

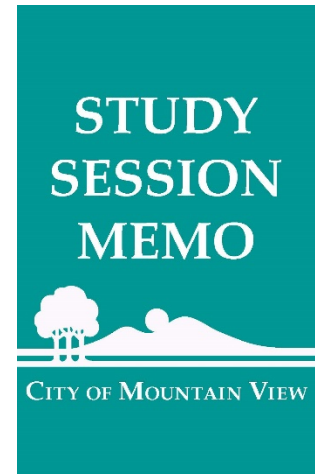
DATE: February 23, 2021

TO: Honorable Mayor and City Council

FROM: Diana Pancholi, Senior Planner
Aarti Shrivastava, Assistant City Manager/
Community Development Director

VIA: Kimbra McCarthy, City Manager

TITLE: **Residential Development Project at 555 West Middlefield Road**



PURPOSE

The purpose of this Study Session is to provide Council with an update on the proposed project and receive Council input on project changes since the prior Gatekeeper authorization and Study Session and project community benefits.

BACKGROUND

Project Location

The project is located on the south side of West Middlefield Road and comprises nearly the entire block between West Middlefield Road, Moffett Boulevard, Cypress Point Drive, and State Route 85. The approximately 14.5-acre project site is currently developed with 402 apartment units, carports, and other residential amenities that serve the development which were built in approximately 1969. To the west of the project site, across Moffett Boulevard, are Moffett Plaza Shopping Center and Moffett Mobile Home Park. There are two-story apartment buildings to the north, across West Middlefield Road, and to the south, across Cypress Point Drive. The project shares the block with a gas station located at the southeast corner of West Middlefield Road and Moffett Boulevard.

General Plan and Zoning

The existing General Plan Land Use Designation for the subject property is Medium-Density Residential, which allows a range of residential uses with densities from 13 dwelling units per acre to 25 dwelling units per acre. The proposal would amend the General Plan Land Use Designation to High-Density Residential, which allows higher-density development between 36 dwelling units per acre to 80 dwelling units per acre.

The project site is currently zoned P (Planned Community), where the development standards and/or design guidelines are related to the specific development approved on the site as part of the Planned Community Permit. The proposal includes a rezoning to the R4 (High-Density Residential) Zoning District. The project would be required to follow the specific R4 development standards and guidelines.

