

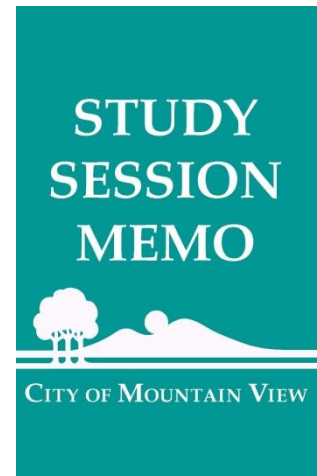
DATE: March 7, 2017

TO: Honorable Mayor and City Council

FROM: Terry Blount, Assistant Community
Development Director/Planning Manager
Martin Alkire, Principal Planner
Randal Tsuda, Community Development
Director

VIA: Daniel H. Rich, City Manager

TITLE: **Gatekeepers – Process and Long-Range
Planning**



PURPOSE

The purpose of this Study Session is to discuss potential modifications to the Gatekeeper process in general; the community benefit expectations for Gatekeepers; and potential land use changes beyond those contemplated in the Mountain View 2030 General Plan. This session was requested by the City Council at the December 6, 2016 Gatekeeper hearing.

BACKGROUND

On December 6, 2016, the City Council reviewed the latest round of Gatekeeper requests. The City received 13 requests covering 16 individual sites. This represented a record number of requests. Of these, only three of them were for sites located within a Change Area identified in the City's General Plan. The City went through an extensive, multi-year process, including a robust public outreach effort, prior to adoption of the current General Plan in 2012. Through that process, five Change Areas were identified by the community as the areas where the City would see significant change (one additional area, Pioneer Way, was identified for a future land use study). Precise Plans have been adopted for three of these areas (North Bayshore, San Antonio, and El Camino Real) and one is currently in the process of being developed for a fourth (East Whisman). The fifth area is the Moffett Boulevard corridor. Outside of these areas, no significant changes to the land use pattern and intensity/density of development were anticipated in the General Plan.

The large number of Gatekeeper requests located outside of the adopted Change Areas calls into question one of the fundamental concepts of the General Plan which directs long-term land use changes and/or building intensification into designated Change

Areas. The number of Gatekeeper requests raises the question, “Should the General Plan be revised to include additional Change Areas and, if yes, should the process be reactive to Gatekeeper requests or more comprehensive in scope?” Another question to consider would be, “What are the City Council’s goals and priorities as they pertain to development and planning-related work?” In other words, how should limited resources be allocated? Finally, areas currently zoned industrial have seen a large number of Gatekeeper requests over the past few years. Things to consider regarding these requests include balancing the need to preserve some areas of industrial/office/research and development uses with providing more locations for residential development, particularly where there is no residential tenant displacement. The question here is “Does the City want to permanently reduce the amount of land available for industrial uses?”

Ultimately, the City Council authorized two Gatekeeper requests last December. At the same hearing, the City Council directed staff to return with a Study Session to discuss the Gatekeeper process in general, as well as a number of options related to potential changes to the City’s General Plan Map, Zoning Map, and/or Precise Plans to allow additional residential uses.

