



**DATE:** February 8, 2022

**CATEGORY:** Public Hearing

**DEPT.:** Community Development

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

### **RECOMMENDATION**

1. Adopt a Resolution of the City Council of the City of Mountain View Certifying the 555 West Middlefield Road Project Final Environmental Impact Report, Adopting CEQA Findings Related to Environmental Impacts, Mitigation Measures, and Alternatives and Adopting a Statement of Overriding Considerations, Mitigation Measures, and a Mitigation, Monitoring, and Reporting Program, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Approving a General Plan Amendment to Add a New High-Low Density Residential Land Use Designation and Making Related Text Amendments and an Amendment to the General Plan Land Use Map for the Property Located at 555 West Middlefield Road from Medium-Density Residential to High-Low Density Residential, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution of the City Council of the City of Mountain View Approving a Planned Community Permit and Development Review Permit to Allow a 323-Unit Addition to an Existing 402-Unit Residential Development with Three New Subterranean Garages, New Amenity Building/Leasing Office, and New 1.34-Acre Public Park; and a Heritage Tree Removal Permit to Remove 57 Heritage Trees at 555 West Middlefield Road, to be read in title only, further reading waived (Attachment 3 to the Council report).
4. Adopt a Resolution of the City Council of the City of Mountain View Approving a Vesting Tentative Map to Create Three Lots with up to 111 Condominium Units at 555 West Middlefield Road, to be read in title only, further reading waived (Attachment 4 to the Council report).

## BACKGROUND

### Project Site

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, with the exception of a gas station located at the southeast corner of West Middlefield Road and Moffett Boulevard. The approximately 14.5-acre project site is currently developed with 402 apartment units, carports, and other residential amenities, which were built in approximately 1969.

Surrounding land uses include the Moffett Plaza Shopping Center and Moffett Mobile Home Park to the west across Moffett Boulevard, residential uses to the north, across West Middlefield Road, and to the south, across Cypress Point Drive, and State Route 85 to the east. The project site is located within one-half mile from downtown and the Transit Center.

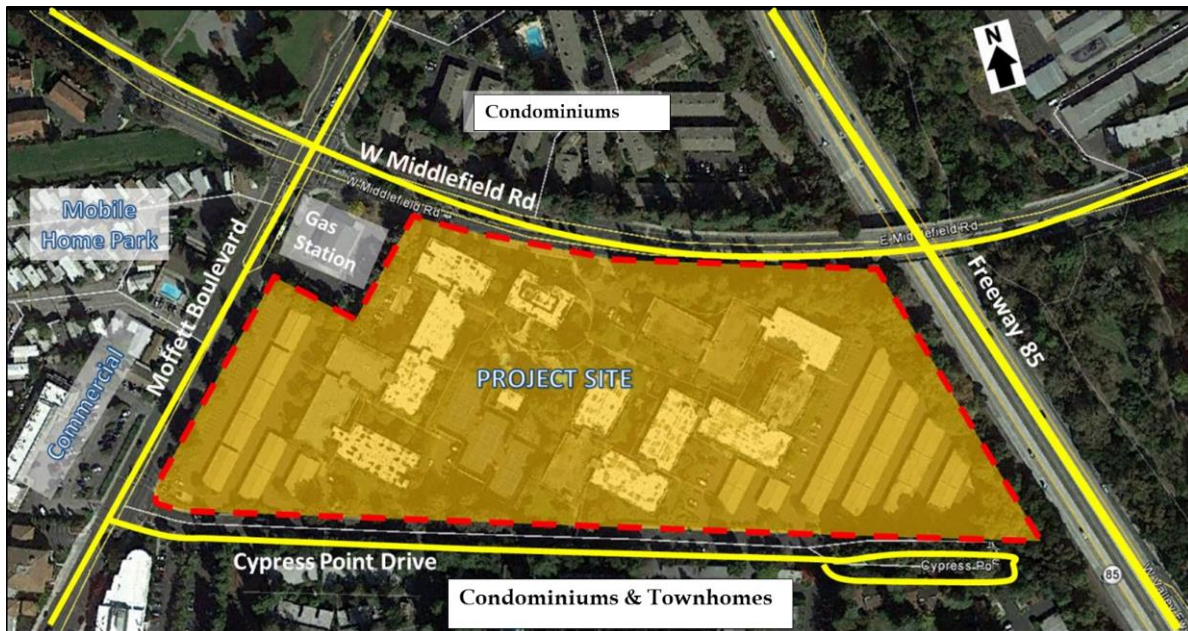


Figure 1: Location Map

### 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 adding 324 new units for 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% affordable units (see Attachment 6 – [July 2, 2015 City Council Report](#)).

