



# COUNCIL REPORT

**DATE:** March 10, 2026  
**CATEGORY:** Public Hearing  
**DEPT.:** Community Development  
**TITLE:** **Mixed-Use Residential Development at  
490 East Middlefield Road**

## **RECOMMENDATION**

1. Adopt a Resolution of the City Council of the City of Mountain View Approving a Planned Community Permit and Development Review Permit to Construct an Eight-Story, Mixed-Use Building with 460 Apartment Units, Utilizing State Density Bonus Law, and Approximately 9,371 Square Feet of Ground-Floor Commercial, Replacing an Existing Office Building, a Heritage Tree Removal Permit to Remove 29 Heritage Trees on a 2.86-Acre Site Located at 490 East Middlefield Road (APN 160-53-004); and Finding the Project to be Statutorily Exempt from the California Environmental Quality Act Pursuant to Public Resources Code Section 21080.66, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Introduce an Ordinance of the City Council of the City of Mountain View Approving a Development Agreement Between the City of Mountain View and WTA Middlefield, LLC, for an Eight-Story, Mixed-Use Building with 460 Apartment Units, Utilizing State Density Bonus Law, and Approximately 9,371 Square Feet of Ground-Floor Commercial, Replacing an Existing Office Building, and the Removal of 29 Heritage Trees on a 2.86-Acre Site Located at 490 East Middlefield Road (APN 160-53-004), to be read in title only, further reading waived, and set a second reading for March 24, 2026 (Attachment 2 to the Council report).

## **BACKGROUND**

**Project Location:** 490 East Middlefield Road (APN 160-53-004), at the northwest corner of East Middlefield Road and Ellis Street (see Figure 1, Location Map).

**Project Site Size:** Approximately 2.86 acres (gross site area).

**General Plan Designation:** East Whisman Mixed-Use.

Zoning Designation: Mixed-Use Character Area (High-Intensity) within P(41) East Whisman Precise Plan (EWPP).

Surrounding Land Uses:

- North: Four-story office building.
- East (across Ellis Street): Four-story office building.
- South (across East Middlefield Road): One- to two-story office buildings.
- West: One-story office building.

Current Site Conditions: One, two-story commercial office building (currently occupied).

Applicant/Owner: Jeffrey Stone of WTA Middlefield, LLC.



**Figure 1: Location Map**

**Project Overview**

The applicant, Jeffrey Stone with WTA Middlefield, LLC, proposes a new mixed-use development that will redevelop the existing site, replacing an existing two-story commercial office building with an eight-story, 460-unit apartment building with approximately 9,371 square feet of ground-floor retail and an at-grade podium parking garage. The proposed dwelling unit mix includes 230 studio units, 201 one-bedroom units, and 29 two-bedroom units. The project includes the removal of 29 Heritage trees as discussed later in this report. As discussed in greater detail below, the applicant proposes that 60 of the 460 residential units shall be designated as below-market-

rate (BMR) rental units. In addition, pursuant to the Development Agreement, the City may exercise an option to enter into a Master Lease or a Master Lease Guarantee to designate no fewer than 30 and no more than 60 units as additional affordable rental units.

The eight-story building totals approximately 391,775 square feet. The ground floor features four commercial spaces, covered retail courtyards, a residential lobby for the apartment units with a mail/package room and leasing offices, and utility rooms. Residential units are located on Floors 2 through 8. Vehicle access to the site is available from Ellis Street and East Middlefield Road. Project parking is located in an at-grade, one-level parking garage.

The applicant submitted a Senate Bill (SB) 330 Preliminary Application on December 23, 2024, which was deemed complete on January 22, 2025, with the SB 330 vesting provisions taking effect on that date. The formal application was submitted on February 11, 2025, and deemed complete on September 26, 2025.

### **Prior Meetings**

#### **Neighborhood Meeting**

Staff recommends that applicants host a neighborhood or community meeting during the project review process to engage with the community and inform them about a proposed project. This meeting is not mandatory, but the project planner typically attends the meeting if it is held. The applicant declined to conduct a neighborhood meeting for this project.

#### **Design Review Consultation**

The project design was reviewed at a Design Review Consultation (DRC) meeting on September 3, 2025. The DRC recommended refinements to better align the project with the EWPP, with a focus on a more engaging, pedestrian-friendly streetscape, stronger ground-floor activation, and a clearer, more defined key corner.

The DRC encouraged additional landscaping and pedestrian amenities along the street edge and within the retail courtyards to soften hardscape and create a more inviting outdoor environment. They also recommended improvements to human-scale detailing and residential character, including enhanced articulation at the lower levels, warmer accent materials, solar shading elements, and additional upper-floor balconies to help break down overall building mass.

Following the DRC meeting, the applicant worked with staff to refine the design and incorporate several of these suggestions. These modifications include:

- Adjustments to paint colors and stucco textures to add warmth to the building and strengthen the building's residential expression.

- Additional landscaping to the retail courtyards and planter boxes at second-floor units for privacy and added greenscape to enhance prominence and pedestrian interaction.
- The addition of sliding doors at the second-floor amenity rooms to promote connectivity along Middlefield Road and strengthen the visual ties along the street and second-floor courtyards.
- Additional residential shading elements (i.e., full balconies and Juliet balconies) were added throughout the residential floors to enhance the residential character of the building and help break down the perceived massing.

#### AB 130/SB 158 and Tribal Consultation Meeting

Assembly Bill (AB) 130 (2025), codified in relevant part at Public Resources Code (PRC) Section 21080.66, was signed into law as a state “budget trailer bill” and went into effect immediately on June 30, 2025. AB 130 established a new statutory California Environmental Quality Act (CEQA) exemption for infill housing projects meeting certain criteria. Subsequently, SB 158, a “clean-up” bill to AB 130, was signed into law, which further clarified that projects qualifying for the AB 130 infill exemption must be approved or denied within 30 days of the later of: (1) the conclusion of the applicable tribal consultation process; or (2) the date on which the housing development application is deemed consistent with applicable objective standards. (Gov. Code, § 65950(a)(7).)

The applicant informed staff that they would like to rely on the new AB 130 statutory exemption for this project, as communicated to City staff on August 19, 2025. Pursuant to the request, staff began the required AB 130 tribal consultation process on September 2, 2025.

As required by AB 130, the City mailed and emailed tribal consultation notification letters to tribes identified by the Native American Heritage Commission on September 2, 2025. Staff received two requests for tribal consultation from the Tamién Nation on September 9, 2025, and the Indian Canyon Band of Costanoan Ohlone People on September 18, 2025. In response to the requests, staff initiated tribal consultation with both tribes on September 18, 2025. City staff held a consultation meeting with the Tamién Nation tribal representatives on October 20, 2025, and the Indian Canyon Band on October 24, 2025 to share information about the project and receive input on potential project impacts to tribal cultural resources.

The AB 130 tribal consultation process concluded on November 2, 2025. The tribes reviewed the City’s standard conditions of approval to address potential project impacts on tribal cultural resources (see Attachment 1—Draft Project Resolution, Condition of Approval Nos. 69 through 80) and had no further comments.

