



# COUNCIL REPORT

**DATE:** October 25, 2022  
**CATEGORY:** Public Hearing  
**DEPT.:** Community Development  
**TITLE:** **Mixed-Use Development at 334 San Antonio Road**

## **RECOMMENDATION**

1. Adopt the Initial Study of Environmental Significance for the 334 San Antonio Road Mixed-Use Project and determine that the project is consistent with the San Antonio Precise Plan Final Environmental Impact Report and Mountain View 2030 General Plan and Greenhouse Gas Reduction Program Final Environmental Impact Report, pursuant to Sections 15162 and 15183 of the California Environmental Quality Act Guidelines (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Approving a Planned Community Permit and Development Review Permit for a New Five-Story Mixed-Use Development with 62 Residential Units and 2,000 Square Feet of Ground-Floor Commercial Space Above Two Levels of Underground Parking, Including a 50% State Density Bonus Request with Development Waivers and Concessions; and a Provisional Use Permit to Allow Rooftop Amenities Above the Third Floor at 334 San Antonio Road, to be read in title only, further reading waived (Attachment 2 to the Council report), and identify the Council-approved Below-Market-Rate option (with associated State Density Bonus Concessions request) of the two applicant-proposed options. Staff and the Environmental Planning Commission recommend Below-Market-Rate Option 2, as discussed in this report.
3. Adopt a Resolution of the City Council of the City of Mountain View Approving a Vesting Tentative Map for Condominium Purposes for 62 Residential Units and One Commercial Unit at 334 San Antonio Road, to be read in title only, further reading waived (Attachment 3 to the Council report).

## **BACKGROUND**

- **Project Location:** 334 San Antonio Road, on the southwest corner of San Antonio Road and California Street.
- **Project Site Size:** Approximately 0.62 acre.

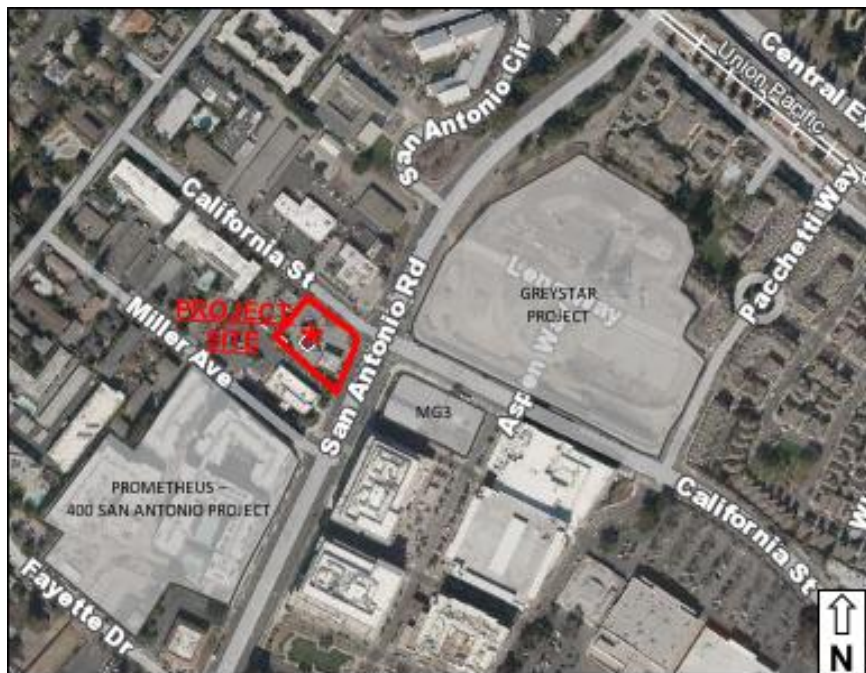
- General Plan Designation: Mixed-Use Corridor.
- Zoning Designation: P(40)—San Antonio Precise Plan (SAPP).
- Surrounding Land Uses: North—commercial uses (across California Street); south—bank and residential uses; east—commercial and residential uses (across San Antonio Road); and west—restaurant and residential uses.
- Current Site Conditions: Valero gas station (with auto repair service).
- Applicant/Owner: Mircea Voskerician for 334 San Antonio LLC.

### Project Overview

The project would redevelop the site with a new five-story, mixed-use development, which includes 62 residential ownership units and a 2,000 square foot ground-floor commercial space above two levels of underground parking. The unit mix includes 17 one-bedroom units and 45 two-bedroom for-sale condominium units (see Attachment 4—Project Plans).