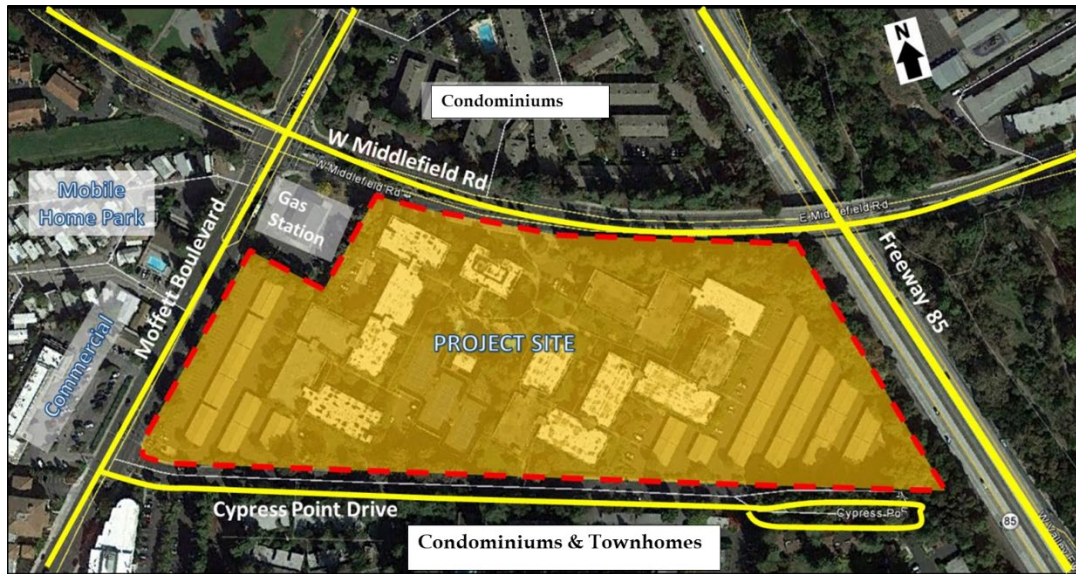


Figure 1: Location Map

Project Summary

The project proposes to replace two existing surface parking lots, covering seven acres of the site, with two new, four-story residential buildings containing 329 rental apartment units with subdivision into three lots (see Attachment 1 – Project Description). Each new building will be constructed over underground parking. The new 49.5' tall residential buildings will provide a mix of 17 studio, 151 one-bedroom, 135 two-bedroom, and 26 three-bedroom units. In addition, a fourth single-story building with three levels of below-grade parking and outdoor amenities would be constructed to replace the existing leasing office and amenity building, pool, and spa. The applicant is also proposing to dedicate a 1.34-acre public park along Cypress Point Drive, in an area currently occupied by tennis courts and other complex amenities. The proposal also includes renovating the existing 402 units on-site.



Figure 2: Proposed Site Plan

Site Plan and Design

The new buildings will have interior courtyards containing active and passive amenity spaces, with features such as a pool, fireplace lounge, dog run, outdoor kitchen, and gathering/seating areas. Although the on-site amenities will be accessible to the existing and future residents, the existing and proposed buildings will operate somewhat independently, with separate and distinct branding. The project was redesigned with a variety of building heights to try to achieve sensitive transitions to existing on-site buildings and adjacent sites. All of the new buildings use an eclectic mix of contemporary and some more traditional architectural elements. A detailed discussion of the design is provided later in the report along with a description of project revisions.

Parking and Access

The proposed buildings will replace the existing surface parking lots (total of 670 parking spaces). The project proposes one to two levels of below-grade parking under the new residential buildings and three levels of below-grade parking under the redeveloped clubhouse/leasing office. The project proposes 993 total parking spaces, 20 parking spaces over the City's model parking standard. A majority of the parking for existing and new units would be provided in three underground parking structures, and the project will also include 40 surface spaces. Parking proposed under Block A would serve the existing units, and parking proposed under Block B would serve units on Block B. Parking proposed under Block C would serve the units on Block C and a few existing units.

Access to the site will remain from West Middlefield Road and Cypress Point Drive. A single driveway entrance is to remain off Middlefield Road serving the parking lot and underground parking on Block A. Two driveway entrances are proposed off Cypress Point Drive for individual access to the surface parking lot and underground parking for Block B and Block C. Existing pedestrian paths on-site would be maintained and enhanced while additional pedestrian connections would be provided to access the site and new units. This includes a proposed bicycle/pedestrian path connecting West Middlefield Road to Cypress Point Drive.

Open Space

In compliance with the R4 (High-Density Residential) development standards, the project is proposing approximately 145,000 square feet of common usable open space. This includes 57,000 square feet of common open space around existing buildings, 24,000 square feet on Block A, 18,000 square feet on Block B, and 47,000 square feet on Block C. The common open spaces would feature landscaping and other amenities such as barbecue grills, co-working lounge, fitness/yoga center, outdoor seating areas, pet walking area, a dog park, spa, swimming pool, and roof deck. In addition, as noted above, the project is proposing to dedicate land for a City park to satisfy a portion of their parkland dedication requirement, which is discussed later in this Study Session memo.

Prior Meetings and Hearings

Gatekeeper Authorization

On July 2, 2015, the City Council authorized staff resources for the consideration of a General Plan Amendment from Medium-Density Residential to High-Density Residential and a rezoning from P (Planned Community) to R4 (High-Density Residential). At the time of the Gatekeeper authorization, the proposal included a total of 726 residential units at roughly 50 dwelling units per acre (du/ac) on the 14.5-acre site. The City Council also directed all residential Gatekeeper projects to provide a minimum of 10 percent affordable units (see [Attachment 2 – July 2, 2015 City Council Report](#)).

