

City Council Questions

August 24, 2021 Council Meeting

ITEM 6.1 Application to State Community Development Block Grant Homekey Program for the LifeMoves Mountain View Project

1. What are the City's standard parking dimensions (width and depth)? Are they different for private versus public parking spaces?

The City's uses a standard parking dimension requirement for all developments both private and public and is 8.5'x18' with a possibility of reducing the depth up to 2' for a landscape overhang which must be landscaped with a low-growth landscape material in lieu of pavement.

2. Can the LifeMoves Mountain View project be fully parked at 1950 Leghorn Street if the parking dimensions (width and depth) are reduced, as described in this article?

<https://www.strongtowns.org/journal/2019/10/10/its-not-just-parking-minimums-that-can-shrink>

Mountain View's parking space dimensions reflect the parking spaces sizes in the article provided. Staff has found that it is an efficient and reliable utilization of space while providing adequate space for the parking of vehicles today.

3. What is the current utilization of the LifeMoves Mountain View parking, both onsite and at Shoreline Lot B?

The 19 spaces provided on site are fully utilized. Regarding Lot B, LifeMoves has just completed site preparations for 34-44 vehicles as mentioned above. We do not have utilization data at this time because the site hasn't opened yet. Shuttle services are expected to begin shortly.

4. Based on the parking utilization (since the project is fully occupied at this point), do the Zoning Code parking minimums for interim housing make sense? Or is a reduction feasible to make this type of housing solution more viable?

For emergency shelters the zoning code requires 0.35 space per bed and 1 space per employee, which for this site would be approximately 50 spaces. Based on Project Homekey legislation parameters, approval and development of the site is exempt from zoning standards, including parking requirements. Life Moves has reviewed parking needs at some of their other facilities and has found that many residents have at least one vehicle. As such, they provided 19 parking spaces on site with the understanding that it would not be adequate to fully serve the parking needs of the residents and employees and that an off-site parking solution would be necessary so that parking would not overflow onto the public street.

5. If 1950 Leghorn Street is acquired and parking is provided, can the space at Shoreline Lot B be used to expand safe parking?

LifeMoves leases parking (no living) for 34 vehicles, including RVs, with an option to allow an increase of 10 more vehicle parking spaces for a total of up to 44 vehicles. A conversion to OV safe parking (for living) could provide additional safe parking capacity if the parking spaces are no longer needed for use by Project Homekey. This is estimated at about ~11 OV parking spaces, since 10' spacing buffers are required around the vehicles. As has been communicated previously, to make Lot B available for safe parking the City had to apply for an amendment to the City's Post-Closure Maintenance Plan (PCMP) for the Safe Parking Program as it was not a designated use. In order to expand the current safe parking capacity at Lot B, another amendment would need to be completed, which would take approximately 6 months or more. The expansion of the service provider scope and the necessary funding would also need to be secured, in addition to an amendment to the existing leases with the County of Santa Clara for 24/7 operations.

6. What entity owns the property at 2566 Leghorn?

LifeMoves owns 2566 Leghorn.

7. What entity will own the property at 1950 Leghorn?

If the State awards CDBG funding for the site acquisition, LifeMoves would acquire the site. The intent is that the site would be subsequently transferred to the City if beneficial for the City. This will be further analyzed by staff if funding is awarded for this proposed activity.

ITEM 7.2 Lot 12 Development

1. Can we have more information on the two-story townhome building that will be located above the parking podium level along the west property line and also more information about the public path/linear park along the western property line? Have plans for those two elements of the development changed since they were last presented to Council or are they the same? What materials are proposed for the townhome building and the public path/linear park?

Project plans can be found here: [Design Plan Sets](#) under Attachments: Item 7.2 – Plan Sets.

Details of the two-story townhome building can be found on Sheet A2.2 of the project plans. Roof forms, window pattern and materials have changed since the project was last reviewed by Council. Currently, proposed materials include stained wood screens at the garage level, vertical cementitious siding on the townhome levels and corrugated metal accent awnings. The privately-owned path at the west elevation of the project site has also been modified. The garden area has decreased in size to accommodate additional buffer trees along the west property lines to create privacy between the project site and the adjacent residential.