DISCUSSION

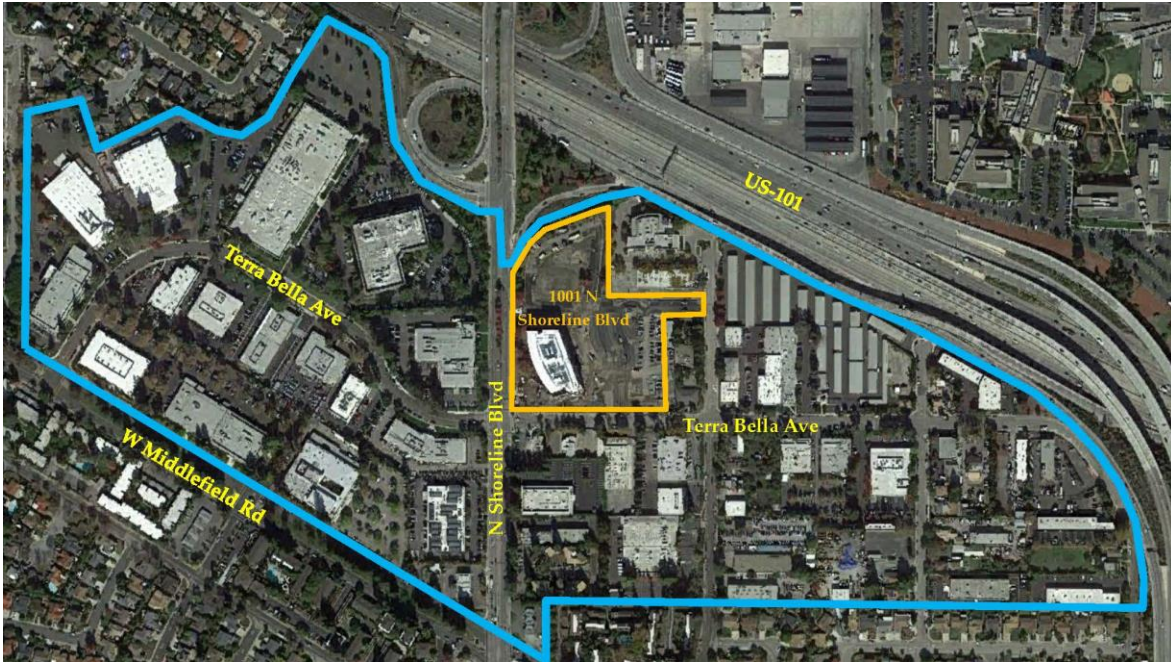
Past Meetings

November 17, 2015 – City Council Study Session on Residential Study Areas

At this meeting, the City Council discussed potential new areas for residential uses in the City, where existing residential densities could be increased, and options for City processes to accommodate any new land use changes.

Councilmembers provided comments on the following topics:

- **Industrial to Residential Conversion.** *Comment:* Concern over losing existing industrial land uses; consider conversions on a case-by-case basis.
- **Terra Bella Area.** A potential Terra Bella study area was discussed where land use changes might be considered. This area is located south of Highway 101 and includes the industrial areas near Terra Bella Avenue on both sides of Shoreline Boulevard. (Note: the City Council has approved a Gatekeeper request at 1001 North Shoreline Boulevard to consider a General Plan Amendment and rezoning to allow a 303-unit residential project within this area).



Comments:

- A planning process would be needed for any land use changes for the area.
- Some ideas for further land use study in the area could include new medium-density ownership housing, affordable housing, and protecting existing commercial and industrial businesses.
- **Maintain Gatekeeper Process.** *Comment:* A preference to maintain the existing Gatekeeper process over doing new land use plans or studies except for the North Bayshore and East Whisman Precise Plans.
- **Upzoning of R3 Areas:**

Comments:

- More affordable housing units should be a condition of approval for any upzoning of residential areas.
- Upzoning existing R3 areas is possible but concern over tenant displacement issues.
- **Lack of Staff.** No additional staff to take on new planning projects.

- **Develop Change Areas First.** Let General Plan Change Areas develop first before identifying new areas.

City Council summary direction:

- Do not begin any new plans or studies at this time;
- Continue to use the City's existing Gatekeeper process to review proposed land use changes on a case-by-case basis.

December 6, 2016 – City Council Gatekeeper Requests Review

At this meeting, the City Council considered 13 Gatekeeper requests on 16 sites. In addition to considering the Gatekeeper requests, City Council requested a Study Session to focus on two topics:

- Modifications to the Gatekeeper process and requirements; and
- Consideration of options for additional land use Change Areas.

Below is a summary of key points stated by the City Council members during the meeting:

- Several Councilmembers expressed interest in a study of the Terra Bella area for residential uses. Other areas of potential study mentioned were California Avenue, Pioneer Way, and the industrial areas south of Highway 101 near Rengstorff Avenue.
- Will need to determine the appropriate planning process for any study area.
- Concern of concentrating development in existing Change Areas.
- The Gatekeeper process should be studied and/or revised:
 - Increase application requirements.
 - Increase affordable housing requirements on Gatekeeper requests.
 - Replace any demolished units.
 - Have a clearer idea of desired community benefits.

- Need to determine how to prioritize what areas should be studied further in the future.
- Maintain City’s existing industrial uses.
- Focus on creating more ownership housing.