### Environmental Planning Commission

On January 21, 2026, the Environmental Planning Commission (EPC) reviewed the project at a public hearing (see Attachment 4—[EPC Staff Report, January 21, 2026](#)). Prior to the meeting, staff received one written public comment (see Attachment 5—Public Comments) inquiring why the project is exempt from the Park Land Dedication Ordinance and expressing concern that the project is not sufficiently contributing toward park acquisition and funding. Staff responded during the hearing that the project is a rental development with no ownership units, and, therefore, the project is not subject to park land dedication requirements under applicable provisions of the City Code.

The EPC expressed support for the project due to several positive elements, including the type of housing proposed for this location, the proposed amenities and programming, and the variety of open spaces provided at different levels of the building. However, the EPC also discussed several issues, including whether additional buffering is warranted between the future paseo and the adjacent vehicular area and the location of the proposed on-site loading areas, and that a lack of a dedicated loading/drop-off area along the project frontage could result in illegal parking along East Middlefield Road. Additionally, the EPC suggested that the applicant work with staff to refine the loading plan to provide more conveniently located parking spaces nearer to the retail frontage along East Middlefield Road to better accommodate delivery vehicles.

The EPC voted 6-1 to recommend that the City Council: (a) find the project statutorily exempt from CEQA pursuant to PRC Section 21080.66 because the housing development application is consistent with the applicable objective standards and (b) adopt the staff recommendation to conditionally approve the project and approve a development agreement.

In response to the EPC recommendation for a loading area along the project frontage, the applicant is willing to work with staff during the building permit process to evaluate the feasibility and design options for an on-street loading duckout on East Middlefield Road as part of the development's frontage improvements. Staff recommends a duckout be located closely to the applicant's proposed driveway on Middlefield Road in order to have the least amount of conflicts for the City's upcoming capital project that will install Class IV bike lanes (Middlefield Road Complete Streets project). To accommodate a duckout within the limited right-of-way, modifications to the proposed street frontage improvements will be required, including the elimination of the landscape park strip, required by the EWPP, and street tree(s), as well as narrowing the Middlefield Road sidewalk along the duckout.

In addition, following the EPC meeting, the applicant requested additional modifications to the proposed conditions of approval. Staff supports these modifications and is recommending amendments to the project conditions of approval to remove two duplicative conditions, to clarify language to 17 conditions including exploring a future loading duckout along East

Middlefield Road, and to add one new condition related to a standard City fee applicable to the project, as follows:

1. Removal of Conditions of Approval No. 76 and 193.
2. Minor revisions to Conditions of Approval Nos. 29, 33, 37, 81, 83, 85, 128, 129, 144, 151, 153, 154, 156, 171, 187, 192, and 194; and
3. Addition of a new Condition of Approval No. 86.

### Administrative Zoning Hearing

On February 11, 2026, the Zoning Administrator (ZA) held a public hearing and recommended Council approve the Development Agreement (DA) as drafted, including redlined changes presented in a supplemental memo (see Attachment 11—[Administrative Zoning Meeting, February 5, 2026](#)). The revisions to the draft DA attachment presented in the supplemental memorandum were to clarify the intent of the DA terms and did not constitute any substantial change to the draft DA terms published on February 6, 2026. No members of the public spoke. In making this recommendation, the Zoning Administrator cited that the project brought a healthy balance of certainty for the developer in terms of an extended entitlement period in exchange for a variety of community and public benefits that will help bring residential units to this area in the EWPP.

## ANALYSIS

### General Plan

The site has a General Plan Land Use Designation of East Whisman Mixed-Use, which promotes a mix of land uses, including “offices, neighborhood-serving commercial, multi-family residential, lodging, and small businesses in the core of the East Whisman area.” The proposed project is consistent with the General Plan’s vision for land uses in the area and promotes the following General Plan policies:

- LUD 3.2: Mix of land uses. Encourage a mix of land uses, housing types, retail and public amenities, and public neighborhood open spaces accessible to the community.

*The project includes a mix of rental units and neighborhood-commercial uses, providing amenities to serve residents and the broader community.*

- LUD 6.1: Neighborhood character. Ensure that new development in or near residential neighborhoods is compatible with neighborhood character.

*The project proposes an eight-story, mixed-use residential development that is consistent with the surrounding high-intensity designation of the area and within height allowances for residential uses east of North Whisman Road.*

- LUD 6.3: Street presence. Encourage building facades and frontages that create a presence at the street and along interior pedestrian paseos or pathways.

*The project proposes an eight-story, mixed-use building with an active ground floor for residents and neighboring properties to help promote an active pedestrian environment in the area. The architecture utilizes materials that are compatible with the surrounding development in the area, and the ground floor provides a welcoming streetscape for pedestrians by providing a new detached sidewalk, landscaping, and street trees along the project frontages.*

- LUD 19.1: Land use and transportation and LUD 19.8: Residential development. Encourage greater land use intensity and transit-oriented developments within one-half-mile of light rail transit stations.

*The project utilizes the EWPP Residential Bonus Floor Area Ratio (FAR) and State Density Bonus Law (SDBL) to build greater intensity within one-half mile of the Middlefield Valley Transportation Authority (VTA) Light Rail Station.*

- LUD 19.3: (East Whisman) Connectivity improvements. Support smaller blocks, bicycle, and pedestrian improvements and connections throughout the area.

*The project provides a 3' paseo along the western property line connecting pedestrians and bicyclists through the project site to the adjacent property to the north, and to be developed in whole when the western neighboring parcel redevelops.*

The City's Sixth-Cycle Housing Element 2023-2031 also includes goals and policies that the project meets, including:

- Policy 1.1: Ensure that adequate residential land is available to accommodate the City's Regional Housing Needs Allocation (RHNA), with special focus on Precise Plan areas near transit, employment centers, and services.

*The project is a mixed-use development that will provide units to help the City meet its RHNA requirement in multiple income categories.*

- **Policy 1.2:** Encourage a mix of housing types at a range of densities that serve a diverse population, including rental and ownership units serving both young and mature families, singles, young professionals, single-parent households, seniors, and both first-time and move-up buyers, at a broad range of incomes through development policies and City-subsidized affordable housing.

*The project will create a mix of housing units (from studios to two-bedroom units) for diverse populations, with 55 of the 460 units available to very-low-income (50% Area Median Income, or AMI) and low-income (80% AMI) households. As part of the EWPP Residential Bonus FAR community benefit contributions, an additional three (3) studio units available to households earning no more than 90% AMI and two one-bedroom units for households earning no more than 100% AMI will also be provided, for a total of 60 affordable units.*

**Zoning**

The project site is located in the Mixed-Use Character Area and High-Intensity Subarea of the EWPP, where a broad range of uses are permitted, including residential, retail and services, entertainment, hotel, and office/R&D uses. The project includes a request for a DA between the applicant and the City to utilize both the EWPP Residential Bonus FAR Program and SDBL to develop additional floor area, thereby maximizing development and unit capacity.

The project substantially complies with applicable EWPP development standards with six waivers/reductions of development standards required to construct the project under SDBL and as discussed in detail later in this report. Table 1 below shows the project’s compliance with applicable EWPP standards.