2. The staff report cites a minimum of 55 years for the term of affordability. Would permanent affordability be possible or not allowed by some funding sources?

It is staff's understanding that permanent affordability would make a 100% affordable project difficult to finance at the outset because of the requirements of outside investors/lenders, the provisions of the low income housing tax credit program, etc. However, one of the Lot 12 key deal terms is a 65 year initial ground lease with two options to extend the term for 34 more years, for a total of 99 years. Should the ground lease term be extended, the affordability term will also be extended to match the ground lease. Due to the project's financing and leveraging of external funding, it is anticipated that the Developer will need to extend the ground lease, thereby extending the affordability restrictions.

3. What is a tribal consultation process?

The tribal consultation is a State requirement for any SB 35 application to provide formal notification of the development proposal to all tribal groups that are generally affiliated with the geographic area. This provides tribal groups with an opportunity to provide comments on the proposed project regarding any potential impacts to cultural resources.

4. Does the developer have a specific maker space operator in mind?

The Developer does not have an operator in mind at this point in time. The Developer will be required to actively market this space and provide a commercial development plan (which includes the uses and prospective tenant/operator) for the City's review and approval at a future point in time.

5. Page 8 of the staff report indicates that staff "has requested additional information from the Developer to justify the density bonus waiver requests." What information is needed? Can staff assure the Council that this will not result in the reduction of units, the loss of bedrooms (family units), or the reduction of the size of units, making them less livable?

Staff continues to work on the density bonus request and justification with the developer to ensure the proposal is compliant with State Density Bonus regulations, but based on Staff's preliminary review, the proposal will not result in the loss of units or bedroom, and/or reduce unit sizes.

6. Staff has proposed a variety of design changes. How long will it take to implement these changes? How long could this delay the submission of the application?

The architects have worked diligently with staff to address design and other technical review comments to date, and have been relatively quick to revise the design based on City feedback. Based on their past performance, staff believes that the design comments will take an additional few weeks to address, depending on any further Council feedback provided at this authorization hearing. Please note, the formal application requires more detailed information and the timeframe noted above only incorporates addressing design feedback. More time may be required to transition the schematic informal application to a formal application.

7. On page 18, the report says that staff “recommends allowing the float-up provision as requested in order to facilitate the financing of the project such that the City does not subordinate its regulatory agreement with the Developer.”

- a. Could this be done with the ELI units and still remain in compliance with the programmatic elements of Measure A?

While the City cannot control the restrictions that apply pursuant to the County Measure A funds, it appears that the Measure A guidelines allow for rent modifications on a case by case basis. Should the float up need to be considered in the future, the City would work with the Developer and the County to determine the course of action at that time.

- b. Instead of increasing rents, can we simply forgive some or all of the City loan?

As noted in the key deal terms section of the report, staff recommends allowing the City’s interest rate to be lowered from the standard 3% simple interest down to 1.5% if the Developer can demonstrate the need to ensure project feasibility, makes good-faith efforts to obtain comparable interest rate reductions from other public agency lenders, and agrees that any loan provided by the Developer’s general partners or affiliates will not earn interest at a rate higher than the rate of the City’s loan.

Forgiving some or all of the City loan may not be possible because it would have implications on the overall financing of the project based on IRS/low-income housing tax credit rules. For example, forgiving debt would be taxable income that outside affordable housing investors typically do not want. Additionally, the Developer must be able to demonstrate that their debt (i.e. loans) can be repaid. If this cannot be demonstrated at the outset of the project prior to the start of construction, the loan is treated as a grant for tax purposes which will result in the loss of tax credits.

8. Where is the 800 sf of flex space?

The flex space referenced in the staff report can be found in the center of the lot facing the midblock garden, along the westerly property line. On Floor Plan Sheet A1.1, the space is labeled “Workshop” and “Porch.”

9. Does the mix of residential units from income and funding perspectives match previous council direction (page 4 of staff report)? If not, how is it different?

The mix of AMI levels, including 40 units at 30% AMI (extremely low income (ELI) units), is the same as what the Developer submitted in its RFP. The 40 ELI units were initially proposed to be permanent supportive housing (PSH) units. However, per Council input at the October 2020 Study Session, instead of 40 PSH units, the current proposal includes 20 rapid rehousing (RRH) units and 20 non-RRH ELI units.