*Environmental Planning Commission and Council Study Sessions – 2017*

Following an informal application submittal in early 2016, the project was reviewed by the 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 7 – [EPC Staff Report, March 15, 2017](#) and Attachment 8 – [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 and adding a 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.

Following these Study Sessions, the applicant made modifications to their project proposal which addressed the feedback provided by the EPC and Council, including revising the project architectural design to include more traditional roof forms, porches/stoops for individual units at the street levels, paseos, etc., and revising the project design to preserve more trees. In addition, the applicant is providing a community benefit contribution (discussed later in this report) that could go toward funding off-site improvements noted in the comments above.

*Environmental Planning Commission and Council Study Sessions – 2021*

In February 2021, the project was reviewed again by the EPC and City Council at two separate Study Sessions to provide input on the project refinements since the last Study Sessions in 2017 (see Attachment 9 – [EPC Study Session Staff Report, February 3, 2021](#) and Attachment 10 – [City Council Study Session Memorandum, February 23, 2021](#)).

The EPC and the City Council were generally supportive of the revised project design and proposal and provided the following additional feedback:

- Supportive of the establishment of a new General Plan Land Use Designation of 36 to 50 du/ac instead of the previously proposed designation of High-Density Residential (36 to 80 du/ac) and to keep the existing P (Planned Community) zoning designation instead of rezoning the site to R4.
- Supportive of the project design changes with the following additional refinements:
  - Need for wider sidewalk along Moffett Boulevard to create an extension of downtown; similar to the 100 Moffett Boulevard project;
  - Explore opportunities to save more trees on-site; and
  - Look into additional street parking restrictions on Cypress Point Drive.
- Supportive of the proposed community benefits package. Requested the applicant study whether any projects related to the Stevens Creek Trail would be feasible.

- Requested the applicant explore potential rent rebates for existing tenants on-site for the duration of project construction due to ongoing construction impacts and temporary loss of amenities.

Following these Study Sessions, the applicant made further modifications to their project proposal which addressed all the feedback provided by the EPC and Council, including: reducing the proposed unit count to meet the 50 du/acre density; expanding the sidewalk along the Moffett Boulevard frontage; revising the plans to transplant more trees on-site and preserve more trees; and revising the plan palette to include more native trees suitable for the local climate.

#### *Airport Land Use Commission*

The project site is located within the Moffett Federal Airfield, Airfield Influence Area (AIA). Pursuant to State law, the City must refer the application to the Airport Land Use Commission (ALUC) when a development project that includes a General Plan and/or Zoning Amendment is proposed within the AIA of an airport or airfield with an adopted Comprehensive Land Use Plan (CLUP) to provide a consistency determination with the appropriate CLUP policies prior to final approval of the General Plan and/or Zoning Amendment by the City. The ALUC reviewed the project on September 22, 2021 and made a determination of consistency with the Moffett Federal Airfield CLUP.

#### *Development Review Committee*

The project was reviewed by the Development Review Committee (DRC) three times. The DRC provided design recommendations on several iterations of the project design, and the project received a final recommendation of conditional approval in October 2021.

The DRC recommended approval of the project with design conditions for the applicant to continue to work with staff on the following items as part of the building permit review process: refine the Block B corner design to reduce visual impact of the fourth-floor deck/trellis element; refine the Block B and Block C entry porch designs to achieve better integrated and proportioned features; and enhance landscaping the garage and building entrances to create an inviting area with interesting landscape elements to signify the entrance.

The applicant has begun to address DRC recommendations in the current plans and will continue to work with staff through the building permit process if the project is approved.



