



DATE: June 4, 2019

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **1720 Villa Street Residential Project**

RECOMMENDATION

1. Adopt a Resolution Certifying the 1696-1758 Villa Street Residential Project Final 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. Adopt a Resolution Approving a General Plan Map Amendment for the Properties Located at 1696-1758 Villa Street from Medium-Density Residential and Low-Density Residential to High-Density Residential, to be read in title only, further reading waived (Attachment 2 to the Council Report).
3. Introduce an Ordinance Approving a Zoning Map Amendment for the Properties Located at 1696-1758 Villa Street from the R3-2 (Multiple-Family Residential) and R1 (Single-Family Residential) Districts to the P-17 (Villa-Mariposa) Precise Plan, to be read in title only, further reading waived, and set a second reading for June 11, 2019 (Attachment 3 to the Council Report).
4. Adopt a Resolution Approving an Amendment to the P-17 (Villa-Mariposa) Precise Plan for the Properties Located at 1696-1758 Villa Street, to be read in title only, further reading waived (Attachment 4 to the Council Report).
5. Adopt a Resolution Conditionally Approving a Planned Community Permit and Development Review Permit to Construct a 226-Unit Apartment Complex with Two Levels of Below-Grade Parking, Dedicate a 0.40-Acre Public Park, a Heritage Tree Removal Permit to Remove 26 Heritage Trees, and an Alternative Mitigation to Allow Payment of In-Lieu Fees Instead of Providing Units On-Site at 1696-1758 Villa Street, to be read in title only, further reading waived (Attachment 5 to the Council Report).

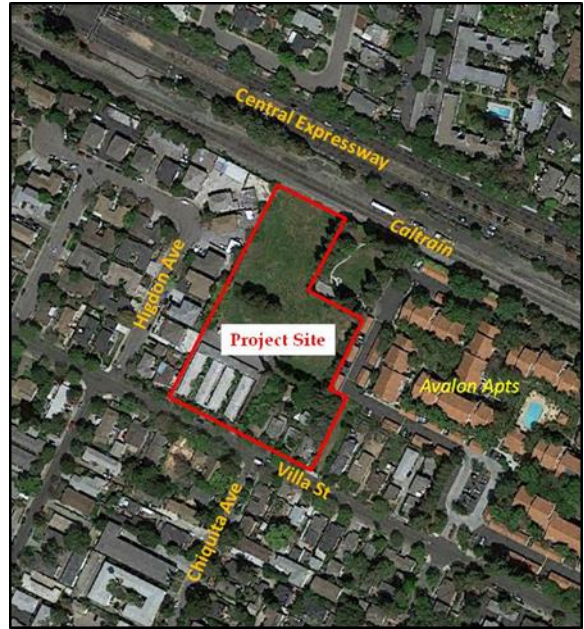
6. Adopt a Resolution Conditionally Approving a Parcel Map to Create Two Lots at 1696-1758 Villa Street, to be read in title only, further reading waived (Attachment 6 to the Council Report).

BACKGROUND

Project Site

The project site includes six parcels totaling approximately 3.3 acres. The site is surrounded by two-story residential development to the west, single-family homes and three-story residential development to the east, single-family homes to the south across Villa Street, and the Caltrain tracks are located to the north.

A 16-unit apartment building and three single-family homes are located on the southern portion of the site and are currently vacant. The remaining portion of the site is undeveloped.