The five-story building wraps around a small ground-level courtyard

oriented toward California Street with an adjacent community room. The ground-level commercial space fronts on San Antonio Road and has direct access to a small public plaza, partially within a covered arcade, at the corner of California Street and San Antonio Road. The public plaza area will include seating, landscaping, and art. Additional private open space is provided in a common rooftop deck, and each residential unit also has a deck/balcony or ground-level patio. Two floors of underground parking for the commercial and residential units are provided beneath the building and accessed from a driveway and garage ramp on California Street. The project includes a State Density Bonus request discussed in detail later in this report.



**Figure 1: Location Map**



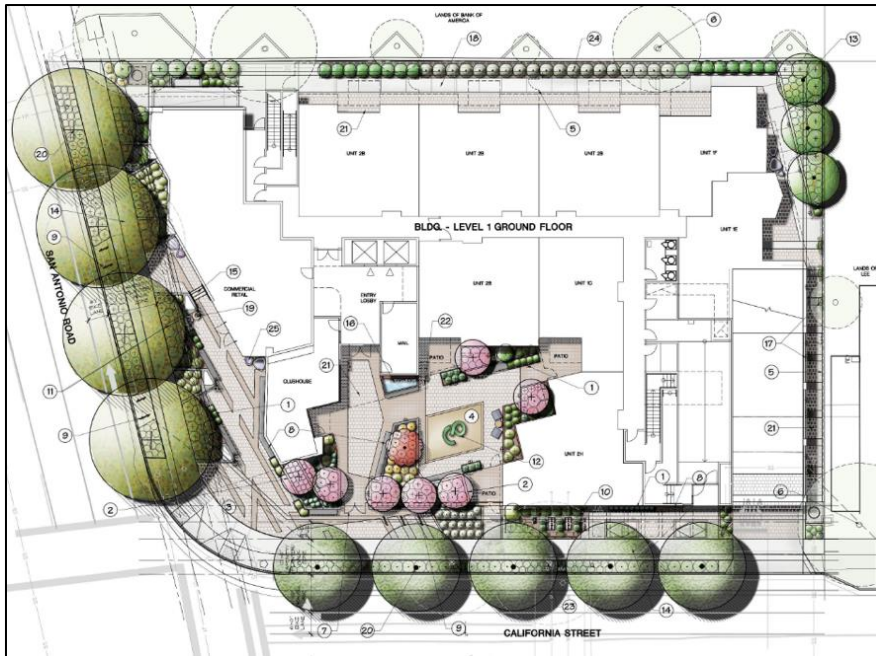


Figure 2: Site Plan

The building has a contemporary design, featuring warm wood panels and siding as the principal upper-floor residential material along with white and brown-grey stucco. The commercial frontage on San Antonio Road has a zig-zag pattern of transparent storefront glazing and an angular cornice, accented by a mix of white, gray, and green cementitious panels cut in angular shapes, some with grooves to provide additional shadow and texture.



Figure 3: View from San Antonio Road/California Street Intersection

The balance of the ground-floor building area employs a mix of the above-noted commercial and residential material/color palette. The main corner tower features a zig-zag pattern in the wood siding application and an angled roof to complement the commercial storefront and provide additional visual interest at a gateway intersection to the San Antonio Precise Plan (SAPP) area.

### **Prior Meetings and Hearings**

#### *Neighborhood Meeting*

The applicant hosted a virtual neighborhood meeting on November 19, 2021. There were approximately 10 attendees, including nearby residents and other stakeholders. Participants largely supported the project, highlighting the need for housing in the community, and complimented the design and at-grade bike parking room. The applicant answered questions about solar shading of windows, parking, tree removals, estimated completion timeline, and maximizing unit count through more, smaller units. No specific project concerns were identified.

#### *Development Review Committee*

The Development Review Committee reviewed the project at two meetings in December 2021 and June 2022, which included final recommendations to work with staff to refine the “white-framed bays,” public plaza art, ground-level unit entry patio (along California Street), wood-siding colors, simplified material application at key locations (i.e., ground-level along California Street, southwest building corner, etc.), tree canopy and landscape buffers, and planters above the garage ramp. Some of these items are addressed in the plans, and others are addressed in design conditions of approval to be reviewed through the building permit process.

#### *Environmental Planning Commission (EPC) Public Hearing*

On September 21, 2022, the EPC held a public hearing on the project (see Attachment 5—[EPC Report Dated September 21, 2022](#)), where the EPC voted unanimously to recommend adoption of the Initial Study of Environmental Significance and approval of the development project and vesting tentative map. The applicant and two members of the public spoke at the meeting.