### *Neighborhood Meetings*

The applicant has held eight community outreach meetings and seven interest group 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 number of units; massing of the project along Cypress Point Drive; potential spillover parking on adjacent streets; potential public park impacts; construction noise and duration; and proposed tree removal. 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. Comments received pertaining to the Environmental Impact Report (EIR), and responses to these comments are discussed later in this report and contained in the Final EIR (see Attachment 1).

In response to concerns raised at the meetings and City direction, the applicant has made changes to the site layout and architectural design to enhance the residential look of the project and introduce further step-backs along the Cypress Point Drive frontage and project modifications which reduced the number of proposed tree removals. The meeting attendees acknowledged the applicant has worked extensively to address their design concerns.

### *Environmental Planning Commission Public Hearing*

The EPC held a public hearing to review the project on January 5, 2022 (see Attachment 11 – [EPC Public Hearing Staff Report, January 5, 2022](#)) where they unanimously recommended approval of the project. The EPC expressed support of the project density without displacement, affordable housing contribution, community benefit proposal, and voluntary rent reduction. The applicant, environmental consultants, and 36 members of the public spoke at the meeting about the project and its associated EIR.

Fifteen (15) people spoke in favor of the project, supporting the project's positive contribution to the City's housing needs and opportunity to build additional affordable housing units. Thirteen (13) local residents expressed concerns with the project related to the loss of mature trees, disturbance of the existing ecological balance in the area, increased density, and air quality impacts. Eight people representing local trade unions opposed the project and requested the City to impose on the developer certain labor standards, including local hire, apprenticeship, and health-care requirements for the project construction.

In addition, a few members of the EPC also requested the applicant do additional outreach to the existing on-site residents to explain the duration and effects of the significant unavoidable air quality impact identified in the EIR and explore possibilities to help alleviate impacts such as improved air filtration within the units.

## **ANALYSIS**

### **General Plan**

The project site currently has a General Plan Land Use Designation of Medium-Density Residential (13 to 25 du/ac), and the project has a proposed density of approximately 50 du/ac, which requires an amendment to the site's General Plan designation to accommodate the project. The applicant originally requested amending the site's designation to High-Density Residential (36 to 80 du/ac), which is the appropriate current designation for their proposed project density. However, after feedback at the Study Sessions earlier this year, the applicant is requesting a General Plan Text and Map Amendment to create a new residential land use category between the existing Medium High-Density Residential (26 to 35 du/ac) and High-Density Residential (26 to 80 du/ac) designations to provide a more limited density range than would be allowed under the High-Density Residential designation. This new designation would be called High-Low Density Residential and have a density range of 36 to 50 du/ac and would amend the High-Density Residential designation to 51 to 80 du/ac (see Attachment 2). Additional residential land use categories which further refine the existing High-Density Residential designation are anticipated as part of the R3 update.

The proposed residential project with a density of 50 du/ac would be consistent with the proposed High-Low Density Residential Designation. The proposed General Plan Amendment and residential development project align with City objectives to provide additional housing opportunities and is supported by the following General Plan policies:

- *LUD 3.1: Land Use and Transportation.* Focus higher land use intensities and densities within one-half mile of public transit service and along major commute corridors.
- *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 or 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 9.3: Enhanced Public Space.* Ensure that development enhances public spaces through these measures:
  - Encourage strong, pedestrian-oriented design with visible, accessible entrances and pathways from the street.
  - Encourage pedestrian-scaled design elements, such as stoops, canopies, and porches.
  - Encourage connections to pedestrian and bicycle facilities.
  - Locate buildings near the edge of the sidewalk.
  - Encourage design compatibility with surrounding uses.
  - Locate parking lots to the rear or side of buildings.
  - Encourage building articulation and use of special materials to provide visual interest.
  - Promote and regulate high-quality sign materials, colors, and design that are compatible with site and building design.
  - Encourage attractive, water-efficient landscaping on the ground level.
- *LUD 10.7: Beneficial Landscaping Options.* Promote landscaping options that conserve water, support the natural environment, and provide shade and food.
- *POS 1.2: Recreational Facilities in New Residential Developments.* Require new development to provide park and recreation facilities.

