



DATE: June 14, 2016

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: 881 Castro Street/Fairmont Avenue Mixed-Use Project

RECOMMENDATION

1. Adopt a Resolution Conditionally Approving a Provisional Use Permit and Planned Community Permit to Construct a 4-Story, Mixed-Use Building with 14 Condominium Units and 4 Townhome Units, 8,500 Square Feet of Ground-Floor Commercial Space, and a 2-Level Underground Parking Garage at 843, 871, and 881 Castro Street and 750 Fairmont Avenue, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution Conditionally Approving a Tentative Tract Map to Create 24 Lots, Including 23 Condominium Lots (18 Residential and Up to 5 Commercial) and One Common Lot, at 843, 871, and 881 Castro Street and 750 Fairmont Avenue, to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

Site Location

The 0.4-acre project site is located on the northeast corner of Castro Street and Fairmont Avenue and extends through to Hope Street. The site is located in Area J of the P-19 (Downtown) Precise Plan, one block north of El Camino Real, and is currently occupied by three existing commercial buildings with a rear parking lot on Castro Street and a four-unit residential apartment complex on Fairmont



Avenue. The existing businesses on-site include Khuu Dermatology and Dentistry, Morocco's Restaurant, and an office tenant.

The project site shares the block of Castro Street with two adjacent parcels, currently occupied by four personal service and retail businesses: Aruba Salon, Gorgeous Nails and Skin Care, Fleur de Lis, and Mountain View Funeral and Cremation Services. These parcels, in combination with the project site, share an existing one-way parking lot with an entrance on Yosemite Avenue and an exit on Fairmont Avenue. These adjacent parcels are to remain and are not proposed to be modified.

Fairmont Avenue

From Castro Street, Fairmont Avenue has one block of commercial and multi-family residential land uses before transitioning into a single-family residential neighborhood east of Hope Street. In this block, only one commercial tenant space fronts on Fairmont Avenue (751 Fairmont Avenue) and is located behind the bike shop in the 900 block of Castro Street; no property (excluding the project site) has private vehicle or parking access on Fairmont Avenue.

Fairmont Avenue has an existing vehicle circulation where the western half-block is one-way from Castro Street and the eastern half-block is two-way from Hope Street (see image, below). Parallel street parking is permitted throughout with four existing diagonal stalls on the one-way portion of Fairmont Avenue. Existing vehicle access to the project site is provided midblock and is currently a one-way exit onto Fairmont Avenue. With the proposed project, vehicle access to the site and existing circulation on Fairmont Avenue would remain unchanged with the addition of a two-way project driveway in the same location as the existing driveway.



Project Description

The applicant, Castro GPRV 10, LLC, is proposing to construct a 4-story, mixed-use building on Castro Street with 14 condominium units and 8,500 square feet of ground-floor commercial space and 4 townhome units along Fairmont Avenue. A 2-level underground parking garage is proposed on the entire project site with vehicle access from Fairmont Avenue.

The project also includes the expansion of the sidewalk on Fairmont Avenue to align with the existing block, including a wider sidewalk, a landscape strip, and new street trees. This results in modifications to the four diagonal parking stalls on Fairmont Avenue to convert two spaces into parallel parking stalls and relocate two stalls to the project parking garage. The Fairmont Avenue and Hope Street intersection will also be reconstructed to bring the intersection sidewalks up to current City regulations, including accessibility (ADA) compliance (see Attachment 1 – Resolution for Project).

ANALYSIS

General Plan

The project has General Plan Land Use Designations of Downtown Mixed-Use Corridor, which supports a mix of land uses, including multi-family residential and pedestrian-oriented commercial services, and Medium-Density Residential, which supports a mix of single- and multi-family housing types (see map). In addition to aligning with the land use designations, the project advances the following General Plan policies:



- *LUD 3.1 (Land use and transportation) – Focus higher land use intensities and densities within a half-mile of public transit service and along major commute corridors.*

The project places higher land use intensity and density within one-half mile of El Camino Real and within one mile of the Mountain View Transit Center, both of which are major commute and public transit corridors;

- *LUD 7.1 (Downtown) – Promote downtown as a daytime and nighttime center for social, entertainment, cultural, business, and government activity.*

By placing a mixed-use development in downtown near a mix of transit, the project supports a more active and sustainable daytime and nighttime activity center;

