



May 1, 2020

Aarti Shrivastava  
Assistant City manager and Community Development Director  
City of Mountain View  
500 Castro Street  
Mountain View, CA 94039-7540

**RE: 1001 North Shoreline Boulevard – Community Benefits Contribution and School District Strategy**

Dear Aarti,

I am following up regarding the letter we sent on March 10<sup>th</sup> regarding Community Benefits related to our proposed project at 1001 North Shoreline Boulevard. As you are aware, we have met with your staff over the past several weeks to discuss the substantial contributions, dedications, and fees that the project is expected to deliver as a Gatekeeper Project. At the same time, staff has conducted a project-specific financial study by a City-contracted consultant which concluded that based on (pre-COVID 19) development costs and anticipated revenues, **“there is no value uplift from the proposed project, and therefore it cannot support a community benefits contribution.”**

Notwithstanding the above, in recognition of the importance of providing a comprehensive benefit package for the City of Mountain View and the local Terra Bella community we have developed a Community Benefits Contribution and School District Strategy proposal for the project, which amount to a total value of **over \$5,600,000, including a \$2,800,000 Contribution to the City’s General Fund.** This funding would not only serve as our Community Benefit but would also allow the Council, at its discretion, to direct the desired portion of the funds to the Mountain View Whisman School District and Mountain View Los Altos High School District which serve the Terra Bella area.

Our contribution amount was determined as follows:

1. Based on the proposed increase in FAR, and using the established fee of \$23.60 per sq.ft. of bonus FAR from the ECR Precise Plan, the total Community Benefits Fee for the Project would be **\$4,177,985**. The project is dedicating a permanent easement for the critical expansion of infrastructure to serve North Bayshore. The land area of the easement is approximately 16,142 sq.ft. Staff has agreed to credit the project \$2,879,270 for the easement dedication and infrastructure construction, which results in a **net Community Benefits fee contribution of \$1,298,715**.
2. The project proposes an additional **\$1,500,000** based on the School Strategy discussions. This contribution is above and beyond the state mandated school fees.

In addition to the community benefits contribution, our proposed project includes many unique benefits to the City and Terra Bella Neighborhood:

1. **Mix of Ownership and Rental Housing.** Through the redevelopment of two large surface parking lots, our project will provide a total of 303 new homes, including 100 new condominium ownership homes, to help the City achieve its goal of a mix of new housing types.
2. **Affordable Housing.** Our proposal includes 40 on-site affordable homes, both rental and ownership, including a mix of housing at various restricted income levels. 30 apartment homes will be affordable to households earning an average of 65% of AMI and 10 ownership homes will be affordable to households earning 90% of AMI.
3. **Critical Infrastructure.** Our proposal includes the dedication of a permanent easement extending west from North Shoreline Boulevard through the center of the property and then extending north to the edge of Highway 101 to provide for the City's planned expansion of sewer and water facilities to serve future growth in North Bayshore. In addition, we have agreed to construct this critical segment of infrastructure, subject to a reimbursement agreement with the City.
4. **Neighborhood Retail.** The project includes 3,000 square of new neighborhood serving retail space in a challenging retail environment, which many of our neighbors consider to be a key benefit to the area.
5. **Public Open Space.** The Project will provide publicly accessible open space areas within the plan for residents and the neighborhood to use, including an approximately 14,500 sq.ft. public plaza with a landscaped courtyard, shaded tree grove, art piece, and outdoor seating.
6. **Mobility Upgrades.** The Project will construct new pedestrian and bike friendly connections throughout the site. The Project will also provide secure bike storage within each residential building, as well as bike racks and way finding signage for the public.
7. **Sustainable Design and Construction.** Building much-needed housing right in one of the primary employment centers of Silicon Valley, the Project is a study in progressive urban planning and will help the City meet its environmental goals. The Project will be constructed in compliance with the 2019 California Green Building Code (CalGreen) and the 2019 Mountain View Green Building Code (MVGBC) and "Reach" Code. In accordance with the MVGBC, the Project has been designed to meet the intent of the LEED Gold standard and will include a wide range of sustainable and green building features, achieving a total of 122 Green Point Rated points. The buildings will be among the first all-electric residential buildings in both Mountain View and the broader Bay Area, including roof-mounted PV solar panels and electric vehicle charging spaces.

## **PROJECT DESCRIPTION**

### **Improvement of Jobs/Housing Balance**

The Project will help improve the City's jobs/housing balance by redeveloping an underutilized site into needed housing in proximity to one of the City's core employment areas. The Project site is located in an industrial area adjacent to Highway 101 at the northeast corner of N. Shoreline Boulevard and Terra Bella Avenue. Just south of Terra Bella is Stierlin Estates, a largely single-family neighborhood, along with several multi-family residential complexes near Middlefield Road and North Shoreline. The existing site is occupied by a brand new, 111,443 sq.ft., Class A office building surrounded by two large surface parking lots. The Project will share site circulation, parking and joint amenities with the office building, which is leased to Google. The site is adjacent to the Highway 101 on ramp and MV Go shuttle station, providing easy access to employment centers in North Bayshore and downtown Mountain View.