The two members of the public who spoke at the meeting were generally supportive of housing projects. One of the speakers expressed concern about development impacts on construction workers—especially carpenters—and the need for area standard wages and other measures. The other speaker expressed concern that the project is incorrectly framed as a compliant development when it does not fully comply with the City’s Below-Market-Rate (BMR) Housing Program requirements (BMR Ordinance).

Two pieces of written correspondence were sent to the EPC ahead of the meeting (see Attachment 6—Public Comment). A letter from the League of Women Voters (LWV) expressed

support for the project, along with concerns about the three applicant-proposed State Density Bonus concessions. Partially in response to the LWV letter, the applicant submitted an additional (alternate) BMR proposal for EPC consideration at the public hearing.

The EPC evaluated the two BMR options presented by the applicant: the original project proposal and the alternate option (Option 2), which was provided by the developer shortly before the EPC hearing. Based on the limited information available, five Commissioners indicated they at least slightly favored Option 2 if the provided information was accurate and the BMR units were found by staff to be equitably distributed through the building. Two Commissioners felt there was not enough information available on the alternate option to reasonably compare the options and determine a preference. The EPC felt it would be best for Council to consider both BMR options with further definition of the alternate option by the applicant and analysis from staff.

Both BMR options and the accompanying State Density Bonus proposals are discussed later in this report, including analysis of their compliance with State Density Bonus Law and the City's BMR Ordinance as well as staff's recommended BMR option.

## **ANALYSIS**

### **General Plan**

The proposed project complies with the General Plan Land Use Designation of Mixed-Use Corridor, which allows for a broad range of commercial and residential uses and public spaces serving both surrounding neighborhoods and visitors from nearby areas at intensities of up to 1.85 floor area ratio (FAR) and heights up to four stories for the San Antonio area. The additional FAR and height proposed by the project is considered compliant, pursuant to the State Density Bonus request, as discussed later in this report.

### **Zoning**

The project site is zoned P(40)—San Antonio Precise Plan and meets the development standards and guidelines of the SAPP with approval of a Provisional Use Permit (PUP) for rooftop amenities above the third floor and FAR exemption detailed below, according to provisions in the SAPP. Other deviations from SAPP standards are permitted pursuant to State Density Bonus Law (SDBL) allowances, as discussed later in this report.

#### *SAPP Exemption from Floor Area Calculations*

The SAPP requires active space along the San Antonio Road frontage and defines a range of land uses and improvements that qualify as ground-level interior or exterior active space. The project complies with this requirement by providing commercial tenant space with a transparent storefront and a residential community room as well as exterior design elements, such as the

small public plaza, public art, a landscaped partial arcade with pathways, seating to enrich the pedestrian realm, and additional planting areas along the sidewalk on San Antonio Road.

The project complies with SAPP requirements for active spaces but includes a request to exempt the 2,000 square foot commercial tenant space from the project's FAR calculations. The SAPP reserves this exemption for developments that preserve existing on-site businesses as part of the new development or provide space to relocate small businesses from elsewhere in the City. Under the SAPP, this exemption applies to "up to 7,500 square feet of building area, for one or more qualifying businesses such as nonprofit organizations, other culture/public service providers and existing neighborhood-serving retail businesses providing goods and services to residents in the surrounding area and generally excluding businesses with multiple regional, Statewide, and/or national locations."

The applicant is aware of and proposes to comply with the requirements of the SAPP, which are addressed in Condition of Approval No. 4 for the project (see Attachment 2). The project would not comply with maximum FAR allowances, inclusive of the State Density Bonus area, if the FAR exemption is not approved. The exemption applies only to the FAR calculation for the project. The commercial square footage is not exempt from the public benefit program requirements and any other fees/requirements based on project square footage.

Staff recommends approval of this FAR exemption request because the ground-floor commercial space is important to help create an active pedestrian frontage and will provide dedicated space for existing small businesses and/or nonprofit uses in Mountain View.

#### *Provisional Use Permit*

The project includes a common roof deck above the fifth floor, which requires PUP approval as required by the SAPP for any rooftop amenities above the third floor. The PUP is intended to facilitate discretionary review of the location and design of such improvements, with the aim of limiting off-site impacts. The proposed roof deck is centralized on the building roof and oriented toward California Street, which means it will be inset from any building wall located closer to existing/future residential interfaces.

Staff supports the proposed amenity as it is sensitively located and helps the project to be in closer compliance with open space requirements. Currently, the project provides approximately 75% of the SAPP-required common open space as permitted, pursuant to State Density Bonus Law waivers/reductions of development standards. Without the proposed roof deck, the project would only provide roughly 42% of the required residential open space for the project.

