



COUNCIL REPORT

DATE: March 13, 2025

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **Single-Family Residential Development with 22 Units at 301, 309, 317, and 323 Moorpark Way and 301 Sylvan Avenue**

RECOMMENDATION

1. Adopt a Resolution of the City Council of the City of Mountain View Conditionally Approving a Development Review Permit and a Special Design Permit to Redevelop the Project Site by Removing an Existing Single-Family Home, a Vacant Private School, and a Commercial Building to Construct 22 Single-Family Units Utilizing State Density Bonus Law, and a Heritage Tree Removal Permit to Remove 26 Heritage Trees on a 2.51-Acre Site at 301, 309, 317, and 323 Moorpark Way and 301 Sylvan Avenue (APN: 161-05-003, 161-05-004, 161-05-005, 161-05-006, and 161-05-007), and Finding that the Project is Exempt from Review under the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Section 15332 (“In-Fill Development”) and Section 15302 (“Replacement or Reconstruction”), to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Conditionally Approving a Vesting Tentative Map to Combine Five Existing Parcels and Create 27 Parcels, Including 22 Residential Parcels and Five Common Parcels on a 2.51-Acre Lot at 301, 309, 317, and 323 Moorpark Way and 301 Sylvan Avenue (APN: 161-05-003, 161-05-004, 161-05-005, 161-05-006, and 161-05-007), to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

Project Location: 301, 309, 317, and 323 Moorpark Way and 301 Sylvan Avenue (APN: 161-05-003, 161-05-004, 161-05-005, 161-05-006, 161-05-007), on the southwest corner of Moorpark Way and Sylvan Avenue.

Project Lot Size: Approximately 2.51 acres.

General Plan Land Use Designation: Low-Density Residential.

Zoning Designation: R1-10sd (Single-Family Residential/Special Design).

Surrounding Land Uses:

- West: St. Stephen Lutheran Church (across Moorpark Way).
- North: One-story single-family residence (across Moorpark Way).
- East: New Frontier mobile home park (across Sylvan Avenue).
- South: One-story single-family residences adjacent to the project site.

Current Site Conditions: Vacant buildings, including a single-family home, a private school, and a one-story commercial building.

Applicant/Owner: Dividend Homes, Inc.



Figure 1: Location Map

Project Overview

The proposed project includes the construction of 22 single-family homes, replacing an existing vacant single-family home, a vacant private school, and a vacant commercial building. The project also includes a Vesting Tentative Map to re-subdivide five existing parcels into the newly created 22 residential parcels and five common lot parcels (see Attachment 3—Project Plan).

The site layout features 22 two-story single-family homes, each with a front yard and driveway accessed from a private street connected to Sylvan Avenue. The unit mix consists of one three-bedroom unit, 12 four-bedroom units, and nine five-bedroom units ranging in size from approximately 2,900 square feet to 4,900 square feet. A total of 16,531 square feet of common open space with landscaping is provided along the project perimeter and the proposed private street. The project provides 44 covered parking spaces—two per unit—even though the site is less than one-half mile to the Whisman Light Rail Station and no minimum parking is required.

Density Bonus Request: The base density for the project site is 16 units. Under State Density Bonus Law (Gov. Code, § 65915 *et seq.*), by providing two very low-income units (12% of the base project of 16 units), the project qualifies for a 38.75% density bonus (seven additional units), reduced parking standards, two regulatory incentives/concessions, and waivers of development standards that physically preclude development at the proposed density. The developer, Dividend Homes, Inc., will provide two on-site, very low-income units, and has requested six density bonus units and 16 waivers of R1 Zoning District development standards. Details of the requested waivers are discussed later in this report.

