



DATE: December 9, 2014

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: 801 El Camino Real West – Greystar

RECOMMENDATION

1. Adopt a Resolution Approving the 801 El Camino Real West Mixed-Use Project Environmental Impact Report, CEQA Findings, and Mitigation Monitoring and Reporting Program, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Introduce an Ordinance Amending the Zoning Map for the Properties Located at 801/805/809/813 El Camino Real West and 1032/1044/1060 Castro Street from the CRA (Commercial/Residential-Arterial) Zoning District to the P (Planned Community) Zoning District, to be read in title only, further reading waived, and set a second reading for January 13, 2015 (Attachment 2 to the Council report).
3. Adopt a Resolution Conditionally Approving a Planned Community Permit and Development Review Permit for a Mixed-Use Project with 164 Apartment Units and 10,800 Square Feet of Commercial Space, and a Heritage Tree Removal Permit for the Removal of Three Heritage Trees at 801 El Camino Real West, to be read in title only, further reading waived (Attachment 3 to the Council report).

BACKGROUND

Project Site

The project site is referred to as “801 El Camino Real West” and consists of nine parcels totaling 2.38 acres on the southwest corner of El Camino Real and Castro Street. The project site is currently developed with 22,380 square feet of commercial buildings, private parking spaces, and a City-owned public parking lot adjacent to the alleyway.



Location Map

On May 14, 2013, the City Council authorized execution of a Purchase and Sale Agreement with the applicant, Greystar, for the sale of the parking lot, should Council approve the proposed development project.

The surrounding land uses include multi-family housing and commercial buildings to the west; an office building across El Camino Real to the north; a bank, vacant lot, and single-family home to the east across Castro Street; and single-family homes to the south.

Project Description

Greystar has applied to rezone the 2.38-acre project site from the CRA District to the P District to allow the site to be redeveloped with 164 apartment units in four-story buildings over underground parking garages, approximately 10,800 square feet of ground-floor commercial space, and a publicly accessible plaza on the corner of El Camino Real and Castro Street (see Attachment 4 – Project Plans).

The applicant will retain the existing tenants on-site and has committed to providing long-term leases to Rose’s International Market, Tanya’s Hair Design, Le’s Alterations, Peet’s Coffee & Tea, and Sufi Coffee Shop and Cultural Center. The applicant is also in the process of securing temporary tenant spaces for some of these businesses in the vicinity of the project site during construction. Gochi’s Japanese Fusion Tapas restaurant will not be included in the proposed project because the other five existing businesses have leased the available square footage in the new project.

Previous Meetings

Gatekeeper

In April 2013, the City Council considered a Gatekeeper application from Greystar and authorized staff resources for the consideration of a rezoning of the project site to the P District while the El Camino Real Precise Plan was under development. Council authorized staff to begin work on the project starting in August 2013. The El Camino Real Precise Plan was approved by the City Council on November 17, 2014 and the second reading for adoption of the Ordinance approving the Zoning Map Amendment to implement the Precise Plan is scheduled for December 9, 2014. If approved, the Precise Plan will take effect on January 8, 2015. Based on the scheduled hearings for the project, the Greystar P District may only be in effect for a few weeks before the El Camino Real Precise Plan replaces that zoning designation.

Environmental Planning Commission Study Session

The Environmental Planning Commission (EPC) reviewed the proposed project at a Study Session on September 11, 2013 (see Attachment 5—[EPC Study Session Report, September 11, 2013](#)). The EPC was generally supportive of the redevelopment of the project site with a new mixed-use project; however, they raised issues with the scale of the project and recommended changes or more studies to ensure circulation and building massing is appropriately addressed. The following is a summary of the EPC's comments from the Study Session:

- Supported applicant's effort to retain the existing tenants.
- Acknowledged that the project site is a key location along El Camino Real and a "gateway" to the downtown, and that the project design should be modified to be iconic and representative of its gateway status.
- Requested that building heights transition from taller heights closer to El Camino Real to lower heights along Castro Street as you get closer to the residential neighborhood.
- Suggested that significant building step-downs be provided so that the heights of the new buildings are no more than one story taller than the adjacent residential buildings.
- Recommended that the design of the plaza on the corner of El Camino Real and Castro Street be developed as an active and pleasant environment for people, which is different than the other three corners of this intersection.
- Directed that the setback along El Camino Real be increased to at least 18' from the curb line.
- Encouraged an analysis of vehicular circulation into and around the site to reduce the potential for cut-through traffic on Sonia Way and Harpster Drive, including modified medians along Castro Street and consideration of alternative vehicular entrances/exits on Castro Street and possibly El Camino Real.
- Recommended the use of traditional architecture to help better transition and relate the project to the adjacent residential neighborhood.
- Requested that the parking supply account for the existing usage of the City parking lot by nearby businesses.

Twenty-six (26) people from the public spoke at the Study Session regarding the project. Most of the speakers were not in support of the project citing the following concerns: it is too tall; has too many units; there is not enough parking for both the commercial uses and the residential units; and potential cut-through traffic on Sonia Way and Harpster Drive. Some of the speakers were supportive of the redevelopment of the site but requested that it be modified to address the above concerns.

Neighborhood Meetings

The applicant held a neighborhood meeting on August 20, 2013 to present the informal project plans to the neighborhood and to hear comments and feedback about the proposed development. Approximately 60 people attended the meeting and had the following comments:

- Support the efforts to retain the existing tenants.
- Concerned that the overall height of the project is too tall and should be reduced.
- Concerned that the density is too high for this location and that the unit count should be reduced.
- Concerned about the proposed parking supply and whether one parking space per bedroom is enough.
- Concerned about increased traffic at the site given the close proximity to Graham Middle School and Bubb Elementary School.
- Concerned with potential cut-through traffic on Sonia Way for cars that want to travel north.
- Want the plaza to be active and not passive open space like the plazas at the other corners of El Camino Real and Castro Street.

A second neighborhood meeting was held on September 18, 2013 to present revised plans to the community which attempted to address some of their concerns with the project. Approximately 25 people attended the meeting and continued to have concerns expressed at the first neighborhood meeting regarding heights, number of units, parking, plaza design, and potential neighborhood cut-through vehicle traffic.

City Council Study Sessions

Council reviewed the proposed project at a Study Session on September 24, 2013 (see Attachment 6 – [Council Study Session Report, September 24, 2013](#)). Council comments were similar to the EPC recommendations regarding design and requests for additional analysis with the formal application and provided the following additional project recommendations:

- A mandatory three-story height limit should not be placed on the buildings along Castro Street adjacent to the residential neighborhood. However, the design needs to be modified to include greater fourth-story building step-downs for a more sensitive massing transition to the adjacent residential neighborhood.
- Traditional architecture should be considered to help better transition and relate the project to the adjacent residential neighborhood.
- There should be a comprehensive study of vehicular circulation into and around the site to reduce the potential for cut-through traffic on Sonia Way and Harpster Drive; the project entrance/exit to the residential building should be aligned with Victor Way; and another project access point along El Camino Real should not be included in the project design.
- A parking study should be done which includes an analysis of the current parking demand on the site based on parking counts as well as the projected parking demand. Additional parking spaces should be considered for the commercial portion of the project.
- Paving and access improvements to the existing public alley should be included as part of the project, including the improvement of the alley entrance/exit along El Camino Real closer to Miramonte Avenue.
- Pursue all means to retain the existing tenants, including Gochi's Japanese Fusion Tapas.
- Make revisions to the plans which address the EPC and Council comments and return for a second Study Session prior to moving forward with the Development Review and Environmental Review Processes.

Twenty-three (23) people from the public spoke at the Study Session regarding the project. Most of the speakers were opposed to the project for the same reasons as were stated at the EPC Study Session and summarized above.

