

City Council Questions

May 5, 2020 Council Meeting

ITEM 3.3 3 COVID-19 UPDATE BY CITY MANAGER KIMBRA MCCARTHY

1. Can we have an update on how visual and performing arts organizations are faring in this emergency situation? I would like to hear about the Pear Theater, the Community School of Music and Art and other like organizations that contribute to the cultural life of our city.

Pear Theater applied for the small business assistance program, so they are, in fact, in the queue. We are giving the rent deferment to CSMA.

ITEM 4.3 PROFESSIONAL SERVICES AGREEMENT FOR PLANNING SERVICES

1. Was there an RFP prior to the inaugural contract approved by the Council on March 6, 2018? What other planning firms were under consideration?

No. Planning staff reached out to several contract planners at that time to gauge their interest and qualifications for contract planning work, and there was no other qualified contract planners/firms who replied with interest at that time.

2. Will there eventually be a competitive bidding process for contracted planning services?

Yes, if there are newly interested contract planners/firms available and qualified for this work, then a formal RFP can be issued.

3. When is an RFP required? Why is an RFP not required in this case?

The City's administrative policy requires an RFP for professional services agreements such as this one. However, the City's policy allows a modified or abbreviated RFP process if there are circumstances that do not support a competitive bidding process. For this specialized work, a competitive bidding process was not feasible as there has not been qualified and available/interested contract planners.

The contract planner for this agreement has worked for the City for several years and has provided quality work on a wide range of planning projects and is available/interested to continue working for the City. Additionally, the contract planner is currently managing several complex planning projects and approval of this contract will allow continuity of project management which would prevent disruptions in the entitlement process for these projects.

ITEM 4.4

1. I did not see anything about public art. Will that be part of the contract and will it include meeting with the Visual Art Committee? With a project cost of \$ 2,225,000, the funds available would be \$22,000, is that correct?

There will be a public art component to the project. City staff and the Visual Arts Committee manage and implement the public art process; and will involve the park designers as appropriate. The public art budget is 1% of the project's construction budget. The construction cost is estimated to be around \$1.5 million, which would equate to an art budget of \$15,000. A higher art budget (e.g., up to 2 percent) could be considered by Council as part of concept approval scheduled for spring 2021.

ITEM 4.7 LIVE NATION RENT DEFERRAL DUE TO COVID-19

1. Since Live Nation is unable to use the land, is the City able to access and use the land for its own purposes? (COVID response, COVID-appropriate recreational activity, etc.?)

The lease agreement with Live Nation for use of the Amphitheatre includes language that allows for the City to utilize the property.

Two sections of the lease provide the City access to the property:

- The City has the ability to utilize all parking areas for the Amphitheatre for its own purposes, so long as such use does not damage the parking facilities, and the use does not interfere in any way with Lessee's operation and use of the Amphitheater.
- The City may use the amphitheater space with the consent of Live Nation. The City would be expected to bear all costs and expenses of operating the Amphitheatre including, but not limited to, insurance premiums, traffic/crowd control and clean-up.

Should there be a desire by City to utilize areas of the Amphitheatre, it is expected that Live Nation will work in good faith to work with the City.

Overall Live Nation has been a good partner with the City to find solutions to benefit the community. For example, in order for the Safe Parking Program to go to 24/7, Live Nation made concessions to the agreement that reduced the overall number of parking spaces available for concert parking.

ITEM 6.1 NEW RESIDENTIAL DEVELOPMENT AT 355-365, 401 AND 415 EAST MIDDLEFIELD ROAD

1. On page 18 of the staff report, a footnote highlights a distinction between the East Whisman Community Benefits Fund and the General Fund. Can staff provide more detail on the rules and restrictions governing the East Whisman Community Benefits Fund?

East Whisman community benefits support implementation of the East Whisman Precise Plan, and may be used for affordable housing, transportation improvements, open space improvements, community or non-profit facilities or other public improvements/programs that serve the East Whisman area. They are not intended for other parts of the City, and they should not be used for operational costs (such as salaries). The General Fund, on the other hand, may be used anywhere and may be applied to operational costs.