**Table 1: Project Compliance with the P(41) East Whisman Precise Plan Development Standards**

<b>Standard</b>	<b>Requirement</b>	<b>Proposed</b>
Maximum Building Height	Maximum 95’	85’
Street Wall Height (average)	Maximum 75’(average)	Middlefield Road Frontage: Approximately 51’
		Ellis Street Frontage: Approximately 36’2”
Street Wall Location	Building facades within 20’ of the planned inside edge of public sidewalk along East Middlefield Road and Ellis Street	Complies—within 20’

<b>Standard</b>	<b>Requirement</b>		<b>Proposed</b>
Upper-Floor Step-Backs	10' step-back from lower-floor building facades along public streets for floors above 75'		Middlefield Road Frontage: 11'9"
			Ellis Street Frontage: 16'4"
Minimum Ground-Level Wall Plate Height	Nonresidential ground-level plate heights must be at least 15' above the primary frontage sidewalk grade		14' <i>Waiver Requested</i>
Floor Area Ratio	Residential: 1.00 base FAR (maximum without bonus FAR)		2.115 FAR
	Residential: 2.50 FAR (maximum with bonus FAR)		
	Nonresidential: 0.4 base FAR (maximum without bonus FAR)		0.075 FAR
	Nonresidential: 1.00 FAR (max with bonus FAR)		
	Combined: 3.50 FAR <sup>1</sup> (maximum)		Combined: 3.148 FAR <sup>2</sup>
Setbacks	From Public Streets: 5' (minimum)		Varies: 12'9" to 13'11"
	Side and Rear Where No Streets Exist: 15' (minimum)		51'
	Surface Parking: 20' from avenues		Along East Middlefield Road: Approximately 28'10"
			Along Ellis Street: Approximately 55'9"
Common Usable Open Area (minimum)	Residential: 80 square feet per unit common usable	Project Requirement: 36,800 square feet	25,065 square feet <i>Waiver Requested</i>
	Total Residential Open Area (Common + Private): 120 square feet	Project Requirement: 55,200 square	34,428 square feet <i>Waiver Requested</i>

<sup>1</sup> Residential and mixed-use projects permitted up to a maximum 3.50 FAR inclusive of Bonus FAR. In mixed-use projects, constituent uses shall not exceed their maximum FARs.

<sup>2</sup> Allowed per State Density Bonus Law.

Standard	Requirement		Proposed
	per unit	feet	
	Non-Residential: 100 square feet per 1,000 gross square feet	Project Requirement: 937 square feet	1,282 square feet
Private Open Area Dimensions	6' (minimum)		Varies: 5' to 6' depth (upper-floor balconies) <i>Waiver Requested</i>
Vehicle Parking	Not applicable per CMC Section 36.32.50(b)(1) <sup>3</sup>		Residential: 465
			Commercial: 34
Bicycle Parking	Short-Term Standard	Project Requirement	Short-Term Stalls
	Commercial: 4 per 5,000 square feet or 2 spaces	8	8
	Multi-Family: 1 stall per 10 units	46	46
	Long-Term Standard	Project Requirement	Long-Term Stalls
	Commercial: 1 per 5,000 square feet or minimum of 2 stalls	2	304 <i>Waiver Requested</i>
	Multi-Family: 1 stall per unit	460	
Personal Storage	Minimum 164 cubic feet per unit		166.5 cubic feet per unit
Bird-Safe Glazing	No more than 10% of surface area of building exterior shall have untreated glass between ground and 60' above ground		Will meet 2025 CBC, Section A5.107 bird-friendly building design requirements per the DA
Residential Paseo	Minimum 6' wide, publicly accessible residential paseo		3' wide paseo. <i>Waiver Requested</i>

<sup>3</sup> City Code Section 36.32.50(b)(1) and AB 2097 restrict the City from imposing/enforcing any minimum vehicle parking requirement on a residential, commercial, or other development, with the exception of hotels, motels, bed and breakfast inns, or other transient lodging located within one-half mile of public transit (i.e., Middlefield VTA Station). The project complies with all ADA and EV parking requirements.

**EWPP Bonus FAR Program**

The applicant proposes to use the provisions of the EWPP Residential Bonus FAR Program to develop additional floor area beyond the established Residential Base FAR. Under Section 6.1.5 of the EWPP, projects may exceed the base FAR and utilize Bonus FAR when certain requirements are met. The applicant has agreed to provide a CALGreen- and LEED Silver-equivalent project with an all-electric building design (with limited exceptions for common-area amenities and commercial restaurant spaces). As explained in more detail below, the Applicant has also promised a \$1.1 million community benefit contribution, and has agreed to provide 55 BMR units, deed-restricted in perpetuity, at a blended rate of 65% AMI, which represents 15% of the 361-unit base count.

Table 2 shows the required provisions for Residential Bonus FAR eligibility, along with the project’s required and proposed residential FAR.

**Table 2: EWPP Residential Bonus FAR Standards**

<b>Development Type</b>	<b>Base FAR</b>	<b>Maximum FAR with Bonus</b>	<b>Proposed FAR</b>
Residential	1.00	3.50 <sup>4</sup>	3.148

The applicant proposes to design the building to maximize allowable residential floor area and unit yield by combining the EWPP’s Residential Bonus FAR of up to 3.50 FAR with the provisions of SDBL (Government Code Section 65915).

Per the terms of the draft DA and the EWPP, and in recognition of the contributions proposed by applicant, the City and applicant have agreed that the base density for the project for purposes of SDBL is 361 units at a 2.41 FAR, reflecting the EWPP’s base 1.0 FAR plus 1.41 FAR obtained through the EWPP Residential Bonus FAR framework. As part of the applicant’s submittal for the EWPP Bonus FAR, the applicant has agreed to provide community benefits, including:

- Community benefit fees of approximately \$1,100,000 for 1.41 Bonus FAR (175,476 square feet of bonus floor area at \$6.23 per square foot fee rate) per EWPP payable at certificate of occupancy;
- In addition to the 55 BMR units, the applicant is also offering five additional units (three studios and two 1-bedroom units) above the minimum Below-Market-Rate (BMR) requirement. This includes three studio units at 90% area median income (AMI) and two 1-bedroom units at 100% AMI for 10 to 15 years; and

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<sup>4</sup> In mixed-use projects, the maximum 3.5 FAR is inclusive of nonresidential FAR, of which the nonresidential FAR may not exceed 0.4 FAR (Base) or 1.0 FAR (if nonresidential Bonus FAR is proposed).

- A commitment to construct the project in compliance with the mandatory measures of CALGreen and LEED Silver®-equivalent standards, as well as all-electric building design except for limited appliances or installations in the common areas may utilize natural gas, such as fire pits, cooking appliances for the ground-floor commercial or retail uses, and for heating the public use pool and spas.

### **Development Agreement**

To allow for flexibility in the timing of this project, the applicant is requesting approval of a DA. A DA is a voluntary contract, authorized by state law and entered into between a public agency and a project developer/owner, through which land use entitlements can be vested in local ordinances and plans (i.e., Zoning/General Plan amendments, new exactions, etc.) for the duration of the DA's term to allow the project to be implemented over time (typically in recognition of substantial public benefits to be provided by the project). The requested term for the DA is 4 years, with optional extensions for up to 8 years (see Attachment 2—Draft Ordinance Approving a Development Agreement). In addition to the community benefits offered by the applicant as part of the EWPP Bonus FAR, the applicant has offered several public benefits with the DA, as listed below:

- Extension Option Contributions: The agreement includes two optional extensions, each subject to additional fees (\$100,000 for the first two-year extension and \$250,000 for the second two-year extension).
- Community Benefit Fee: \$1,100,000 payable at final Certificate of Occupancy.
- Tenant Improvements Contribution: \$1,200,000 in tenant improvements for ground-floor retail spaces (with any unexpended amount to be contributed to the City as a supplement to the Recreational City Facilities Contribution, described below).
- Recreational City Facilities Contribution: \$1,200,000 contribution toward park land acquisition and development (minimum one-half acre) within 1,250' of the project boundary, with redirection of funds to Pyramid Park enhancements and connection improvements between the project and Pyramid Park if the City has not acquired the property for the new City park within one year of issuance of the final Certificate of Occupancy for the project.
- Sustainable Building: CALGreen compliance, LEED Silver®-equivalent design, all-electric building design (with limited exceptions for common amenities), and unit submetering.