10. If 79 of the 95 residential parking spaces are puzzle lift spaces, what are the remaining 16 spaces?

The remainder of the parking spaces are regular parking stalls.

11. Are there any stackers or are they all puzzle lifts? If there are stackers, how many spaces are in stackers?

Only puzzle lifts are proposed.

12. Will the residential parking spaces be assigned to units? If so, how will they be assigned when there are fewer parking spaces than units?

The residential will be assigned on a first come first served basis if a resident has a vehicle. Given the location in Downtown Mountain View, proximity to transit, and TDM, it is estimated that there will be sufficient spaces to meet the demand.

13. On page 15, of the staff report, it states, "Funding for the \$1.65 million nonresidential/commercial component will come from the City's General Fund." Is the nonresidential/commercial component expected to raise any revenue through rental/lease fees? Are there alternative funding sources for this component? Do we need to keep this component or can we include it as part of the commercial space to be rented/leased out for retail?

The City subsidy is for the cost of constructing the nonresidential/commercial component (which includes the proposed retail and flex/maker space) of the project. As noted in the October 2020 Study Session, this location may be more challenging for such uses than if it were located on a busier street such as Castro Street. Additionally, the project is not intended to be a revenue generating project, and leases and rental agreements for public benefit uses shall be at below-market rates. Therefore, the Lot 12 key deal terms do not include rental/lease fees to the City based on the nonresidential/commercial component of the project.

Staff reviewed alternative funding such as the City's SPAR. However, there are other City priorities for the use of SPAR and there may not be sufficient funding for those other uses if SPAR is used for Lot 12. Staff also assumes that the SB 129 funding can be used for both the residential and nonresidential/commercial uses. Assuming this is correct (staff is waiting for additional information from the State), a portion of the SB 129 funding could be shifted from the affordable housing to fill this \$1.65 million amount. However, this would require an additional \$1.65 million in funding for the increased affordable housing gap that would result from this shift.

The "nonresidential/commercial" component refers collectively to the flex/maker space as well as the space to be leased out for the retail. Council could provide input on changing the amount of square footage for this component (whether for the flex/maker space and/or the retail space). However, this may impact the project's design and timeline, as well as the placemaking goals for Lot 12 and to provide an asset/amenity to the broader community. For example, the flex/maker space is also intended to be available for the City and community groups to use as meeting space and a community benefit.

14. On Page 17, it states, "The Developer has requested that the City allow rents for extremely low-income units (30% AMI) to be permitted to increase to up to 60% AMI if a loss of rent or operating subsidy or other circumstances result in a cash flow shortfall that makes continued operation infeasible." Is this for the 40 VLI units?

This would be for the ELI units. The actual number of ELI units that would float up, if any, would depend on what would be needed to ensure that that project remains financially sustainable. VLI units are 50% AMI units and would not apply.

15. What was the original AMI mix was before the County agreed to more Measure A funds?

The current AMI mix is the same as the original AMI mix. The difference is that the original proposal by the Developer included PSH units, whereas the current proposal includes rapid rehousing units instead of PSH units.

16. Regarding the City subsidy in the form of a loan, isn't the City be able to deposit the funds into the General Fund in addition to the Affordable Housing Fund?

Staff is still waiting for details from the State regarding SB 129 funds. At this time, staff is not aware of State requirements regarding where the City must deposit the funds. Staff's recommendation is that it be deposited into an affordable housing fund because the State grant is for affordable housing in Mountain View. This would allow the funds to be more easily tracked and to go towards other affordable housing projects in the future as the loan is repaid over time.

ITEM 7.3 Downtown Parking Garage Framework

1. As with 6.1, could we increase the number of spaces in the structure if we consider reduced parking dimensions?

Standard parking stall dimensions in Mountain View are similar to those in comparable jurisdictions, and they are sized so that vehicles can reliably park without taking up multiple spaces. It is not recommended that a significant number of spaces should be "compact". Though the exact design of the structure has not been determined yet, efficiency may ultimately be gained by use of compact spaces in marginal locations, but this would not be expected to significantly increase the capacity of the garage.

2. Can staff provide information about the utilization of private parking in Downtown?

We do not have any studies of private parking in downtown.