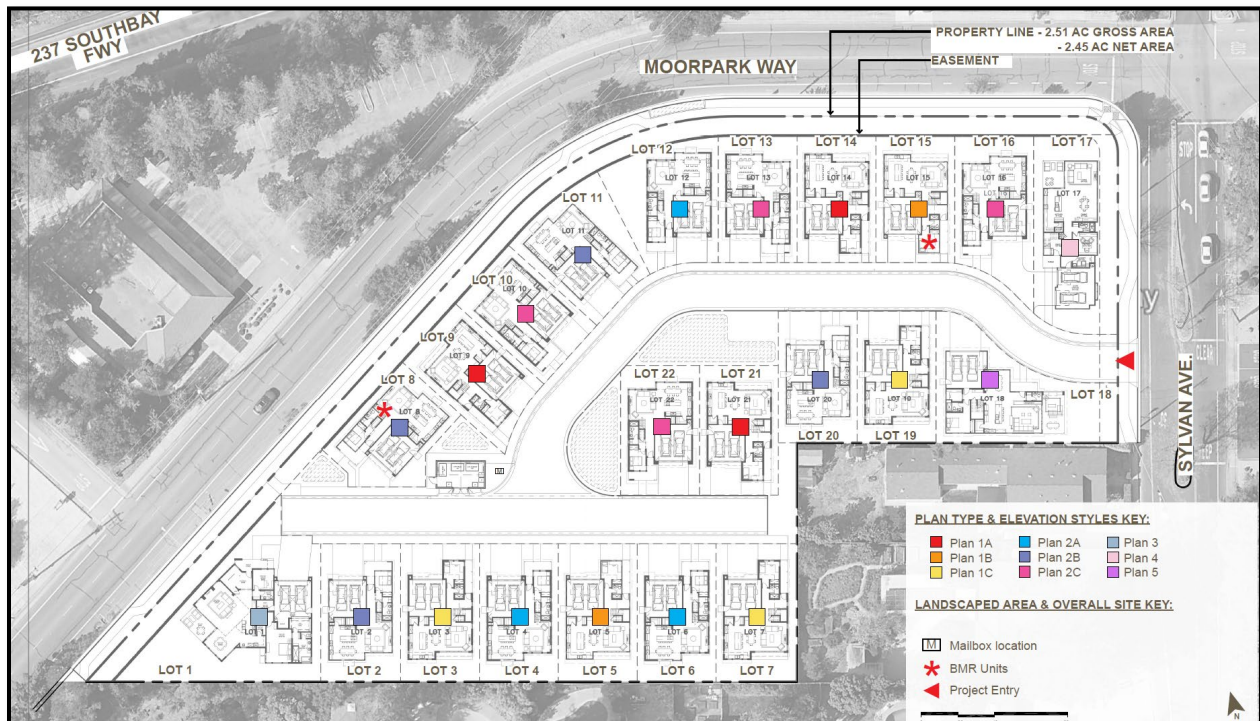


Figure 2: Site Plan

Prior Public Meetings and Hearings

Design Review

The project design was reviewed at a Development Review Consultation (DRC) meeting on June 5, 2024. The DRC provided design input which would enable the preservation of additional Heritage trees while also providing general guidance to improve the design and architectural details of the buildings visible from Sylvan Avenue and Moorpark Way. Two members of the public raised concerns about additional traffic generated with the project and the proposed removal of Heritage trees at the meeting.

Subsequently, the applicant worked with staff to refine the project design and incorporate some of the design comments from the DRC meeting. Key modifications include improving the sidewalk design and relocating utility boxes to preserve more existing trees along Moorpark Way and Sylvan Avenue. Additionally, to enhance the street presence, the applicant refined the first-floor design of the corner lots along Sylvan Avenue by incorporating improved rooflines and facade treatments, ensuring a cohesive and visually engaging streetscape.

Neighborhood Meeting

The applicant hosted an in-person community meeting on August 14, 2024, at St. Stephen Lutheran Church to introduce the project and gather feedback from the community; 53 members of the public attended the meeting. Participants raised several questions regarding the City's procedures, traffic, removal of Heritage trees, and the project design.

Administrative Zoning and Subdivision Committee Meeting

The development project was reviewed by the Zoning Administrator and the Subdivision Committee at a joint public hearing on February 12, 2025 (see Attachment 5—[Administrative Zoning Hearing, February 12, 2025](#)), where the project was recommended for approval to the City Council with one modification to Condition of Approval (COA) No. 22 requiring the applicant to consider additional landscaping in between the project site and adjacent single-family neighbors. Prior to the meeting, staff received three public comment letters expressing concerns with the reduced setback, fencing, privacy protection, increased traffic, overflow parking, and building color scheme (see Attachment 6—Public Comments). At the hearing, 12 members of the public spoke on the item raising concerns about increased traffic in the area, limited emergency access to the project, inadequate parking provided with the development, the impact of only one access point to the project from Sylvan Avenue, the proposed removal of Heritage trees, the decreased setbacks, and adding more customers to the already constrained Pacific Gas and Electric (PG&E) grid.