The applicant made revisions to the project and presented the revised plans to Council at a second Council Study Session on January 21, 2014 (see Attachment 7—[Council Study Session Report, January 21, 2014](#)). The following is a summary of the revisions to the project presented at the Study Session:

- The number of apartment units was decreased from 175 units to 164 units.
- The commercial space was increased from 10,500 square feet to 10,800 square feet.
- The residential building vehicular entryway along Castro Street was relocated from the southern end of the building to the center of the building and aligned with Victor Way.
- By moving the vehicular entryway from the southern end of the Castro Street building to the center of the building, the first two floors of the project were extended towards the south, which creates a two-story building step-down along Castro Street.
- The outdoor pool was removed from the plan, as requested by the adjacent neighbors due to potential noise concerns.
- Sufi Coffee Shop and Cultural Center will be relocated from a tenant space along El Camino Real to a space along Castro Street and Rose's International Market floor plan was expanded along the El Camino Real frontage.
- The fourth floors of the buildings have been set back from the lower floors on all three buildings.
- The building setback along El Camino Real was increased to 18' to the curb to allow for wider sidewalks along El Camino Real.

Council expressed support of the changes made to the project in response to both neighborhood and City requests and directed the applicant to move forward in the Development Review and Environmental Review Processes.

Twenty (20) people from the public spoke at the Study Session regarding the project. There was a mix of support and opposition expressed by the speakers, who stated a dislike for the scale and intensity of the project and support for the retention of the existing businesses on-site and new housing units within the City.

Development Review Committee

The project was reviewed by the Development Review Committee (DRC) three times. The DRC provided design recommendations on several iterations of the project design such as architecture, neighborhood transitions, massing reductions, and plaza design. The project received a recommendation of approval on October 15, 2014.

EPC Public Hearing

The EPC held a public hearing on December 3, 2014, where they unanimously recommended approval of the project and Environmental Impact Report (EIR) (see Attachment 8—[EPC Public Hearing Report, December 3, 2014](#)). The EPC expressed support of the changes made to the project through the design review process based on City and neighborhood input and the preservation of five on-site businesses. They discussed whether enough public benefits are proposed by the applicant as part of the project and whether Below-Market-Rate (BMR) units should be provided on-site in lieu of paying the required fee. The EPC concluded that the project's combined design, sustainability elements, and preservation of the small on-site businesses are sufficient to support the increased intensity at the site. The EPC unanimously recommended approval of the project to City Council with the modification to Condition of Approval No. 56 to provide on-site BMR units with an equivalent number of units to the required fee. Eight people from the public spoke at the public hearing and expressed a mix of support and opposition for the proposed project.

Castro Street "Road Diet"

In February 2013, Council approved the application for a Vehicle Emissions Reductions Based at Schools (VERBS) grant, which is a Federally-funded grant with the objective of reducing greenhouse gas (GHG) emissions by promoting walking, biking, transit, and carpooling to school. The funds from the grant will be used to improve Castro Street between El Camino Real and Miramonte Avenue for pedestrians and bicycles and will include items such as reducing vehicle lanes from two to one in each direction, adding bicycle lanes, and installing high-visibility crosswalks across Castro Street.

Design of the street improvements and public outreach by Public Works staff has begun and is being coordinated with the required improvements for this project along the project frontage. Construction of the road diet improvements is anticipated to begin in summer 2015.

ANALYSIS

This report outlines the project's consistency with the General Plan and the El Camino Real Precise Plan; describes the proposed development; covers issues related to open space, parking, traffic, height transitions, and architectural design; and provides a summary of the environmental review that was completed for the project.

2030 General Plan

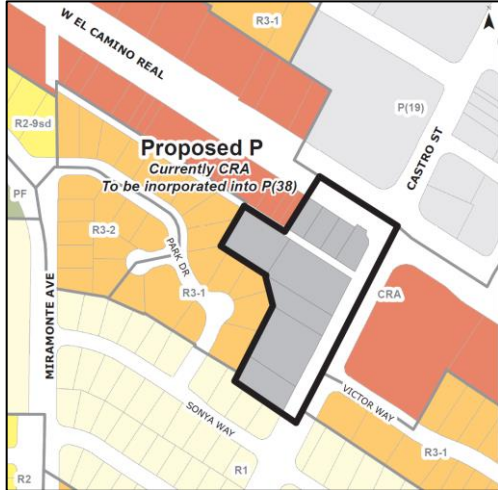
The General Plan envisions El Camino Real as a boulevard that connects Mountain View with other cities, links diverse neighborhoods, and a vibrant, landscaped, comfortable, and convenient place with pedestrian activity. The General Plan Form and Character guidance encourages residential and mixed-use buildings be compact, varied, and interesting and offer a range of places to live and work close to services and transit stops. Buildings and public plazas should engage the street and create pedestrian activity, and buildings should transition gracefully to residential neighborhoods.