Environmental Planning Commission and Council Study Sessions

Following an informal application submittal in early 2016, the project was reviewed by the Environmental Planning Commission (EPC) and City Council at two separate Study Sessions, on February 15, 2017 and April 4, 2017, to provide input on the preliminary application materials (see [Attachment 3 – EPC Staff Report, March 15, 2017](#); and [Attachment 4 – City Council Study Session Memorandum, April 18, 2017](#)).

The EPC and Council provided input on various topics, including, but not limited to, community benefits, affordable housing, project design and intensity, and proposed tree removal on-site. Key Council and EPC direction included:

- Desire to improve building transitions to adjacent residential uses;
- Supported the applicant's proposal to target moderate-income units as part of their Below-Market-Rate (BMR) proposal;
- Requested the site layout be adjusted to preserve and prioritize tree preservation and tree relocation on-site;
- Explore funding off-site improvements as part of public benefit contribution such as trail connection to Stevens Creek Trail; add pedestrian sidewalk on Middlefield Road along the project frontage and across State Route 85;
- Explore a new architectural style that was less commercial in appearance and character and improve the building's design integration with the surrounding residential area and existing on-site buildings;
- Reduce the four-story height along Cypress Point Drive and introduce fourth-story step-backs;
- Introduce increased building setbacks along Cypress Point Drive;
- Eliminate the fifth-floor tower element at the intersection of Moffett Boulevard and Cypress Point Drive; and
- Increase building separation at pinch points to better coordinate on-site development and comply with the R4 Ordinance.

Development Review Committee

The project has been reviewed by the Development Review Committee (DRC) three times. The DRC provided design recommendations on several iterations of the project design. The applicant is working with staff on further design refinements and will return to the DRC for final review and recommendation after incorporating design comments received during the EPC and City Council Study Sessions.

Neighborhood Meetings

The applicant has conducted several community outreach meetings for the project with various stakeholders, including adjacent property owners, residents of the existing units on-site, and other interested parties to introduce the project, seek feedback on the design, listen to concerns, and provide updates on the project status and development schedule. At these meetings, neighbors expressed concerns about the intensity of the project; massing of the project along Cypress Point Drive; spillover parking on adjacent streets; proposed park and its location; construction noise; and proposed tree removal on-site and along Cypress Point Drive. Meeting attendees supported a proposal for additional housing without displacement but also expressed concerns related to environmental impacts of the project, including air quality and disturbance to the water table due to construction of the underground parking.

In response to concerns raised at the meetings, the applicant has made changes to the proposed site plans and architectural design to enhance the residential look of the project and introduce further step-backs along the Cypress Point Drive frontage and refinement of the tree plan with a reduction in the number of trees proposed for removal. Recent meeting attendees acknowledged the applicant has worked extensively to address their design concerns. In addition, the applicant has proposed a robust TDM program targeting a 6 percent trip reduction to ensure that parking demand can be satisfied on-site and reduce vehicle trips.

Environmental Planning Commission Study Session

The EPC reviewed the proposed project at a Study Session on February 3, 2021 (Attachment 5 – [EPC Study Session Staff Report, February 3, 2021](#)); 16 community members spoke at the meeting. A majority of the speakers supported the project, citing the project's positive contribution to the City's overall need for additional housing, its close proximity to transit, and the addition of affordable housing units. Three speakers expressed their concerns with the proposed density and related noise and traffic impacts. They found the project as proposed out of character with the existing neighborhood, with excessive development on Cypress Point Drive and loss of tree canopy. They also expressed concerns with increase in on-street parking demand on Cypress Point Drive, which currently witnesses heavy on-street parking demand because of the adjacent Adult Education Use at the corner of Moffett Boulevard and Cypress Point Drive. Additionally, staff and the EPC also received several public comment letters which have been attached to this Council Study Session memorandum (Attachment 6 – Public Comment Letters to EPC).