ANALYSIS

The site has a General Plan Land Use Designation of Low-Density Residential (one to six dwelling units per acre) and is located in the Grant/Sylvan Park Planning Area. The proposed project is consistent with the General Plan designation, which allows for detached, single-family houses and similar uses with a quiet living environment, and complies with the following General Plan Policies:

- **LUD 3.5: Diversity.** Encourage residential developments serving a range of diverse households and incomes.

The project provides one four-bedroom single-family residence and one five-bedroom single-family residence as the proposed affordable units aimed at very low-income households. This housing type is a rare addition to the City's Below Market Rate (BMR) inventory and can provide much needed housing for a larger low-income family.

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

The project proposes a 22-unit single-family development which is consistent with the surrounding neighborhood that is primarily developed with single-family and mobile home housing at similar densities.

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

The proposed site plan features units facing an interior private street off Sylvan Avenue, with access and front yards along the private street. To reduce the noise exposure for future residents, a 7' sound wall is proposed along the frontage of Moorpark Way. Trees and landscaping are also proposed along the Moorpark Way frontage to create a natural buffer transition to the adjacent neighborhood. Lot No. 17 and Lot No. 18, located at the entrance of the private street, have a street presence on Sylvan Avenue and are designed to incorporate features such as distinctive usable porches and stepped-down rooflines oriented toward Sylvan Avenue to create a gentle transition to the nearby neighborhood. To further enhance the street presence, the design incorporates varied materials to break up the visual mass of long facades, landscaping with bushes and trees in the street setback areas, and decorative front yard fencing along Sylvan Avenue.

- **LUD 6.5: Pedestrian and bicycling improvements.** Support pedestrian and bicycling improvements and connections between neighborhoods.

The project enhances pedestrian accessibility by incorporating a sidewalk along the north side of the proposed private driveway. This feature provides a convenient pedestrian connection between Sylvan Avenue and Moorpark Way which creates connectivity within the neighborhood.

Zoning

The project site is located in the R1-10sd (Single-Family Residential/Special Design) Zoning District, which allows single-family houses up to two stories. The project complies with the R1 Zoning District development standards with exceptions to certain development standards permitted through waivers requested under State Density Bonus Law.

Table 1 below compares the project proposal to the R1 Zoning District requirements where development standards are met. Deviations from the development standards are requested and permitted pursuant to State Density Bonus Law, as shown and discussed later in this report.

Table 1: Project Compliance with the R1 Development Standards

Standard	Requirement	Proposed
Density (Units/Acre)	6	9*
Building Height (Two Story)	28' (maximum)	28'
Top of Wall Plate Height		
First Floor	15' (maximum)	10'-6"
Second Floor	22' (maximum)	20'-4 3/4"
Minimum Vehicle Parking	Per Assembly Bill (AB) 2097 , no minimum parking spaces required	2 covered spaces per unit (Total 44 spaces)

* Allowed under State Density Bonus Law.

The project site is located within the Special Design (SD) Combining Zoning District, which provides flexibility in applying development standards to address environmental hazards, unique parcel characteristics, or other site-specific challenges. Parcels adjacent to highways or major roadways within this district may deviate from the development standards of the underlying zoning district. Special design considerations are necessary for the proposed project due to its proximity to State Route 237 and the associated on-ramp.

As per City Code Section 36.60.27 (Definitions—"Lot line, front"), for lots running through from one street to another, both lot lines shall be construed to be front lot lines, and the lot may have

no rear lot line. The proposed Lot Nos. 9 through 17 runs through two streets (Moorpark Way and the newly proposed private street). The proposed project is designed with the rear frontage along Moorpark Way and, therefore, does not meet this standard.

This special design consideration to allow the rear property line along Moorpark Way is needed in this case because the project site does not have abutter's rights to Moorpark Way, which would not allow the parcels direct access to the roadway. The proposed siting of these lots with the special design considerations also ensures the proposed project complements the character of the existing neighborhood and aligns with the existing street frontage. Other similarly situated existing single-family homes on Moorpark Way have fenced rear yards along the street, making this common in the neighborhood.

