

## CITY OF MOUNTAIN VIEW

## ENVIRONMENTAL PLANNING COMMISSION

## STAFF REPORT

WEDNESDAY, OCTOBER 5, 2016

## 5. STUDY SESSION

## 5.1 Study Session to Discuss a 711-Unit Apartment Development Project at 777 West Middlefield Road

## RECOMMENDATION

That the Environmental Planning Commission (EPC) provide direction and input on the requested informal review of a General Plan Amendment from Medium-Density Residential to High-Density Residential, a Zoning Map Amendment from R3-2 (Multiple-Family Residential) to P (Planned Community) District to allow demolition of 208 existing apartment units and construction of 711 new apartment units (including 144 affordable units) -at 777 West Middlefield Road.

## PUBLIC NOTIFICATION

The Commission's agenda is advertised on Channel 26, and the agenda and this report appear on the City's Internet website. All property owners within a 300' radius of the project site and other interested stakeholders were notified of this meeting.

## BACKGROUND

Gatekeeper Requests

On July 2, 2015, the City Council authorized staff resources for the consideration of a request to amend the General Plan from Medium-Density Residential to High-Density Residential and a rezoning from R3-2 (Multi-Family) to R4 (High-Density) to allow for a development at up to 60 dwelling units per acre (approximately 563 units) on the 9.84-acre site. On December 8, 2015, the City Council was scheduled to consider a revised Gatekeeper request for this site consisting of two options. Both options included the demolition of the existing structures on-site. These included:

- Option 1: General Plan Amendment from Medium-Density Residential to High-Density Residential and rezoning of the site from R3-2 (Multi-Family) to

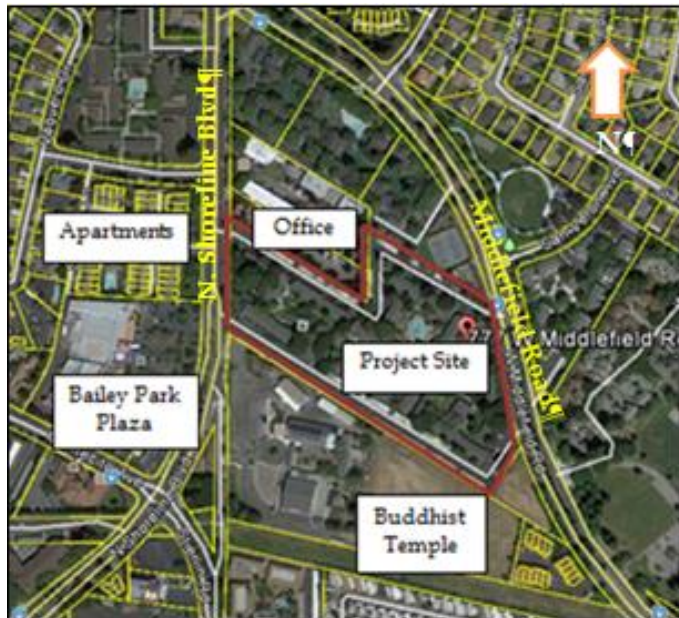
a P Zone (Planned Community District) to allow for a new multi-family residential development of up to 650 total units (approximately 60 to 65 dwelling units per acre).

- Option 2: General Plan Amendment from Medium-Density Residential to High-Density Residential and rezoning of the site from R3-2 (Multiple-Family) to a P Zone (Planned Community District) to allow for a new multi-family residential development consisting of ownership and rental units of up to 540 total units (approximately 55 dwelling units per acre).

On December 3, 2015, the applicant submitted a letter requesting a withdrawal of the December 2015 Gatekeeper request for the project site.

### **Project Site**

The proposed project site is located on the west side of Middlefield Road between Stierlin Road and Moffett Boulevard (referred to as “777 West Middlefield Road”) and consists of 9.84 acres (see Exhibit 1 – Location Map). The parcel is currently developed with 208 apartment units.



### **Surrounding Land Uses**

The subject property is bounded by North Shoreline Boulevard to the west, Middlefield Road to the east, a two-story office development to the north, and a religious institution to the south. To the west of the project site across North Shoreline Boulevard are an apartment complex and Bailey Park Plaza Shopping Center, and to the east of the project site across Middlefield Road are San Veron Park and multi-family housing.