## **Trees and Landscaping**

An arborist report was completed for the project by Kiely Arborist Services, LLC, and reviewed by the City arborist. The tree survey evaluated existing trees for health and preservation suitability, the latter of which took into consideration the trees' age, health, structural condition, and proximity to the proposed project improvements. The report analyzed the site's three existing street trees: two liquidambar trees on California Street and one London plane tree on San Antonio Road, as well as off-site trees located on the adjacent bank and restaurant sites. The existing site is almost entirely paved or occupied by building areas utilized by the currently operating service station, and there are no other trees located on the project site.

The project includes removal of the three existing street trees, due to a combination of health, proximity to utilities/streetscape improvements implementing pedestrian-oriented features required by the SAPP, and/or nonsuitability for transplantation. None of the trees are California natives or specimen tree species pursuant to the City's Protection of the Urban Forest Ordinance. The development is not anticipated to impact the off-site trees on the bank and restaurant sites and will follow tree protection measures applied through project conditions of approval.

The proposed development will incorporate significantly more trees, landscaping, and open space than exist today, including nine new 36" box street trees (five along California Street and four along San Antonio Road) as well as 24 new on-site trees primarily located within the central courtyard and roof deck areas. Because the development is built over two levels of underground parking, a majority of the on-site planting areas will occur within podium planters, which can limit the growth potential of proposed trees. A condition of approval has been placed on the project to ensure a minimum of 75% of the proposed tree and plant species will be California natives.

The on-site tree canopy coverage is expected to exceed existing conditions over all phases of tree growth, as shown in the Table 1 below. Some additional on-site canopy is expected from the new street tree plantings provided by the project and adjacent trees on neighboring properties, but this area is not included in enclosed canopy data (existing or future tree canopy).

**Table 1: Tree Canopy Coverage**

<b>Coverage Canopy</b>	<b>Site Coverage</b>
Existing	0%
New After Five to 10 Years	4%
New After 15 Years (~Full Growth)	6%

### **State Density Bonus Law (SDBL) Request**

Based on the EPC recommendation, the project Density Bonus request now includes two potential BMR unit options for Council consideration:

- **Original Project (BMR):** The original project proposal includes a total of 13 affordable units (10 low-income units and three moderate-income units).
- **BMR Option 2:** The alternate option that the applicant proposed to the EPC includes a total of 10 low-income units, with more two-bedroom units than the original proposal, and adjustments to BMR unit locations.

**Under both proposals, the 10 low-income (80% of area median income (AMI)) units qualify the project for a 50% State density bonus, which is the maximum allowed for this project type under SDBL.** For reference, the SAPP limits new residential and mixed-use development in the Mixed-Use Corridor subarea to 1.85 FAR, consistent with the applicable General Plan land use designation, and with provision of a public benefit program proposal. Based on the methodology in the City’s Density Bonus Program Guidelines, a 1.85 FAR project at this site would result in a 41-unit “base project.” The base project density is the datum point for identifying inclusionary (BMR) units for the project per the City’s BMR Ordinance; however, pursuant to the City’s Density Bonus Ordinance and Administrative Guidelines, the 50% State Density Bonus is applied to the 1.85 FAR allowed by the SAPP for the project, allowing an approximately 2.78 FAR project.

**Pursuant to provisions of the SDBL, the project also qualifies for three concessions, unlimited development standard waivers, and alternate parking standards.** The project proposal includes three concessions, six development standard waivers, and use of the SDBL parking standards, as described below and in the applicant’s density bonus letters (see Attachment 7—Density Bonus Letter, Original Project and Attachment 8—Density Bonus Letter, Option 2). More detailed information on the project’s compliance with SDBL and BMR Ordinance regulations for each BMR Option, including proposed SDBL concessions, is discussed later in this report.

#### *SDBL Waivers*

The 50% State density bonus allows the project to construct 21 additional units by providing for roughly 25,000 additional square feet of building area (up to a maximum of about 2.78 FAR, versus the SAPP-allowed 1.85 FAR). The project complies with the roughly 2.78 FAR maximum if the FAR exemption of the commercial unit square footage is allowed per the SAPP (as discussed above).

The six requested waivers from development standards, which are allowed by SDBL as needed to physically construct the density bonus project, are summarized in Table 2 below. The State Density Bonus project could not be constructed without these development standard



waivers/reductions as full code compliance would generally require a reduction in density bonus area.