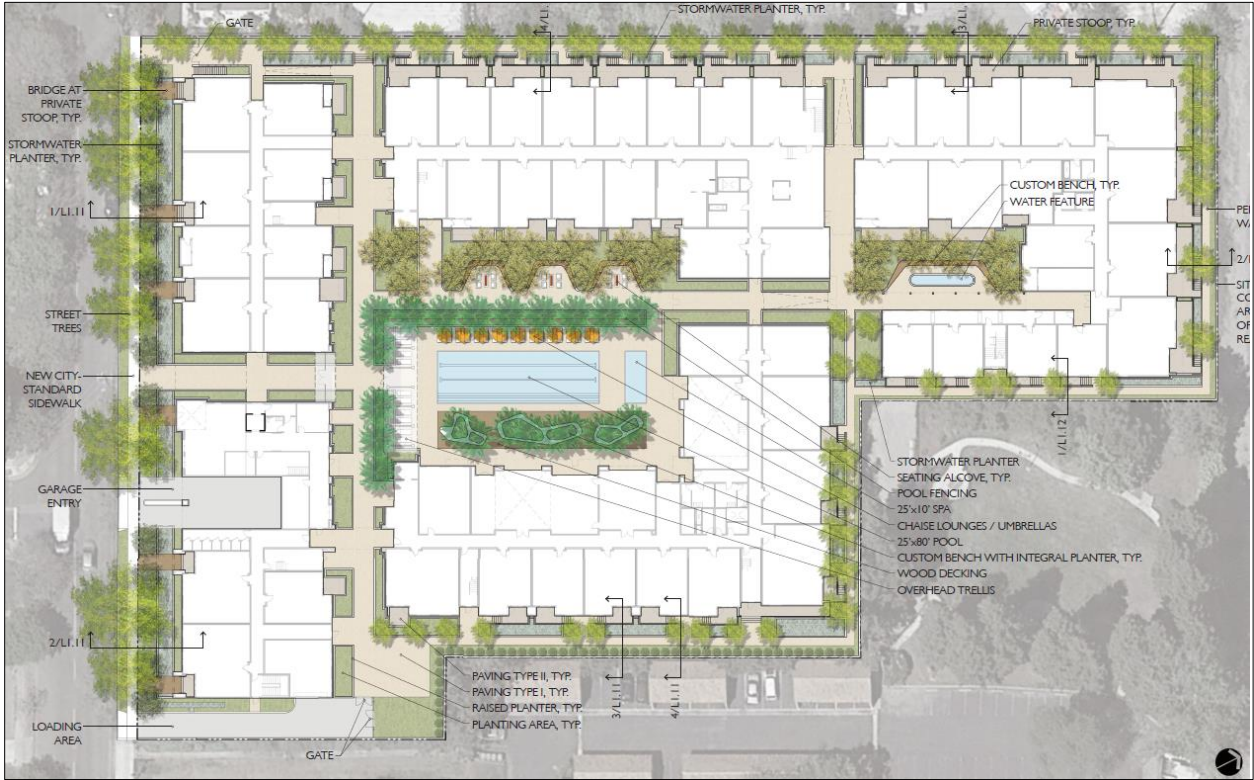
Previous Meetings and Hearings

Gatekeeper Meeting

On [December 8, 2015](#), the City Council authorized staff resources for the consideration of a General Plan Amendment and Rezoning for an apartment development at 1696-1758 Villa Street. The authorization was deferred to the end of 2016, based on the availability of staff to work on the project. Council, at the time, also directed all Gatekeeper projects to provide a minimum of 10 percent affordable units.

Environmental Planning Commission Study Session

The informal application was submitted in December, 2016, and the Environmental Planning Commission (EPC) held a Study Session on [March 1, 2017](#) to review the initial plans, which included 240 units spread across the entire project site. An off-site park was proposed to be located at 660 Mariposa Avenue.



Informal Site Plan

The key EPC feedback on the informal site plan included:

- Pursue acquiring park land rather than accept Park In-Lieu fees.
- Traffic-calming or other measures are needed because there are concerns surrounding traffic on Villa Street.
- Support for five stories within the project but directed that it should be pushed to the rear and central portions of the site.
- Soften the architecture and create more comfortable transitions to the surrounding lower-scaled residential, especially along the western side of the site.
- Focus community benefits on traffic calming and improved bicycle and pedestrian facilities in the area.

Parks and Recreation Commission Meeting

The informal plans were also reviewed by the Parks and Recreation Commission (PRC) on [March 15, 2017](#) to gather input on the unique proposal for the off-site park to satisfy the project's park land dedication requirement. Key PRC feedback included:

- Opposed to the 660 Mariposa Avenue site for the park dedication because an on-site park was desired.
- Recommended to Council that the project be required to provide land on-site for the park instead of in-lieu fees.

City Council Study Session No. 1

A City Council Study Session was held on [March 21, 2017](#). Key Council feedback included:

- Prefer a park on-site.
- The project should provide community benefits in line with the El Camino Real and San Antonio Precise Plan requirements.
- Focus community benefits on traffic calming and improved bicycle and pedestrian facilities, including pursuing trail connections over Caltrain and Central Expressway.
- Affordable housing should be 15 percent and provided on-site as an additional community benefit.
- Support for five stories and the proposed massing, but the project needs to fit with the surrounding neighborhood, especially along the western side of the site.

City Council Study Session No. 2

A second City Council Study Session was held on [December 12, 2017](#) to receive additional feedback after revised plans were submitted by the applicant. The plans showed revised transitions to the Higdon Avenue properties to the west and new setbacks/ transitions to the Avalon property to the east. Staff also presented various options for public trail connections across the Caltrain/Central Expressway corridor in order to provide a better north-south bicycle and pedestrian connection to the

Permanente Creek Trail. Several of the options proposed considered a trail running along the western portion of the project site. Key Council feedback included:

- Support the revised project transitions to the residential properties east and west of the site.
- Support the study of a public trail running north-south through the western portion of the project site and connecting across the Caltrain/Central Expressway corridor.
- Affordable housing should be 15 percent.
- Community benefits should focus on transportation improvements that improve the neighborhood.
- The applicant may pursue prefunding some or its entire affordable housing obligation but would not be considered a public benefit.