To reduce noise exposure from State Route 237 and enhance livability for future residents, the project includes a 7' sound wall along the perimeter of the property adjacent to Moorpark Way. The sound wall is designed to reduce traffic noise and create a quieter residential environment. Perimeter landscaping is also incorporated to provide visual screening and soften the transition between the development and surrounding areas.

The rear yard designation along Moorpark Way and the sound wall design features help make the proposed development compatible with existing neighborhoods in the surrounding area.

State Density Bonus Law Request

State law imposes a mandatory density bonus program (Gov. Code, § 65915 *et seq.*) that requires a city to permit the construction of additional residential units and, if requested by the applicant, provide reduced parking standards, regulatory incentives/concessions, and waivers to developers that agree to build a certain percentage of affordable housing that meets the statutory criteria (Gov. Code, § 65915(b)(1)). The project's base density is 16 units, and the developer is proposing that 12% (or two) of the 16 units be available to very low-income households, qualifying the project for a 38.75% density bonus, which allows seven additional units over the base density of 16 units for a maximum allowable residential density of 23 units. While the project qualifies for a seven-unit density bonus, the project proposes to utilize only six bonus units.

Waivers

Under State Density Bonus Law, the City is required to waive or reduce any development standard that would have the effect of physically precluding the construction of a development at the density permitted. The applicant is requesting waivers of R1 Zoning District development standards and a waiver of the Planned Unit Development Permit requirement, which is required for projects that do not meet the minimum public street frontage requirement (35") in the

R1 Zoning District. The density bonus letter submitted by the applicant (See Attachment 4— Density Bonus Request Letter) identifies the 16 requested waivers and provides a detailed explanation of how adherence to specific standards would otherwise physically preclude the construction of the development.

Staff is supportive of the requested waivers because the proposed project could not be constructed under full code compliance without a reduction in the proposed number of units/density. The following table compares the project proposal with the R1 Zoning District development standards and highlights the waivers requested under State Density Bonus Law.

Table 2: Density Bonus Waivers/Reductions of Development Standards

Standard	Requirement	Proposed
Floor Area Ratio	0.45 (maximum)	1.04
Lot Size (Square Feet)	6,000 (minimum)	2,840
Lot Width (Corner)	70' (minimum)	45'-9"
Lot Width (Interior)	60' (minimum)	43'
Setbacks		
Front Setback—First Floor	20' (minimum)	5'
Front Setback—Second Floor (wall over attached garage)	5' (minimum)	0'
Side Setback—First Floor	5' (minimum) on one side, 10' (minimum) total on both sides	4' on one side, 8' total on both sides
Side Setback—Second Floor	5' (minimum) on one side, 12' (minimum) total on both sides	4' on one side, 8' total on both sides
Rear Setback—First Floor	15' (minimum)	5'
Rear Setback—Second Story	20' (minimum)	5'
Landscaping in Required Front Yard	50% (minimum)	26%
Projection Distance into Required Front Setback	3' (maximum)	15'
Projection Distance from Rear Property Line	10' (minimum)	3'-6"
Length of Private Driveway	20' (minimum)	5'
Public Street Frontage	35' (minimum)	None**

** All lots are accessed via the shared private street and a total of 10 (out of 22) lots do not have direct frontage on a public street.

Proposed Site Plan

The proposed project consists of 22 two-story single-family homes arranged along a T-shaped, 21'-wide shared private street which provides two-way access for all units, with a single entrance located on Sylvan Avenue as the primary access point for the development.

During the project's review process, the applicant elected to forego adding a second project entrance from Moorpark Way, due to the following site constraints:

- **Partial Access Restriction:** Due to the California Department of Transportation (Caltrans) Highway 237 off-ramp located across Moorpark Way from the site, per Caltrans safety requirements, the property has abutter's rights restrictions along approximately 125' of the project's westernmost Moorpark Way frontage. This means the property is prohibited from having direct vehicular access (entry or exit) along this specific section of Moorpark Way due to Caltrans having full control of this intersection.
- **Moorpark Way Curvature:** Separate from the abutter's rights restrictions, the project does have access to Moorpark Way; however, the curvature of the roadway along a significant portion of the property may prevent a new entrance from meeting required sight distance standards for safe access as driver visibility may be obstructed. Any Moorpark Way access (entrance and/or exit) to the new on-site street would need to be evaluated, though the applicant elected to not provide access to Moorpark Way and staff has not evaluated this alternative. Providing a Moorpark Way access would result in major changes to the site planning configuration and a potential unit loss as explained in the next paragraph.
- **Unit Loss:** Accommodating a new entrance on Moorpark Way would require the applicant to make significant site modifications to multiple units and may have the potential to result in the loss of one unit. Under State Density Bonus Law, the City may only review an eligible project as proposed and cannot impose development standards that would have "the effect of physically precluding the construction of a development" meeting the criteria of the Density Bonus Law.