**Table 2: Density Bonus Waivers (Reductions) of Development Standards**

Standard	Requirement	Proposed
<b>Building Height</b>	Four stories/55' (maximum)	Five stories/65' to 78'
<b>Frontage Line Setbacks</b> <i>(The frontage line is the public street curb line of public streets.)</i>	San Antonio Road: 18' (minimum) California Street: 24' (minimum)	18' (minimum) 19'6" (minimum)
	Building floors >55': An additional 10' setback for 80% of the frontage	8'
<b>Retail Space Depth</b>	40' (minimum)	27.4' (average)
<b>Common Open Space</b>	175 square feet per unit	131 square feet per unit
<b>Raised Entries along Street Frontage(s)</b>	Units along public streets must have direct entries, raised 2' to 5'	One unit entry, raised 9.6"

*SDBL Parking Standards*

The project also utilizes the parking standards in the State Density Bonus regulations, which restrict the City from requiring more than one-half parking space per unit with no guest parking requirement, in lieu of the City's parking requirement of one parking space per studio/one-bedroom unit and two parking spaces per two-bedroom or large unit. **This means the City can only require 31 parking spaces for the residential portion of the development, in addition to the 20 commercial parking spaces.** The applicant is proposing 77 parking spaces for the residential units and 20 spaces for commercial uses for a total of 97 parking spaces for the project. Additionally, 10 of the commercial parking spaces will be made available to residential guests outside business hours.

**State Density Bonus Law and City BMR Ordinance Compliance**

In order to comply with State Density Bonus Law and the City's BMR Ordinance, the applicant has proposed two BMR options, as described in Table 3 and Table 4 below. State law expressly states that affordable units are inclusive, meaning each affordable (BMR) unit can count toward both State Density Bonus and local BMR Ordinance requirements, as long as affordability levels are satisfied.

**Both applicant-proposed BMR options comply with SDBL to qualify for a 50% density bonus. Both BMR options partially comply with the City's BMR Ordinance, with deviations from certain City requirements allowed by provisions of SDBL through applicant-proposed concessions, which are also summarized in Tables 3 and 4 and further analyzed below.**

**Table 3: Affordable Unit Requirements (Original Project)**

Standard	State Density Bonus Law Proposal for 50% Density Bonus	City BMR Ordinance	
		Required	Proposed
<b>No. of Units</b>	10 units (24% of base project)	15% of base project (41 units) = seven units (6.15 units rounds to seven)	Seven units
<b>Affordability</b>	10 Units at 80% AMI	Provide units at two income levels (min.) between 80% to 120% AMI, with 100% AMI weighted average	Four Units at 80% AMI Three units at 120% AMI 97% AMI, weighted average
<b>Total BMR Units</b>	13 total units: <ul style="list-style-type: none"> <li>• 10 units at 80% AMI</li> <li>• Three units at 120% AMI</li> </ul>		
<b>Compliance</b>	Yes	N/A	With SDBL Concessions* for: <ul style="list-style-type: none"> <li>✓ Unit Mix (Bedrooms)</li> <li>✓ Unit Affordability Levels (Weighted Average AMI)</li> <li>✓ BMR Unit Locations</li> </ul>

**Table 4: Affordable Unit Requirements (BMR Option 2)**

Standard	State Density Bonus Law Proposal for 50% Density Bonus	City BMR Ordinance	
		Required	Proposed
<b>No. of Units</b>	10 units	15% of base project (41 units) = Seven units (6.15 units rounds to 7)	Seven units
<b>Affordability</b>	10 Units at 80% AMI	Provide units at two income levels (min.) between 80% to 120% AMI 100% AMI weighted average	Seven units at 80% AMI
<b>Total BMR Units</b>	10 total units at 80% AMI		
<b>Compliance</b>	Yes	N/A	With SDBL Concessions* for: <ul style="list-style-type: none"> <li>✓ Unit Mix (Bedrooms)</li> <li>✓ Unit Affordability Levels</li> <li>✓ BMR Unit Locations</li> </ul>

\* NOTE: Deviation from certain City BMR Ordinance requirements is allowed pursuant to provisions of SDBL.

#### *SDBL Concessions*

Under the State Density Bonus Law, concessions may be proposed by the developer to reduce a local regulatory or development standard creating “identifiable and actual cost reductions to provide for affordable housing costs.” The project qualifies for and proposes three concessions to reduce BMR Ordinance requirements, as summarized below and described in detail (including cost savings information) within the density bonus request letters attached to this report.