City Council Study Session No. 3

A City Council Study Session was held on [February 12, 2019](#) to specifically discuss the project's community benefits. Council directed the applicant to provide the project's portion of the multi-use path as one community benefit. The cost of the multi-use path construction would not include soft costs incurred by the applicant. Remaining funds were directed to pay for traffic-calming improvements on Villa Street.

Development Review Committee (DRC)

The project was reviewed by the DRC in [March 7, 2018](#) and [August 1, 2018](#). The DRC worked with the applicant to implement EPC and Council direction and improve neighborhood transitions, soften the architecture, provide ground-floor entrances, refine and enhance the exterior materials, and enhance the building interface to the trail and public park.

The DRC recommended approval of the project with design conditions, providing additional direction for the ground-floor character, the public park interface, and material changes. The applicant has addressed these conditions in the plans and staff will ensure these elements are included through the building permit process.

Neighborhood Meetings

The applicant hosted five neighborhood meetings. The first meeting took place on September 30, 2015, with the Shoreline West Neighborhood Association, where approximately seven people attended. Development plans had not been created yet, but no initial concerns were shared at that time. The second meeting was held October 16, 2015, specifically for the 16 remaining residents in the existing studio units on-site regarding the relocation process. The final three meetings were held on August 25, 2016, February 23, 2017, and November 29, 2017. In total, approximately 15 people attended the meetings. The main concerns shared were regarding the density of the development and traffic impacts on Villa Street. Residents commented that Villa Street was already impacted with traffic and speeding was an issue, so traffic-calming measures were needed.

EPC Public Hearing

The project was heard at the May 15, 2019 EPC meeting for a recommendation to City Council. The EPC voted 7-0 to recommend the project be approved by City Council. As part of the vote, the EPC wished to modify Condition of Approval No. 25 pertaining to landscaping of the project in that the redwood trees in the proposed planting plan be replaced with a more suitable tree native to Mountain View. The EPC also wished to note that two of the seven Commissioners did not support the applicant's proposed Below-Market-Rate (BMR) In-Lieu Fee as an alternative mitigation and preferred the units be on-site instead.

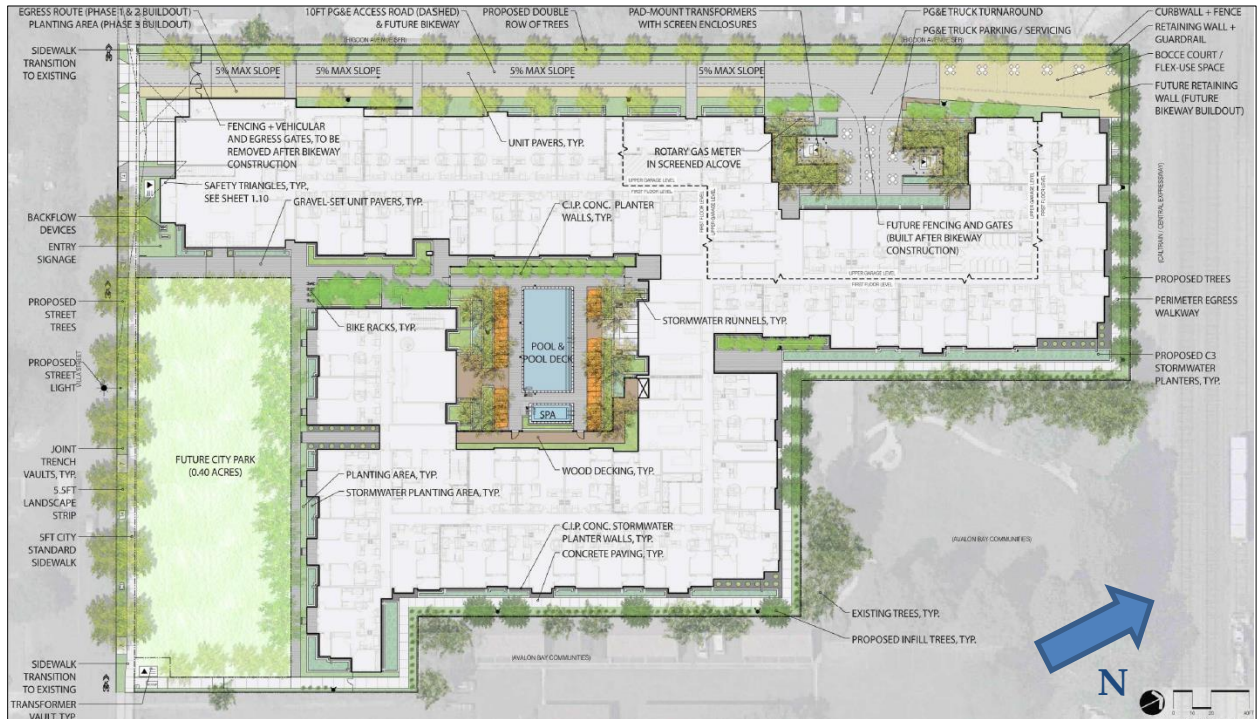
At the EPC meeting, the applicant brought up another BMR alternative mitigation measure they are considering related to rehabilitating a nearby property they currently own and converting the property to permanent affordable housing. The EPC asked the applicant and staff to continue exploring this option. The applicant has not provided further information on this option to staff, so this alternate proposal cannot be recommended at this time.