Therefore, due in part to site constraints and in part to State Density Bonus Law as described above, and the fact that the proposed single entrance on Sylvan Avenue meets the City's access requirements, the new private street will have Sylvan Avenue access only.

The proposed shared private street also facilitates internal circulation ensuring efficient vehicular and emergency vehicle movement consistent with the California Fire Code throughout the site. Pedestrian access is provided through a 5' wide walkway on the north side of the private street, connecting Sylvan Avenue to Moorpark Way, to enhance walkability within the site.

Each unit includes a front yard with direct access to the private street. A common trash enclosure and designated common open space are situated at the corners where the private street splits. Although common open space is not required for single-family developments, the project proposes 16,531 square feet of landscaped common open space and accommodates the stormwater treatment system on-site.

Landscaping is incorporated throughout the site, including along the private street and the site perimeter. Perimeter landscaping is designed to soften the appearance of the 7' sound wall, while additional landscaping enhances the visual character of the development.

Architecture and Building Design

The project design incorporates traditional architectural styles and employs elements such as porches and corbels, trellises, and gable, hip, and shed roof forms. The project utilizes a combination of exterior finishes such as stucco and horizontal lap siding, board and batten siding, accented by decorative stone veneer and cementitious panel siding, and composition shingle roof materials. Vertical massing breaks are provided on front elevations through roof eaves and applications of different materials.

The project includes two standard floor plans, with three additional custom floor plans for Lot No. 1, Lot No. 17 and Lot No. 18 due to the irregular shapes and sizes of these lots. Of the 22 lots, 19 feature two standard floor plans, strategically distributed across the site. Architectural diversity is achieved through variations in materials, roof designs, and front entrance styles, resulting in nine distinct building designs.

Trees

The project site contains 63 existing trees, including 33 Heritage trees and 30 non-Heritage trees. The project proposes to retain four Heritage trees and two non-Heritage trees, while relocating three Heritage trees on site. The project proposes to remove 26 Heritage trees and 28 non-Heritage trees due to poor health and conflict with the proposed development footprint or required improvements. A tree survey was completed for the project site by certified arborist Ray Morneau and reviewed by the City arborist. The arborist report found that 15 of the Heritage trees (Tree Nos. 4, 13 to 20, 38, 47, and 60 to 63) proposed for removal are in poor health. A total of nine Heritage trees (Tree Nos. 3, 5, 11, 21 to 24, 55, and 59) are in the developable area of the project site necessary for the build-out of the project. Two Heritage trees, though mature and in moderate condition, are situated too close to the future public sidewalk to be preserved. Additionally, 28 non-Heritage trees are proposed for removal as they are also within the proposed building footprints.

As part of the site plan revisions, the applicant worked with Planning Division, Public Works Department, and Urban Forestry Division staff to closely evaluate the health of existing trees and identify opportunities to preserve and relocate trees. From the initial proposal in 2023, five additional trees (including Coast redwood, Coast live oak, olive, and Chinese pistache trees) were identified as trees that could be saved by changing the design of a segment of the sidewalk, relocating an underground utility box from Sylvan Avenue to Moorpark Way, and refining the sound-wall construction details to avoid footings near the trees. Three existing trees (including one Coast live oak and two Coast redwood trees) were identified as suitable for relocation on-site.

As part of the project landscape plan, the applicant is proposing to plant 83 new 24" box trees, including 17 new street trees. Based on City's standard practice for a 2:1 replacement ratio for Heritage trees and 1:1 replacement ratio for non-Heritage trees, a total of 80 replacement trees would be required at typical replacement ratios. The proposed tree replacement proposal would exceed the typical replacement requirement by three trees. The resulting replacement trees are also anticipated to create a net gain of on-site canopy coverage over time as shown below.

