levels and include additional air quality assessments and analysis that may result in required special construction equipment, timing of habitat (tree) removal, protection of historic resources, or fair-share fund contribution for utility upgrades. The mitigation measures are discussed in the Draft EIR in Chapter 4 starting on Page 4.0-1.

However, as also identified in the EIR analysis, a significant and unavoidable impact related to air quality would occur. The impact of the project is summarized below and discussed in Chapter 4.2, Air Quality, starting on Page 4.2-26.

Since the Housing Element Update project is a Citywide planning document that anticipates potential development over a long-term period, there will be a variety of projects that will have different levels of impact based on their size, length of construction time, and location. A number of projects will likely be below the significance thresholds for the screening criteria or may fall below the thresholds with the implementation of mitigations and would, therefore, have impacts that are less than significant or less than significant with mitigation. However, it is anticipated that there may be projects that could exceed screening thresholds for construction emissions for a number of reasons, including size, length of construction, and location. In anticipation of this, the following identified significant and unavoidable impacts to air quality are included to reflect the chance that impacts to air quality could occur within the eight-year period of the Housing Element Update. CEQA requires that all feasible mitigation measures be adopted, even though application of the mitigations may still result in a significant impact. The mitigation measure below is included to reduce the cases and severity of the potential impact.

Significant and Unavoidable Impact	Mitigation
<p>Air Quality—2: Large development projects could result in criteria air pollutant emissions above established thresholds of significance.</p>	<p>Large projects that exceed screening levels will prepare a project-specific criteria air pollutant assessment of construction and operational emissions. If the analysis finds that criteria air pollutant emissions would exceed significance thresholds, the project will need to use specialized construction equipment and include construction of “all-electric” buildings, additional electric vehicle charging infrastructure, and Vehicle Miles Traveled (VMT) reduction measures (for projects that do not screen out from VMT impact analysis) during operation to reduce emissions.</p>

Mitigation is expected to be effective at reducing criteria pollutant emissions from construction and operation of individual projects developed as part of the Housing Element Update to below thresholds of significance identified by the Bay Area Air Quality Management District (BAAQMD); however, the specific emissions associated with future projects are not currently known and, therefore, the effectiveness of emission reduction measures cannot be definitively determined. Although a significant and unavoidable environmental impact would result, the City Council may approve the project if it first adopts a statement of overriding considerations identifying the project benefits that override the environmental impact. A proposed statement of overriding considerations is included in the draft EIR resolution.

EPC Recommendation: The EPC recommended certification of the EIR and adoption of the required CEQA findings in the proposed resolution.

NEXT STEPS

The second reading for the proposed ordinances is scheduled for February 14, 2023.

Additionally, staff received formal comments from HCD on the second draft Housing Element on January 17, 2023 and will make revisions to the draft Housing Element responding to the comments in compliance with State law.

FISCAL IMPACT

A Fiscal Impact Analysis (FIA) report was completed evaluating the fiscal impacts of the Housing Element Update to City and Shoreline Regional Park Community revenues and expenditures. The FIA found that the Housing Element Update, a plan that enables the construction of approximately 15,000 residential units (and which includes the attached General Plan, zoning, and Precise Plan Amendments), would have a positive net impact on the City's General Fund (\$3.8 million annually in revenue) and Shoreline Regional Park Community Fund (\$18.2 million annually in revenue) (see Attachment 8). The analysis does not include one-time costs for facilities, equipment, and capital improvements.

CONCLUSION

In conclusion, staff recommends the City Council adopt the amendments to the Zoning Ordinance, El Camino Real Precise Plan, and Grant-Phyllis Precise Plan; the General Plan Map and Zoning Map amendments to 57/67 and 87 East Evelyn Avenue and 1110 Terra Bella Avenue/ 1012 Linda Vista Avenue; General Plan Text amendments; and certification of the EIR for the Housing Element Update.

ALTERNATIVES

1. Do not certify the Housing Element Update Environmental Impact Report.
2. Do not adopt the General Plan, zoning, and Precise Plan Amendments related to the Housing Element Update. (NOTE: This may constrain the City's ability to require commercial on General Plan Village Centers or El Camino Real Village Centers.)
3. Modify and approve the recommended General Plan, zoning, or Precise Plan Amendments, such as by modifying the General Plan Mixed-Use Village Center standards for which an exception can be requested (see "Further Staff Analysis" under General Plan Mixed-Use Village Centers on page 6 above).

PUBLIC NOTICING

The City Council agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. A meeting reminder was emailed to all persons subscribed to the Housing Element mailing list (approximately 480 people); a physical mailer was sent to all properties within 750' of proposed amendments (approximately 12,800 people); and a notice was published in the *Daily Post*.

Prepared by:

Ellen Yau
Senior Planner

Reviewed by:

Eric Anderson
Advanced Planning Manager

EY/6/CAM
810-01-24-23CR
202651

Approved by:

Aarti Shrivastava
Assistant City Manager/
Community Development Director

Kimbra McCarthy
City Manager

- Attachments:
1. Resolution for the Final EIR
 2. Resolution for the General Plan Land Use Map and General Plan Text Amendments
 3. Ordinance for Zoning Text Amendments
 4. Ordinance for Zoning Map Amendments
 5. Resolution for El Camino Real Precise Plan Amendments
 6. Resolution for Grant-Phyllis Precise Plan Amendments
 7. NOP Comments
 8. Fiscal Impact Analysis Report for Housing Element Update
 9. HCD Letter on the Second Draft Housing Element Update