ANALYSIS

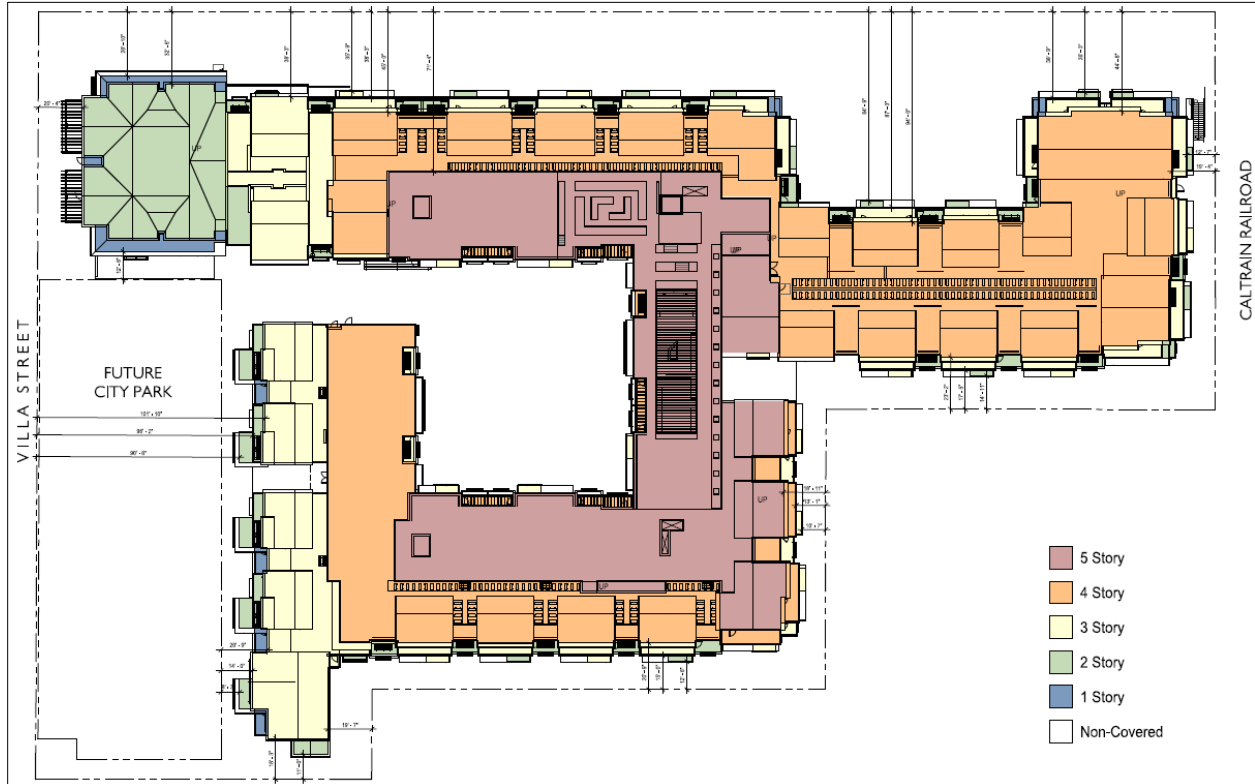
Project Description

The project proposes to construct a 226-unit apartment complex, a public multi-use path on the western edge of the property, and provide 0.40 acre of land for an on-site public park. The floor area ratio (FAR) of the proposed project is 2.10 and the density is approximately 69 units to the acre. The proposed unit mix includes 15 studios, 124 one-bedroom units, 82 two-bedroom units, and 5 three-bedroom units. The apartments are

distributed throughout the site in one connected building, built above two levels of below-grade parking which abut the public park on two sides. The proposed buildings vary between two and five stories in height, with the building stepping down in height next to adjacent, lower-density developments.