I. Gatekeeper Process Revisions

Existing Gatekeeper Process

The term “Gatekeeper” is not defined in the City’s Zoning Ordinance. It is a term that was adopted to identify the process outlined in the Zoning Ordinance (Section 36.52) that pertains to General Plan and Zoning Amendments, often referred to as legislative changes. It was originally intended to provide a process by which the City Council could review requests for legislative changes taking into consideration available staff resources. The number of requests the City receives has grown significantly over the years. Since the adoption of the current General Plan in 2012, the City has received 56 Gatekeeper requests. Of those, 27 have received authorization to proceed. Currently, the City only requires a letter outlining the basics of the request, including the specific legislative change(s) desired, and a \$10,000 refundable deposit. There is no cost to the applicant for the initial review and processing of the Gatekeeper request.

Potential Modifications to the Gatekeeper Process

At the meeting of December 6, 2016 where the City Council reviewed the last round of Gatekeeper requests, the City Council directed staff to return to them with a Study Session to discuss the Gatekeeper process in general. Staff has come up with some options for the City Council to consider.

- Potential options:
 - A. *No change.* Keep the process as it currently is.
 - B. *Process the requests on a case-by-case basis as they come in.* There would be no input from the City Council on which ones to proceed with and the normal development process would be used to review a project and bring it forward for Council consideration. Additional staffing would be required depending on the number of requests received.

- C. *Adopt new criteria or a point system to score Gatekeeper requests.* This could assist the City Council with prioritizing requests. It could also be implemented in such a way that when a request reaches a certain level in terms of the criteria or points, it automatically gets the go-ahead to proceed. Things to consider include:
- Requests with a certain number or percentage of affordable units (for residential projects) or transportation improvements or other community benefits (for office projects) score higher.
 - Requests get priority if they fund a planning study of the overall area.
 - Requests that clearly demonstrate how they meet City objectives, including, but not limited to: 2030 General Plan policies or action items, City Council goals, community benefits based on neighborhood-identified needs or priorities, including tenant displacement and relocation, industrial to residential conversion, etc., score higher.

Another possibility would be to make all of these a requirement, as applicable, to get the go-ahead to proceed.

- D. *Exempt split zone projects below a certain number of acres from the Gatekeeper process.* Examples are the Ambra property (913 and 987 Rengstorff Avenue) and 601-649 Escuela Avenue/1873 Latham Street (see Attachment 1).
- E. *Increase the application requirements for Gatekeeper requests.* In addition to a required letter, the City Council could require submission of preliminary project plans, including items such as a site plan, landscape plan, elevations, and renderings.
- F. *Add application fee.* Require a nonrefundable application fee to recover the cost of staff time spent in discussions with the applicant and in reviewing the Gatekeeper request.
- G. *Require that applicants fund a planning study of the overall area surrounding/affected by the Gatekeeper request.* The City Council can determine what type of study would be required.

- H. *Increase development standards for Gatekeeper projects.* For example, Gatekeeper projects could be required to provide a minimum percentage of on-site BMR units, such as 15 percent to 20 percent. Alternatively, the park land or sustainability standards could be raised.
- I. *Consider change to the current policy regarding affordable housing projects that require legislative change(s).* With affordable housing projects that require legislative change(s), staff currently brings the request to the City Council along with the request for the reservation of funding. If the City Council wants to make other changes to the Gatekeeper process but would like to keep this process for affordable projects, staff would like confirmation of this.
- J. *Add to the Gatekeeper process a time limit that rescinds authorization to proceed for inactive Gatekeepers and establish time limits on ones given authorization. [move this to the end of the section]*

II. Gatekeeper Requests and Community Benefit Expectations

Staff is seeking guidance from the City Council on the community benefit expectations for Gatekeeper requests. The City has not established a uniform standard nor a consistent approach on the amount of community benefits expected for Gatekeeper projects, as has been done in the El Camino Real and San Antonio Precise Plan areas. An adopted standard would provide clarity for staff and applicants on the required amount of community benefits and would allow applicants to include this cost in their pro forma for their project.

As a point of reference, the City has adopted two Precise Plans, El Camino Real and San Antonio, which clearly delineate the amount of community benefits expected in exchange for additional floor area above the base floor area ratio (FAR). In the El Camino Real Precise Plan (ECRPP), projects with a request for a Tier 1 or Tier 2 FAR are required to pay a community benefit fee (or the equivalent in infrastructure improvements, public facilities, or affordable housing, etc.) for the additional floor area over the base FAR of 1.0. The current fee is \$21.09 per square foot and is based upon a financial study prepared in conjunction with the Precise Plan.

