



DATE: April 2, 2019

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: Residential Development at 2310 Rock Street

RECOMMENDATION

1. Adopt a Resolution Conditionally Approving a Planned Unit Development Permit and a Development Review Permit to Construct a 55-unit Rowhouse Development and a Heritage Tree Removal Permit to Remove 35 Heritage Trees Located at 2310 Rock Street, to be read in title only, further reading waived (Attachment 1 to the Council Report).
2. Adopt a Resolution Conditionally Approving a Vesting Tentative Map to Create 55 Lots and Two Common Lots Located at 2310 Rock Street, to be read in title only, further reading waived (Attachment 2 to the Council Report).

BACKGROUND

Project Site

The 3.1-acre project site is located on a lot that has frontage on both Rock Street to the south and Independence Avenue to the west. The site is currently developed with a 59-unit rent-stabilized apartment complex built in the 1970s. The site is surrounded by residential uses to the east, west, and south and commercial uses to the north.



Location Map

Previous Meetings and Public Hearings

Community Meeting

On June 13, 2018, a Tenant Community Meeting was held on-site where approximately 41 people attended. During this meeting, tenants voiced concerns regarding their ability to find comparable housing in Mountain View. The tenants mentioned that while they are grateful for relocation assistance under the Tenant Relocation Assistance Ordinance (TRAO), the TRAO assistance might only cover the first and last months' rent of another location and moving costs, and the assistance does not provide alternate housing at rents the tenants can afford.

Development Review Committee (DRC)

The project was reviewed by the DRC at two meetings. Revisions were made to the project based on DRC direction and a recommendation of approval was provided on October 8, 2018.

Administrative Zoning/Subdivision Committee Public Hearing

The project was reviewed by the Zoning Administrator and Subdivision Committee on March 13, 2019, where it was recommended for approval. There was one speaker at the meeting who was in opposition to the project. The public commenter spoke to various hardships current residents face given their impending eviction and lack of affordable housing options.

ANALYSIS

Project Description

The project proposes to redevelop the site with a 55-unit rowhouse project. The unit mix consists of sixteen (16) two-bedroom units and thirty-nine (39) three-bedroom units (149 bedrooms total) with units ranging in size from approximately 1,400 to 1,900 square feet (see Attachment 3—Project Plans). This proposal would replace a 59-unit, two-story apartment development that has a total of 103 bedrooms.



Site Plan

The proposed site layout consists of rowhouse units facing Rock Street and Independence Avenue with two private drive entrances, one on Rock Street and one on Independence Avenue. Trees will be placed along the public sidewalks on the street frontages. Tree planting is also proposed along the edges of the property for screening, along the private drives, and in the open space and yard areas. Both driveway entrances feature tree planting and adjacent building design that announces the entrances.

The architectural style of the development is traditional with Mediterranean elements, such as a mixture of wood shingles, wall tiles, trellises, gabled roof forms, and earth-toned stucco. Units are differentiated through massing, varied roof forms, projections and offsets, porch elements, and exterior materials and colors. Each building of the project has design features that distinguish it from surrounding buildings while keeping central characteristics that make the site feel like one cohesive, planned development.



View from Rock Street

General Plan Designation

The site's General Plan designation is Medium-Density Residential (13 to 25 dwelling units per acre) and it is located in the Monta Loma/Farley/Rock Planning Area. This area is composed of a mix of different land uses, including single-family and multiple-family residential, commercial, office, public facilities, and parks.

The proposed project is consistent with the General Plan's vision for the area, including a residential project at 18 units per acre and is in compliance with the following General Plan Policies:

- ***LUD 6.1: Neighborhood character.*** Ensure that new development in or near residential neighborhoods is compatible with neighborhood character.
- ***LUD 6.3: Street presence.*** Encourage building facades and frontages that create a presence at the street and along interior pedestrian paseos and pathways.
- ***LUD 9.1: Height and setback transitions.*** Ensure that new development includes sensitive height and setback transitions to adjacent structures and surrounding neighborhoods.

- **LUD 10.1: Sustainable design and materials.** Encourage high-quality and sustainable design and materials.

Zoning Designation

The site’s zoning designation is R3-2.2 (Multiple-Family Residential). The existing 59 units on-site exceed the allowable density under the current zoning designation. The maximum number of units allowed on the site is 58 units. While the General Plan Designation prescribes a range of 13 to 25 units per acre, the actual number of units allowed on a property is determined by the zoning designation.