The EPC was supportive of the proposed project changes and community benefit contribution proposal. However, the EPC was not supportive of the proposed General Plan Amendment to the High-Density Residential designation and rezoning to R4 (High-Density Residential), which would allow up to 80 dwelling units per acre on the site. The EPC expressed concern with the jump in potential density on this site as compared to the surrounding sites and the possibility of a future density bonus development proposal. The EPC recommended Council consider options for the requested General Plan amendment and rezoning, which would allow the project with the current proposed density of 51 dwelling units per acre but not allow up to 80 units per acre. This issue is discussed later in this report.

DISCUSSION

Since the Gatekeeper authorization, the project has been revised considerably with changes to project design, landscape plan and tree preservation, affordable housing proposal, and community benefits proposal. Given the time that has elapsed since the Gatekeeper authorization and previous Study Sessions, staff is providing the City Council with an update on the project and requesting input on the revisions and the proposed community benefit package.

Project Changes

Project Size

At the July 2, 2015 Gatekeeper hearing, the project proposal included 324 new residential units, for a total of 726 units on the site. The proposal presented and supported by the EPC and City Council at the 2017 Study Session included 348 new units and 751 total units, resulting in a proposed site density of approximately 52 du/ac.

The current proposal includes 329 new units and a total of 731 total units, similar to original Gatekeeper proposal, and remains consistent with the proposed General Plan designation and R4 zoning. The current project is proposed at a floor area ratio (FAR) of 1.13, and the reduced maximum building height of 49.5' are both significantly lower than the maximums permitted by the [R4 Development Standards](#). Staff believes the lower FAR and proposed building heights are generally appropriate in the context of the existing units and compatibility with the surrounding development.

Design and Architecture

The project design has evolved significantly from the first submittal. The initial proposal included a fairly contemporary building design with a commercial and office-type

appearance. At the April 2017 Council Study Session, Council provided specific direction on design modification as discussed earlier in the report.



Figure 3: Previous Block B Building Elevation at the Corner of Moffett Boulevard and Cypress Point Drive, Presented at 2017 City Council Study Session

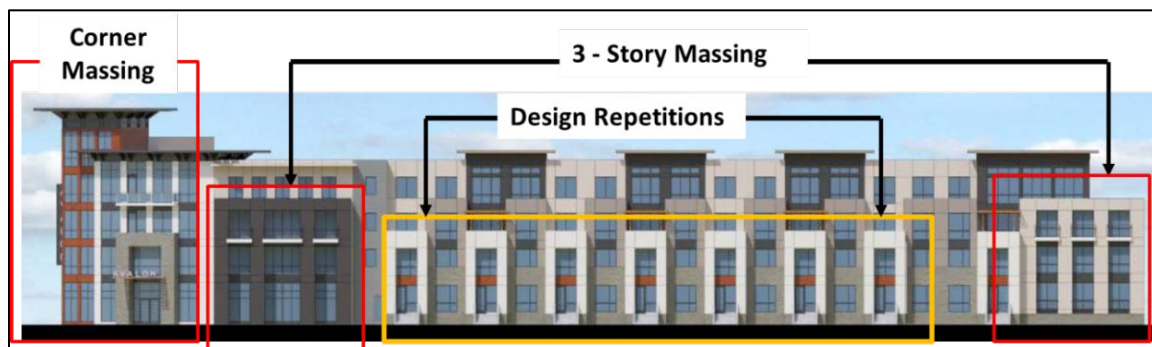


Figure 4: Previous Design Building Elevation on Block B Along Cypress Point Drive, Presented at 2017 City Council Study Session

Based on design direction received from Council and multiple DRC meetings, the applicant has worked with staff to revise the proposed design to include traditional residential elements in the contemporary residential building design. Importance has been given to better transitions between the proposed buildings, between existing and

proposed buildings on-site, and appropriate transition in the neighborhood. Some of the key design changes include:

- Change in building architectural style and vocabulary from commercial to residential design;
- Introduction of traditional elements, such as porches, projecting eaves, and overhangs, in contemporary architectural style;
- Enhanced materiality and building articulation to break up long building spans;
- Layering building materials with the use of warmer tones and natural materials to provide a residential feel;
- Change in building footprint and articulation to preserve and relocate some of the mature existing trees on-site;
- Enhanced building articulations and building movement plane changes to reduce a monolithic effect;
- Better integration of new units with the existing building with interior connections and complementary building design;
- Introduction of upper-story step-backs along Cypress Point Drive for appropriate transition to surrounding development and reduce the massing;
- Providing appropriate massing for each building reflective of different conditions along four property lines;
- Introduction of pedestrian-scale features, such as private ground-level stoops along Cypress Point Drive, to provide a better visual transition toward the neighborhood; and
- Reducing the massing of the tower element at the corner of Cypress Point Drive and Moffett Boulevard from five stories to four stories and further stepping back the fourth story along Cypress Point Drive.



Figure 5: Current Block B Building Elevation at the Corner of Moffett Boulevard and Cypress Point Drive



Figure 6: Current Design Building Elevation on Block B along Cypress Point Drive

Staff believes that the building design refinements have been successful in achieving City Council direction provided at the 2017 Study Session. The applicant will continue working with staff to refine the project design and incorporate any design comments/direction provided by the EPC and City Council at the current Study Sessions.

Affordable Housing

Affordable units incorporated into market-rate developments are generally referred to as “below-market rate” (BMR) units. As part of the project’s Gatekeeper authorization, the

City Council directed a minimum of 10 percent of all the units be affordable to low-income households (LIH) (or a total of 35 BMR units for this project). The applicant's original proposal presented to the EPC and City Council at the 2017 Study session included the City Council-directed 10 percent BMR units targeted to moderate-income households (MIH) (earning up to 120 percent of area median income (AMI)). At the Study Session, Council supported the applicant's proposal to include Moderate-Income Household Units (MIH) in the BMR Proposal but directed the applicant to increase the percentage of units beyond 10 percent.

In 2019 and subsequent to the Study Sessions where direction was given on the BMR proposal, the City's affordable housing program was modified to include the provision of BMR units for households with incomes between 80 percent and 120 percent Area Median Income (AMI) targeting MIH and an inclusionary housing requirement for rental projects from 10 percent to 15 percent. Consistent with the current City requirements, the applicant is proposing to provide 49 BMR units (15 percent) at a weighted average of 65 percent AMI at three income levels among various unit types along with a minor in-lieu fee (see Attachment 7 – Project BMR Proposal).

Tree Removal Plan

The project site has 417 existing trees, including 255 Heritage trees. The Heritage trees are distributed throughout the property and many cannot be easily preserved, given the infill nature of the project and the proposed underground parking garages. The project proposal presented and reviewed by the EPC and City Council at the 2017 Study Sessions included removal of 117 out of the 255 on-site Heritage trees to accommodate the proposed development. A total of 299 replacement trees were proposed to be planted as replacement trees, primarily around the periphery of the proposed buildings and in the central courtyard areas.

At the April 2017 Study Session, Council directed the applicant to revise the project design and site plan to preserve more existing trees and look for opportunities to relocate existing trees on-site. Over the years, the project design has been modified to preserve more trees, reducing the total number of Heritage trees proposed to be removed from 117 trees to 62 trees. In addition, 35 Heritage trees will be transplanted on-site, and one tree will be retained in its current location. Additionally, a total of 197 replacement trees would be planted on-site. The proposed tree canopy coverage would exceed the existing tree canopy coverage between 10 years and 15 years of proposed tree planting.