- *LUD 7.3 (Human-scaled building details) – Support new and renovated downtown buildings that include human-scaled details such as transparent windows on the ground floor that face the street, awnings, and architectural features to create a comfortable and interesting pedestrian environment.*

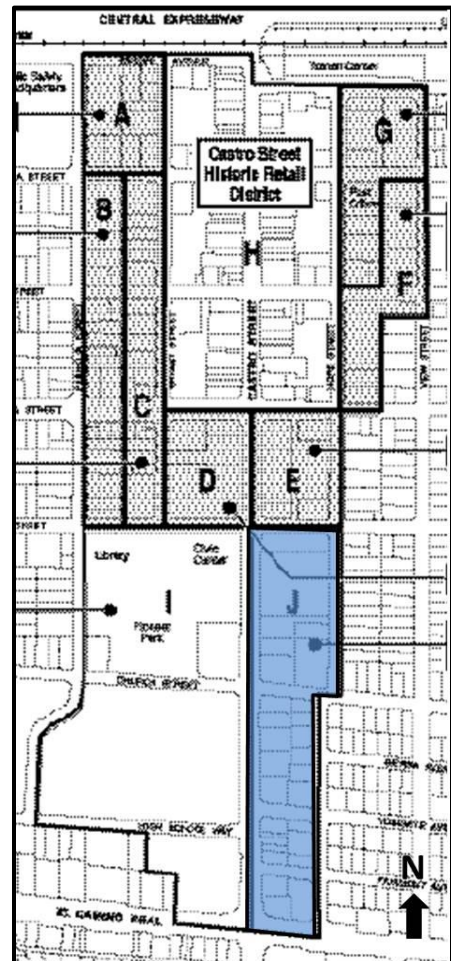
With incorporation of transparent windows on the ground floor, awnings, retractable storefront window systems, and other architectural features, the project is able to establish a comfortable pedestrian environment along the street and support pedestrian activity; and

- *LUD 7.6 (Parking space flexibility) – Encourage a portion of downtown street parking spaces to be removed or reconfigured to accommodate pedestrian and bicycle amenities.*

The project proposes an expanded pedestrian sidewalk with a landscape buffer on Fairmont Avenue by removing and reconfiguring four diagonal parking stalls, where two parallel stalls will remain on-street and two stalls will be relocated within the project parking garage.

Zoning

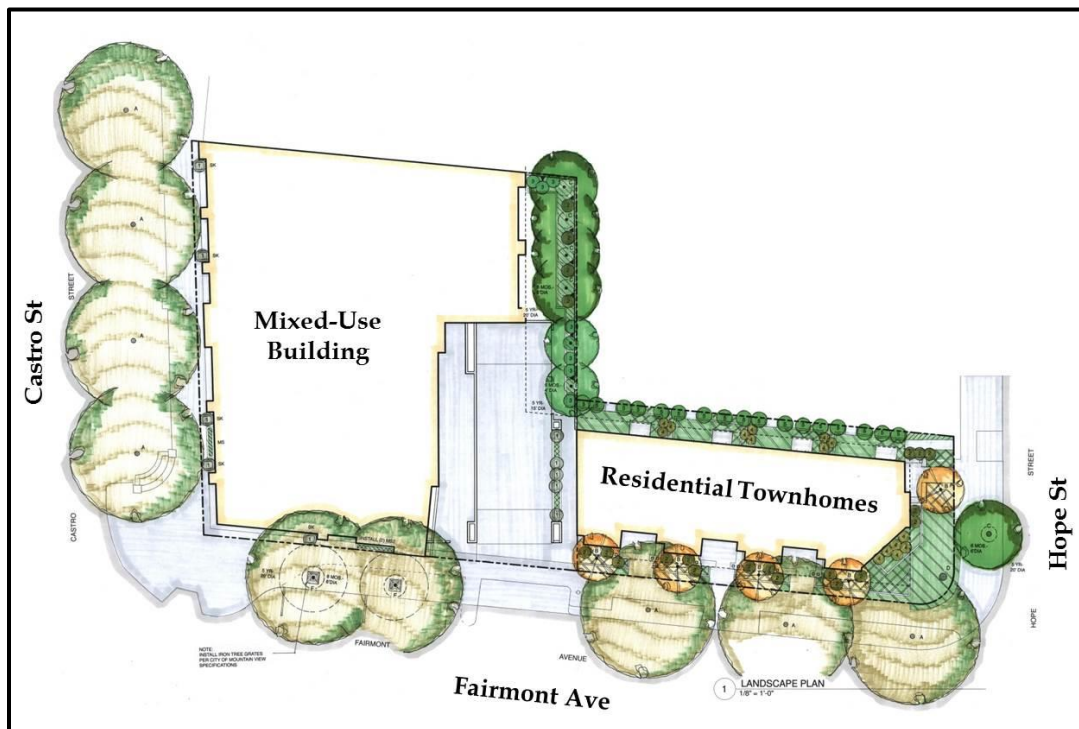
The project is located in Area J of the P-19 Downtown Precise Plan, which spans from Mercy Street to the north, Castro Street to the west, El Camino Real to the south, and Hope Street to the east (shown in blue). This area of downtown permits a variety of land uses on Castro Street, including retail, restaurants, and medical services, and provisionally permits uses such as residential, hotels, and bars. The Castro Street portion of Area J allows a maximum density of up to 50 units per acre (i.e., 20-unit maximum on the project site) for which the project proposes 18 units. The