## **Zoning**

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 applicant had previously



proposed to rezone the site from P to R4 but has amended their proposal to keep the P zoning designation for the site.

### **Project Overview**

The applicant, Avalon Bay Communities Inc., proposes to develop two existing surface parking lots with three new residential buildings containing 323 residential units and below-grade parking (for a total of 725 units on-site), a new amenity building/leasing office, and dedication of a 1.34-acre public park. The proposed unit mix consists of nine studios, 150 one-bedroom, 130 two-bedroom, and 34 three-bedroom units. Of the proposed units, 111 would be apartment units which would be condo mapped, and the remaining new and existing units on-site would be rental apartments. The proposal also includes renovating the existing 402 units on-site. The project is proposed to be constructed in four phases over a period of six years in order to dedicate the park parcel as soon as possible, avoid displacement of the existing residents, and accommodate required parking on-site during each phase to avoid spillover parking in the neighborhood.

The project has three street frontages—Middlefield Road, Moffett Boulevard, and Cypress Point Drive. Vehicular entrances to the underground parking garage are provided from Middlefield Road and Cypress Point Drive. Various on-site amenities are included throughout the project site, such as open-space areas, private residential balconies, swimming pool, spa, courtyards, bike storage and repair facilities, rooftop deck with amenities, private residential storage areas, barbecue pits, fitness rooms, and more. 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. The project also includes a new bicycle/pedestrian path adjoining Block A and the new park parcel connecting Middlefield Road to Cypress Point Drive.



**Figure 2: Site Plan**

All of the new buildings utilize an eclectic mix of contemporary and traditional architectural elements. Early in the development review process, the project proposed a contemporary building design with a commercial and office-type appearance. Staff and the DRC have worked with the applicant to include traditional residential elements in the contemporary residential building design, highlight ground-level unit entries, improve upper-floor step-backs, provide more visual interest and wall movement, recess windows, and use building materials and detailing to incorporate more residential neighborhood character.



**Figure 3: Early Architectural Style Rendering**



**Figure 4: Revised Architectural Style Rendering**

### *Block A*

The project proposal includes a new one-story, 9,250 square foot leasing building to replace the existing leasing building located along the project's Middlefield Road frontage. Block A would also include variety of amenities, such as a pool, spa, coworking space, and mail rooms for the existing units and the new units on Block C; and residents of the new units on Block B would be given access to the pool and spa amenities included in Block A. In addition, three levels of below-grade parking with 363 parking spaces along with surface bicycle and car parking would be provided in Block A. Surrounded by existing residential buildings on-site, the proposed Block A building architecture is simple and relates to existing developments with special emphasis on pedestrian-scale entry facade and treatments. The Block A building design uses warmer-tone materials, such as wood composites and stone.

### *Block B and Block C*

The proposed buildings in Block B and Block C use a "transitional" architectural style, mixing more contemporary expression of some common residential features, such as projecting bays and balconies, with more traditional residential materials and roof forms. The three buildings vary in height, between three and four stories, with a maximum height of 54.5'. They use a range of strategies to fit in with the area and reduce the overall appearance of building height and mass, such as upper-floor step-backs, setbacks, and application of warmer-toned, high-quality materials and colors. They all aim to provide a clear building base, middle, and top and to incorporate striking design elements to create visual interest.

The Block B building includes 111 units with a ground-floor leasing area and a rooftop deck at the corner of Moffett Boulevard and Cypress Point Drive. In the Block B building, the upper floors use composite wood panels, as well as traditional roof forms to create a more traditional look. Smooth stucco is used throughout the remaining levels along with warmer-toned stone application at key locations. The Moffett Boulevard street frontage has been designed around an existing mature tree and a minimum 5' to 8' wide sidewalk to continue the downtown pedestrian experience.

The Block C building utilizes distinct board and batten on upper floors with three different shades of stucco in the remaining levels to create distinguish the design from Block B without changing the architectural design. Unit entry porches are provided along both street frontages.