Table 3: Tree Canopy Coverage

Canopy	Site Coverage
Existing Canopy	30.3%
New Canopy (Completion of Construction)	4.2%
New Canopy (5 years)	10.5%
New Canopy (10 years)	19.4%
New Canopy (at maturity)	34.0%

The project includes a comprehensive landscape program featuring approximately 24,000 square feet of new under-story plantings, with 79% consisting of California native species. Landscaping is planned for the front yards of each single-family home, within common open areas and along the site perimeter to provide a natural transition to the surrounding neighborhood.

Parking

As the project site is within one-half mile of a major transit stop, there is no minimum parking requirement for the project; however, the project has been designed (voluntarily) to include two-car garages for each residential unit. This approach not only accommodates the anticipated parking needs of future residents but also provides sufficient on-site parking to reduce potential impacts on surrounding neighborhoods.

Transportation

Multi-Modal Transportation Analysis

On June 30, 2020, the City Council adopted a Vehicle Miles Traveled (VMT) analysis methodology for development projects that requires transportation analysis Citywide in combination with requirements for a local-level analysis of multi-modal transportation impacts (including bicycle, pedestrian, and vehicle movements), referred to as a Multi-Modal Transportation Analysis (MTA).

The proposed project is estimated to generate one additional net new trip above the threshold indicated in the MTA Handbook and would qualify only for a small scope MTA that would focus primarily on-site access and circulation. Staff used professional judgment and engineering experience to evaluate the scope and location of the project in order to identify potential improvements that the applicant could implement to address safety and operational concerns with the proposed project design. The site design was revised to include the identified improvements and, therefore, staff did not require an MTA for this project.

Streetscape

The project is not part of a precise plan and has no designated streetscape design. However, continuous pedestrian access along the project street frontages is required.

The proposed project provides a 5' wide detached sidewalk and a 5' wide planter strip along Moorpark Way and a 6' wide detached sidewalk and a 5' wide planter strip along Sylvan Avenue. The planter strips will provide a landscape buffer with new street trees between the roadway and the new public sidewalk. To preserve two Heritage trees on Moorpark Way and one on Sylvan Avenue, sidewalk segments will meander to a monolithic sidewalk and then transition back to a detached sidewalk in a few areas.

To accommodate the new sidewalk design, the Moorpark Way right-of-way width will be expanded to 30' to the centerline on the project's Moorpark Way frontage, and the Sylvan Avenue right-of-way width will be expanded to 35' to the centerline on the project's Sylvan Avenue frontage. The new curb lines align with the existing curb at each end of the project to ensure a smooth connection between the proposed detached sidewalk and the existing monolithic sidewalk.

The project also proposes a single 21' wide private street off-of Sylvan Avenue, designed to provide full access to the project. The private street aligns directly opposite of an existing driveway across Sylvan Avenue, which allows for easier access and better sight lines for drivers.

The intersection places the private street for the project as far as possible from the Moorpark Way/Sylvan Avenue intersection and provides the required sight distances per City Standards.

An existing median near the intersection of Sylvan Avenue and Moorpark Way will remain to separate northbound and southbound vehicles along Sylvan Avenue, enhancing traffic safety and flow and protecting existing street trees.

At the Moorpark Way and Sylvan Avenue intersection, a new bidirectional, Americans with Disabilities Act (ADA)-compliant ramp will be installed on the southwest corner, with two ramps at the corner. High-visibility crosswalks are in place on the Moorpark Way west leg and Sylvan Avenue south leg.

Tenant Relocation

Only one of the existing buildings on the site is a residential unit which has been vacant since 2009 and is not covered under the City's Community Stabilization and Fair Rent Act (CSFRA). Tenant relocation assistance under the City's Tenant Relocation Assistance Ordinance and SB 330 are not applicable.

Below-Market-Rate Housing

Percentage Requirement and Affordability Levels

The Mountain View Below-Market-Rate (BMR) Ordinance requires that ownership residential developments with seven or more units "shall include at least fifteen (15) percent of the total number of ownership dwelling units within the development as units affordable to moderate-income households" (City Code Section 36.40.10(b)(1)). Moderate-income households earn between 80% and 120% AMI (City Code Section 36.40.10(b)(1)) and are adjusted according to household size. The BMR Ordinance also requires "the affordable ownership units must be provided at a minimum of two (2) income levels" (City Code Section 36.40.10 (b)(1)).