development guidelines for this area allow up to four stories on Castro Street with a transitional requirement to 3-story, townhome-style units approaching Hope Street. Area J is located outside of the Parking District and requires any new development to accommodate all required parking on-site. This project aligns with the development standards and densities permitted within Area J of the Downtown Precise Plan, with requests for minor exceptions to the rear setback and height limits as discussed later in this report.

Site Plan

The project includes a 4-story, mixed-use building fronting Castro Street with 4 townhomes along Fairmont Avenue. A central driveway is located at the midblock on Fairmont Avenue, along with an adjacent service hallway for the commercial tenant spaces, including trash, recycling, and utilities. The primary lobby entrance for the residential units is located on Fairmont Avenue, with a shared secondary entrance on Castro Street. All commercial tenant spaces front Castro Street with individual entries.



The project proposes an equal mix of 2-bedroom and 3-bedroom units. All units are proposed to have private outdoor patios or balconies, in addition to private bike storage and personal storage in the parking garage. Additionally, a common rooftop deck is proposed on the corner of Castro Street and Fairmont Avenue, with outdoor barbecue, dining, and lounging areas for residents. The project also proposes to accommodate up

to 5 commercial tenant spaces, including relocating the existing medical office (Khuu Dermatology and Dentistry) and the existing restaurant (Morocco's Restaurant) with remaining commercial space for retail/personal service uses. Secured bike parking is provided for the commercial tenants in the parking garage as well (see Attachment 3 – Project Plans for details).

Trees

No trees are proposed for removal with this project. One tree is located on the project site—a large cedar tree at the corner of Fairmont Avenue and Hope Street; all other trees are adjacent to the project site, including Castro Street and Fairmont Avenue street trees. Due to the proximity of the cedar tree to the underground parking garage (approximately 8'), City staff has included a project condition requiring the preparation of a detailed arborist report outlining the measures to protect the tree, including 6' cyclone fencing, interim irrigation, and no mechanical excavation in close proximity of the tree roots. Additionally, the condition requires an arborist to be on-site during demolition to ensure activities do not harm the tree, along with an inspection of the tree following demolition to confirm the measures outlined in the arborist report are appropriate based on a more thorough tree root inspection. Should the inspection determine the root system is more extensive or in closer proximity to the proposed garage than previously thought, the applicant and staff will review design modifications to the garage in order to maintain the tree (see Condition No. 39 in Exhibit A of Attachment 1).



In addition to the cedar tree, there are two redwood trees located near the north property line on the adjacent Hope Street property (864 Hope Street). These trees are in close proximity to the proposed project construction (within 6'). Maintenance of tree protection measures for these trees is required by the conditions of approval. Because these trees are located on an adjacent property, staff has included a project condition requiring a security deposit to be provided by the applicant and held by the City that

covers the cost of labor and materials to remove and replace the trees should irrecoverable damage occur to them during construction (see Condition No. 40 in Exhibit A of Attachment 1).

Along with the existing trees, new landscaping and trees are proposed along the rear property line adjacent to the existing Hope Street property, as well as planters along the street frontages. The project also includes green roof elements on the second and third floors to provide relief, additional privacy, and meet sustainability measures, including stormwater treatment. The existing site has a tree canopy coverage estimated at 11 percent of the site area, with an anticipated increase to 21 percent in 5 years postconstruction and 50 percent at 15 years postconstruction.