To address feedback at the Study Sessions, the applicant reduced the height of the corner of the Block C building to three stories at the intersection of Moffett Boulevard and Cypress Point Drive to eliminate the tower element as requested. All Block C and Block B buildings incorporate gabled and hipped roof forms to complement existing surrounding residential development.

### **Transportation**

A transportation study was prepared for the project by Hexagon Transportation Consultants, Inc. (Hexagon), to evaluate potential effects of the project on the roadway system. The study included a vehicle miles traveled (VMT) impact analysis in accordance with the California Environmental Quality Act (CEQA) Guidelines and the City of Mountain View's VMT policy. The study also included a multi-modal transportation analysis (MTA) that evaluates potential transportation effects of the project.

Due to the project proximity to downtown and as per the City's VMT transit screening criterion, the project is expected to have a less-than-significant impact on VMT.

The study also determined the traffic impacts of the proposed development on 12 signalized intersections during the weekday a.m. and p.m. peak hours of traffic. In addition, a freeway segment capacity analysis was conducted, and other traffic operations issues were addressed.

The Traffic Impact Analysis (TIA) found that the project is estimated to generate 102 net new a.m. peak-hour trips and 126 net new p.m. peak-hour trips. Intersection level-of-service (LOS) analysis results show that most of the study intersections would operate at acceptable levels during both the a.m. and p.m. peak hours, except two intersections that

would operate at an unacceptable level (LOS E or F) during the cumulative plus project condition. The North Shoreline Boulevard/Middlefield Road intersection would operate at LOS E under cumulative conditions, with and without the project. However, the added project traffic would not result in an adverse effect at the intersection because the project traffic would not cause an increase in critical movement delay of four (4) or more seconds or an increase in critical v/c of 1% or more. The Tyrella Avenue/East Middlefield Road intersection would operate at an unacceptable LOS E. However, neither the a.m. nor p.m. peak-hour volumes would warrant a traffic signal under cumulative plus project conditions. Therefore, the added project traffic would not result in an adverse effect at these intersections.

The transportation analysis also includes a queueing analysis for four intersections: (1) southbound Moffett Boulevard left turn to eastbound Middlefield Road; (2) eastbound Middlefield Road left turn to northbound Easy Street; (3) eastbound Middlefield Road left turn to northbound Ellis Street; and (4) southbound Moffett Boulevard left turn to eastbound Cypress Point Drive. The analysis indicates that under background plus project conditions, the maximum left-turn vehicle queue at the southbound Moffett Boulevard left turn to eastbound Middlefield Road (p.m. peak hour) and eastbound Middlefield Road left turn to northbound Ellis Street (a.m. peak hour) movements would exceed the storage capacity by two vehicles in the p.m. peak hour and six vehicles in the a.m. peak hour respectively. Neither of these queues would adversely affect traffic flow for more than a short period of time; therefore, modifications to the intersections are not suggested.

The study also assessed the effects of project traffic on Cypress Point Drive. Although the project would increase traffic on Cypress Point Drive, the increase would not be substantial (19 and 25 trips in the a.m. and p.m. peak hours, respectively). Additional traffic calming measures are not suggested in the study. The City's Neighborhood Traffic Management Program is available to address any concerns that may arise postconstruction. The project as designed would also reduce the driveways on Cypress Point Drive from seven to three, which would greatly reduce conflict points at driveways along the street and improve pedestrian and vehicle access on the street.

### *Transportation Demand Management*

The project includes a Transportation Demand Management (TDM) plan with various programs estimated to achieve a 10% peak-hour trip reduction. In order to achieve the 10% reduction, the TDM plan includes a variety of strategies, including, but not limited to, offering a transit pass for each unit, bicycle storage and repair facility, an on-site TDM coordinator, and Mountain View Transportation Management Association (TMA)

membership for the life of the project. Further details of the TDM plan can be found in Attachment 12.

### **Parking**

The proposed buildings will replace the existing surface parking lots, which contain 670 parking spaces. The project proposes one to two levels of below-grade parking under the new residential buildings, three levels of below-grade parking under the redeveloped clubhouse/leasing office, and 52 surface parking spaces. The project proposes to utilize the City's Model Parking Standard (MPS) by providing 970 new parking spaces consistent with the MPS, which requires a total of 970 spaces.