The General Plan land use designation along El Camino Real and for the project site is "Mixed-Use Corridor," which allows a broad range of commercial, office, residential, and public spaces. This designation allows new projects with an FAR between 1.85 and 3.0 at key locations which are specified in the El Camino Real Precise Plan, and heights between four and six stories.

In general, the proposed project is consistent with the General Plan's vision for the site, with an FAR of 1.84, heights up to four stories, a mix of commercial and residential uses, and the following General Plan Policies:

- *LUD 20.1: Increased redevelopment.* Encourage private properties along El Camino Real to be redeveloped and enhanced.
- *LUD 20.2: Focused intensive development.* Allow more intensive development in key locations based on factors such as lot size, character of surrounding land uses, distance to transit facilities, and opportunities to improve a site.
- *LUD 20.3: Building height variation.* Support a variety of building heights along El Camino Real to create a wide-ranging and interesting street.
- *LUD 20.5: Landscaped pedestrian amenities.* Encourage development to provide landscaped pedestrian amenities and gathering places.

- *LUD 20.6: Parcel assembly.* Support the assembly of parcels that fosters new development projects.



Zoning Exhibit

Proposed Rezoning

The site has a current zoning designation of CRA (Commercial/Residential-Arterial). The project will require a rezone from the CRA District to the P (Planned Community) District, which allows the project to be approved prior to the new El Camino Real Precise Plan, likely to take effect on January 8, 2015. Once the Precise Plan takes effect, the project site will immediately become part of the El Camino Real Precise Plan.

The proposed project is in conformance with all of the El Camino Real Precise Plan development standards and design guidelines for the Castro/Miramonte Area. An analysis of the project’s compliance with specific standards of the El Camino Real Precise Plan is provided under the appropriate sections in this report.

Project Description

The proposed mixed-use project includes 164 apartment units in four-story buildings over underground parking garages, approximately 10,800 square feet of ground-floor commercial space along El Camino Real and a portion of Castro Street, and a publicly accessible plaza on the corner of El Camino Real and Castro Street. Three floors of apartment housing are



Site Plan

proposed above the ground-floor commercial space. The unit mix includes 124 one-bedroom units, 36 two-bedroom units, and 4 three-bedroom units.

The project is broken up into three main buildings with a four-story building along El Camino Real with commercial space on the ground floor, three floors of residential units above, and one floor of underground parking. The commercial tenant spaces along El Camino Real are programmed to include Peet's Coffee & Tea on the corner (fronting the public plaza) and Rose's Market. The second building is located along Castro Street and the alley with commercial tenant spaces on the ground floor, three floors of residential units above, and two floors of underground parking. This building would have commercial frontage along a portion of Castro Street and the alley and is anticipated to include Sufi Coffee Shop and Cultural Center, Tanya's Hair Design, Le's Alterations, and a fitness center and leasing office for the on-site residential units. The third building is located along Castro Street and includes two to four floors of residential units above two floors of underground parking.



Castro Street Elevation—Looking North

Building Height Transitions—Per the General Plan and the El Camino Real Precise Plan, development along the El Camino Real Corridor should be designed with sensitive height and setback transitions to the surrounding buildings and lower-intensity neighborhoods. This is accomplished by gradually stepping up building heights from the outer edges of the project and setting

back the upper floors of the building. The proposed project provides appropriate building height transitions from the adjacent one- and two-story homes and apartment structures to the west and south, with two-story building heights around the perimeter of the project which step-up in height to three and four stories closer to the center of the site. The El Camino Real Precise Plan requires that no portion of new buildings adjacent to residentially zoned properties be taller than its distance to the residential property. The proposed project complies with this requirement by providing two-story building heights at 20' from the closest property lines, and fourth-floor transitions at distances up to 70' from the property lines.