2. Does the City have the ability to dictate the use of the voluntary contribution made to the school district? In other words, can the City require that any funding provided to the school district must be in used in a specific way or by a specific time?

The agreements are typically between the developer and the school districts. The City has not had a role in regulating terms in such agreements. However, if the City contributes funds to the school district from the community benefit contributions as part of the Citywide school strategy, there may be a separate agreement between the City and school district, through which the City may set terms.

3. Page 173 of the East Whisman Precise Plan stipulates that “Projects may not apply community benefit contributions to satisfy the requirements of the Local School District Strategy or the Jobs/Housing Linkage Program.” (6.1.2 General Bonus FAR Standards, 3(c), Relationship to the Local School District Strategy and Jobs/Housing Linkage.) What does this mean?

This language reflects an earlier protocol, to establish separate requirements for School Strategy, Community Benefits and Jobs/Housing Linkage. However, as part of an upcoming discussion on the Citywide School Strategy, the Council may choose to include school strategy contributions as part of the community benefits. In that case, staff will return with minor amendments to the North Bayshore and East Whisman Precise Plans, to reflect the change.

However, the Jobs/Housing Linkage Program is still separate. For example, if an office project proposes to dedicate land for an affordable housing developer, they may be allowed additional Bonus FAR under the Jobs/Housing Linkage Program. However, they cannot also consider that community benefits.

4. The Southern Multi-Use Path does not appear on the identified Transportation Improvements map in the Precise Plan (p 197). Is this path required by the City, or is it voluntarily provided?

The Improvements map on page 197 is for public improvements. New multi-use paths and paseos on private property are not considered public improvements pursuant to that map (even though they are publicly accessible), since they are not implemented by the City. It is a development requirement pursuant to pages 80 and 129, so it is not voluntarily provided (though the width and facilities provided are greater than the Precise Plan minimum).

5. Page 192 of the Precise Plan requires the City to “periodically conduct market analysis to update the value per square foot [of the Community Benefits Contribution], if necessary, to address market changes.” In light of the significant shift in the economy due to COVID, will staff be conducting a market analysis?

The extent of COVID-19’s disruption to the economy is not yet clear. After sometime the City and our consultants may have some data about how inputs to the previous market analysis may or may not have changed. If staff finds they have changed significantly, staff can recommend updates to the market analyses for East Whisman, San Antonio and El Camino Real community benefits.

6. Can staff provide a chart showing the total tax and fee stack associated with this project? There are several different numbers floating between the report and other materials, and it would be helpful to have them all in one location.

Staff would need additional time to provide a comprehensive table of all the fees.

7. Did Summerhill sell the development rights to the 84,905 sf of existing office?

No, they have not yet sold this as far as staff is aware. However, an office development cannot use that floor area unless SummerHill starts construction or otherwise provides certainty that their project will be built.

8. Is the project's financial viability calculated before or after the sale of the 84,905 sf of office development rights?

Staff is not privy to a developer's proforma and what makes a project economically viable to them.

9. I watched the EPC meeting and heard the EPC request native, large trees not just recycled-water friendly trees. Is staff working with the applicant to use native, large trees? Should this be added as a condition?

As a result of the discussions at EPC, the applicant revised the plans to preserve some of the significant trees along East Middlefield Road, and are now relocating/ preserving a mature Coast Live Oak tree which will become a focal point for the project along East Middlefield Road. Additionally, staff will be working with the applicant with the Building Permit submittal to evaluate the tree species in the landscape plan to identify opportunities for alternative tree species where appropriate.

10. Where is the loading zone for the townhouses?

Loading for the overall project is designed to be shared from the space(s) shown along the internal u-shaped loop street, between the different components of the overall project. There is not a designated area for just the townhome portion of the project.

11. I'd like to compare the 53 foot proposed separation between the condo building and the townhouses to an existing development. What is the separation between the apartment buildings in the Merlone Geier project at San Antonio center where there is a street?

Distances between buildings at the Merlone Geier project and the projects are generally similar. The buildings in the Merlone Geier project are slightly taller than the proposed SummerHill project (eight stories versus seven stories and four stories) and the building separation ranges from 40-60 feet.

12. What is the ground floor height of the townhomes for which an exception is being requested as stated on page 10 of the staff report?