1. **Housing Unit Mix:** The BMR Ordinance requires the BMR unit mix to be representative of the market-rate unit mix. A concession is proposed for both BMR options based on the differences between the required and proposed unit mix for each option, as follows:

**Table 5: Housing Unit Mix—SDBL Concession/Compliance Analysis**

BMR Proposals	Market-Rate Unit Mix	Required BMR Units*	Proposed Unit Mix
<b>Original Project (13 BMR units)</b>	~12% one-bedroom units	2 one-bedroom units	11 one-bedroom units (85%)
	~88% two-bedroom units	11 two-bedroom units	2 two-bedroom units (15%)
<b>Option 2 (10 BMR units)</b>	~23% one-bedroom units	2 one-bedroom units	5 one-bedroom units (50%)
	~77% two-bedroom units	8 two-bedroom units	5 two-bedroom units (50%)

\* NOTE: Under the City's Density Bonus Ordinance, the equal distribution representative of market-rate unit mix is required for all affordable units (SDBL units and BMR Ordinance units).

Although Option 2 is closer to complying with the BMR Ordinance representative unit mix requirement, neither option is compliant without the concession. For both options, modifying the required BMR unit mix would result in a net reduction in development costs for the affordable units by allowing the developer to sell more and/or larger units at market-rate prices.

2. **BMR Unit Affordability:** The BMR Ordinance contains affordability criteria for ownership developments, wherein BMR ownership units must be: (1) provided at a minimum of two income (AMI) levels; and (2) the unit income levels must result in a weighted average of 100% AMI for the project. Neither BMR option fully complies with these criteria, and the applicant proposes to use a SDBL concession(s) to address this compliance issue, which is summarized in Table 6 (below), for both BMR options.

The original project proposal is close to complying with the applicable BMR Ordinance affordability requirements, as shown in the above table. In order to exceed the weighted average threshold, another higher AMI BMR unit would need to be added to the proposal, which would increase the costs associated with constructing the affordable units by supplanting a more economically productive use—either reducing the number of market-rate units or reducing the amount of State Density Bonus area the project is eligible to add.

**Table 6: Housing Unit Affordability—SDBL Concession/Compliance Analysis**

BMR Option	Proposed Affordability Levels*	Compliance
<b>Original Project</b>	Four units at 80% AMI Three units at 120% AMI 97% AMI weighted average	Noncompliant weighted average.
<b>Option 2</b>	Seven units at 80% AMI 80% weighted average	Noncompliant with units at two AMI levels. Noncompliant weighted average.

\* NOTE: The BMR Ordinance affordability level requirements apply only to the seven BMR units required to comply with the City’s 15% inclusionary requirement (for the 41-unit base project).

Option 2 prioritizes provision of a greater number of two-bedroom units than the original project proposal, in lieu of greater compliance with the BMR Ordinance’s affordability criteria. The applicant has indicated that further adjustments (e.g., to add moderate-income BMR units) would not be economically feasible, given the project subsidy/cost of providing an increased number of two-bedroom (larger) BMR units.

3. **BMR Unit Locations/Distribution:** The City’s Density Bonus and BMR Ordinances require affordable units to be reasonably dispersed within a development and be of comparable size based on net habitable square footage of the building units. Staff analysis found neither of the BMR options fully meet this requirement, as discussed below:
  - *Original Project:* Staff considers this option to be close to complying with the BMR Ordinance distribution requirement. The BMR unit layout proposed by the applicant in this BMR option (see floor plans in Attachment 4) includes one or more BMR units on the first four floors of the building and no BMR units on the fifth (top) floor. Additionally, the two-bedroom BMR units only feature the smallest of the two-bedroom floor plans in the project and are not dispersed in a manner that fully meets unit distribution objectives.
  - *Option 2:* The BMR unit layout proposed by the applicant in this BMR option (see floor plans in Attachment 8) includes one or more BMR units on the first four floors of the building and no BMR units on the fifth (top) floor. To more fully comply with BMR Ordinance requirements, staff found this option would need greater distribution of the BMR units across Floors 1 through 4 and to incorporate more unit types to provide a more representative mix of unit sizes and locations. The current layout includes too many of the smallest unit sizes, with too few units on floors one and four, and BMR units in locations that are too consistent across the building floors.

The applicant has indicated that fully complying with these requirements would not be economically feasible as it would prevent them from selling market-rate units in areas with

better views and larger home sizes, creating a loss of revenue that increases the cost of providing affordable units.

Overall, the applicant has proposed SDBL concessions for both BMR options to address items that do not fully comply with the City’s BMR Ordinance requirements for ownership developments and where deviation from applicable requirements will result in identifiable and actual cost reductions to provide for affordable housing costs of the project. The two BMR options proposed by the applicant prioritize different aspects of City goals for BMR units in the community, as summarized in Table 7, below.