### **General Plan and Zoning**

The existing General Plan for the subject property is Medium-Density Residential that allows a range of residential unit types such as single-family detached and attached, duplex, multi-family with densities from 13 to 25 dwelling units per acre,



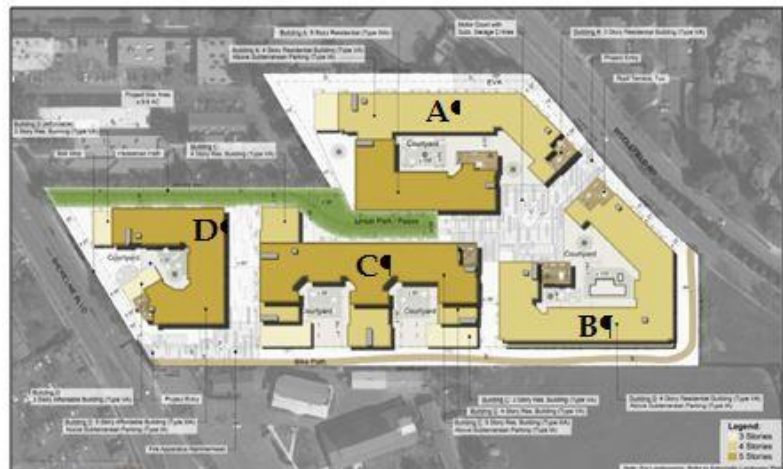
heights in order to create an appropriate transition between the adjacent existing land uses.

Along the southern property line, the project is proposing to provide a minimum 10' (with 2' buffer on each side) Class I bike trail connection between Middlefield Road and Shoreline Boulevard. The proposed bike trail is an effort to enhance the bicycle and pedestrian connection as part of the Safe Routes to Schools initiative and provides east-west bicycle and pedestrian connectivity. Preliminary review of the project has found a need for a full signalized intersection near the southeastern corner of the site. Staff, in conjunction with the applicant's design team, is currently studying this need. The site plan, as it is currently laid out, will have to be changed should studies indicate a need for a signalized intersection at the southeast corner. A signalized intersection and entrance to the site would allow not only a safe bicycle and pedestrian connection, but also adequate ingress and egress to the project. Since the project site is not part of a Precise Plan or a "change area" as designated under the City's General Plan, the project design references to the El Camino Real Precise Plan development standards are being used as guiding principles.

Below is an overview of the plans:

- Building Height:

The buildings facing Middlefield Road and along most of the northern property line are four stories tall with a maximum height of 48'. The portions of the buildings that create the entrance to the project site along Middlefield



Road is designed as a three-story structure with roof deck amenity spaces that are accessed by the units on the fourth floor. This component of the project is designed to be approximately 34' in height. A small portion of Building A at the northern corner that abuts the two-story office building is designed as a three-story element with a maximum height of approximately 34'. The portion of Building A oriented towards the interior of the project site fronting

the central pedestrian paseos is designed to be five stories tall with a maximum height of 58'.

Building B is predominantly a four-story building with a maximum height of approximately 48', with portions of the building stepping down to three stories in order to accommodate some roof deck spaces and break up the massing. The building fronting Shoreline Boulevard is predominantly a five-story structure with a maximum height at 58'. Similar to Building B, portions of this building near the entrance courtyard are stepped down to three stories with a maximum height of 38'.

The "m"-shaped building (Building C) is internal to the project site and proposes a gradient building height in an effort to break up the building massing and to create appropriate step-backs from the adjacent land uses. The southern component of the building which is closest to the existing religious institutional building is designed to be three and four stories with a maximum height ranging from 38' to 48'. The remaining portion of the building which is fronting the interior paseo is designed to be mostly five stories with a maximum height of 58'. A small portion of Building C that fronts the internal pedestrian paseo is designed to be four stories tall.

- Floor Area Ratio/Public Benefits: The proposal is designed at a project FAR of 1.85. Consistent with the El Camino Real Precise Plan development standards, the FAR request is accompanied with a public benefits contribution. Typically, the project would be subject to Affordable Rental Housing Impact fees or the provision of an equivalent number of affordable units as part of their project proposal. The project proposes to develop 20 percent (144 units) of the overall units as affordable. The affordable building is proposed to house amenities and services intended of the market-rate buildings. Additionally, as a public benefit, the project is providing a Class I bike trail along the southern property line which will improve pedestrian and bicycle connections under the Safe Routes to School initiative.
- Density: The Gatekeeper approved for this project site on July 2, 2015, authorized up to 60 dwelling units per acre. The current project proposes to develop the subject property at 72.3 dwelling units per acre. The proposed increase in density is attributed to the 144 affordable units being part of the development. The market-rate component of the project site is currently proposed at a density of 58 dwelling units per acre.