Architectural Design—The applicant originally proposed a contemporary architectural style for all three buildings. Staff and the DRC worked with the applicant to provide a more traditional architectural style for the residential building along Castro Street and a more contemporary design for the mixed-use buildings closer to El Camino Real. Staff finds that the transition in architectural style from traditional to more contemporary closer to El Camino Real provides an appropriate and attractive transition from the residential neighborhood to the El Camino Real Corridor.



Corner of El Camino Real and Castro Street Elevation

Commercial and Residential Entries—The El Camino Real Precise Plan requires that principal building entrances face the primary street frontage and open spaces (such as a plaza) and shall have doors and windows along the primary street in order to activate



Castro Street Elevation

the street and provide pedestrian-scale building features. The project provides entries to the commercial spaces oriented towards the public street frontages, the alley, and the plaza. Rose’s Market and Peet’s Coffee & Tea have a main front entry and storefront windows along El Camino Real. Both businesses also have entries from the alley

which are closer to the parking for the project, and Peet’s has doors which open up onto the corner plaza. The storefront and main entries to Sufi Coffee Shop and Cultural Center and Le’s Alterations face Castro Street and Tanya’s Hair Design’s front entry faces the alley.

Individual stoops to the residential units are provided along Castro Street and two identifiable main entrance areas are provided facing Castro Street near the center of the residential building and at the northern edge of the building.

Public Plaza and Dining Areas—The project provides a plaza at the corner of El Camino Real and Castro Street. Staff and the DRC worked with the applicant to provide a plaza design which will provide the opportunity for an active environment (occupied with tables, chairs, and seating areas) that is hospitable for people to sit and relax. The revised plaza design includes raised landscape planters with curved benches and deck seating; individual moveable landscape pots; a 120" box Coast live oak tree planted in an in-ground planter bed; tables, chairs, and umbrellas; a water feature to provide white noise; decorative paving materials; and storefront doors and windows at Peet's Coffee & Tea that open directly onto the plaza area. A small outdoor dining area with seating is proposed for Rose's Market along the alley. The plaza seating area would be available to the public (not just customers of Peet's or Rose's Market).



Public Plaza

Setbacks—The proposed project conforms to setback requirements of the El Camino Real Precise Plan. The buildings along Castro Street are setback approximately 14' from the property line, where 10' is required, and 24' from the curb. The building along El Camino Real is setback approximately 11-1/2' from the property line, where a minimum of 10' is required and maximum of 12' is allowed, and 18-1/2' from the curb. The proposed building setbacks and existing right-of-way width allow wider sidewalks and street planters along El Camino Real and Castro Street, which have been incorporated into the project in conformance with the requirements of the Precise Plan.

Parking

The City's parking requirement for retail uses is one space per each 180 square feet of gross floor area, one space per each 100 square feet of gross floor area for restaurants or coffee shops, and one space for each 2.5 outdoor seats; which for this project would be a minimum of 88 spaces. The required parking for the residential units is based on the "model parking standard" which is utilized for high-density residential projects and requires one parking space per 1-bedroom unit and two spaces for 2+ bedroom units (inclusive of guest spaces), which for this project results in a minimum parking requirement of 204 spaces. Based on the City's parking requirements, a minimum of 292 parking spaces would be required for the entire mixed-use project.

The City's standard parking requirements are based on average parking demands for uses within the City. In order to determine the parking requirement for this specific

project, including potential parking impacts from the removal of the public City parking lot, staff hired Hexagon Transportation Consultants to conduct a parking study for the site.