The R3 Zoning District allows rowhouse developments consistent with the Rowhouse Guidelines. The proposed development complies with all of the Rowhouse Development Standards and no exceptions are requested. The following table shows the project’s compliance with the Rowhouse Development Standards:

Standard	Requirement	Proposed
Floor Area Ratio	0.9 maximum	0.9
Front Setback	15’ minimum	15’
Side Setbacks	10’ for the first and second floors minimum 15’ for third floor minimum	15’ 15’
Rear Setbacks	10’ first and second floor minimum 15’ third floor minimum	15’
Height	45’ maximum 36’ to wall plate maximum	36’11” to roof 27’3” to wall plate
Building Coverage	35 percent maximum	33 percent
Open Area	35 percent minimum	41 percent
Parking	2 covered spaces per unit + 0.3 guest space minimum (127 total required)	127 spaces

In addition to meeting the setback standards, the internal road network runs along much of the shared property lines to the east and west of the project so the project is set back approximately 30’ to 40’ in these areas, more than double the third-floor minimum setback of 15’. The portions of the project along Rock Street nearer to surrounding

development (Rowhouses No. 44 and No. 55 in the site plan) feature step-backs on the third floors to move the buildings further away from the existing development and create transition areas.

Parking

The minimum automobile parking requirement is 2.3 spaces per rowhouse unit (two spaces are to be provided for each unit and the 0.3 fraction is for guest parking). The 55 units require 110 spaces in garages and 17 guest spaces. The bicycle parking requirement is one space per unit (which can be located in the garage) and one space for every 10 units to be located in an accessible area for guests. The project proposes a two-car garage for each unit (110 total) and 17 unenclosed guest parking spaces (including one accessible space). Bicycle parking is provided in each garage and six bike racks are located in the central common area for guests. This provision of parking meets the City's requirements.

Open Space and Trees

The project contains two common open space areas totaling approximately 9,635 square feet. The larger of the two open space areas is located in the center of the development and can be seen from Rock Street. The other open space is located just north across the street and is connected with special paving for greater visibility of pedestrian areas. The landscaped common open space includes amenities for residents, including seating and dining areas, in addition to flexible landscaped areas. The overall open area is 54,376 square feet, which is 41 percent of the site, exceeding the minimum 35 percent open space requirement.

A tree survey was completed for the project site by Certified Arborist Ray Morneau, and reviewed by the City arborist. The tree survey identified, measured, mapped, and rated the trees for preservation, which took into consideration the trees' age, health, structural condition, and proximity to the proposed structures and site development. The project proposes to remove 35 Heritage trees and retain 16 trees on-site, including six Heritage trees. The typical replacement ratio for the removal of Heritage trees is 2:1 and the applicant is proposing 70 24" box trees and one 36" box replacement tree. The 36" box oak tree would be located in the common open space area and visible from the project entrance along Rock Street. This specimen tree is in a highly visible location and will act as a focal point for the project. Additionally, the planting plan includes 63 15-gallon trees for a total of 134 new trees on site.

The proposed tree removal is necessary for the buildout of the project based on achieving the density and meeting the site planning design requirements of the

Rowhouse Guidelines. These organizing principles include maximizing the number of units facing the public street; creating centralized common open space; and a connected internal development circulation network. The existing trees are located in the proposed project’s building footprints and guest parking spaces.

The following table shows the existing and estimated future tree canopy coverage for the site:

Tree Canopy Coverage

	Canopy Coverage
Existing Trees	53 percent
Retained + New at time of planting	11 percent
Retained + New at 10 years	36 percent
Retained + New at maturity	63 percent

Tentative Subdivision Map

The proposed Tentative Map for the project includes 55 lots for rowhome purposes and two common lots for the private street and open space. Staff finds that the project is consistent with the requirements of the Subdivision Map Act and the General Plan with incorporation of the draft Conditions of Approval (see Attachment 2 – Resolution for Vesting Tentative Map).

Tenant Relocation

The planned development of 55 new ownership units would replace the existing 2310 Rock Street housing, which is composed of 59 rental units. These 59 units are covered under the City’s Community Stabilization and Fair Rent Act (CSFRA) and TRAO. The current units range from a one-bedroom/one-bathroom to a three-bedroom/one-and-one-half-bathroom, ranging in price from \$1,100 to \$3,200. Of the 59 households that are being displaced, it is estimated that 37 might be eligible for relocation assistance. Households with an Average Median Income (AMI) of 120 percent or lower are eligible for relocation assistance. The TRAO provides qualifying households with full refund of the tenant’s security deposit; a 60-day subscription to a rental agency; the cash equivalent of three months median market-rate rent for a similarly sized apartment; an additional \$3,262 (\$3,000 plus CPI annual adjustment for inflation) for special-circumstances tenants, which are households having at least one person that is either over 62 years of age, handicapped, disabled, or a legally dependent child under 18 years of age; and the First Right of Return if the rental unit is returned to the rental market by

the landlord. The applicant has taken the following steps to comply with the CSFRA and TRAO thus far:

- On February 14, 2018, an application for development was formally filed with the City.
- On June 1, 2018, Notices of Intent, required to be filed within 30 days of filing the application by the Tenant Relocation Assistance Ordinance, were provided to all 58 occupied units.
- On June 13, 2018, a Tenant Community Meeting was held on-site.
- 12-Month Notices to Vacate were hand-delivered to 12 units (who had identified themselves as Special-Circumstance Households) on June 20, 2018, with a final vacate date of June 20, 2019.
- Middlefield Rock Investors LLC opened and funded an escrow account with the appropriate 50 percent of total estimated costs.
- On July 17, 2018, applications were mailed to all 58 households, including a cover letter and FAQ sheet.
- As of March 7, 2019, 37 applications have been submitted and deemed eligible. Of those households, 17 have vacated and received their full TRAO payment.
- Eight (8) households have vacated the property and have not submitted an application for Relocation Assistance.
- A total amount of \$300,734.50 has been paid to eligible tenants thus far.

Displacement Concerns

A City Council Major Goal for Fiscal Years 2017-19 is to “Promote strategies to protect vulnerable populations and preserve the socioeconomic and cultural diversity of the community” and another is to “Improve the Quantity, Diversity, and Affordability of Housing with an Added Focus on Middle-Income and Ownership Opportunities.”

These goals can conflict with each other in the case of 2310 Rock Street, where 55 ownership condominiums are proposed to replace 59 rental units. The 59 rental units to be replaced are older units and subject to rent stabilization, limiting the amount the rent

can increase over time. Given market-rate rents in Mountain View and the limited supply of affordable housing, residents of the existing apartments may not be able to secure relocation housing in the neighborhood or even in Mountain View.

The City has recently made changes to further help those facing displacement. In April 2018, Council approved an amendment to the TRAO in an effort to bring the Ordinance more in line with the CSFRA and to establish First Right of Return procedures in accordance with the Ellis Act. The TRAO amendment also increased the income eligibility threshold from 100 percent to 120 percent AMI. These amendments allow more households to be eligible for relocation assistance.

The City recently incorporated the First Right of Return, which allows a displaced tenant to return to the rental unit within certain time frames if the rental unit is not demolished and is instead returned to the rental market by the landlord or successor landlord. The rent for the unit will be set at the rent in effect at the time of the termination notice, plus any allowable annual adjustments available under the CSFRA.

ENVIRONMENTAL REVIEW

The project qualifies as Categorical Exempt under the California Environmental Quality Act (CEQA), Section 15332 (“Infill Development Projects”), because it is characterized as an infill development which is consistent with the applicable General Plan and zoning designation; is on a project site that is less than five acres; contains no value as habitat for endangered, rare, or threatened species; would not result in any significant effects relating to traffic, noise, air quality, or water quality; and the site can adequately be served by all required utilities and public services.

FISCAL IMPACT

The subject site has a total assessed value of approximately \$1.9 million (Fiscal Year 2018-19) and the current annual taxes paid to the City from this parcel are \$3,000. If the site were developed with 55 residential units with an average sales price of approximately \$1,500,000, the City would receive approximately \$129,000 in additional annual property taxes. Additionally, the one-time Transfer Tax generated from the sale of the individual units would total approximately \$272,000.

The project is subject to the City’s BMR Ordinance, which requires 10 percent affordable units for market-rate ownership projects. The City Council can accept in-lieu payment (3 percent of sale price) when units are priced above a threshold set by the BMR Program Administrative Guidelines. This threshold is currently \$727,218. Therefore,

the estimated BMR In-Lieu payment to the City for this project is approximately \$45,000 per unit or \$2,475,000 total.

Since the proposed project would result in a decrease of units from what already exists on the site today, it is not required to pay new Park Land Dedication In-Lieu fees, in accordance with Chapter 41 (Park Land Dedication or Fees In Lieu Thereof).

CONCLUSION

The project is consistent with General Plan policies for neighborhood character and street presence and with the land use and development direction in the General Plan. It is in compliance with the Rowhouse Development Standards in the Zoning Code. The proposal promotes a well-designed development that is compatible with surrounding uses and developments and is consistent with other existing, under construction, and proposed projects in the area.

The proposed subdivision, together with the provisions for its design and improvements, is consistent with the General Plan Land Use Designation of Medium-Density Residential, the R3-2.2 Zoning District, and the Subdivision Map Act.

ALTERNATIVES

1. Approve the project with modified conditions.
2. Refer the project back to the DRC and/or Zoning Administrator for additional consideration.
3. Deny the project and/or deny the map.
4. Provide additional direction to staff.

PUBLIC NOTICING

The Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. All property owners and tenants within a 750' radius were notified of this meeting.

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MvO/3/CAM
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- Attachments:
1. Resolution for a Planned Unit Development Permit, Development Review Permit, and Heritage Tree Removal Permit with Conditions of Approval
 2. Resolution for a Vesting Tentative Map with Conditions of Approval and Vesting Tentative Map
 3. Project Plans