Vehicle access to the site will remain from West Middlefield Road and Cypress Point Drive. A single driveway entrance is to remain off of Middlefield Road serving the parking lot and underground parking on Block A. Two driveway entrances are proposed off of 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.

The project also includes 522 bicycle parking spaces and an on-site bicycle repair facility, in conformance with City requirements. This includes 487 resident bicycle parking spaces (at least one space per proposed new unit) provided in secure bicycle rooms in the garage and 35 guest bicycle spaces distributed throughout the site.

### **Open Space and Trees**

The project proposes approximately 3.25 acres of common useable open space and the dedication of 1.34 acres of land to the City to be used as a new public park. The common open spaces would feature landscaping and resident amenities, such as barbecue grills, coworking lounge, fitness/yoga center, outdoor seating areas, pet walking area, dog park, spa, and swimming pool.

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 four phases over a six-year time frame (from 2023 to 2029) 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 2022. 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.

A total of 397 trees exist on the project site, of which 241 are designated as Heritage trees. The trees are distributed throughout the property, and tree preservation in the areas of development is challenging given their location in and adjacent to the areas of the proposed residential buildings and underground garages. The project proposal presented and reviewed by the EPC and City Council at the Study Sessions included removal of 117 Heritage trees where it was requested that the applicant revise the project design to preserve more existing trees and look for opportunities to relocate existing trees on-site.

The applicant has modified the project proposal to preserve more trees, reducing the total number of requested Heritage tree removals from 117 to 57. In addition, 39 Heritage trees and one non-Heritage tree are proposed to be transplanted on-site. A total of 190 new trees would be planted on-site. The applicant has also revised their plans to include 75% native plant and tree species and preserve more healthy trees between State Route 85 and the Block C building.

The following is the anticipated tree canopy coverage for the site:

**Table 1: Tree Canopy Coverage**

Canopy	Site Coverage
Existing	26%
Retained + New After 5 Years	20%
Retained + New After 10 Years	23%
Retained + New at Maturity	28%

### **Subdivision Map**

The proposed Vesting Tentative Map for the project includes the creation of three lots, including two residential lots: (1) a lot for condominium purposes to accommodate up to 111 condominium units; (2) a lot supporting up to 614 apartment units; and (3) a lot to accommodate a 1.34-acre park. Staff finds that the Tentative Map is consistent with the requirements of the Subdivision Map Act and the General Plan, subject to the recommended Conditions of Approval (see Attachment 4—Resolution for Vesting Tentative Map).



### **Below-Market-Rate (BMR) Housing**

At the 2017 Study Session, the City Council reviewed the project proposal, which committed to provide 10% of the total units at below-market rates. Since then, while the project's CEQA study and design review process has progressed, the City has updated the BMR Housing Ordinance to increase the inclusionary requirement for rental projects to 15%. The applicant has revised the project proposal to be in compliance with the City's current requirements and includes 48 BMR rental units (15% of 323 units) in perpetuity, at a weighted average of 65% AMI.

### **Community Benefits**

In compliance with the General Plan, the applicant is required to provide a community benefit(s) in exchange for additional development intensity and to advance the goals and policies of the General Plan in regard to intensification of land uses in the area. There is not a set amount for community benefit amounts for General Plan or Zoning Amendments as the appropriate amount is based on individual projects land use and proposed intensity increase. The applicant provided a preliminary community benefit contribution proposal of \$1,977,025 (see Attachment 13 – Community Benefit Proposal). At the April 2017 Study Session, the City Council directed staff to conduct a project-specific financial study to determine if the applicant's proposal was an appropriate community benefit contribution for this project. The City hired Strategic Economics to prepare this analysis.

Based on the financial analysis, Strategic Economics found that the density increase of the project translates to a value uplift that supports a community benefit contribution up to \$5 per additional gross square foot, or \$1.9 million. There are a variety of factors that make higher-density residential development less lucrative than commercial development in Mountain View, including: high construction costs, impact fees (which are higher for residential than commercial uses), and inclusionary housing requirements.