Site Plan



Site Plan Height Diagram

The project would demolish an existing 16-unit studio apartment complex and three single-family homes on the southern portion of the site. To facilitate the proposed project, a General Plan Amendment, Zoning Text Amendment, and Zoning Map Amendment are proposed, as discussed in more detail later in this report.

The proposed buildings have a maximum height of 65' (at the fifth story and roof mechanical height), with this taller building area stepped back further from property lines adjacent lower-intensity residential development.

Since the EPC and Council Study Sessions, the applicant worked with staff to incorporate two-, three-, and four-story building areas and a gabled roof system to establish building articulation and comfortable transitions to adjacent properties. The five-story portions of the proposed buildings are set back:

- 159' from the southern property line along Villa Street;
- 71' from the western property line adjacent to Higdon Avenue properties;
- 48' from the eastern property line adjacent to single-family households; and

- 17' to 26' from northeast property lines adjacent to the Avalon development and open space area.

The most significant addition has been a public multi-use path along the western edge of the property. This space will also double as an emergency vehicle access (EVA) route and allows the building to be further set back from the residential properties along Higdon Avenue. The public multi-use path will eventually tunnel underneath the Caltrain/Central Expressway corridor and daylight at Meridian Way. The applicant will construct the portion of the path on the project site and the City will pay for the tunneling and connection to Meridian Way through a future Capital Improvement Project (CIP).

The building is designed to have a traditional residential character through the use of gabled roof forms, horizontal siding, and warm-colored wood materials. The portion of the building interfacing with the park especially has a townhouse feel to help the project fit within the context of the neighborhood.



Perspective from Public Park



Perspective from Public Multi-Use Path

General Plan

The project site currently has a General Plan Land Use Designation of Low-Density Residential and Medium-Density Residential. The project includes a proposed General Plan Map Amendment to change the site's General Plan Designation to High-Density Residential (see Attachment 2).

The project is consistent with the proposed High-Density Residential Designation, which allows multi-family residential uses up to 80 dwelling units per acre and five stories in height. The proposed project is also supported by the following General Plan policies:

- ***LUD 3.1: Land Use and Transportation.*** Focus higher land use intensities and densities within a half-mile of public transit service, and along major commute corridors.
- ***LUD 6.1: Neighborhood Character.*** Ensure that new development in or near residential neighborhoods is compatible with neighborhood character.

- **LUD 6.5: Pedestrian and Bicycling Improvements.** Support pedestrian and bicycling improvements and connections between neighborhoods.
- **LUD 8.3: Enhanced Publicly Accessible Bicycle and Pedestrian Connections.** Encourage new and existing developments to enhance publicly accessible bicycle, pedestrian, and transit connections.
- **LUD 8.4: Pedestrian-Oriented Civic and Public Spaces.** Create and encourage new pedestrian-oriented civic and public spaces throughout the City.
- **LUD 8.5: Pedestrian and Bicycle Amenities.** Encourage attractive pedestrian and bicycle amenities in new and existing developments, and ensure that roadway improvements address the needs of pedestrians and bicyclists.
- **LUD 9.1: Height and Setback Transitions.** Ensure that new development includes sensitive height and setback transitions to adjacent structures and surrounding neighborhoods.
- **LUD 9.3: Enhanced Public Space.** Ensure that development enhances public spaces through these measures:
 - Encourage strong pedestrian-oriented design with visible, accessible entrances and pathways from the street.
 - Encourage pedestrian-scaled design elements such as stoops, canopies, and porches.
 - Encourage connections to pedestrian and bicycle facilities.
 - Locate buildings near the edge of the sidewalk.
 - Encourage design compatibility with surrounding uses.
 - Locate parking lots to the rear or side of buildings.
 - Encourage building articulation and use of special materials to provide visual interest.

- Promote and regulate high-quality sign materials, colors, and design that are compatible with site and building design.
- Encourage attractive, water-efficient landscaping on the ground level.

Zoning Map and Precise Plan Amendment

The project site currently spans three zoning districts: R1, R3-2, and the P-17 (Villa-Mariposa) Precise Plan. The project requests to rezone the project so that the entire site is in the P-17 (Villa-Mariposa) Precise Plan (see Attachment 3). The project also requests to amend the development standards for the P-17 (Villa-Mariposa) Precise Plan so that the project conforms to the Precise Plan.

The P-17 (Villa-Mariposa) Precise Plan was written in 1983 and last amended in 1992. The Plan provides very little language on residential development. The key standards of the Plan sets are: a maximum density of 30 dwelling units to the acre; the need to buffer development from railroad corridor and Central Expressway; and that the development standards of the R3 Zoning District apply to residential development.