The proposed ground floor height is approximately 9-feet where the EWPP requires the ground-floor height of a residential building to be a minimum of 12' above the sidewalk.

13. Are the BMR rental units affordable in perpetuity or for 55 years?

The BMR units would be deed restricted as affordable for 55 years.

14. How many people board light rail in the morning at the Whisman and Middlefield stations separately?

Staff does not have individual light rail station ridership information.

15. Do we have any data on the utilization of bicycle parking spaces in developments?

Staff does not track bicycle parking space utilization in developments.

16. What do you estimate would be the additional per square foot contribution to the schools if Council allowed the schools to sell TDRs as Summerhill has suggested?

SummerHill estimates proceeds from reselling the TDR to be \$400,000 - \$750,000, which they would donate to MVWSD and MVLHSD. Their floor area (for the purpose of calculating school contributions) is 627,000. This comes out to \$0.64 to \$1.20 per square foot.

17. Page 6 - Why is staff recommending that it is ok to have a Residential Bonus FAR up to 2.91 exceeding the base FAR of 1.0?

The East Whisman Precise Plan allows Bonus FAR, which creates opportunities for community benefits and incentives for higher-density, sustainable residential development. The Precise Plan's vision of a mixed-use, walkable and sustainable neighborhood would be more difficult to achieve if all residential developments were constructed at 1.0 FAR.

18. Why is light rail considered a major transit system, when VTA states ridership is low and has been decreasing over the years?

Although ridership on the light rail is not being utilized at its peak capacity due to a number of factors, the light rail system itself is considered a major transit system due to its ability to transport a large number of people throughout the transportation network.

19. Page 10 - Building Separation - What information are we using to determine if the height of the building are going to create a tight building corridor?

The building separation requirements are intended to create distances between buildings which feel comfortable to people and is a qualitative metric that has been developed into a quantitative standard. Development of these standards for the precise plan were based on studies of built projects in the context of Mountain View's development landscape.

20. At Merlone Geier phase 2, the building separation appears close and causing a canyon affect. How do not that happen here?

Staff has concluded that the proposed building separations, building articulation and massing conditions particularly at the ground-floor level, and juxtaposition between the condominium building and the townhome units will create a comfortable pedestrian environment.

21. Page 11 - Jobs-Housing linkage - If the city is working to build more housing then why are we allowing 84,905 sq ft of office to be transferred to another development? Does it defeat the intent?

The Jobs-Housing linkage was an important component of the East Whisman Precise Plan, and facilitates a mix of uses, as well as an incentive for conversion of land from low-intensity industrial uses such as those on this site to residential uses, such as those proposed by the project developer. The intent of the Jobs/Housing Linkage Program is that office growth be associated with residential growth. Demolishing and rebuilding the existing floor area is not necessarily growth (ie, there is no net new floor area created). In addition, it provides an asset for the residential developer to help them compete with new office developments when bidding on land.

22. Diverse Housing - Why is the city not requiring Summerhill to comply with the 15% affordable units requirements?

At a Study Session in 2018, Council considered and was supportive of SummerHill's proposed BMR program which includes 10% of the units at rents affordable to low-income households and 15% of the units at moderate income levels only the rental portion of the project, in lieu of providing any affordable ownership units or paying an in-lieu fee. Council was supportive of this alternative because it provides the greatest number of affordable units on-site and includes moderate-income units to address the needs of the "missing middle."

23. Page 14 - Service Street Width - Summerhill is not complying with the Street width, "indicated would significantly impact project feasibility", did any one validate that statement?

Staff analyzed project implications of a compliant street width and concluded that it would result in a reduction in units due to a reduction in the building size necessary to provide the additional street widths. The applicant has indicated a reduction in the number of units below what is currently proposed would impact the financial viability of the project.

24. Page 15 - Key Corner - What makes the Condominium building a "key corner"?

The "key corner" is a concept that is identified in the East Whisman Precise Plan and represents an area where an architectural or other site feature should be provided due to its location and visibility. The particular application of a suitable "key corner feature" will vary depending on the context of the project and the location of the corner.

25. Traffic - Help me understand, that there is going to be 463 new units, approximately 517 bedrooms, and that the new net trips are going to only be 108 morning and 146 in the evening, and that this is based on the use of light rail, and other TDM.