- Setbacks: The project proposes to provide a minimum 15' along the northern property line and Middlefield Road, a minimum 34' along the southern property line, and a minimum 20' along Shoreline Boulevard.
- Open Space: The project proposes to provide approximately 49,500 square feet of private open space, and a total of approximately 249,407 square feet of open space area which makes up 58 percent of the project site. The previous project design included a public park as part of the proposal.
- Parking: Consistent with the model parking standards, the project provides one stall for each studio and one-bedroom unit and two stalls for two-bedroom units for the market-rate units. The project proposes to allow 15 percent of the required parking spaces be available as guest spaces. For the affordable units, the project proposes to provide one parking space for each unit irrespective of bedroom count, and allow 15 percent of the required spaces to remain unassigned and available for guests. The market-rate buildings provide 52 studio, 281 one-bedroom, and 234 two-bedroom units, requiring 801 spaces, of which 120 spaces will remain unassigned and available for guests. The affordable building provides 19 studio, 66 one-bedroom, and 59 two-bedroom units, requiring a total of 144 parking spaces, of which 22 will remain unassigned and available for guests.
- Tenant Relocation Assistance: According to the Tenant Relocation Assistance Ordinance (TRAO), landlords must provide relocation assistance when their project results in displacement of households in four or more rental units within a one-year period. The existing site consists of 208 units and is subject to the requirements of the TRAO. The applicant is currently working with the City and has provided rent roll information and entered into agreements with the City to hire a relocation consultant. Upon payment of the deposits, the next step will be to send out Notices of Intent to tenants and establish a funding and escrow account for the estimated relocation assistance payments. The relocation assistance consultant will contact all tenants, provide claim forms, and, upon submittal, verify eligibility for relocation payments. A residential household is eligible for assistance if they have a valid lease or rental agreement with the landlord, are not delinquent on payments of rent, and their annual household income does not exceed 80 percent of the Area Median Income (AMI) for Santa Clara County as adjusted for household size. As a last step, the developer must give a tenant at least a 90-day notice prior to the date a tenant must vacate their unit. The date to vacate cannot be prior to the City determining an application is complete and relocation assistance has been paid to the eligible households.

- Affordable Housing Proposal: The applicant is proposing to construct approximately 144 affordable units on 1.8 acres of the 9.84-acre project site. Currently, the affordable building is shown fronting Shoreline Boulevard. The applicant proposes to finance the affordable component using tax-exempt bonds, 4 percent low-income housing tax credits, and private funding. The applicant is currently not seeking any financial contribution or subsidy from the City's affordable housing fund to fund any portion of this project. The proposal includes an affordable housing unit mix of approximately 10 percent studios, 50 percent one-bedroom, and 40 percent two-bedroom to be constructed with a parking ratio of 0.5 space per dwelling unit.

The applicant has indicated they are willing to work with the City to determine the final unit mix so as to better serve the needs of the community. The applicant has also indicated they are willing to institute the necessary deed restrictions regarding the use of this portion of the property as affordable housing in perpetuity. Finally, the applicant is committing to construction of the affordable housing component of the project in conjunction with the market-rate units. The applicant has provided a detailed letter (see Exhibit 4 – Affordable Housing Proposal) outlining their proposed affordable housing strategy. Staff is supportive of the conceptual affordable housing strategy presented, but is seeking direction with respect to the ideal unit mix that will most likely address the current and short-term needs of the community.

Previous site plan iterations included an approximate 1.8-acre public park fronting Shoreline Boulevard. Upon review of the proposal, staff concluded that rather than providing a park as part of the proposal, providing affordable housing instead would be more appropriate, especially given that staff anticipates public park land being developed as part of the projects under review at 555 Middlefield Road and the Shenandoah Square site.

## **SITE PLAN AND MASSING**

The General Plan High-Density Residential designation allows for higher intensities and building heights, but also requires new development to include sensitive height and setback transitions to surrounding buildings. Building heights should gradually step up from existing adjacent buildings to avoid abrupt changes in massing. This can be accomplished by reducing building heights and setting back the upper floors of the buildings so that the height of the new buildings are no more than one story more than the existing adjacent building.

The proposal provides height step-back along the northern and southern property lines, with five-story massing concentrated near the central paseo; and along the northern and southern property lines, the height steps down to four and three stories depending on adjacent land uses. The massing along Shoreline Boulevard is proposed to be 58' or five stories, stepping down to three stories closest to the street. The abutting buildings along this frontage are approximately two stories tall. Similarly, the massing along Middlefield Road transitions from four stories to three stories closest to the street.

### *Staff Comments*

In general, staff is supportive of the transitional step-backs and the three-story massing abutting the adjacent land uses and the street frontages for appropriate transitions to neighboring land uses. Staff is also supportive of the site plan as it provides an opportunity for pedestrian and bicycle connections through the site; private and common open space; and 20 percent of the units as affordable housing. However, staff recommends working with the applicant on better articulating the interface of the five-story building massing with the internal pedestrian paseo. Staff recommends breaks in linearity of the central pedestrian courtyard in order to create a visually and spatially interesting corridor. Staff also recommends the five-story portions located on either side of the central paseo be refined to break up the long facade, visually integrating the private open spaces with the central paseo. The R3 (Multiple-Family) zoning allows heights up to three stories. Most of the properties surrounding the subject property are zoned R3. Pursuant to the General Plan, new development is required to be sensitive to the heights of the surrounding buildings. Therefore, staff has some concerns regarding the five-story heights for portions of the proposed buildings.