The proposed project was given Gatekeeper authorization to seek amendments to the Precise Plan standards in order to include the project into the plan. The project is 68.7 units to the acre, is building close to the Caltrain/Central Expressway corridor, and does not meet the R3 Zoning development standards. The project requests changes to the Precise Plan development standards for only the portion of the plan within the project site. Within the project site, development standards for setbacks, height, density, and FAR would be established to allow the proposed project within the Precise Plan. For specific details, please see Attachment 4.

Open Space and Landscaping

The proposed development provides significant open space amenities to future residents and the surrounding neighborhood. The project complies with the Precise Plan's private open space requirements of 40 square feet average per unit by providing an average of 69 square feet on decks and balconies alone (15,522 square feet total). There are five other common private open space areas in the project totaling 30,437 square feet, which includes a pool area and a roof deck.

Public Park

The project proposes that 0.40 acre of land along Villa Street be dedicated to the City for a public park. The location and size of the park is the synthesis of many public

meetings with the PRC, EPC, City Council, and neighborhood meetings. The park would satisfy part of the project's park land dedication requirements and the rest would be paid as in-lieu fees. Design for the park shown in the plans is conceptual at this time. A formal public outreach process through the PRC will take place following entitlement in order to finalize the design and programming amenities of the park. The project is still subject to further Park Land Dedication fees as described in the Fiscal Impact section.

Multi-Use Path

A common theme in public meetings was a request for the project's community benefits to contribute toward transportation improvements that help the surrounding neighborhood. The closest bike/pedestrian crossings to this immediate neighborhood are at Rengstorff Avenue and Shoreline Boulevard. Since the project site is nearly equidistant from these two crossings, it was deemed an ideal site to explore the feasibility of a path through the site which could provide a separated facility for bicyclists and pedestrians to cross the Caltrain/Central Expressway corridor.

The applicant provided a Feasibility Study to staff which determined that it was feasible to provide the path on the property and tunnel under Caltrain/Central Expressway (see Attachment 10). The applicant will construct the portion of the path on the project site as part of the community benefits, and the City will complete the tunneling and connection process through a CIP, which is not funded at this point.

An interim condition will allow the constructed path area adjacent to the project to be used by residents as private open space until the connection is made and the path is opened as a public trail. Additionally, the trail will double as the project's EVA and PG&E maintenance route to be used only as needed while the interim condition is in effect and when the path opens to the public.

Trees

Currently, the tree canopy at the project site covers approximately 36 percent of the property. The site area contains a total of 119 trees, of which 48 are Heritage trees. The project would remove 103 trees, including 28 Heritage trees, two of which are street trees. The project would preserve 20 Heritage trees, many of which are on the edge of the property shared with the Avalon residential development. Many trees proposed to be removed are located in the proposed building footprint. The trees to be removed from what will eventually be the public park are currently part of the former residential parcels and are in poor condition.

A total of 174 new trees would be planted on the site plus six street trees along Villa Street. There are 93 tower Italian cypresses proposed for the eastern edge of the property to provide screening from adjacent residential property. Twelve (12) European hornbeams in 36" boxes are proposed for the western edge of the property to provide screening for the Higdon Avenue residences. The tree canopy analysis does not include any off-site trees. At project completion, 9 percent canopy coverage is expected. Within 10 years, the project would have tree canopy covering approximately 24 percent of the site, and at maturity 38 percent of site would have tree canopy coverage.

Parking

The project proposes to utilize the City's Model Parking Standard (MPS). The project includes 139 studio/one-bedroom units and 82 two-/three-bedroom units, which would require a total of 318 vehicle parking spaces. The underground parking garage includes a total of 318 parking spaces, of which 48 parking spaces (15 percent) would be shared between guests (pursuant to the MPS) and future public park visitors. All guest and public parking spaces are located outside of any interior fencing and gates in the parking structure, with elevators and stairs providing public access to ground level. As a neighborhood park, Community Services Department staff anticipates vehicle parking needs to be low.

The project also provides 226 bike secure parking spaces, conforming to City requirements of one space per unit. Bike storage locations are provided in secure bike rooms in the garage or gear rooms in apartment units, as well as 23 guest bike parking spaces throughout the site at a ratio of 1:10 units.

Traffic and Circulation

The City hired Hexagon Transportation Consultants to prepare a transportation impact analysis (TIA) for the proposed project. The TIA estimated vehicles trips generated by the project in accordance with VTA's TIA Guidelines, which includes a 5 percent trip reduction allowed for projects implementing a Transportation Demand Management (TDM) Program. The project is estimated to generate as many as 1,084 new daily trips, including 73 new a.m. peak-hour trips and 87 new p.m. peak-hour trips.