Parking counts were conducted over a three-day period and showed that the parking demand for the commercial businesses would peak around 12:00 noon and again at 3:00 p.m., with a peak parking demand of 57 spaces. In addition to counting the actual parking demand of the on-site retail businesses, observations of parking demand were taken for the City parking lot. The focus of these counts was to determine which businesses were being served by these parking stalls and to determine the peak parking time for the City lot. The majority of vehicles using the City lot were going to Frankie, Johnnie & Luigi Too restaurant, located approximately 340' northwest of the project site, while the rest were going to the businesses fronting El Camino Real or downtown Mountain View. Some vehicles were parked in the lot for extended periods of time, presumably used by residents of nearby apartment buildings, and others were accessing some of the retail businesses to be removed as part of the proposed project (such as Avis Car Rental). Based on these factors, 29 parking stalls would need to be retained from the City lot in order to maintain service to nearby businesses, primarily Frankie, Johnnie & Luigi Too restaurant.

The project proposes a mix of land uses which have different peak hours for parking demand. In general, residences would have the greatest weekday parking demand in the early morning and in the evenings, before and after normal business hours. Peak demand for parking to access retail establishments is in the middle of the day and in the early afternoon. To determine the shared parking demand, an hourly evaluation of peak parking characteristics was completed using the parking counts for the commercial uses and the Urban Land Institute (ULI) methodology Shared Parking for the proposed apartments. Based on the shared-parking analysis, the peak parking demand would occur on weekdays around 6:00 p.m. and would require 258 parking spaces, including the demand from the existing City-owned lot.

The project proposes 34 at-grade spaces located along the alley for commercial customers, an additional 63 spaces in the underground garage (for a total of 97 commercial spaces), and 204 spaces in the underground garages for residents and guests. This results in a total of 301 parking spaces for the entire mixed-use project. Therefore, the proposed parking exceeds the City's parking requirement by 9 spaces and the number of required spaces recommended by the project's parking study by 43 spaces.

The on-street parking spaces along Castro Street will be removed as part of the Castro Street Road Diet City project and the approximately seven spaces along El Camino Real

would remain. These seven on-street spaces were not included in the parking analysis for the project and would continue to be available, in addition to the 301 on-site spaces.

Traffic and Circulation

The City hired Hexagon Transportation Consultants to conduct a traffic study for the proposed project. Vehicle trips generated by the project were added to existing traffic volumes to obtain estimated traffic volumes and Level of Service (LOS) on local roadways and intersections after project completion. To ensure accuracy and a conservative approach, the Castro Street Road Diet was included as part of the existing roadway conditions.

The proposed project is estimated to generate 858 net new daily trips, including 56 new a.m. peak-hour trips and 79 new p.m. peak-hour trips. Existing vehicle trips generated by uses on the site were counted based on traffic data collected around the project site and trip generation rates from the Institute of Transportation Engineers (ITE) were used to estimate the vehicle trips generated by the proposed residential units. The estimated trips that would be generated by approved but not yet constructed projects in the area were added into the analysis as well.

Nine intersections surrounding the project site were evaluated for impacts as part of the project. The results of the analysis show that with completion of the project, the unsignalized intersections of Castro Street/Victor Way and Castro Street/Sonia Way would degrade from LOS B to LOS C, and the intersection of Miramonte Avenue/Castro Street would degrade from LOS B to LOS C in the afternoon peak hour, but would continue to remain at an acceptable LOS (which is LOS D or better). All other study intersections would continue to operate at their current acceptable LOS. Therefore, all intersections would continue to operate at an acceptable LOS with completion of the project.

Residential areas are especially sensitive to traffic because sometimes even small increases in traffic can impact the quality of life in the neighborhood. A concern voiced by many residents in the vicinity is the possibility that the proposed project will cause an increase in traffic volume on their nearby streets. A tool for measuring the effects of increases in traffic on neighborhood “livability” is the Traffic Infusion on Residential Environments (TIRE index). The TIRE index uses average daily traffic (ADT) volume to determine the amount of daily traffic that could be added to a roadway before residents notice an increase in traffic. The amount of daily traffic that can be added before it becomes perceivable directly correlates to the amount of daily traffic already present on the street. According to this methodology, a noticeable traffic increase occurs when the difference in index between no project and project conditions is 0.10 or more. An

increase in index of 0.10 corresponds to an increase in ADT of between 20 and 30 percent. The TIRE index was applied to Sonia Way and Victor Way. According to the TIRE index, 290 trips could be added to Sonia Way and 114 trips could be added to Victor Way before residents would perceive a change. The proposed project would add approximately 69 daily trips to Sonia Way and 43 trips to Victor Way. According to the TIRE index, it is unlikely that residents along Sonia Way and Victor Way would notice an increase in traffic as a result of the proposed development on a daily basis.