Based on this analysis, staff recommends the applicant's proposed community benefit proposal be accepted and included as a condition of approval. The funds from this contribution are proposed to go to the City's Capital Improvement Program (CIP) and could be used on one or more CIP projects which would be allocated by Council through the CIP process. Some CIP projects in the vicinity of the project that the funding could be allocated to include:

- *Middlefield Sidewalk Across State Route 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 State Route 85 to close the sidewalk gap between Moffett Boulevard and Easy Street.

- *Stevens Creek Trail – Northside Trail Access Point (to Middlefield Road)*. This project is currently unscheduled and proposes to design and construct approximately 300' of accessible pathway for bicycles/pedestrians from the north side of Middlefield Road to the Stevens Creek Trail.

## **ENVIRONMENTAL REVIEW**

### **Environmental Impact Report Process**

EIRs provide information regarding the potential significant environmental impacts of a proposed project and how to mitigate them. The Residences @ Shoreline Gateway Project Draft EIR provides the environmental review appropriate for the project in accordance with the California Environmental Quality Act (CEQA).

Prior to approving the project, the City Council must certify the EIR and adopt required findings under CEQA. According to the CEQA Guidelines, the Council must: (1) conclude the document has been completed in compliance with CEQA; (2) review and consider the information contained in the Final EIR prior to approving the project; and (3) confirm the Final EIR reflects Council's independent judgment and analysis.

### **EIR**

In accordance with CEQA, a Notice of Preparation (NOP) was circulated to the public and responsible agencies for input regarding the analysis in the EIR, and a scoping meeting was held on July 24, 2019.

The Draft EIR was circulated for public review for a 45-day comment period, which commenced on June 28, 2021 and ended on August 12, 2021. The City received 22 written comment letters on the Draft EIR. Staff has provided a response to these comments and included minor text revisions in the Final EIR.

The response to comments together with the Draft EIR comprises the Final EIR. The Final EIR was made available to the public on October 22, 2021 and is attached to this report (see Attachment 1).

### **Significant Unavoidable Impacts**

The EIR includes mitigation measures that will reduce most potential environmental impacts from the project to a less than a significant level with the incorporation of the project-specific mitigation measures. However, the project would result in a significant air quality impact that cannot be mitigated to a less-than-significant level, even with implementation of the identified mitigated measures.

The proposed project is an infill development with existing units on-site to remain occupied during construction (sensitive receptors). The EIR analysis evaluates criteria pollutants emissions, Toxic Air Contaminants (TACs), and Particulate Matter (PM2.5). The Bay Area Air Quality Management District (BAAQMD) has adopted thresholds of significance for construction-related TAC and PM2.5 that are based upon health risk. According to the EIR analysis and modeling, with implementation of identified mitigation measures, the impacts associated with TAC cancer risk for the nearest on-site sensitive receptors would be reduced to a less than significant level compared to the BAAQMD thresholds. The EIR analysis, however, concludes that despite implementation of the identified mitigation measures, the cumulative PM2.5 concentrations would remain above BAAQMD's thresholds at the on-site receptor locations. Therefore, the project's contribution to this cumulative impact would be significant and unavoidable, even after implementation of the identified mitigation measures.

This significant unavoidable impact will require the adoption of a Statement of Overriding Considerations by the City Council as part of the adoption of the CEQA findings in order to approve the project. A Statement of Overriding Considerations demonstrates that the benefits of a project outweigh the significant unavoidable impacts. The benefits of the project have been included in the attached "Findings of Fact and Statement of Overriding Considerations" in Attachment 1.

### **Additional Comment Letter**

After publication of the Final EIR, an additional comment letter dated November 4, 2021 was received regarding impacts from the project's proposed tree removal (see Attachment 14). The City acknowledges that several of the commenters on the Draft EIR cited differing opinions from other experts and organizations regarding certain impacts and mitigation measures described in the EIR. Under CEQA, however, disagreement among experts does not make an EIR inadequate; the City has the discretion to accept its own expert opinions over others, so long as conclusions are based on substantial evidence in the record.