The City's BMR Ordinance also states that projects utilizing State Density Bonus Law may be deemed compliant with the City's BMR Ordinance provided the project meets the stricter of the BMR program requirements and the State Density Bonus Law (City Code Section 36.40.10(i)).

Pursuant to State Density Bonus Law, this project is proposing to provide 12% of the maximum base density (16 units) to Very Low-Income households (50% AMI or less), which results in two very-low-income units.

As mentioned above, the City's BMR Ordinance requires that the project provide 15% (or 2.4 units) of the total units as affordable. If the calculation renders a fraction below 0.5, units

may be rounded down to the nearest whole number and the applicant is eligible to pay an in-lieu fee for the fractional portion (City Code Section 36.40.10(d)). In order to meet the City’s BMR Ordinance, the developer will deliver two units (also consistent with the State Density Bonus Law) and pay the BMR in-lieu fee of \$262,510.77 for the fractional unit.

The provision of two units at Very-Low-income levels, rather than Moderate-income levels, is permissible as it meets the stricter provisions of either the City’s BMR Ordinance or the provisions of the State Density Bonus Law.

Location and Design (Proportionality)

The City’s BMR Ordinance (City Code Section 36.40.10 (f)) also requires the affordable units to be reasonably dispersed throughout the project and have a distribution of units by number of bedrooms proportionate to the market rate units. The project proposal includes one four-bedroom unit and one five-bedroom unit. The table below compared the proposed BMR unit mix to the BMR unit mix required under the City’s BMR Ordinance.

Table 4: Proportionality of Affordable Units

Unit Mix	Total Units	Proposed BMR Units Mix	Required BMR Unit Mix
3 Bedrooms	1		
4 Bedrooms	12	1	1
5 bedrooms	9	1	1
TOTALS	22	2	2

Per the plan set submitted by the applicant, the units are proportional and have been dispersed throughout the project.

Homeowners Association Reserve Fund

The BMR Ordinance states, “the city does not allow BMR ownership units set at an income level lower than eighty (80) percent AMI to count toward a for-sale project's BMR requirements, unless a reserve is established that can be utilized by lower-income owners to fully pay for future expenses related to increases in homeowners association (HOA) fees or other assessments, such that the overall housing cost of homeownership is maintained at an affordable level” (City Code Section 36.40.10(b)(1)).

The applicant will be setting up an HOA reserve fund for both units set at 50% AMI. The City currently estimates \$139,950 will need to be deposited into the reserve fund for both units. The applicant will identify and contract an administrator to administer these funds. The reserve fund

shall be clearly defined in the project Covenants, Conditions and Restrictions (CC&Rs), including its purpose.

Subdivision Map

The proposed Vesting Tentative Map for the project includes 22 residential parcels and five common parcels for a private shared street and common open space on a 2.51-acre lot. On February 12, 2025, the Subdivision Committee reviewed the application and found it to be consistent with the General Plan Land Use Designation of Low-Density Residential (one to six units per acre). Staff finds that the project is consistent with the requirements of the Subdivision Map Act and the General Plan with incorporation of the draft conditions of approval (see Attachment 2—Resolution for Vesting Tentative Map).

Park Land Dedication In-Lieu Fee

The General Plan sets a goal for an expanded and enhanced park and open space system to meet current City needs for parks and open space based on population growth arising from new residential development. New residential subdivisions have a significant impact on the use and availability of park and recreation space and facilities. The project is located in the Sylvan-Dale Planning Area identified in the 2014 Parks and Open Space Plan as an area with a deficiency of 10.14 acres of park land for existing residents based on the General Plan standard of 3.0 acres of park land per 1,000 residents. The Sylvan-Dale Planning Area is currently developed with 9.05 acres of park land where 19.18 acres of park land are required to serve the current population. Therefore, the existing park land is not adequate to serve the existing, and proposed, area, and additional park facilities are necessary.

As a condition of approval, prior to issuance of any building permits or prior to approval of a final map, the applicant shall pay the Park Land Dedication In-Lieu Fee of \$53,820 for each net new market-rate residential unit (19 units) for a project total fee of \$1,022,580, based on a land valuation of \$7,800,000 per acre, in accordance with Chapter 41 (Park Land Dedication or Fees In Lieu Thereof) of the City Code. No credit against the Park Land Dedication Fee is allowed for private open space and recreational facilities.