The project requires the implementation of a Transportation Demand Management (TDM) Program which provides incentives for alternate modes of transportation. Condition of Approval No. 61 requires a public transit subsidy for all new apartment renters for their first year of residency of up to \$300 per year per unit (\$25 per month of rent) and for all employees of the commercial tenant spaces of up to \$300 per year for each employee (\$25 per month) for 55 years.

Open Space and Landscaping

The proposed project conforms to minimum open space requirement of 40 percent in the El Camino Real Precise Plan. The open space for the residential units is predominately located along the southwestern portion of the property and includes a community room; fitness center; citrus garden; raised edible garden planter beds; barbecue facilities; fire pit; and several outdoor seating, dining, and lounging areas.

The public plaza at the corner of El Camino Real and Castro Street, the public alley, and the El Camino Real frontage include a mixture of raised planters, ground-level planters, planter pots, and trees arranged to provide a well-planted landscape palette which utilizes low-water-use plant materials and region-appropriate plant and tree selections.

Trees

An arborist report was prepared by a certified arborist at HortScience, Inc., to evaluate and categorize the existing trees on-site. There are a total of 23 trees in the project, including 9 trees off-site which have canopies that overlap the project site. Ten (10) of the 23 trees are considered Heritage trees and 5 are considered public street trees. The trees currently range in health from good to moderate. The project proposes to remove three Heritage privet trees as part of the project due to their location within the proposed building footprint and the remaining 7 Heritage trees would be preserved. Relocation of the three privet trees is not recommended as they are generally an undesirable tree due to their invasive characteristics. One hundred ninety-seven (197) trees are proposed to be planted as part of the project, including new street trees along both the public street frontages and the public alley, and a “tree hedge” along the

western boundary of the site adjacent to the existing single-family and multi-family residences. The designated Castro Street tree (Chinese pistache) is proposed along both sides of the sidewalk along the entire Castro Street frontage which would provide a continuous tree canopy over the public sidewalk. The existing tree canopy coverage of the site is 9 percent and after 10 years of growth, the anticipated canopy coverage will be 24 percent.

Community Benefits

The El Camino Real Precise Plan includes a requirement for community benefits as part of projects which request to develop above a 1.35 FAR. The value of the community benefits should be a minimum of \$20 per square foot over 1.35 FAR, which for this project is approximately \$1,019,000. The type and amount of community benefits provided is at the discretion of the City. The applicant has proposed commercial tenant relocation and a decreased rent rate program as the community benefit for this project. The program includes: all temporary relocation costs for four of the tenants to a location in the vicinity during construction (Tanya's Hair Design, Le's Alterations, Peet's Coffee & Tea, and Sufi Coffee Shop and Cultural Center); a monthly payment to Rose's Market while they are closed during the construction of the project; the tenant improvement costs of the new commercial spaces in the project once constructed; and minimum 10-year lease rates to all the commercial tenants at or close to their existing lease rates. The valuation of the proposed community benefits is \$3.7 million dollars, which exceeds the community benefit requirement of the El Camino Real Precise Plan by approximately \$2.7 million dollars.

Below-Market-Rate (BMR) Requirement

The current Rental Housing Impact Fee is \$10.26 per net new habitable square foot, which for this project would be approximately \$1,379,621 for 134,466 net new square feet and represents approximately 7.5 units. Condition of Approval No. 56 requires the payment of the Rental Housing Impact Fee.