Project Design

The project has a contemporary, modern design with flat roof details, corner windows, metal awnings and railings, and angled bay windows. The exterior materials include stucco, stone, siding, and metal accents with the use of clear and spandrel glass. The ground-floor treatment on Castro Street includes transparent glass frontages, planters, awnings, and a proposed open-storefront system (i.e., nana wall) at the corner of Fairmont Avenue, to allow for a greater indoor/outdoor experience. Unlike Area H of the Downtown Precise Plan, this portion of Castro Street does not have a requirement for a fourth-floor step-back, which is consistent with the Park Place development across the street from the project site.



Materials and accents from the contemporary design of the mixed-use building are carried over to the townhomes along Fairmont Avenue, where more traditional

architectural elements are introduced to transition to the single-family homes in the Old Mountain View neighborhood. The townhomes include gabled roofs, front porch entries, recessed third-floor dormer windows, and a greater use of siding.



Exceptions

The project was reviewed for compliance with the Downtown Precise Plan development guidelines. The project complies with these guidelines with the exception of three minor encroachments into the required rear setback and building height from the adjacent Hope Street property. The requested exceptions on the mixed-use building include:

1. A 7' by 30' encroachment into the required 15' rear setback on the first floor to accommodate the below-grade parking garage entrance/exit. This encroachment allows for the enclosure of the vehicular garage entrance/exit to limit noise impacts to adjacent properties;
2. A 7' encroachment into the required rear setbacks for the second, third, and fourth floors of the building to accommodate a bay window projection for a bedroom on each of these floors. This encroachment allows for architectural variation and interest on the rear of the building, which are consistent with detailing on the front of the building; and
3. A 3.5' height encroachment into the required building height (along the rear of the building) for the second, third, and fourth floors to accommodate the parapet walls which enclose the green roof planters and screen the maintenance access path surrounding the green roof elements.

Parking and Traffic

Based on the mix of commercial and residential units, the project is required to provide 68 parking stalls: 36 residential stalls (2 spaces for each unit), 27 commercial stalls, and 5 shared stalls for residential guest and commercial parking. The project is proposing to provide 70 stalls in the 2-level underground parking garage to accommodate all required parking, including 2 replacement stalls from the street parking removed on Fairmont Avenue. All commercial parking will be located on the first floor of the parking garage, with residential parking on the second floor. The 5 shared parking spaces will be located on the first floor of the garage.

With development of the project, the estimated peak-hour vehicle trips are 15 a.m. trips (9 residential and 6 retail) and 35 p.m. trips (11 residential and 24 retail). The existing site generates approximately 2 to 3 trips per hour with a similar amount of retail trips during the p.m.; however, most of the existing retail vehicle trips to the site use public street parking and not the existing rear parking lot. With construction of the project, more parking will be available for employees and visitors of the project site over existing conditions.

Tentative Map

The applicant is requesting a tentative tract map to accommodate both commercial and residential condominium lots on one common lot. The project proposes 18 residential condominiums and up to 5 commercial condominiums (see Attachment 2 – Resolution for Map).

Public Meetings and Hearings

Neighborhood Meetings

The applicant held two neighborhood meetings with the Old Mountain View Neighborhood Association. One meeting was held prior to submitting a formal application to the City, in early 2015, to seek input from residents. A second meeting was held on April 4, 2016, and was attended by approximately 20 people, including residents and businesses of the project site. At the meeting, neighbors had questions and concerns about traffic, parking, construction activities, and the development review process.

Development Review Committee

The project was reviewed at two Development Review Committee (DRC) meetings on January 20, 2016 and April 20, 2016, where a formal recommendation was made on the project design. Key direction provided by the DRC included:

- Add more traditional architectural details, roof massing, and materials to the townhome units to better transition to the Old Mountain View neighborhood;
- Redesign the rear of the 4-story mixed-use building to increase compliance with the required rear setback and carry over architectural details from the street elevations;
- Reduce the amount of blank walls on the zero-setback portions of the project by adding windows and extending balconies; and
- Focus on the ground-floor pedestrian experience with transparent storefront and awning details.

The applicant has incorporated all DRC comments into the project design.