108 am peak period and 146 pm peak period trips are the net new trips for the project after consideration of the trips associated with the existing commercial buildings on the site and a 9%

proximity to light rail reduction. It should be noted these are just the net new peak hour trips and do not represent the total daily trips for the project.

26. How many trips are happening now with the office complex?

The buildings are currently vacant. However, traffic reports assume occupancy of vacant buildings as they can be re-occupied at any time. The traffic report assumed 242 daily trips for the existing buildings.

27. How many employees are working at the current facilities?

Minimal employees necessary for maintenance and security of the vacant buildings.

28. How much is light rail going to decrease travel?

VTA provides for a 9% reduction in trips for housing near light rail stations.

29. Are there any current studies that validate that Light Rail reduces travel by a certain percentage?

The trip reductions attributed to residential projects near light rail are derived from the VTA based on surveys conducted by them along the light rail network.

30. I did read Table 5 in the EPC FEB 19 staff report - still need to explain.

See answer to question #25 above.

31. Page 16 - Parking - Why are parking requirements more stringent for Townhouses than for a 2 or 3 bedroom condo or apartment? Isn't a bedroom a bedroom regardless of the type of housing? EPC was concerned about the Parking ratio per housing type also.

The townhouse units have a private garage accessible by one unit, while the condo and apartment units have a shared parking garage with assigned spaces. The shared parking garage allows more opportunity for parking to be reassigned, or "freed up" if needed based on use, unlike the private garages in the townhome units.

32. How was the number for guest parking determined?

The project is proposing 8%, or 47 spaces, of the total parking to be made available to guests. These spaces are distributed with 13 spaces along the service street, 19 spaces in the condo building, and 15 spaces in the apartment building. The EWPP does not have a separate guest parking, so the total parking proposed for a project is inclusive of guest parking. The amount of parking for the project, including guest parking, was reviewed by a transportation and parking consultant (Hexagon), who concluded that the amount of parking proposed for the project was sufficient based on the proposed type of development and by utilizing studies from similar development projects within the region as a point of comparison.

33. Page 18 - Community/Public benefit & School Strategy. If the city cannot legally compel Summerhill to pay a certain amount, what are we being asked to determine?

Council may determine how much of the total community benefit contribution dollars would go to East Whisman improvements or local schools.

34. Page 20 - Other applicant requests. Granting of the gatekeeper, gave the applicant a “financial gain”, can that amount be determined and what would it be?

Granting the gatekeeper gave SummerHill several benefits, for which it would be difficult to quantify. Those benefits include: start of development review prior to adoption of the Precise Plan; and a special BMR program, partially related to their early start of development review.

35. Was granting of the Gatekeeper based on Summerhill purchasing TDR?

Yes.

36. Know that Summerhill is not proposing to use the TDR, is the Gatekeeper still valid, even though they are paying LASD the \$1.3 million dollars?

Yes.

37. If Summerhill is not using the 10,000 sq ft of TDR, what happens to it?

The options for the TDR units would be either to land the TDR units on the site regardless of utility of them in the project or allow the applicant to sell them to another developer.

38. If the 10k of SGF was not used, then should the Community benefit be higher by \$50k?

Yes.

39. I did notice that the above question could require clarification from Council.

40. Transportation Impact Fee - How fewer TIF could there be?

The applicant has requested that Council consider extending the deadline associated with this fee, to allow them time to obtain the necessary Building Permits. If the Council decides to consider this, the lost TIF would be approximately \$820,000, though this was already considered lost when the Council adopted the Fee.

41. Page 21 - Park land Dedication Credit - Wasn't this item allowed only for North Bay Shore projects?

Council previously only authorized certain parkland dedication credits in the North Bayshore Area. However, parkland dedication ordinance revisions which may include allowable credits for projects outside the North Bayshore Area are scheduled to come to Council for consideration later in the year. If revised, the applicant/project developer could return to Council with a request that

their project and its conditions of approval be modified based on the parameters of the revised ordinance.

42. #13-What improvements would be made to adjacent property and wouldn't that require permission from the other property owner?