The City is currently in the process of reviewing two other projects on Middlefield Road that anticipate adding substantial housing in this area. Staff anticipates that there might be a need for a new signal and crosswalk across Middlefield Road to serve this project and other projects in the area. Depending on the alignment of this future signal and pedestrian crosswalk, the entrance into the project site from Middlefield Road might need modification, impacting the overall site plan and the location of the Class I bike trail connection between Middlefield Road and Shoreline Boulevard.



Question 1:

Is the EPC supportive of the site plan, and massing, including allowing up to five-story buildings along the central paseo?

**INCREASED DENSITY**

The July 2, 2015 Gatekeeper authorized the development of the project site at up to 60 dwelling units per acre. The project is currently proposed at approximately 72 dwelling units per acre. The increased overall density includes approximately 144 affordable units as a component of the project. The market-rate component of the project constitutes approximately 58 dwelling units per gross acre density.

*Staff Comments*

Staff is supportive of the increase in the proposed overall density for the site as the additional density incorporated in the project is really a public benefit that the project is providing in the form of affordable units. The affordable component of the project is served by its own parking, private amenities, and services specifically geared toward future residents' needs. The affordable building is designed with high-quality materials and in a modern architectural style consistent with the remaining project. Lastly, staff finds that the increased density does not preclude the project design from providing appropriate transition and step-backs to the adjacent land uses as required under the General Plan. As mentioned previously in this report, staff recommends working with the applicant to visually integrate and refine the five-story buildings more integrally with the central pedestrian paseo.

Question 2:

Is the EPC supportive of the proposed increase in density from what was previously authorized per the Gatekeeper request?

## AFFORDABLE HOUSING

The affordable housing component of the proposed project is currently designed as a stand-alone building. Affordable units can be developed, integrated, and evenly distributed throughout the project site or they can be consolidated into a single building which may or may not have its own parcel. Affordable housing is defined as:

- Very Low—households with gross income less than 50 percent of the area median household income;
- Low—households with gross income between 50 percent and 80 percent of the area median household income; or
- Moderate—households with gross income between 80 percent and 100 percent of the area median household income.

The applicant is currently proposing to provide approximately 10 percent studios, 50 percent one-bedrooms, and 40 percent two-bedrooms, making up a total of 144 units. As currently proposed, the affordable units will be targeted to serve families with 60 percent to 80 percent of the area median income. The applicant has indicated that their preference is not to create a separate parcel to house the affordable building, but to integrate it into the project. The applicant has agreed, however, to work with staff to put in place all the necessary instruments that would allow the affordable units to exist in perpetuity. The applicant has expressed interest in working with staff in order to identify qualifying criteria for leasing of the affordable units. The affordable building is currently designed to house the amenities and services appropriate to serve the future tenants.

### *Staff Comments*

Typically, the project would be required to provide either the Affordable Housing Impact Fee or equivalent number of affordable units sprinkled throughout the project. In cases where the project proposes to construct a sizable number of affordable units, staff has worked with the applicant to accept a land dedication. However, staff is supportive of the idea of allowing the applicant to construct the affordable units as part of the project because of the applicant's willingness to institute deed restrictions so as to provide affordable housing on this site in perpetuity. The applicant is committing to building the affordable units without requesting funding from the City. Moreover, the applicant is also committing to constructing the affordable building in conjunction with the market-rate buildings.

The applicant has also expressed their intent to develop the affordable building using high-quality materials and design, and in a manner that is complementary to the other buildings on the project site. As proposed, the project would have a housing mix that would serve seniors, small households, and families. Staff finds that the amount of affordable housing currently proposed as part of the project is very desirable given the deficiency in affordable housing in the City.

Question 3:

Is the EPC supportive of the affordable housing unit mix currently proposed, or would the EPC like the applicant to explore an alternative?

**CONCLUSION**

In summary, staff requests the EPC provide feedback and direction on the following topics, and any other comments about the proposed project:

Question 1:

Is the EPC supportive of the site plan and massing, including allowing up to five-story buildings along the central paseo?

Question 2:

Is the EPC supportive of the proposed increase in density from what was previously authorized per the Gatekeeper request?

Question 3:

Is the EPC supportive of the affordable housing unit mix currently proposed, or would the EPC like the applicant to explore an alternative?

## NEXT STEPS

Following feedback from the EPC at this Study Session, the project will be heard at a City Council Study Session tentatively scheduled for November 22, 2016, where the Council will review the proposed project and the EPC's comments. After the City Council Study Session, the applicant will revise the project plans and begin the formal development and environmental review processes.

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- Exhibits:
1. Location Map
  2. Project Plans
  3. Applicant Letter
  4. Affordable Housing Proposal