- Option for Master Lease Guarantee: The developer agrees to provide an option for the City to enter into a Master Lease or Master Lease Guarantee to designate no less than 30 and no more than 60 additional units as BMR units, for a minimum period of seven years.
- Sales Tax Point of Sale Designation: The developer shall use good-faith efforts to require all persons and entities providing materials for the project over a specified value to have the local portion of the sales and use tax distributed directly to the City.

The City Code requires the DA to be reviewed by the Zoning Administrator at an Administrative Zoning Hearing and a recommendation forwarded to Council. The Zoning Administrator reviewed the draft DA at the Administrative Zoning Hearing on February 11, 2026 and recommended approval to Council.

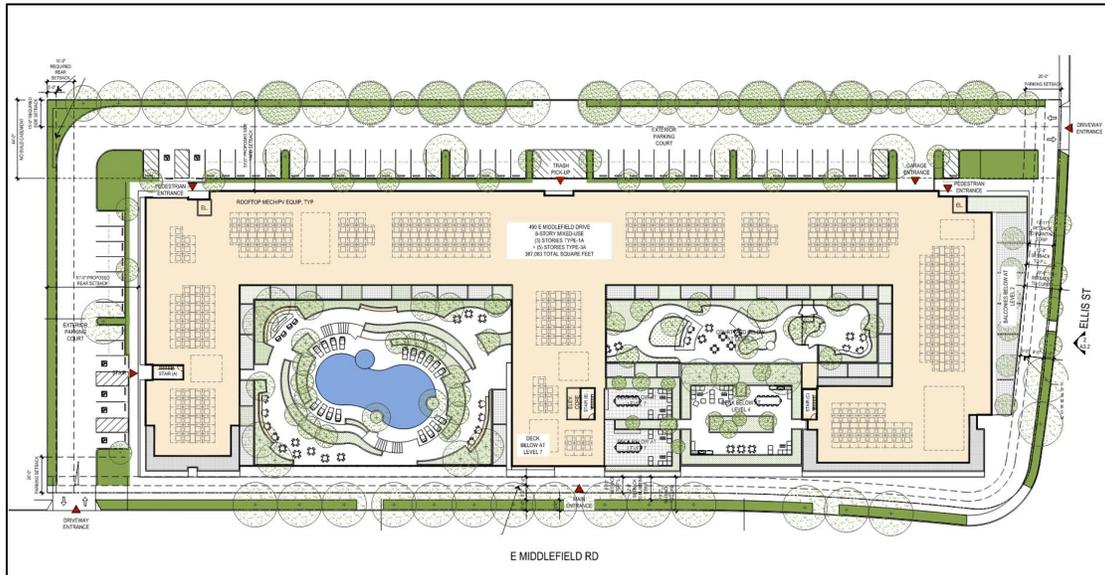
## **Project Details**

### **Site Plan**

The project site plan is largely comprised of the proposed mixed-use building (see Figure 2: Site Plan). Ground-floor commercial uses are proposed along the East Middlefield Road and Ellis Street frontages. Surface parking is available along the northern and western peripheries of the buildings, with the associated vehicular drive aisle providing access to/from East Middlefield Road and Ellis Street in the southwest and northeast corners of the site, respectively (see Attachment 3—Project Plans). Vehicular access to the ground-level garage parking is provided through a secured entry located near the northeast corner of the building (close to Ellis Street).

The primary residential building entry is located along East Middlefield Road, accessible via the residential lobby. Vehicular access is available through the garage, which is located closest to the Ellis Street driveway. Residents will have access to approximately 24,065 square feet of common area, a second-floor courtyard, roof decks on Floors 4 and 7, and interior amenity areas, including communal workspaces, interior lounge areas, and fitness studios.

Along the public frontages, the project introduces new detached sidewalks with planter strips and street trees, new curb ramps, and repainted crosswalks to improve pedestrian comfort and establish a continuous streetscape canopy. New trees and landscaping are also provided along the project perimeter and within planter areas along the surface parking, helping to soften building and parking edges, provide shade, and visually buffer the north and west sides of the site.



**Figure 2: Site Plan**

### Project Design

The building has a contemporary design, organized around a large second-floor courtyard, with additional roof decks on the fourth and seventh floors (Figure 3: Project Rendering). The building frames the East Middlefield Road and Ellis Street frontages, emphasizing the key corner with a stronger vertical expression, enhanced glazing, and active ground-floor uses to reinforce the EWPP's vision for a walkable and transit-supportive corridor. The key corner also includes a voluntarily proposed public art installation, with the final design to be submitted, reviewed, and installed prior to final occupancy.

The building's massing is organized into a two-story base, a four-story "middle," and differentiated top two floors, with a mix of smaller plane changes to articulate the building volume, particularly on public street elevations. Along East Middlefield Road, the second-floor courtyard creates a substantial massing break on the western half of the elevation, while the fourth- and seventh-floor roof decks provide further vertical and horizontal articulation on the eastern portion. The commercial base along Ellis Street maintains a consistent storefront character similar to East Middlefield Road, with large, private decks for second-floor residential units that create an upper-floor step-back and a more pedestrian-scale ground-floor elevation. Private balconies and Juliet balconies are provided abundantly throughout Floors 4 through 6 for select residential units and are framed with metal railings to provide added depth and shading, adding to the residential character of the building.

Ground-floor frontages along East Middlefield Road and Ellis Street (the active priority frontages) are programmed with the main residential lobby, multiple commercial suites, interspersed with

covered inset “retail courtyards” that provide commercial outdoor amenity areas, and utility rooms.

The second-floor courtyard is designed as a central amenity hub for residents. Roof decks on the fourth and seventh floors provide additional outdoor gathering and dining areas while also providing massing relief and visual interest along the East Middlefield frontage. Trellises with climbing vines and planters are incorporated to further integrate greenery into the upper-level facades.

The materials palette consists primarily of integral-color plaster in light beige and warmer brown tones, complemented by dark bronze metal accents and aluminum storefront systems. The ground-floor commercial level also incorporates the dark bronze metal for signage bands and storefront framing, contrasted with lighter plaster at the upper portion of the base to reinforce a visually distinct podium level. Upper residential floors carry the lighter plaster through the middle stories, while the seventh and eighth floors introduce areas of darker wall plaster and modest step-backs to reduce perceived height and bulk.