The Project would repurpose the existing, 371 space parking lot to construct a total of 303 new multi-family units in two separate structures: (1) a new, seven-story apartment building with 3,000 square feet of ground floor retail, two levels of podium parking and 203 units (Block A) located along North Shoreline Boulevard and Highway 101; and (2) a new, seven-story condominium building with two levels of podium parking and 100 units (Block B) located along Terra Bella Avenue. The Project would also construct a new six-story parking garage with 359 spaces as replacement parking to serve the existing office building, and a new 52 space surface parking lot. The Project also includes a central plaza for outdoor seating and gathering, and a network of bike and pedestrian improvements accessible to the public.

### **Housing to Serve the City's "Missing Middle"**

#### Condominiums

The Project will provide much needed housing to serve the City's "missing middle". The Project will develop 100 new for sale, stacked, condominium flats, including 10 on-site ownership BMR units (10%), in a multi-family product type rarely developed in the City today due to the high cost and risk profile. The condominiums range from 739 to 1,895 square feet, and consist of one, two, and three-bedroom homes. At a smaller average size than single-family homes and townhomes, these condominium flats should attract first-time homebuyers that would otherwise be priced out of the Mountain View home market.

#### Apartments

The Project provides for the development of approximately 203 apartments, including 30 BMR rental units (15% of total rental units). The apartments range from approximately 635 to 1,464 square feet, and consist of junior, one, two, and three-bedroom homes. BMR units will reflect the range of bedroom types and square footages in each building.

### **Affordable Housing**

The Project will provide 40 on-site affordable units, both rental and ownership housing, including a mix of housing at various restricted income levels. The 30 apartment homes (15% of total rental units) will

be affordable to households earning 65% of AMI; the 10 ownership units (10% of ownership units) will be affordable to households earning 100% of AMI. The estimated value of the Project's total BMR commitment is approximately **\$35 million** at today's rents and sale prices.

### **Neighborhood Retail**

Although retail may not be considered by the City to be a "Community Benefit," the project does offer 3,000 square of new neighborhood serving retail space in a challenging retail environment, which many of our neighbors consider to be of benefit to the area. The Project will seek to attract tenants that compliment existing retail in the area and provide services and amenities of value to the new community and existing neighborhoods.

### **Parks and Open Space**

The Project will contribute a Park In-Lieu Fee in accordance with City's ordinance for the provision of future park improvements or park land acquisition in the area.<sup>1</sup> The Parkland Fee is calculated based on a parkland requirement of 1.578 acres (.0060 x 263 units = 1.578 acres) and a land value as determined by the City and developer. The 40 BMR units are exempt under the City's ordinance.

The Project will provide publicly accessible open space areas within the plan for residents and the neighborhood to use, including an approximately 14,500 sq.ft. public plaza (the "Central Plaza") with a landscaped courtyard, shaded tree grove, art piece, and outdoor seating.

### **Pedestrian and Bike Amenities**

The Project will also construct new bike and pedestrian improvements along Shoreline Boulevard and Terra Bella Avenue, and provide pedestrian and bike friendly connections throughout the site. The Project will also provide secure bike storage within each residential building, as well as bike racks and way finding signage for the public.

### **Dedication of ROW for Shoreline Traffic Improvements**

As part of Phase I, the Project dedicated the needed right-of-way along North Shoreline Boulevard to provide for the City's planned Reversible Bus Lane and other improvements.

### **Dedication and Construction of New Sewer and Water Mains**

At the City's request, and as further described below, the Project will dedicate a permanent easement extending west from North Shoreline Boulevard through the center of the property and then extending north to the edge of Highway 101 to provide for the City's planned expansion of sewer and water facilities to serve future growth in North Bayshore. In addition, the Project has agreed to construct this critical segment of infrastructure, subject to a reimbursement agreement with the City.

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<sup>1</sup> Based on email from Dennis Drennan, Real Property Program Administrator, City of Mountain View, December 20, 2019. Parkland Fee calculated based on a parkland requirement of 1.578 acres (.0060 x 263 units = 1.578 acres) and a land value of \$10 million per acre (the 40 BMR units are exempt under the City's ordinance).