Administrative Zoning/Subdivision Committee

On May 25, 2016, the project was reviewed at a joint Administrative Zoning and Subdivision Committee public hearing. One member of the public spoke, a nearby property owner on Hope Street, who stated his tenants are upset about the development and are concerned about construction parking, tree removals, and noise associated with a rooftop deck. Staff responded with discussion of proposed project conditions regarding off-site construction parking, restrictions of the rooftop deck use, and tree preservation measures. The Zoning Administrator and Subdivision Committee recommended approval (3-0) of the project and associated tentative map.

Resident Tenant Relocation and Business Assistance

The project is subject to the City's Residential Tenant Relocation Ordinance, with which the applicant has complied. Three of the four households in the existing apartment complex on Fairmont Avenue have submitted applications to the tenant relocation specialist and are eligible for assistance.

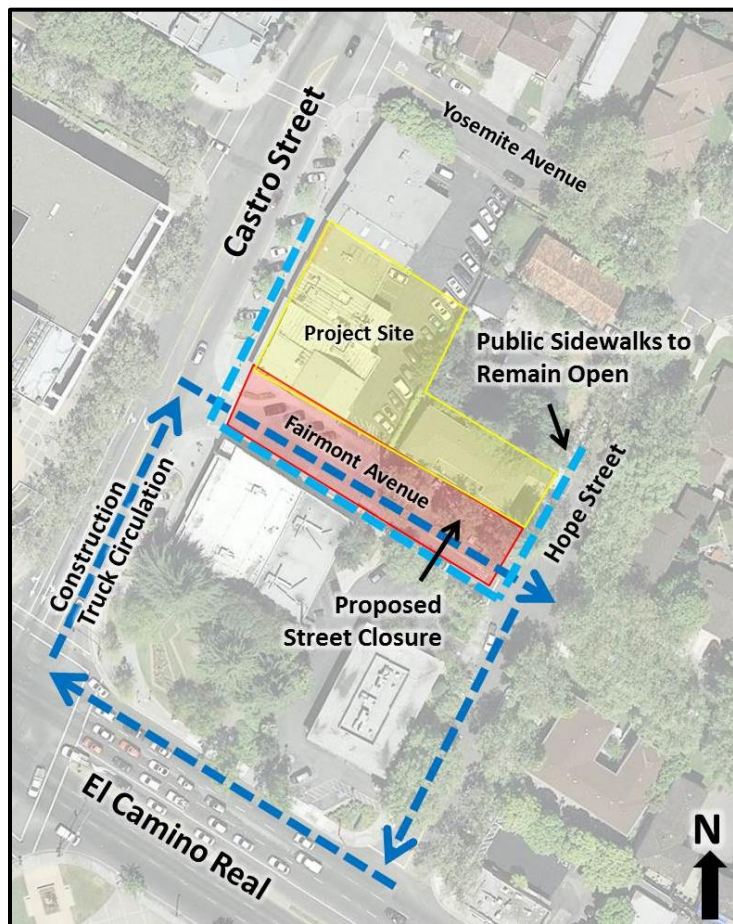
Additionally, the applicant has been working with the two existing businesses on-site—Morocco's Restaurant and Khuu Dermatology and Dentistry—to provide them assistance in finding temporary locations during construction and offering them a

commercial tenant space within the new project. Both business owners have attended meetings and hearings on the project and have spoken with City staff about their continued interest to be in downtown Mountain View. The office tenant was recently acquired by another company and their interest in staying in downtown is unknown at this time.

Construction

With the downtown location, construction staging and access to the project site are constrained. If approved by Council, construction of the project is anticipated to begin in mid-2017 and would be completed in approximately 18 to 24 months. It is anticipated construction of this project could overlap for approximately 12 months with the construction of the mixed-use project at Church and Hope Streets (582 Hope Street). However, the projects would be at different stages of construction; heavy construction equipment use or activity are not anticipated to overlap (i.e., construction of underground parking, concrete pours, or use of cranes).

Since the project is located on a commercial block where no driveway access is required for any properties, City staff and the applicant have discussed a temporary street closure of Fairmont Avenue and the sidewalk immediately adjacent to the project site for construction staging and access. There are approximately 14 on-street parking spaces that would be unavailable for use with the street closure. Most traffic on Fairmont Avenue is local, accessing the adjacent residential neighborhood or on-street parking serving the commercial businesses in the area. All commercial properties on Fairmont Avenue either have parking and vehicle access from alternative streets (Hope or Castro Streets) or do not have any on-site parking.