While the ECRPP and San Antonio Precise Plan fee is a reference point, the analysis conducted for El Camino Real and San Antonio are not necessarily applicable to Gatekeepers in other areas of the City. The results of a financial analysis on community benefits are sensitive to land values, existing uses, and the

difference between the currently allowed floor area and proposed floor area, among other factors. Staff is currently processing two Gatekeeper requests, 1001 North Shoreline Boulevard and 1696-1734 Villa Street. As an example, the 1001 North Shoreline Boulevard site has a base FAR of 0.35 and is currently designated for industrial uses while El Camino Real has a base FAR of 1.35 and already allowed a variety of uses, including residential.

Staff has identified three optional approaches toward community benefits on Gatekeeper projects, as outlined below.

Option 1:

The City could commission a financial study to model the appropriate community benefit contribution for multiple prototype developments in several areas of the City. Under this approach, the City could apply the applicable fee based on the development prototype that most closely matches the Gatekeeper project. This approach can provide greater certainty for staff and applicants; however, there will be instances in which a Gatekeeper project does not match a development prototype.

Option 2:

The City could require that a financial study on community benefits be prepared specifically for each Gatekeeper project. While this approach would establish a project-specific fee for each Gatekeeper request, it does not provide guidance for staff and the applicant until the development review process has commenced and adds additional tasks, time, and costs to the Gatekeeper process.

Option 3:

Council can opt to continue the current case-by-case approach to determining community benefits for Gatekeeper projects. If Council selects this option, staff recommends that applicants be required to propose a community benefit amount and/or improvements with the Gatekeeper application.

III. New Planning Studies

The following describes options for new planning studies developed, in part, based on City Council direction, recent Gatekeeper requests, and the City's 2030 General Plan.

Option 1: Comprehensive General Plan Update

The City's most recent General Plan update process began with a visioning exercise in 2008, followed by a comprehensive, Citywide General Plan update process. This process updated the City's 1992 General Plan and resulted in the current 2030 General Plan.

Since adoption, the 2030 General Plan has guided significant land use change in City-identified "Change Areas." New Precise Plans have been created for the El Camino Real, San Antonio, and North Bayshore Change Areas. More recently, the City has been updating its North Bayshore Precise Plan, and also began a new East Whisman Precise Plan planning process.

In general, General Plans should be updated every 10 years or so to remain relevant in terms of data (traffic models, etc.) and to reflect any new policies related to current community needs and priorities.

Should Council desire to study multiple new Change Areas, the City Council could consider a comprehensive update to the 2030 General Plan. This would likely involve a similar process as the 2030 General Plan update, and would include a comprehensive review of all areas in the City, including outreach, visioning, and policy development work. It could result in new areas being identified as "Change Areas," with new land uses, intensities, building heights, and policies; and/or updating these same elements for existing Change Areas.

The 2030 General Plan update process took approximately four years and cost approximately \$2.5 million. Staff expects a comprehensive update would take approximately 36 months. Once a new General Plan is adopted, it would take an additional 24 to 36 months to prepare new Precise Plans for any new Change Areas that may be identified.

Some potential advantages of this option include:

- Allows a comprehensive update of the 2030 General Plan in terms of the location and intensities of land uses, total amount of desired growth or capacity, and new or amended policies to reflect recent community needs and priorities;
- Could include areas not previously considered by the 2030 General Plan such as existing multiple-family residential areas;