Park Land Dedication

The original Gatekeeper project proposal included a 1.48-acre park land dedication along Moffett Boulevard. As part of the Gatekeeper authorization process, the City Council directed the park be moved to Cypress Point Drive because Moffett Boulevard is a busy street with a high traffic volume. The revised site plan with the park location along Cypress Point Drive was presented and reviewed by the EPC and City Council at 2017 Study Sessions. Since the Gatekeeper authorization, the project has undergone several rounds of development review and design refinement, and the current project proposal includes a 1.34-acre park land dedication with the remainder of the park land dedication requirement to be satisfied through the payment of in-lieu fees. The reduction in proposed park area was a result of changes to the site plan which prioritizes tree preservation and a bicycle/pedestrian path through the site connecting Middlefield Road to Cypress Point Drive. The current park location is consistent with previous Council direction, and staff believes the change in park size is reasonable to balance other project priorities.

If the project is approved, the park land will be dedicated to the City with the project entitlement. The project is proposed to be developed in three phases over a five-year time frame (from 2023 to 2028) to avoid displacing existing on-site residents. The project proposal also includes a request to lease the park space from the City for on-site construction staging and parking for residents during construction. It is not unusual for the City to lease the dedicated park land for construction staging until the City is ready to construct the new park. The City currently has several park projects in design or construction with at least two more to begin design in 2021. Considering the number of other park projects currently in progress and in queue, staff is supportive of the request to allow parking in the dedicated park land area to alleviate potential parking impacts to the neighborhood.

EPC Direction

The EPC was supportive of all the project changes and appreciated work done by the applicant in response to Council, EPC, staff, and community input.

Question No. 1: Does Council support the proposed project changes since the Gatekeeper authorization and previous Study Sessions or does Council have additional project design direction?

Community Benefits

While the more recently adopted Precise Plans such as El Camino Real, San Antonio, North Bayshore, and East Whisman provide a dollar amount per square foot for community benefit contributions that are proportional to increases in development standards, no metric has been established for projects authorized to proceed through the Gatekeeper process. Therefore, at the April 18, 2017 Study Session, the City Council directed staff to conduct a project-specific financial study to determine the appropriate community benefits contribution for this project. Council further directed the applicant to explore funding improvement projects in the immediate neighborhood using the public benefit contributions. Strategic Economics, an independent consultant to the City, is preparing this study, which is anticipated to be finished in summer 2021.

Pending completion of the financial study and in recognition of the importance of providing a comprehensive benefit package for the City of Mountain View and the local community, the project applicant is proposing to provide a community benefit contribution of \$1.977 million, based on \$5 per additional square foot allowed under the rezoning (consistent with the East Whisman Precise Plan's calculation of community benefits). These funds would go toward the City's Capital Improvement Program (CIP) and could be used on one or more CIP projects and would be allocated by Council through the CIP process.

At the April 2017 Study Session, the City Council directed the applicant to explore funding a few improvement projects through the public benefit contribution as estimated by the financial study. These projects included: trail connection from the project site to Stevens Creek Trail; tree planting along the existing Stevens Creek Trail in the project vicinity; and adding a sidewalk on Middlefield Road along the project frontage across State Route 85. These projects have been found to be infeasible as conditions of approval for this project due to their scope of work, cost, and timeline due to necessary involvement with Caltrans. The existing bridge for Middlefield Road across State Route 85 is not wide enough to provide a new sidewalk and the existing vehicular or bike lanes cannot be narrowed to provide the room necessary for a sidewalk. However, staff has the following two planned CIPs that would address these topics:

- **Middlefield Sidewalk Across SR-85, Feasibility Study** – This project is planned for Fiscal Year 2023-24 and proposes to study the feasibility of providing a sidewalk on the south side of Middlefield Road over Highway 85 to close the sidewalk gap between Moffett Boulevard and Easy Street.
- **Stevens Creek Trail – North-Side Trail Access Point (to Middlefield Road)** – This project is currently unscheduled and proposes to design and construct

approximately 300' of accessible pathway for bicyclists/pedestrians from the north side of Middlefield Road to the Stevens Creek Trail.

Staff also surveyed the plantings along the Stevens Creek Trail in the project vicinity and found that dense planting was already in place so additional plantings were not explored further as part of the community benefits.