The temporary closure of Fairmont Avenue to public traffic would allow construction vehicles to travel the shortest distance on downtown roadways, traveling one block to and from El Camino Real along Castro and Hope Streets in a clockwise fashion (see blue dashed line on map). Additionally, it would provide access and space for construction trucks, a construction trailer, material preparation/staging, and construction equipment. The closure would extend from the back of the crosswalk on Castro Street to the back of the crosswalk on Hope Street and to the face of curb on the south sidewalk on Fairmont Avenue, allowing for unobstructed pedestrian access on existing sidewalks along all three street frontages. Vehicles and bicyclists will be able to travel one block north to Yosemite Avenue for east access to Hope Street from Castro Street. Staff believes a consistent street closure during the construction period provides less disruption and confusion to residents, businesses, and visitors to the area and would permit construction trucks to stage on Fairmont Avenue, off of Castro and Hope Streets. Contractor parking would be required at an off-site location. The duration of the street closure would be limited to the amount of time needed for the garage and building construction, anticipated to be approximately 12 months, and would maintain fire access at all times. If Council does not support a temporary street closure, the alternative would involve traffic control and partial or complete street closures for various durations during construction.

ENVIRONMENTAL REVIEW

This project is categorically exempt under the California Environmental Quality Act under Section 15332 ("Infill Development Projects") as the project is a residential infill project consistent with the Downtown Precise Plan and the General Plan, occurs within the City limits on a site less than 5 acres, the site has no habitat for endangered, rare, or threatened species, is serviced by public utilities and services, and will not result in significant impacts to traffic, noise, air quality, or water quality.

FISCAL IMPACT

The project site has a total assessed value of approximately \$2.2 million. The City's share of the County of Santa Clara's annual property taxes is approximately \$3,500. If the site were redeveloped as proposed and the residential units sold at estimated sales prices ranging from \$1.2 million to \$1.7 million, the City's share of residential property taxes would increase to approximately \$37,800 per year. For the new commercial spaces, the City's share of property taxes would increase to approximately \$16,000 per year. Combined, the total increased property taxes collected would be approximately \$50,300.

The project is subject to the City's Affordable Housing Ordinance, which requires 10 percent of units in an ownership development to be offered at prices below-market-rate

(BMR) or, if the estimated sales price is above the threshold set by City Council (at approximately \$670,000), the developer can either request to provide the required BMR units within the development or pay an in-lieu fee equal to 3 percent of the sales price of all units. Since the sales prices of the residential units exceed the threshold set by Council, the applicant requests to pay the BMR In-Lieu Fee for the project, which is estimated at approximately \$708,000.

The Park Land Dedication Ordinance requires residential developments to provide on-site area for a public park or payment of a Park Land Dedication In-Lieu Fee, based on the number of net new units on the property. Due to the less than one-half-acre project size, the developer proposes to pay the in-lieu fee, which is estimated at approximately \$840,000 (\$46,666 per unit) in accordance with Chapter 41 of the City Code.

CONCLUSION

The Zoning Administrator and Subdivision Committee recommend approval of the proposed 4-story, mixed-use building with 14 condominium units and 4 townhome units, 8,500 square feet of ground-floor commercial, and two levels of underground parking at 881 Castro Street and its associated tentative map. The project advances the General Plan and City objectives for creating new housing opportunities, supporting activation of the downtown, and small business retention. The project design, materials, landscaping, and streetscape improvements will create a high-quality addition to the downtown and Old Mountain View neighborhood.

ALTERNATIVES

Project Alternatives

1. Modify the proposed conditions of approval to approve the Provisional Use Permit, Planned Community Permit, and Tentative Map.
2. Refer the project back to the DRC or Zoning Administrator for consideration of specific land use or design-related issues.
3. Deny the Provisional Use Permit, Planned Community Permit, and Tentative Map applications, finding the site is not suitable for the proposed development.

Street Closure Alternative

4. Do not allow temporary closure of Fairmont Avenue for construction staging and access for the project.

PUBLIC NOTICING

The Council's agenda is advertised on Channel 26 and the agenda and this report appear on the City's website. All property owners within 300' of the subject site and other interested stakeholders were notified of this meeting, including the Old Mountain View Neighborhood Association.

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LH-MMD/3/CAM
823-06-14-16CR-E

Attachments: 1. Resolution for the Project
2. Resolution for the Map
3. Project Plans