The TIA adds projected vehicle trips from the project to existing traffic volumes in order to analyze level-of-service (LOS) on local roadways and intersections after project completion, as well as in a "cumulative scenario" that also includes future, not-yet-constructed development. The TIA analyzed 15 intersections around the project site for potential LOS impacts. As compared to adopted significance thresholds for the City of

Mountain View, the analysis showed that while traffic would increase on nearby streets as a result of the project, all of the signalized and unsignalized study intersections – with the exception of the intersection of Shoreline Boulevard and Villa Street – would operate at an acceptable LOS during both peak hours. The impact to the Shoreline Boulevard and Villa Street intersection was limited to queuing on one of the four turn lanes, so the City is requiring the applicant to pay one-quarter of planned improvements to that intersection as a mitigation (approximate cost to the applicant is \$250,000).

The traffic analysis also determined that traffic-calming measures were a required mitigation on Villa Street. The project has been required to provide a raised crosswalk with LED beacons between the new public park and Chiquita Avenue for this mitigation.

Community Benefits

Public benefits are required as part of the Gatekeeper process because the project includes a request for additional intensity through the proposed General Plan Amendment and Rezoning. Council directed that the public benefit value should be based on the adopted value for the El Camino Real and San Antonio Precise Plan areas and required for the FAR above what the existing site zoning allows. Staff currently estimates the public benefit contribution for project to be \$3,644,161 based on the \$22.40 per net new square foot of development as set forth in the San Antonio and El Camino Real Precise Plans (the per-square-foot amount is set to the Consumer Price Index so it can increase).

At the February 12, 2019 City Council Study Session, Council directed the applicant to use the estimated Community Benefit amount to construct the site's portion of the multi-use path as a community benefit and provide additional traffic-calming measures along Villa Street. The cost of the multi-use path on the project site would only be calculated using hard costs. Remaining funds would be spent on specific traffic-calming measures to be reviewed by staff during the Building permit process. A new raised crosswalk with LED beacons at the intersection of Chiquita Avenue and Villa Street is a required mitigation per the EIR. Should additional community benefit funds be available following the multi-use path costs, the Conditions of Approval require that the applicant provide other traffic-calming measures along Villa Street such as:

- New speed humps;
- ADA ramps;

- Radar speed signs;
- Further enhancements to the required raised, high-visibility crosswalk at Chiquita Avenue and Villa Street; and
- Other improvement as agreed upon by the Public Works Director.

BMR Housing

The project must comply with the City's BMR Ordinance, which requires 15 percent of the total units within the development to be affordable to households earning between 50 percent and 80 percent of Area Median Income (AMI). The 226-unit development would be required to provide 33.9 affordable units, which would result in 33 on-site affordable units and payment of an In-Lieu Fee for the fractional (0.9) unit.

Recent Council direction supports requiring BMR on-site but allows for alternative mitigation. The applicant proposes to pay an In-Lieu Fee as an alternative mitigation rather than provide units on-site. Currently, the City's BMR rental base In-Lieu Fee is \$34.57 per square foot of new habitable square feet. Based on the project's 209,312 square feet of net habitable square footage, this would result in a total BMR base in-lieu payment of \$7,235,915. As per the BMR Guidelines, an alternative mitigation for rental units, such as an in-lieu payment, is required to further affordable housing opportunities to a greater extent than the value of the units on-site.

The applicant's alternate mitigation proposal is providing \$10,880,000 as an in-lieu payment instead of providing 33 BMR units on-site. This In-Lieu Fee amount equals \$51.98 per square foot of new habitable square feet which is \$17.41 (50 percent) more than the rental base in-lieu payment. For context, the applicant's recently approved project at 525 East Evelyn Avenue (Flower Mart) provided \$50.70 per square foot of new habitable square feet.

Typically, the BMR In-Lieu Fee payment is required to be paid prior to issuance of the first building permit. The applicant proposes that the funds would be paid to the City two weeks after the Council hearing, should the project be approved.

At the EPC meeting, the applicant raised another potential BMR alternative mitigation option where the applicant would rehabilitate a nearby property on Mariposa Avenue they currently own and convert the property to permanent affordable housing. Staff has not received a formal proposal from the applicant, so this alternative has not been fully evaluated and cannot be recommended at this time. Council has a goal to explore

a range of anti-displacement policies and purchase of naturally affordable housing may be better considered in that context and a more thorough analysis of the issues.

If Council prefers some or all of the required BMR units be provided on-site, or another form of alternate mitigation, the draft conditions of approval (see Attachment 5) will be revised to reflect this recommendation.