ENVIRONMENTAL REVIEW

This project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15332 (“In-Fill Development Projects”) of the CEQA Guidelines. This exemption applies to projects that are consistent with the applicable general plan designation and all applicable General Plan policies, as well as with the applicable zoning designation and regulations. The project occurs within the City limits, is located on a project site of no more than five acres and is substantially surrounded by urban uses. The site has no value as habitat for

endangered, rare, or threatened species. The project would not result in any significant impacts related to traffic, noise, air quality, or water quality. Finally, the site can be served by all required utilities and public services because the project is located in an urbanized area surrounded by residential and service uses that is served by all needed utilities, including electricity, sanitary sewer facilities, storm drain facilities, and water, as well as all required public services, including Police and Fire services and public schools.

The project is currently served by Cal Water through an existing water line located within the public right-of-way. To support the proposed development, the existing water line will require an upgrade. This improvement is necessary to ensure compliance with fire service standards and will not involve a significant expansion of capacity. The utility upgrade qualifies as exempt under CEQA Section 15302 ("Replacement or Reconstruction") as the water line upgrade would be a replacement or reconstruction of existing utility systems and/or facilities, involving negligible or no expansion of capacity, and the upgrade work will result in no significant environmental impacts.

If Cal Water is unable to provide service for the proposed development, the project will connect to the City's existing water main, which is already available to adequately serve the site. In either scenario, the project site will be sufficiently served by water utilities, ensuring compliance with CEQA requirements. All aspects of the project, including utility upgrades, meet the criteria for categorical exemptions under CEQA, and none of the exceptions in CEQA Guidelines Section 15300.2 apply.

Vehicle Miles Traveled

On June 30, 2020, the City adopted a new transportation policy in compliance with Senate Bill (SB) 743, establishing Vehicle Miles Traveled (VMT) as the standard methodology for evaluating transportation impacts of new developments under CEQA. The policy includes VMT screening criteria, under which projects that meet these criteria are presumed to have a "less-than-significant" transportation impact, eliminating the need for further VMT analysis. If a project does not meet the criteria, a VMT analysis is required, typically conducted alongside a Multi-Modal Transportation Assessment (MTA).

This project meets the screening criteria based on being located in an area of low VMT, is compatible with surrounding development, does not require significant new utility improvements, and does not lead to residential displacement. Therefore, the project is

determined to be consistent with the City's VMT Policy and have a less-than-significant VMT impact.

FISCAL IMPACT

The City's current share of the County of Santa Clara property taxes from the project site totals approximately \$5,300 per year for the General Operating Fund (GOF). If the site were redeveloped with the proposed project, the City would receive approximately \$65,400 in additional GOF property tax revenue per year, for a total property tax revenue of \$70,700.

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

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

The project supports General Plan policies for neighborhood character and street presence, is consistent with the land use and development direction in the General Plan, and is in compliance with applicable provisions of the Zoning Code (as discussed above, the City must grant waivers or reductions of development standards that physically preclude development at the permitted density under State Density Bonus Law). The proposal promotes a well-designed development that is compatible and harmonious with surrounding uses and developments and is consistent with other existing, under-construction, and proposed projects in the area. The project adds ownership housing and does not displace tenants in rent-controlled units. The proposed subdivision, together with the provisions for its design and improvements, is consistent with the General Plan Land Use Designation of Low-Density Residential, the R1-10/sd (Single-Family Residential/Special Design) Zoning District, including all the requirements applicable to the property, and with the Subdivision Map Act. City staff, the Zoning Administrator, and the

Subdivision Committee recommend approval of the proposed project subject to the conditions of approval.

ALTERNATIVES

1. Approve the project with modified conditions of approval.
2. Refer the project back to the Zoning Administrator and/or Subdivision Committee for additional consideration.
3. Deny the project and adopt findings for denial.

PUBLIC NOTICING

The City Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. All property owners and tenants within a 750' radius and interested stakeholders were notified of this meeting.

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- Attachments:
1. Resolution for Development Review Permit, Special Design Permit, and Heritage Tree Removal Permit
 2. Resolution for Vesting Tentative Map
 3. Project Plan
 4. Density Bonus Request Letter
 5. [Zoning Administrator Hearing February 12, 2025](#)
 6. [Public Comments](#)