## **Parking Supply and TDM Measures**

The parking program is designed to accommodate 100% of the project's parking demand on-site. The Project employs an innovative shared parking strategy and a robust TDM program designed to maximize the use of the Project's on-site parking supply on a 24-hour, 7 days per week basis. The strategy takes advantage of the differences in peak parking demand between the residential and office uses. In addition to two levels of podium parking provided within each residential building, the Project includes a new six story, above ground parking garage with 359 spaces, and 52 surface parking spaces to be shared among the residential, retail and office uses. Of this total, 12 surface spaces would be dedicated to retail use, and 15 spaces would be dedicated to guest parking for the residential buildings. The remaining 25 spaces would be shared among the uses. Residents and guests of the apartments and condominiums will be able to use the new office parking garage after hours on weekdays (between 6 pm and 8 am) and 24 hours per day on weekends.

The TDM program, which is provided in a separate document on file with the City, includes a range of measures designed to achieve a target trip reduction goal of at least 8 percent, consistent with other recent plans approved by the City. The office building serves approximately 500 employees, many of whom may rent or buy homes in the new residential community. By "capturing" trips within the new community, this will help reduce the project's overall trip generation and parking demand.

## **Architecture and Design**

Located at the Shoreline Boulevard gateway, the project was designed to create a strong sense of arrival to the City. Complimenting the new modern office building, the proposed architecture addresses the project's iconic presence along Highway 101, while also including rich architectural variations to scale the project appropriately to the existing residential neighborhood. The design theme is contemporary architecture with high-quality details, finishes and unique design expressions. Careful attention has been paid to the street level pedestrian experience along both N. Shoreline Boulevard and Terra Bella Avenue with enhanced materials, rich landscaping, and residential-scale facades.

The junction of Shoreline Blvd and Highway 101 is anchored by a strong tower element with sculptural metal paneling accented by a bold frame element. The primary curved façade to the north of the apartment building, echoing the shape of the on-ramp, is proudly modern with metal-clad bay windows and a dramatic sweeping roof line. The main orthographic facades on both buildings are articulated with modern bay windows and recessed areas of wood siding and plaster. Entrances to the buildings are announced with tile facades and storefront assemblies with metal canopies. The top floors are carefully stepped back to reduce the verticality of the buildings and transition to surrounding neighborhoods, creating private outdoor spaces with open railings.

The project is designed around a new public plaza that will serve as a key hub for bike and pedestrian access throughout the site, daily interactions between workers and residents and the surrounding neighborhood, and for community gatherings.

## **Amenities**

The amenity packages for the apartment and condominium communities have been carefully selected to meet today's market demands. The apartment community will offer a comprehensive suite of amenities

including, but not limited to: a 1,500 sq.ft. Fitness Center, a 1,270 sq.ft. Club Room that residents can use as a co-working space, a beautifully landscaped courtyard deck with a swimming pool, spa, BBQ, fireplace, cabanas, and plentiful seating areas, well-appointed entry lobbies, bicycle storage and maintenance rooms, dog run and pet spa, package receiving and storage, and a 1,500 sq.ft. roof deck with sweeping views of the Santa Cruz Mountains and Silicon Valley.

The smaller, boutique condominium community includes a private 800 sq.ft. Club Room, a generous outdoor courtyard deck with BBQ, firepit, and seating area, well-appointed lobbies, bicycle storage and maintenance rooms, and package receiving and storage. Given our proposed unit mix with a large proportion of one- and two-bedroom units, our goal is to attract first-time homebuyers and middle-income households. New homeowners will have the option to purchase a monthly membership to use the apartment community's pool and fitness amenities, which are conveniently located and will be professionally managed and maintained.

### **Sustainability**

Building much-needed housing right in one of the primary employment centers of Silicon Valley, the Project is a study in progressive urban planning and will help the City meet its environmental goals. The Project will be constructed in compliance with the 2019 California Green Building Code (CalGreen) and the 2019 Mountain View Green Building Code (MVGBC) and "Reach" Code. In accordance with the MVGBC, the Project has been designed to meet the intent of the LEED Gold standard and will include a wide range of sustainable and green building features, achieving a total of 122 Green Point Rated points.

The buildings will be among the first all-electric residential buildings in both Mountain View and the broader Bay Area, including roof-mounted PV solar panels and electric vehicle charging spaces. The Project has been designed with bicycle and pedestrian access in mind, providing plentiful and secure bike parking and convenient pedestrian walkways.

Thank you for the opportunity to provide this summary of the key project features, our community benefit proposal, and our project description. We are grateful to Staff, the Development Review Committee, the Terra Bella neighborhood, and the greater community for working collaboratively with us over the past four years to bring this vital project to Mountain View. We are looking forward to presenting our final plan to the Environmental Planning Commission and the City Council in the upcoming scheduled hearings.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'D. Hopkins', with a long horizontal line extending to the right.

David NP Hopkins  
COO, Development

Cc: Janice Yuen, Sares Regis Group of Northern California  
Mr. Ryan McCarthy, Stockbridge  
Mr. Barry Green, LH Shoreline LP  
Miles Imwalle, Esq., Coblenz, Patch Duffy & Bass LLP