**Figure 3: Project Rendering at East Middlefield Road and Ellis Street**

### Open Space and Landscaping

#### *Open Space*

The project proposes approximately 34,428 square feet of common usable and private open areas, including a large second-floor podium courtyard, upper-level roof decks on the fourth and seventh floors, and landscaped areas along the project perimeter. Landscaping is also integrated into the building frontage through ground-floor planters, integrated second-floor planters, trellises, and climbing vines at select columns, guardrails, and pedestrian courtyards. The podium courtyard functions as the central amenity hub for residents, featuring an outdoor pool, shaded lounge areas, a courtyard garden, seating and dining areas, and a small dog park, all set against

the backdrop of new trees and a diverse palette of native and low-water-use landscaping. Private patios and balconies for individual units are also provided throughout the upper residential floors and contribute to the overall open area of the project.

New detached sidewalks with landscape strips and street trees are proposed along East Middlefield Road and Ellis Street, providing continuous tree canopy along the ground-floor project frontages. Linear planter strips are incorporated to accommodate parking shade trees, low planting, and groundcover within the internal drive aisle and limited surface parking areas along the north and west sides of the proposed building.

As indicated in Table 1, the project does not meet the minimum EWPP requirements for common usable open area and total open area (common usable and private open area), and the applicant is requesting a waiver under State Density Bonus Law as strict adherence to the landscape requirement would physically preclude development of the residential units at the density proposed. Despite the large building footprint and surface parking area, the applicant has explored opportunities to maximize open space within the building footprint and throughout the site, where possible. This includes incorporating DRC suggestions to increase private open space by adding balconies and decks, where feasible. The combination of a podium courtyard, roof decks, enhanced street landscaping, new street trees, landscaped parking islands, and building-integrated greenery collectively provides a network of usable open spaces and additional planting that meets the intent of the EWPP.

#### *Tree Preservation and Removal*

The project site currently contains 112 trees (25 Heritage trees, 77 non-Heritage trees, five Heritage street trees, and five non-Heritage street trees). The project proposes removing a total of 107 trees, including 29 Heritage trees (four Heritage street trees) and 78 non-Heritage trees (including two street trees). The existing on-site tree inventory is largely comprised of mature parking lot and shade trees, with larger trees located around the perimeter of the site and near the existing building. The most prevalent tree species include Bradford Callery pear, crape myrtle, Pacific madrone, Coast redwood, ash, sycamore, Chinese pistache, deodar cedar, Coast live oak, liquidambar, and tulip trees (see Attachment 6—Arborist Report).

The majority of the existing trees are in poor to fair condition, and many were planted in small, constrained growing spaces or in close proximity to the existing building, loading areas, and overhead utility lines. In particular, the Bradford pears and Coast redwoods along the northern property line have declined over the years due to annual topping to keep them a safe distance from overhead PG&E power lines. The tree removals are necessary to accommodate the proposed mixed-use building, parking garage, new detached sidewalks, and frontage improvements along East Middlefield Road and Ellis Street. Five trees (four tulip trees and one Coast redwood) are proposed to be preserved in place along Ellis Street, where they do not conflict with the proposed building footprint or required site and frontage improvements.

The applicant collaborated with the Planning Division, Public Works Department, and Urban Forestry Division to closely evaluate opportunities to preserve additional trees, including potential preservation through relocation or minor site adjustments. However, given the comprehensive redevelopment proposed on the site, including the large building footprint, surface and podium parking configuration, and frontage improvements along East Middlefield Road and Ellis Street, there are very limited locations where existing trees do not directly conflict with construction or long-term building operations. Tree preservation efforts focused on a small group of tulip street trees and one on-site Coast redwood that could be retained with appropriate tree-protection measures during construction.

*Tree Planting Plan*

The existing site currently provides approximately 75,706 square feet of on-site tree canopy (35.6% of the site area). The project will plant approximately 159 replacement trees (for a total of 164) on-site in areas surrounding the building footprint, the parking area, the upper-level courtyards, the roof decks, and the street trees along the right-of-way, as shown in Table 3 below. At full maturity, the site is anticipated to exceed the current canopy by approximately 9% (44.5% canopy coverage).

The proposed Heritage tree removals meet the City’s required findings for removal, and the project proposes an overall replacement ratio of nearly 5.5:1, which exceeds the typical 2:1 Heritage tree replacement ratio and will result in 101 additional trees provided by the project. The project proposes to replace 76% of the trees with California native species, including Western redbud, Davis gold toyon, Engelmann oak, and Island oak. Additionally, 100% of the shrubs and groundcover will be California-native and drought-tolerant.

**Table 3: Tree Canopy Coverage**

<b>Canopy</b>	<b>Site Open Space Area</b>	<b>Site Coverage</b>
Existing Canopy	75,706 square feet	35.6%
New Canopy (Completion of Construction)	45,160 square feet	17%
New Canopy (5-10 years)	45,160 square feet	29%
New Canopy (Maturity)	45,160 square feet	40%

State Density Bonus Law Request

SDBL imposes a mandatory density bonus program (Gov. Code § 65915, *et seq.*) that requires the City to permit the construction of additional residential units and, if requested by the applicant, provide reduced parking standards, regulatory incentives/concessions, and waivers of

development standards to applicants that agree to build a certain percentage of affordable housing that meets the statutory criteria (Gov. Code § 65915(b)(1)).

The EWPP limits new residential and mixed-use development in the Mixed-Use Character Area of the EWPP to a maximum 3.50 FAR, consistent with the applicable General Plan Land Use Designation, and with the provisions of Residential Bonus FAR requirements. The project has a base density of 361 units, corresponding to a residential FAR of approximately 2.41 FAR pursuant to the methodology in Section 36.48.75 of the City Code, with these base units being utilized for application of any applicable density bonus under state law. The applicant proposes that 55 of the 361 units (15.23% of the base density) be designated as BMR units for lower-income households at or below 80% AMI, including 29 units (or 8%) at very low-income (50% AMI), which qualifies the project for a 27.5% density bonus under Government Code Section 65915(f)(2). Additionally, the project is eligible for one concession or incentive (i.e., modifications to development standards or regulations that result in identifiable and actual cost reductions to provide for affordable housing costs) and unlimited waivers or reductions of any development standards that have the effect of physically precluding the construction of the development at the permitted density. As an added community benefit for provisions under the Residential Bonus FAR program and included in the DA, the applicant is providing an additional five units composed of (three studio units up to 90% AMI and two 1-bedroom units up to 100% AMI), for a total of 60 affordable units inclusive of the 55 BMR units. In total, the applicant is proposing 460 units (base density of 361 units and 99 density bonus units), one concession, and six waivers, as further described below and in the applicant's Density Bonus Request Letter.

### *Concession*

The project qualifies for one concession/incentive under SDBL. Concessions are modifications to development standards or regulations that must result in identifiable and actual cost reductions for the delivery of the affordable units. The applicant is requesting one concession to allow the 55 BMR units to be delivered in a smaller average floor area "product type" than would otherwise be required under Section 36.40.10 (General requirements) of the City Code and the BMR Housing Program Administrative Guidelines while maintaining the same proportional bedroom mix as the market-rate units. According to the applicant, as is more particularly described in their Density Bonus Request Letter, this concession will provide identifiable, financially sufficient, and actual cost reductions for the project, ensuring its financial viability at the proposed density and affordability levels.

### *Waivers*

Under SDBL, upon the applicant's request, the City is required to waive or reduce any development standard that has the effect of physically precluding the construction of a development at the density permitted. The applicant is requesting six waivers from the EWPP development standards, some of which are noted in Table 1. The applicant's waiver requests are

summarized below and outlined in the density bonus letter submitted by the applicant (see Attachment 7—Density Bonus Request Letter). The Letter also includes details on how these standards, if applied to the project, would physically preclude the construction of the development at the proposed density.