ENVIRONMENTAL REVIEW

EIR Process

EIRs provide information to local decision-makers and the general public regarding the potential significant environmental impacts of a proposed project and how to mitigate them. The 801 El Camino Real West Mixed-Use Project Draft EIR provides the environmental review appropriate for the project in accordance with the California Environmental Quality Act (CEQA) Guidelines. Prior to approving the 801 El Camino

Real West mixed-use project, the City Council must decide whether to certify the EIR. According to CEQA Guidelines, certification consists of three separate steps. The Council must: (1) conclude the document has been completed in compliance with CEQA; (2) review and consider the information contained in the Final EIR prior to approving the project; and (3) confirm the Final EIR reflects Council's independent judgment and analysis.

In accordance with CEQA Guidelines, a Notice of Preparation (NOP) was circulated to the public and responsible agencies on November 22, 2013 for input regarding the analysis in the EIR. The Draft EIR was circulated for public review for a 45-day comment period which commenced on July 30, 2014 and ended on September 15, 2014. Staff received six comment letters on the Draft EIR and has provided a response to these comments in the Final EIR document (see Attachment 1—Resolution Approving EIR, CEQA Findings, and Mitigation Monitoring and Reporting Program).

Final EIR

Copies of the response to comments, which together with the Draft EIR comprise the Final EIR, were made available to the public on October 31, 2014. The City received six written comment letters on the Draft EIR. A response to each comment are included in the Final EIR, which is attached to this report (see Attachment 1—Resolution Approving EIR, CEQA Findings, and Mitigation Monitoring and Reporting Program). Staff received a response to the Final EIR response to comments from the Department of Transportation which is attached (see Attachment 9—Department of Transportation Response to Final EIR Response to Comments).

EIR Conclusion

The EIR includes project-level mitigation measures that will reduce all potential environmental impacts from the project to less-than-significant levels and the mitigation measures have been included as conditions of approval in the project and the mitigation monitoring program.

FISCAL IMPACT

The City's share of the County of Santa Clara property taxes is currently approximately \$14,366 per year. If the site were redeveloped with the proposed project, the City would receive approximately \$104,000 in property tax revenue per year, or a net increase of \$89,634.

The project is subject to the City's BMR Ordinance, specifically the Residential Housing Impact Fee. Payment of the required BMR In-Lieu Fee on the net new square footage would result in an estimated payment to the City of \$1.4 million.

The estimated Park Land Dedication In-Lieu Fee for the 164 residential units is \$4.7 million.

CONCLUSION

The EPC found that the project is consistent with the El Camino Real Change Area in the 2030 General Plan and the recently adopted El Camino Real Precise Plan. The EPC supported the project design, including finding that the project provides ample common useable open space and on-site amenities for residents; appropriate height transitions; adequate setbacks; adequate parking for residents, guests, and commercial tenants; and provides the space and economic assistance to allow five existing tenants to remain on the site after redevelopment. The EPC unanimously recommended approval of the EIR, zone change, and development project.

ALTERNATIVES

1. Do not adopt the EIR, finding that it is not adequate (if this alternative is followed, the rezoning and project cannot be approved).
2. Adopt the EIR, but do not adopt the P District rezoning, finding that the proposed site is not physically suitable for the 1.84 FAR (if this alternative is followed, the project cannot be approved).
3. Adopt the EIR, zone change, and project, but with modified conditions of approval.
4. Refer the project back to the EPC for reconsideration of topics related to the EIR, zone change, or development project.
5. Provide other direction.

PUBLIC NOTICING

The meeting agenda and Council report were posted on the City website and announced on cable television Channel 26. All property owners within a 1,000' radius and other interested stakeholders were notified for this meeting.

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SW-GB/7/CAM
818-12-09-14CR-E

- Attachments:
1. Resolution Approving EIR, CEQA Findings, and Mitigation Monitoring and Reporting Program
 2. Ordinance Amending the Zoning Map
 3. Resolution Conditionally Approving a Planned Community Permit, Development Review Permit, and Heritage Tree Removal Permit
 4. Project Plans
 5. [EPC Study Session Report, September 11, 2013](#)
 6. [Council Study Session Report, September 24, 2013](#)
 7. [Council Study Session Report, January 21, 2014](#)
 8. [EPC Public Hearing Report, December 3, 2014](#)
 9. Department of Transportation Response to Final EIR Response to Comments