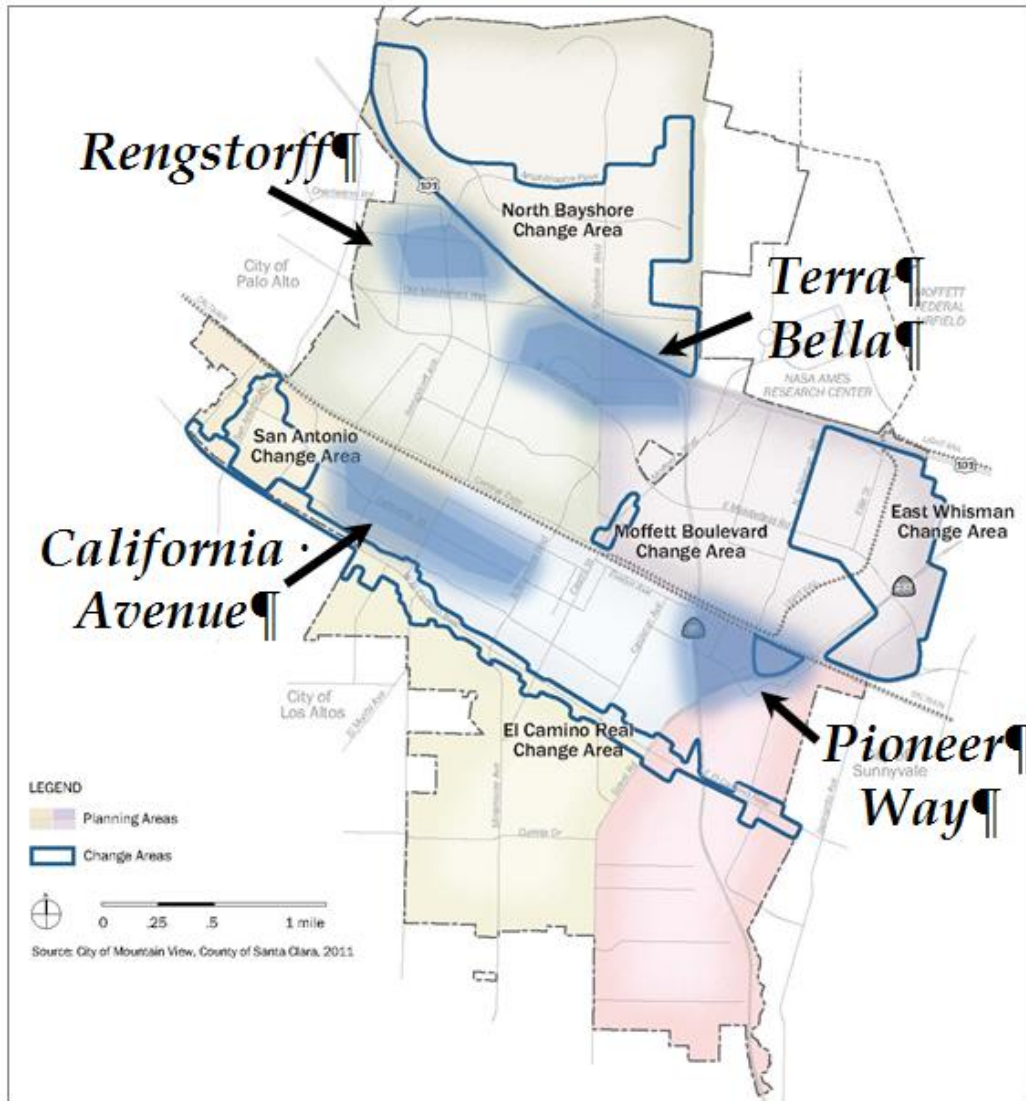
- Existing “Change Areas” may not need significant updating, which could result in a less time-intensive planning process;
- Could reduce the number of future Gatekeeper requests by updating land uses and intensities in areas where change is anticipated.

Some potential disadvantages of this option include:

- The time needed for this process would likely delay development projects that have not received Gatekeeper authorization;
- Community input may not be as robust or effective due to “meeting fatigue” from the large number of recent City planning processes and meetings;
- Requires significant staff resources (approximately 2.5 full-time staff, which includes a full-time project manager, manager oversight, and technical planning assistance from in-house staff), which would not be available for other planning-related projects, and would also impact staff resource to other departments and administrative staff;
- Would require a planning consultant and significant budget to cover the comprehensive scope of work.

Option 2: Amend General Plan to Include Additional Change Area and Prepare Precise Plan

A focused update could target one or more additional Change Areas identified by the City Council. A General Plan Amendment and new Precise Plan would be prepared for the area. Below is a map of some potential Change Areas previously mentioned by the City Council at the December 6, 2016 meeting, including a table describing each one.