The six waivers requested are:

1. Minimum 6' wide paseo requirement per EWPP.
2. Minimum private open area dimensions per EWPP.
3. Minimum bicycle parking requirement per EWPP.
4. Minimum common open space requirement (total and usable) per EWPP.
5. Minimum ground floor height requirement per EWPP.
6. Public Utility Easement (PUE) dedication along the whole project frontage per EWPP.

## Parking

### *Vehicular Parking*

Most the proposed parking for the mixed-use building will be located in a single-level, at-grade podium parking garage. Although there is no minimum parking requirement for the residential portion of the project in the EWPP, the applicant is voluntarily providing parking for both the residential and commercial components. The podium parking garage will provide a total of 442 assigned residential spaces, utilizing a stacker system, with additional standard and accessible stalls, and a dedicated moving-truck loading space. Additionally, surface parking is located along the north and west sides of the proposed building accommodating 20 spaces dedicated to residential use, 34 commercial parking spaces, and three residential loading spaces accessed from Ellis Street and East Middlefield Road.

Per Section 36.32.50 (Required number of parking spaces) of the City Code, the project will be required to provide electric vehicle (EV) equipment-installed parking spaces or parking spaces accessible to people with disabilities.

### *Bicycle Parking*

The project provides a total of 304 long-term bicycle parking spaces on-site, located in a secure room within the residential garage and accessible to residents and commercial tenants via the residential lobby or garage entries. Additionally, the project proposes a total of 54 short-term bicycle spaces, which will be provided in visible locations near primary building entries along East Middlefield Road and Ellis Street, adjacent to sidewalks and public open space, to accommodate visitors and customers. These facilities will be designed and sited consistent with EWPP guidance for short-term bicycle parking, ensuring that bikes are convenient to park and do not obstruct pedestrian circulation.

Per the EWPP, the project is required to provide a total of 462 long-term stalls based on the residential unit count and commercial square footage. As noted in Table 1, the project will include 358 bicycle parking spaces. The applicant is requesting an SDBL waiver for reduced long-term bicycle parking requirements, as providing the full EWPP bicycle requirement would displace building area needed for units and core building systems, thereby physically precluding the construction of the development at the permitted density.

## Transportation

### *Transportation Demand Management Plan*

The EWPP requires all new residential developments with at least 100 units to provide a Transportation Demand Management (TDM) plan that provides details on the implementation and reporting of TDM site design and operational measures, including maximum parking requirements, site design supportive of alternative travel modes (e.g., orienting building entrances toward sidewalks, transit stops, and bicycle routes), bicycle parking, and membership in the Mountain View Transportation Management Association (TMA).

The project has provided a TDM plan (see Attachment 9—Transportation Demand Management Plan) that meets all EWPP requirements for residential EWPP TDM measures, except for minimum bicycle parking requirements for which the applicant has requested a waiver. The proposed TDM measures would result in an estimated 14% peak-hour reduction from all trips for the site.

### *Vehicle Miles Traveled*

The EWPP Final Environmental Impact Report (EIR) identified a significant impact on project-generated Vehicle Miles Traveled (VMT), largely due to the planned new office space and existing conditions (i.e., relatively high VMT-generating office uses). However, the City Council adopted a Statement of Overriding Considerations for the EWPP significant impact. Council has also adopted the City's VMT Policy, which provides criteria and methodologies for determining the significant transportation impacts of specific projects, consistent with state regulations.

The City's VMT Policy includes screening criteria for projects that are presumed to have a less-than-significant VMT impact and would not require further project-specific VMT analysis. This project complies with the screening criteria because the site is located within one-half mile of the Middlefield Light Rail Station, has a FAR greater than 0.75, and provides reduced parking supply (less than the City's maximum parking allowance); therefore, the project is determined to be consistent with the City's VMT Policy and has a less-than-significant VMT impact.

### *Multi-Modal Transportation Analysis and VTA Congestion Management Program*

As part of the City's VMT policy adopted in June 2020, Council endorsed requirements for local-level analysis of (non-CEQA) multi-modal transportation impacts (including bicycle, pedestrian, and vehicle movements), which are consistent with standards and policies set forth by the City and the VTA Congestion Management Program (CMP), referred to as a Multi-Modal Transportation Analysis (MTA). As an MTA was completed for the EWPP, the applicant provided a supplemental memorandum that builds upon the EWPP study and includes site-specific information. This memorandum also demonstrates compliance with the Santa Clara County CMP and VTA Transportation Analysis Guidelines using data from the EWPP EIR and TDM Plan.

### **EWPP Streetscape Improvements**

The EWPP identifies specific streetscape design standards for the project's on-site street and adjacent public street frontages. The street typology standards require an 8' wide detached sidewalk with 6' wide planter strip along East Middlefield Road and Ellis Street. The planter strip along both public streets will be a landscape strip with new and retained street trees planted, separating the public sidewalk from each roadway. Additionally, new curb ramps and repainted crosswalks will be provided. The project complies with the applicable streetscape standards.

### **Green Building**

Subject to Mountain View Green Building Code (MVGBC), new multi-family developments with three or more units are required to be designed and constructed to meet mandatory CALGreen, Mountain View Green Building Code (MVGBC) requirements, and meet the intent of LEED Gold® certification.

As per the proposed DA, the project will be designed and constructed to comply with CALGreen requirements, which satisfy the state's green building requirements. In addition, the project will be designed and constructed to LEED Silver® equivalent standards and shall be required to maintain and submit the LEED scorecard for verification. Additionally, the applicant has agreed to construct the residential units as all-electric, meaning they will not include natural gas or propane plumbing, heating, cooking, or clothes-drying appliances. The applicant will be permitted to install natural gas or propane for certain appliances or installations in public areas, including fire pits, ground-floor commercial or retail cooking appliances, and pool and spa heaters.

### **Below-Market-Rate Housing**

The proposed development involves the construction of 460 units (361 base units) as new rental units, including 55 BMR units. Additionally, the applicant is proposing to provide an additional

five BMR units as a community benefit. This project is subject to compliance with all of the following:

1. Mountain View's Below-Market-Rate Ordinance (City Code Section 36.40.10); and
2. State Density Bonus Law (California Government Code Section 65915).

The applicant's proposal aligns with the affordable housing obligations under each of these policies, delivering units that exceed certain local requirements while fulfilling state mandates.

#### Percentage Requirement and Affordability Levels

The project must comply with both the City's BMR Ordinance and SDBL. The affordable units provided to qualify for SDBL may be credited toward the City's BMR requirements to the extent those same units also satisfy the requirements of the City's BMR program. Nothing in the City's BMR program is intended to condition or reduce the project's statutory entitlements under Government Code Section 65915. The applicant proposes to provide 55 affordable units to comply with state and local regulations. The project will deliver 29 affordable units at very low-income levels (50% AMI), equal to about 8% of the 361 base units, which qualifies the project for a 27.5% density bonus under SDBL. The project will also provide 26 units at 80% AMI. Together, these units satisfy the BMR and SDBL requirements outlined above.