**Table 7: BMR Option Comparison**

Original Project Proposal	BMR Option 2 Proposal
Provides: <ul style="list-style-type: none"> <li>• A greater number of BMR units (13)</li> <li>• Two income levels (including low and moderate-income units at 80% and 120% AMI)</li> <li>• Only two (2) two-bedroom units versus 11 one-bedroom units</li> </ul>	Provides: <ul style="list-style-type: none"> <li>• Only 10 BMR units</li> <li>• Only one income level (including low-income units at 80% AMI)</li> <li>• A greater number of two-bedroom units and five (5) one-bedroom units</li> </ul>

**Staff concurs with the EPC recommendation and is recommending BMR Option 2 for the following reasons:**

- There is significant demand for larger, family units in the City’s BMR Program.
- The total number of BMR bedrooms is the same under both proposals.
- Both proposals exceed the 15% inclusionary threshold required by the City’s BMR program.
- BMR Option 2’s affordability level (80% AMI) is below the required weighted average of 100% AMI, but an HOA reserve will be provided to support housing sustainability, and the BMR units will provide ownership opportunities to lower-income households.

*Homeowners Association Reserve Fund*

The City’s BMR Ordinance also requires any developer proposing a project with for-sale BMR units set at income levels lower than 80% AMI (“low-income units”) or units sold to households earning less than 80% AMI to set aside a reserve (referred to as the “homeowners association (HOA) reserve fund”), which “can be utilized by lower-income owners to fully pay for the future expenses related to increases in homeowners association fees or other assessments, such that the overall housing cost of homeownership is maintained at an affordable level,” pursuant to the



affordability criteria established in the [BMR Ordinance](#) for the HOA reserve fund.

The requirement was established to address the acknowledged issue of household income growth not keeping pace with increases in the cost of homeownership and to maintain the affordability of the BMR units over time. The City administers the fund, and the Community Development Director or designee is assigned responsibility for establishing standards for calculating the amount of the reserve. In order to calculate the required reserve amount, City staff analyzes projected housing costs for lower-income households over time and adds together any cumulative costs exceeding 30% of a household's income over a 55-year period. Based on this analysis, City staff currently estimates the project will need to provide \$170,000 in HOA reserve funds (\$17,000 per 80% AMI unit) to comply with this requirement and help assure applicable households can sustainably maintain affordable homeownership in the project.

### **Transportation**

A Multi-Modal Transportation Analysis (MTA) was prepared for the project by Fehr & Peers transportation consultants. The MTA provides project-specific analysis and supplemental review of the project's multi-modal transportation improvements and setting and is an attachment to the project's Initial Study (Attachment 1). The MTA evaluates potential adverse impacts by the project on the multi-modal transportation system, consistent with standards and policies set forth by the City and VTA Congestion Management Program (CMP).

Overall, this analysis found the proposed mixed-use residential development would result in fewer vehicle trips than the existing service station and, if anything, would result in a net benefit to existing traffic levels of service. The MTA also concludes the project would generally improve multi-modal site access and circulation through construction of SAPP-required street improvements, including wider detached sidewalks on both public street frontages and a wider bike lane along the California Street project frontage. The project will also comply with SAPP-required transportation demand management (TDM) measures for residential development and will apply additional TDM measures to the commercial tenant space pursuant to the project's TDM Program (attached as part of Attachment 1). As such, the project would not result in intersection impacts or conflict with any applicable transportation plan, ordinance, or policy established for the circulation system.

### **Public Benefits**

The project will provide public benefits per the SAPP requirements for a Tier 1 Project. The base FAR permitted without a public benefit proposal is 1.35, and a Tier 1 residential/mixed-use project is permitted up to 1.85 FAR with a public benefit proposal. SAPP public benefit requirements may not be applied to bonus area (above 1.85 FAR) provided to the project through the State Density Bonus regulations.

The project's proposal (see Attachment 9) includes a monetary contribution to satisfy the SAPP public benefit program requirement for net new building area per above (roughly 13,525 square feet), which will be provided based on the City's adopted value in effect at the time of payment. The currently adopted SAPP public benefit value is \$25.17 per square foot, which is adjusted automatically (on an annual basis) per the Consumer Price Index (CPI). An estimated public benefit contribution is provided in the fiscal analysis section of this report and would be used for capital improvements or other City projects benefiting the area.