Staff finds the EIR fully evaluates the potential physical environmental impacts associated with the project's removal of trees, including potential impacts on biological resources, aesthetics, air quality, greenhouse emissions, and noise and, based on that evaluation, determined that there would be no significant impacts pursuant to CEQA Guidelines. The City, however, also retained consultant H.T. Harvey & Associates (HTH) to provide an ecological review of the proposed project specifically addressing components of this comment letter.

In the attached memo dated December 6, 2021, HTH provides their professional opinion of the current ecological value of the site, the wildlife value of potential tree species proposed for replanting on the site as part of the project, and the value of the project site as a movement corridor (e.g., as a component of the Stevens Creek riparian habitat corridor) (see Attachment 15). Based on their assessment, HTH found that, consistent with the analysis in EIR, the strip of vegetation between Block C on the eastern edge of the project site and State Route 85 does not meet the definition of a habitat movement corridor in that it is interrupted by barriers rather than being continuous and does not lead from one area of habitat to another, but rather represents a linear set of disjunct patches of habitat that terminates at U.S. 101. In addition, although wildlife may move from the Stevens Creek riparian corridor to this strip of vegetation via the Central Avenue connection, wildlife would have to either retrace their path or cross major roadways to return to the creek. This strip of vegetation provides a visual buffer between State Route 85, but extensive plantings with existing nonnative vegetation reduce its habitat value, as does the proximity to State Route 85. Additionally, the multi-layered native vegetation and tree species as proposed by the project could improve the habitat value of this area.

### **FISCAL IMPACT**

The subject site currently has a total assessed value of approximately \$104 million, and the City's share of property tax is approximately \$160,000 per year. If the site were developed as proposed, the City would receive approximately \$223,000 per year in additional property tax revenue.

The project proposes 323 net new units from what exists on the site today and is, therefore, required to dedicate land and/or pay Park Land Dedication In-Lieu fees for the net new units, in accordance with Chapter 41 (Park Land Dedication or fees in lieu thereof) of the City Code. A portion of the park land requirement is being satisfied through a proposed 1.34-acre land dedication, and the remainder is proposed to be paid as in-lieu fees, estimated at \$2.96 million.

The project is subject to the Transportation Impact Fee (TIF), estimated at \$938,315.

## **CONCLUSION**

The EPC recommends approval of the project and the associated EIR. The proposed project achieves General Plan goals; increases housing opportunities without displacing existing residents; provides a mix of ownership and rental housing types; is sensitive to the existing uses that surround the site; and complies with applicable development standards based on the proposed General Plan Amendments. The site design and architectural design of the residential buildings, including the colors, materials, and architectural elements, are well-designed and compatible with the surrounding area. The proposed subdivision is consistent with the proposed General Plan Land Use Designation of High-Low Density Residential and the Subdivision Map Act.

The proposed subdivision is consistent with the General Plan Land Use Designation of High-Low Density Residential, including all the requirements applicable to the property and the Subdivision Map Act.

## **ALTERNATIVES**

1. Approve the project with modified conditions of approval.
2. Refer the project back to the EPC and/or the DRC for additional consideration.
3. Deny the CEQA document and/or project.

## **PUBLIC NOTICING**

The City 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 and interested stakeholders were notified of this meeting. The meeting was also announced on the City's [555 West Middlefield Road Residential Project](#) webpage.

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- Attachments:
1. Resolution for the Final EIR and EIR Documents
  2. Resolution for the General Plan Land Use Map and General Plan Text Amendments
  3. Resolution for the Planned Community Permit, Development Review Permit, and Heritage Removal Permit
  4. Resolution for the Vesting Tentative Map
  5. Project Plans
  6. [Gatekeeper Application Staff Report, July 2, 2015](#)
  7. [EPC Study Session Staff Report, March 15, 2017](#)
  8. [City Council Study Session Report, April 18, 2017](#)
  9. [EPC Study Session Staff Report, February 3, 2021](#)
  10. [City Council Study Session Report, February 23, 2021](#)
  11. [EPC Public Hearing Staff Report, January 5, 2022](#)
  12. Project TDM Program
  13. Community Benefit Proposal
  14. Comment Letter on Final EIR
  15. H.T. Harvey Ecological Analysis Memo