#### 1. Below-Market-Rate Ordinance

To satisfy the 15% inclusionary requirement, the project must provide a minimum of 54.15 affordable units, to be deed restricted in perpetuity. The project proposes 55 affordable BMR units and, therefore, satisfies this requirement.

Where the same units are proposed to satisfy both the SDBL and City's BMR program, the units must meet the applicable requirements of each program (City Code Section 36.40.10(i)). This cross-crediting does not impose additional conditions on the project's eligibility for SDBL benefits. In this case, the AMI thresholds set by the SDBL are lower and, thus, more stringent than those required by the City and are, therefore, deemed to meet the City's affordability standard.

#### *Concession Request—Proportionality of Unit Size and Location*

The City's BMR Ordinance (City Code Section 36.40.10(f)) requires that affordable units be proportionally distributed based on the number of bedrooms and square footage relative to market-rate units. Additionally, the Ordinance mandates that affordable units be reasonably dispersed throughout the project.

Table 4 below summarizes the applicant's proposed unit distribution relative to the Ordinance requirements.

**Table 4: Unit Size Distribution**

Unit Size	Total Units	Required by Ordinance	Project Proposal
Studio	230	28	34
1 Bedroom	201	23	19
2 Bedrooms	29	4	2

As shown above, the project consists primarily of studio units, which account for approximately 61.8% of the total units, followed by one-bedroom units at approximately 34.6% and two-bedroom units at approximately 6.6%. The proposed BMR unit mix consists of approximately 50.0% studio units, 43.7% one-bedroom units, and 3.6% two-bedroom units. Therefore, the proposed BMR distribution does not meet the project's overall unit mix by bedroom count.

Additionally, the project does not strictly comply with the City's proportionality requirements when evaluated based on unit square footage. Based on the plan set submitted by the applicant, the development includes multiple unit types within each bedroom category with varying square footage. Table 5 below provides a detailed breakdown of unit types by square footage and the proposed allocation of BMR units.

**Table 5: Unit Size by Square Feet**

Unit Type	Square Feet	Total Units	Developer Proposed BMR Units	Required by BMR Ordinance
Studio A	409	208	34	25
Studio B	460	22	0	3
1 Bedroom A	614	187	19	22
1 Bedroom B	690	9	0	1
2 Bedroom A	818	23	2	3
2 Bedroom B	921	3	0	1
1 Bedroom—Loft	596	5	0	
2 Bedroom—Loft	900	3	0	

As demonstrated above, the proposed BMR units deviate from the City's BMR objective proportionality standards. To address this, the applicant is utilizing their one concession pursuant to SDBL to allow the 55 BMR units to be provided within smaller unit types because doing so results in identifiable and actual cost reductions to provide affordable

housing. Pursuant to SDBL, the use of this concession for the City's proportionality requirement shall not be considered an inconsistency with the BMR objective standard.

While the BMR units are concentrated within smaller unit types, they utilize the same unit plan designs as the market-rate units. Standard unit plans range from approximately 409 to 460 square feet for studio units, approximately 596 to 690 square feet for one-bedroom units, and approximately 818 to 921 square feet for two-bedroom units. The BMR units fall within these same size ranges and are comparable to the market-rate units in terms of layout, livability, and overall design.

In addition to the requirements mentioned above, the BMR Ordinance also requires the location of the BMR units to be dispersed across the development. According to the plan set submitted by the applicant, the affordable units are reasonably dispersed throughout the development and, therefore, comply with the BMR location requirement.

## 2. State Density Bonus Law

To qualify for a density bonus under SDBL, a project must provide a prescribed percentage of inclusionary housing units. This percentage is a sliding scale based upon the AMI levels that are provided.

The provision of 29 units at very low-income levels (50% AMI) qualifies the applicant for a density bonus under SDBL.

### Community Benefit—Additional BMR Units

As indicated above, in addition to the required BMR units and those required to qualify for a density bonus under SDBL, the applicant has offered to provide an additional five BMR dwelling units as a voluntary community benefit. These additional BMR units shall consist of three studio units (restricted to no more than 90% AMI) and two 1-bedroom units (restricted to no more than 100% AMI). These additional BMR units shall be subject to a deed restriction for a minimum period of 10 years, which may be extended to 15 years if the City elects to pursue the rent guarantee option described in the DA. Staff's analysis is that the five extra BMR units, as proposed at 90% AMI (studio units) and 100% AMI (one-bedroom units) and subject to a limited-term affordability restriction of either 10 or 15 years, would provide some community benefit because they would be more affordable than market-rate units. However, they have a lower benefit than the BMR units because the BMR units achieve greater affordability and would be provided in perpetuity.

The additional five BMR units shall comply with all other applicable City BMR regulations, policies, and guidelines, including, but not limited to, requirements related to unit design, size, location,

comparability, income qualification, amenity access, rent limits, monitoring, any applicable tenant relocation, and administration.

### Rent Guarantee Option

The proposed DA contemplates a future rent guarantee option, which would include the City's right to enter into a subsequent agreement with the applicant to guarantee rent for a portion of the project's dwelling units to enable the provision of a greater number of affordable housing units in the project. While the specific terms of such an arrangement have not yet been finalized, the DA would establish a framework under which the City and the applicant could implement this option, subject to further negotiation and execution of a standalone agreement.

The potential benefit of this option to the applicant is that the City, as a rent guarantor, could help the applicant secure more favorable financing terms, which would enhance project feasibility. Similarly, the potential benefit of this option to the City is that rental units could be made available at rent levels determined by the City based on community need and available City resources. Examples of how this could operate include the following: 1) the City could contribute funding that subsidizes the difference between the rent guarantee and an affordable rent level (such as lower-income or very-low-income) for all units, allowing the City to effectively provide affordable housing units for the incremental cost of the rent guarantee for each unit; or, 2) the City could choose for a portion of the units to be rented at market rate (i.e., above the rent guarantee level) and use those funds to subsidize deeper affordability for some other portion of units, achieving affordable housing goals without an external City funding source for rent subsidies.

Current discussions regarding the structure of this option include the following considerations:

- The rent guarantee agreement would apply to no fewer than 30 and no more than 60 dwelling units within the project.
- The term of the master lease would be for a minimum of seven years. The lease would include provisions allowing the City to return units to the applicant in defined tranches over time with the number of units eligible to be returned at specified intervals (e.g., annually) tied to the total number of units remaining under the rent guarantee agreement at that time.
- The mix of unit types subject to the rent guarantee agreement would generally reflect the overall unit-type distribution of the building, consisting of approximately 50% studio units, 44% one-bedroom units, and 6% two-bedroom units.
- The City would not be involved in any day-to-day property management or administration of the units. Such activities would fully rest with the developer/property management,

including, but not limited to, maintenance, application and lease up, tenant relations, and compliance monitoring.

The ultimate value and effectiveness of the rent guarantee option would depend on the final rent guarantee agreement terms, such as enforceability provisions, the AMI levels of the units relative to market rents, and the City's decision whether or not to exercise this option during the term of the agreement.

### Other Requirements

This project is not subject to SB 330 or City-adopted tenant relocation requirements.

## **ENVIRONMENTAL REVIEW**

### **Assembly Bill 130 Overview**

As described earlier in this report, on August 19, 2025, the applicant requested the City pursue an AB 130 statutory exemption (codified at PRC Section 21080.66) for this project. Pursuant to this request, staff began the required AB 130 tribal consultation process on September 2, 2025. The tribal consultation process concluded on November 2, 2025.