Map 1: Potential Study Areas

TABLE 1: Study Area Descriptions

Area	General Plan Change Area	Primary General Plan Designation(s)	2016 Gatekeeper Requests	Comments
Pioneer Way	Yes (partial area)	High-Intensity Office	57-87 East Evelyn Avenue *Mixed-use residential/office 301-381 East Evelyn Avenue *Increased office intensities	<ul style="list-style-type: none"> • General Plan action item to study land uses, policies, and intensities in area • Issues include balancing protection of small businesses and higher-intensity office • Includes surplus VTA site • Close to downtown transit
Terra Bella	No	General Industrial;	1001 N Shoreline *Office 1040 Terra Bella *Personal storage 1255 Terra Bella *Residential 918-940 Terra Bella *Residential Terra Bella Precise Plan	<ul style="list-style-type: none"> • If converted to residential, presents opportunity to plan for new neighborhood • Change of land use could significantly reduce industrial/low-intensity office/research and development space in the City • Many developer inquiries • 1001 N. Shoreline Blvd residential project under review
California Avenue	No	Medium Density/ Medium High-Density Residential (up to 35 dwelling units/acre)	2290 California 570 Rengstorff 1970 Latham *Higher-density residential	<ul style="list-style-type: none"> • Tenant displacement a potential significant issue
Rengstorff Avenue	No	Medium-Density Residential; General Industrial; Industrial/Regional Commercial	913-987 North Rengstorff *Higher-density residential	<ul style="list-style-type: none"> • Many developer inquiries • Tenant displacement a potential issue

The process would take from 24 to 36 months and cost between \$750,000 and \$1,250,000 for each Precise Plan. Any amendment to the General Plan could be folded into the process of creating a new Precise Plan, negating the need to do that separately. The main advantage to this option would be the ability to proceed directly with putting together a Precise Plan without having to go through the larger process of updating the entire General Plan first. The disadvantage would be the less comprehensive nature of this approach, since the City would not be looking at the City as a whole, as would be the case with a larger General Plan update.

Option 3: Visioning Process + Gatekeepers

Under this option, the City Council would identify a potential Change Area such as identified in Table 1 and staff would undertake an expanded visioning process for the Change Area. This would include a brief survey of existing conditions and development in the area; limited outreach activities, including visioning exercises, community meetings, online surveys, and design charrettes; an abbreviated policy framework mirroring General Plan topics such as land use, mobility, infrastructure, parks and open space, housing, and public services; and related maps, graphics, and architectural sketches to convey the design expectations for each area. At the end of the visioning process, the City Council would endorse a brief “Visioning and Development Principles” booklet for the Change Area which would summarize the results of the visioning process, including the policy framework and design expectations. Staff estimates this process could take between six to nine months and cost in the range of \$150,000 (per area).

After City Council endorsement of the “Visioning and Development Principles,” the City Council could consider Gatekeeper requests in the Change Area which are consistent with the Principles document. This document would then be used concurrently by any Gatekeeper applicant to guide their development through the City’s review process. Each Gatekeeper project would still be responsible for preparing their own environmental analysis for their respective requests.

In addition, at the end of this focused process, the City Council could opt to pursue a General Plan Amendment and Precise Plan for the area if the City Council wished to proactively implement the results of the visioning process.

Some potential advantages of this option include:

- A shorter process that would focus on new City Council-identified Change Area(s);

- Responds to recent development interest in the area;
- Development guidance to help direct the design of Gatekeeper requests concurrently through the development review process.

Some potential disadvantages of this option include:

- As a focused study, would not include the depth and breadth of outreach activities or policy development normally expected from traditional General Plan/Precise Plan process; environmental review would occur on a project-by-project basis. There would be no overall environmental impact analysis of the Change Area. May still require other City Code amendments to support their development proposal.

RECOMMENDATION

Staff recommends that the City Council provide direction on the three major topics discussed in the report:

1. Potential Modifications to the Gatekeeper Process
2. Community Benefit Expectations for Gatekeeper Requests
3. New Planning Studies

NEXT STEPS

If the City Council directs staff to proceed with a planning study, this will be included as work plan item for Fiscal Year 2017-18 and staff will develop a scope of work, project schedule, and budget for City Council consideration. If the City Council chooses to amend the Gatekeeper process, staff will proceed with developing the required amendments to the City Code to implement the direction given regarding the Gatekeeper process and would hold processing of all Gatekeepers until modifications are adopted. The Gatekeeper amendments would also be included as a work plan item for Fiscal Year 17-18.

PUBLIC NOTICING

The meeting agenda and City Council report were posted on the City website and announced on cable television Channel 26. A link to this report was sent to Gatekeeper applicants since January, 2016.

TB-MA-RT/7/CAM
810-03-07-17SS-E

Attachment: 1. Letter Regarding 601-649 Escuela Avenue/1873 Latham Street
(January 30, 2017)