EPC Direction

The EPC was supportive of the project community benefit contribution consistent with the East Whisman Precise Plan calculation of community benefits. The EPC recommended that community benefit funds from the project be used for improvement projects in the immediate neighborhood, such as infrastructure projects that improve pedestrian connectivity to the Stevens Creek Trail.

Question No. 2: Does Council support the applicant's proposed community benefit proposal for this project?

General Plan Amendment

Based on the EPC recommendation, staff has evaluated the following potential General Plan options, which are summarized below:

1. Move forward with the proposed General Plan land use designation of 36 to 80 du/ac based on past EPC and Council direction. The project is consistent with past direction from EPC and Council, has nearly completed a draft EIR which will be publicly circulated in the spring, and is scheduled for public hearings in fall 2021.
2. Develop a new General Plan land use designation, which would fall between the Medium High-Density Residential designation (26 to 35 du/ac) and High-Density Residential designation (36 to 80 du/ac) and keep the existing P zoning designation. Creating a new General Plan land use designation would be a major work plan item as a comprehensive analysis of the entire range of the General Plan residential land use categories would need to be considered as well as the necessary alignment with the underlying residential zoning designations. Staff, therefore, does not recommend this option only for the purposes of this project.
3. Wait for the completion of the R3 Ordinance update. This project is currently in progress and will include the creation of one or more new General Plan land use categories between Medium High-Density Residential and the High-Density Residential designation. The General Plan land use for the project site could be

amended to one of the new categories. The zoning would remain as P (Planned Community), where the development standards and/or design guidelines are related to the specific development approved on the site as part of the Planned Community Permit. The project is expected to be completed in spring 2022. In order to take advantage of this study, the project would have to wait for the completion of the R3 study. This option would result in substantial delays to the project timeline.

4. Maintain the current General Plan Land use designation of Medium-Density Residential (13 to 25 du/ac) and P zoning designation and have the project pursue a State Density Bonus project for density above the existing base density. This option would result in 186 units fewer than currently proposed in the project and would require additional affordable units to achieve the maximum density bonus. Additionally, it would require amending the project plans, environmental review documents, and technical reports currently under development, and result in substantial delays to the project timeline. The requirement for additional affordable units and reduction of density would also affect the economic feasibility of the project.

EPC Direction

The EPC was supportive of the proposed project but expressed concern with the jump in potential density on this site as compared to the surrounding sites and the possibility of a future density bonus development proposal. The EPC recommended Council consider options for the requested General Plan amendment and rezoning which would allow the project with the current proposed density of 51 dwelling units per acre but not allow up to 80 units per acre.

Question No. 3: Which General Plan option does the Council prefer for the proposed project?

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) is being prepared to assess all potential environmental impacts per the requirements of the California Environmental Quality Act (CEQA). The public draft of the EIR is tentatively scheduled for release in spring 2021.

RECOMMENDATION

Staff recommends the City Council provide feedback on the following questions posed in the Study Session memorandum:

1. Does Council support the proposed project changes since the Gatekeeper authorization and previous Study Sessions or does Council have additional project design direction?
2. Does Council support the applicant's proposed community benefit proposal for this project?
3. Which General Plan option does the Council prefer for the proposed project?

NEXT STEPS

Following feedback from the City Council at this Study Session, the applicant will submit a revised application, and the project will continue the development review and CEQA process. Environmental Planning Commission and City Council consideration are expected in fall 2021.

PUBLIC NOTICING

The City Council's agenda is advertised on Channel 26, and the agenda and this Study Session memorandum appear on the City's website. All property owners within a 750' radius and other interested stakeholders were notified of this meeting.

DP-AS/2/CAM

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- Attachments:
1. Project Plans
 2. [Gatekeeper Staff Report, July 2, 2015](#)
 3. [EPC Study Session Staff Report, March 15, 2017](#)
 4. [City Council Study Session Memorandum, April 18, 2017](#)
 5. [EPC Study Session Staff Report, February 3, 2021](#)
 6. Public Comment Letters to EPC
 7. Project BMR Proposal