### Eligibility

The applicant submitted an AB 130 CEQA Exemption Site Eligibility Criteria Analysis (prepared by Reuben, Junius & Rose) demonstrating that the project meets all applicable criteria for the exemption under PRC Section 21080.66. The City's CEQA consultant prepared a peer review of this analysis and the supporting technical documents (see Attachment 8—AB 130 CEQA Exemption Peer Review Letter) and concurred that the project qualifies for the AB 130 exemption.

AB 130 provides a statutory exemption from CEQA for qualifying infill housing developments. The exemption applies to projects that: (1) are located on a site no larger than twenty acres (or 5 acres for Builder's Remedy projects); (2) are within an incorporated city or urbanized area; (3) are surrounded by developed urban uses (i.e., infill sites); (4) are consistent with the applicable General Plan designation(s), applicable General Plan policies, and applicable zoning standards; and (5) meet minimum density requirements as defined in this statute (minimum 15 units per acre).

The project site is approximately 2.86 acres, is located within an incorporated City, is fully surrounded by existing urban development, and proposes a high-density residential project that exceeds the minimum density threshold. The statute clarifies that waivers and concessions requested under SDBL are not grounds for inconsistency with the General Plan or zoning;

therefore, the project is considered consistent with the “applicable” land use designations and policies for purposes of PRC Section 21080.66.

To qualify for the new exemption, a project may not require the demolition of a historic structure placed on a national, state, or local historic register prior to the date a preliminary application was submitted for the project, per Government Code Section 65941.1, and a project must also satisfy certain environmental criteria specified in Government Code Section 65913.4(a)(6), which include requirements such as a qualifying project site may not include protected wetlands or water features, be in a special flood hazard area or regulatory floodway, or contain habitat for protected species identified as candidate, sensitive, or species of special status by state or federal agencies, fully protected species, or species protected by the Federal Endangered Species Act of 1973, the California Endangered Species Act, or the Native Plant Protection Act. As documented in more detail in the peer review checklist, the project site satisfies these environmental conditions.

The site is located within the Middlefield-Ellis-Whisman (MEW) Superfund Study Area and is impacted by regional groundwater and soil vapor contamination resulting from historic off-site industrial activities on adjacent properties. A Phase I Environmental Site Assessment (ESA) prepared for the project identified recognized environmental conditions (RECs) related to this regional plume and recommended additional investigation and regulatory coordination. Under AB 130, this condition does not preclude use of the exemption, provided that required investigation, remediation, and mitigation are completed before occupancy. As a condition of approval, the project is required to complete additional testing as recommended in the Phase I ESA, prepare a Preliminary Endangerment Assessment, and implement any recommended measures under the assessment’s mitigation plan approved by the applicable oversight agency (e.g., Environmental Protection Agency (EPA), Department of Toxic Substances Control (DTSC), Regional Water Quality Control Board, and the City) to ensure that exposure of future occupants to hazardous materials is reduced to acceptable levels consistent with federal and state standards.

In addition, projects that qualify for and utilize the AB 130 exemption must also comply with certain project-level requirements in PRC Section 21080.66(b)-(d), including:

- Tribal Cultural Resources: The project must comply with requirements identified per required tribal consultation and minimum requirements of PRC Section 21080.66(b)(4)(b), unless there is mutual agreement between the California Native American tribe and project proponent to not include an identified measure.
- Environmental Assessment: As discussed above, the applicant has completed a Phase I ESA. Any additional investigation, remediation, or mitigation required by the relevant regulatory agencies must be completed prior to issuance of a certificate of occupancy.

- Air Quality: If any housing on the site is located within 500' of a freeway, it must comply with identified heating, ventilation, and air-conditioning system requirements, provide specified air intake/air filtration design and maintenance, and shall not have balconies facing the freeway. The project site is not within 500' of a freeway; therefore, this requirement does not apply.
- Labor Standards: If the building height of a proposed project exceeds 85' or the project is fully affordable, the project must comply with applicable labor standards per PRC Section 21080.66(d). This project does not meet either of these qualifications, and this requirement does not apply.

Based on the applicant's AB 130 eligibility checklist and supporting documentation and the independent peer review prepared by the City's CEQA consultant, staff concludes that the project meets all criteria for the AB 130 statutory exemption. All applicable requirements of PRC Section 21080.66 have been incorporated as conditions of approval in Attachment 1.

### **FISCAL IMPACT**

The City's current share of County of Santa Clara property taxes from the project site is approximately \$18,000 per year, allocated to the General Operating Fund (GOF). If the site were redeveloped as proposed, the project is estimated to generate an additional \$122,000 in net property tax revenue, for a total of approximately \$140,000 per year to the City.

The project is subject to community benefit contribution requirements for its proposed residential Bonus FAR under the EWPP Bonus FAR Program. The project's estimated combined residential Bonus FAR community benefit contribution is an estimated \$1,100,000.

Pursuant to the City's Affordable Housing Program Chapter 36, Article 14, Division 3, the project is also subject to the nonresidential (commercial) Housing Impact Fee for all net new commercial floor area. The estimated nonresidential Housing Impact Fee is approximately \$19,779.

In addition, the project will be subject to applicable Water Capacity Charges, Sewer Capacity Charges, and Citywide Transportation Impact Fee (TIF).

The project is also subject to the adopted EWPP Development Impact Fees for all net new area, by nonresidential land use (i.e., commercial area), and for proposed residential units to fund planned public improvements within the EWPP area.

Lastly, the proposed DA would include a Recreational City Facilities Contribution of not less than \$1,200,000 to support the acquisition or improvement of park land. The City may also receive a Supplemental Recreational City Facilities Contribution of up to the full \$1,200,000 if tenant improvement contributions are not fully utilized. In addition, the City could receive up to

\$350,000 in extension fees if the project approval term is extended, as well as ongoing sales tax revenue, depending on tenant occupancy and point-of-sale designations included in the DA.

### **LEVINE ACT**

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: [www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html](http://www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html).

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

### **SUBJECT TO THE LEVINE ACT**

Land development entitlements

### **CONCLUSION**

This project is consistent with applicable development standards; achieves General Plan, Housing Element, and EWPP goals by increasing market-rate and affordable housing opportunities in the City; and helps the City meet its RHNA requirements. The proposed DA also includes valuable community and public benefits contributions that would benefit project occupants and the broader community. Staff recommends approval of the project and DA subject to the conditions of approval.

### **ALTERNATIVES**

1. Approve the project with modified conditions of approval and/or revisions to the DA.
2. Refer the project back to the EPC and/or ZA for additional consideration.
3. Deny the project and/or the DA.

## **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 residents within a 750' radius were notified of this meeting, and public notice of the hearing was published in a newspaper of general circulation per City Code Section 36.56.20 (Notice of hearing).

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CDD/JT-03-10-26CR

- Attachments:
1. Draft Project Resolution
  2. Draft Ordinance Approving a Development Agreement
  3. Project Plans
  4. [EPC Staff Report Dated January 21, 2026](#)
  5. Public Comments
  6. Arborist Report
  7. Density Bonus Request Letter
  8. AB 130 CEQA Exemption Peer Review Letter
  9. Transportation Demand Management Plan
  10. Community Benefit Contribution Letter
  11. [Administrative Zoning Meeting, February 11, 2026](#)