Tenant Relocation

The 16-unit apartment building on-site was covered under the City's Tenant Relocation Assistance Ordinance (TRAO) and the Community Stabilization and Fair Rent Act. The TRAO provides qualifying households with full refund of the tenant's security deposit; a 60-day subscription to a rental agency; the cash equivalent of three months median market-rate rent for a similarly sized apartment; an additional \$3,000 for special-circumstances tenants, which are households having at least one person that is either over 62 years of age, handicapped, disabled, or a legally dependent child under 18 years of age; and the First Right of Return if the rental unit is returned to the rental market by the landlord.

The applicant chose to provide relocation assistance beyond the TRAO requirements. All eligible households received a benefit in excess of what they might have been income eligible for under the City's TRAO (see Attachment 9—TRAO Summary and Notice of Intent). Below is a timeline showing how the applicant met the TRAO requirements:

- December 16, 2016: development application submitted by Prometheus Real Estate Group.
- August 28, 2017: Notice of Intent (NOI) sent to tenants.
- Relocation Agency verified that all tenants on the rent roll in December 2016 were aware of the planned project and received a NOI and understood their potential eligibility for a TRAO payment, including the tenants who vacated after December 2016 and prior to issuance of the NOI.
- Prometheus addressed tenant relocation options and payments directly to tenants, as they offered a variety of options to the households. See the NOI for summary of available benefits.
- Relocation Agency reviewed supporting documentation, including signed acknowledgements from tenants and copies of checks. The agency corresponded

with tenants that had questions or concerns about the TRAO or the options provided by Prometheus.

- February 2, 2018: All tenants vacated. Fourteen (14) of the 16 tenants received benefits in excess of what they might have been income eligible for under the TRAO.

Parcel Map

The project requires a Parcel Map to reconfigure the five existing parcels into two lots (the future public park and development site). 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 6).

ENVIRONMENTAL REVIEW

Site Contamination

A portion of the project site was previously occupied by Jasco Chemical Company from 1976 to 1995. Since 1989, the Jasco property has been part of the EPA's Superfund program, due to the presence of multiple solvents contaminating the site. After years of remediation efforts, the EPA delisted the site. The EIR provides a detailed background and analysis of this issue.

Environmental Impact Report (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 1696-1758 Villa Street Residential 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 1696-1758 Villa Street residential 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 December 8, 2017, 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 November 16, 2018, and ended on January 4, 2019. Staff received four comment letters on the Draft EIR and has provided a response to these comments in the Final EIR (see Attachment 1).

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 March 28, 2019. The City received four written comment letters on the Draft EIR. A response to each comment is included in the Final EIR, attached to this report (see Attachment 1).

EIR Conclusion

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

FISCAL IMPACT

The subject site has a current total assessed value of approximately \$4.2 million (Fiscal Year 2018-19) and the current taxes paid to the City are \$6,800. If the site is developed as proposed, the City would receive approximately \$150,000 in property taxes per year. Additionally, the one-time Transfer Tax provided to the City was \$33,660 in Fiscal Year 2018-19. Because these are rental apartments, there will be no further Transfer Tax unless and until the project is sold.

The proposed project is also subject to the City's Park Land Dedication Fee in accordance with Chapter 41 (Park Land Dedication or Fees In Lieu Thereof). The Park Land Dedication Fee is equal to 1.36 acres. Because the project is dedicating 0.40 acre of park land, the fee is calculated using 0.96 acre. The approximate amount of this fee is \$5,922,000.

The applicant has proposed an alternate mitigation to provide a BMR In-Lieu Fee in the amount of \$10,880,000 instead of providing 33 BMR units on-site. This in-lieu fee amount equals \$51.98 per square foot of new habitable square feet.

CONCLUSION

The proposed project achieves General Plan goals, increases housing opportunities near the City's downtown, is sensitive to the existing lower-intensity residential uses that

surround the site, complies with applicable development standards based on the proposed General Plan and Zoning Amendments, and will result in a development that has a high quality of livability given proposed private and public amenities.

ALTERNATIVES

1. Approve the project with different conditions.
2. Refer the project back to the DRC and/or the Zoning Administrator for additional consideration.
3. Provide additional direction to staff.

PUBLIC NOTICING

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

Prepared by:

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MVO/3/CAM
835-06-04-19CR
190182

- Attachments:
1. Environmental Impact Report Certification Resolution
 2. General Plan Map Amendment Resolution
 3. Zoning Map Amendment Ordinance
 4. Zoning Amendment Resolution
 5. Project Resolution
 6. Parcel Map Resolution
 7. Project Plans
 8. Draft EIR and Final EIR
 9. Tenant Relocation Assistance Summary Notice of Intent
 10. Villa Street to Meridian Way Pedestrian and Bicycle Tunnel Feasibility Study