### **ENVIRONMENTAL REVIEW**

The certified San Antonio Precise Plan Environmental Impact Report (EIR) comprehensively evaluated the environmental impacts of projected development of the SAPP area, including analysis of 1,235 net new residential units. Consistent with the requirements of California Environmental Quality Act (CEQA) Guidelines Section 15168, the program-level analysis in the SAPP EIR considered broad environmental impacts of the overall SAPP, including estimated development implementing SAPP land-use policies and objectives. Since the SAPP EIR was adopted, the City has reviewed and approved entitlements allowing 1,397 residential units to be constructed in the SAPP area. While the amount of approved residential development exceeds what was analyzed in the SAPP EIR, there is no regulatory cap on development of additional residential units in the SAPP area, and this does not preclude the project from being eligible for streamlined CEQA analysis. San Antonio area growth was also analyzed in the previously certified General Plan (2030) and Greenhouse Gas Reduction Program EIR.

The SAPP EIR acknowledged that subsequent development of the SAPP area would occur in multiple years and phases. Subsequent zoning-compliant activities may be considered under the scope of the program EIR analysis, with no further environmental documents required, if the City determines no new or substantially more severe environment impacts would result from the project, new circumstances under which the project would be undertaken, or any new information that was not and could not have been known at the time of the SAPP EIR.

An Initial Study of Environmental Significance (Initial Study) was prepared for this project, pursuant to Section 15183 and Section 15162 of the CEQA Guidelines, to evaluate whether any subsequent/supplemental EIR analysis is required due to any new or substantially more severe environmental impact(s). The checklist (see Attachment 1) examined each of the environmental review categories in terms of the above criteria. Project-specific technical studies were prepared to provide technical guidance in the areas of air quality, cultural (historic) resources, noise, transportation, and utilities. The Initial Study found that with implementation of the SAPP standards and guidelines, Mountain View City Code requirements, standard City Conditions of Approval, State regulations, and SAPP EIR mitigation measures, the proposed project would not result in any new or substantially more severe environmental impacts as compared to those evaluated in the previously certified EIRs. As a result, the project is covered by the previously certified environmental review, and no additional environmental documentation is needed.

### *Vehicle Miles Traveled Assessment*

Since the SAPP EIR was adopted, the criteria for analyzing transportation impacts under CEQA have changed to remove automobile delay/traffic congestion as the determining factor for impact determinations. The City's new adopted transportation policy for CEQA analysis uses Vehicle Miles Traveled (VMT) as the metric to evaluate transportation impacts on the environment, pursuant to the requirements of Senate Bill 743, and identify screening criteria for projects where no VMT impact is expected and no further VMT analysis is required as part of the project's MTA.

With the assistance of Fehr & Peers, staff has concluded this project meets two screening criteria:

1. Map-Based Screening: For projects in low-VMT areas (15% or greater below existing regional average VMT); and
2. Transit Screening: For projects within one-half mile of a major transit stop.

As such, the project is presumed to have a less-than-significant VMT impact, and no further analysis is required.

### **FISCAL IMPACT**

The project site has a current total assessed value of approximately \$6.53 million and also contributes sales tax revenue from on-site sales. The City's existing share of property and sales tax is approximately \$53,000 per year; sales tax information is confidential. If the site is developed as proposed, the City would receive approximately \$67,000 per year in additional tax revenue, including both property tax increases and loss of sales tax revenue.

In compliance with the SAPP public benefit program, the applicant is required to provide public benefits for additional development intensity above the Base FAR allowed for the site. The project's estimated Precise Plan public benefit contribution is approximately \$340,400 based on the currently adopted SAPP public benefit value.

The project proposes 62 net new units as compared to what exists on the site today and will be required to pay Park Land Dedication In-Lieu Fees for the net new market-rate units, in accordance with Chapter 41 (Park Land Dedication or Fees In Lieu Thereof) of the City Code, estimated to be approximately \$2,793,000 based on 49 net new market-rate units.

Finally, the project is also subject to the Citywide Transportation Impact Fee (TIF), with an estimated fee payment of approximately \$148,000 based on the currently adopted fee schedule.

## **ALTERNATIVES**

1. Recommend approval of the project with the original project BMR option.
2. Recommend approval of the project with modified conditions of approval.
3. Recommend denial of the project.

## **PUBLIC NOTICING**

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

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- Attachments:
1. Initial Study of Environmental Significance (CEQA)
  2. Project Resolution
  3. Vesting Tentative Map Resolution
  4. Project Plans
  5. [EPC Report Dated September 21, 2022](#)
  6. Public Comment
  7. Density Bonus Letter, Original Project
  8. Density Bonus Letter, BMR Option 2 (including BMR unit location plans)
  9. Public Benefit Proposal