The improvement is required because the project currently shares an improvement (ie., driveway with the adjoining property), and in order to bring it up to City Standards for safe circulation, improvements are necessary on the adjoining property, to make it a functional and safe access.

43. #34-What happens to the parking spaces if no car share uses them - guest or tenants?

The EWPP requires developments to offer a right of first refusal of parking stalls to carshare companies. If none are taken, they revert to normal parking stalls.

44. #78a- How proactive has the city been in reviewing compliance with requirement to submit a TDM report. Ie Merlone Geier, Madra, etc?

TDM programs are part of development project requirements and annual monitoring and reporting are required as part of the project conditions of approval.

45. # 119 How many elevators are there going to be in each building?

There are three elevators in the apartment building, two in the condominium building and none in the townhomes.

46. #144 Where does the fee go?

Water and Sewer Capacity charges are placed in a separate fund and during the budgeting process these funds are allocated to CIPs.

47. #145 How much is charged and what is being done to increase capacity?

The proposed project impacts three sanitary sewer pipe segments that were previously identified in the General Plan and East Whisman Precise Plan EIRs as flowing above design capacity in the cumulative condition. This project contributed under 5% additional flows to those pipes. The developer will pay their fair share towards the upsizing of these pipes which will be approximately \$6,000. The projects to replace these pipes will be scheduled through the CIP process.

48. #164 How long is the Middlefield Road frontage? Why can't cars and bikes coexist?

The project's frontage on East Middlefield Road is approximately 665 feet. Dedicated bike lanes are recommended for streets with higher traffic volumes and speeds as opposed to residential streets where bikes and cars can more safely share the same lane.

49. #178 is purple pipe required on this project?

The project site is in an area planned to be served by recycled water, and therefore, purple pipe will be required per this Condition.

ITEM 7.1 FISCAL YEAR 2019-20 GENERAL OPERATING FUND (GOF) BUDGET STATUS UPDATE REPORT ON THE IMPACTS OF COVID-19

1. Is the Shoreline Amphitheater payment deferral included or excluded per the reference on page 7 of the staff report in the Rents and Leases section?

The Shoreline Amphitheatre rent payments April through June have been excluded from the estimated revenues for Fiscal Year 2019-20, i.e., we will not receive those payments this fiscal year and that revenue loss is factored into our estimates.

2. What is the estimated sales tax revenue decline if the shelter-in-place order lasts through the end of the fiscal year?

Our Sales Tax consultant provided an estimated additional loss of approximately \$840,000 for FY20, \$2 million for FY 21 and \$1.6 million for FY 22 should SIP continue through June. It should be noted that these estimates are preliminary since they are based primarily on assumptions that continue to change and not on actual returns.

3. Are any reimbursements from FEMA factored into the budget?

No reimbursements from FEMA are included in any revenue estimate.

4. If I remember correctly, the Business License Tax as codified by Measure P, specifies that 80% of the tax should go to transportation, 10% to affordable housing and 10% to the General Fund, but that is advisory only and in case of emergencies changes can be made to that allocation. Is that accurate?

Correct, the Business License Tax is a general tax for general governmental purposes. It can be used for any purpose in the General Fund. Attached is the Resolution approved by City Council which outlined the intended (advisory) use of the revenues generated by the Business License Tax.

5. What percent of Business License Tax revenues come from our largest businesses? I have read that the larger tech businesses are doing as well or better now than they were before Covid-19. Given that, do we estimate that the Business License Tax revenue from our largest businesses will go up, down or remain relatively steady over the next year?

Based on the number of employees, the revenues from the top ten businesses are approximately 67% of the total revenues derived from this tax. For Fiscal Year 2020-21, the assumption is that Business License Tax revenues will decrease in total by 3% based on historical unemployment rates.

ITEM 7.2 ALLOCATION OF ADDITIONAL FUNDING FOR RENT RELIEF PROGRAM

1. If the Successor Agency Fund must be expended by June 30, 2020, how can \$450,000 be kept for current projects in future years? Doesn't it all have to be spent by the end of June this year?

Not all funds must be spent by the end of the fiscal year. The state law requires that once the Successor Agency Fund balance exceeds \$1M, essentially any unencumbered funds exceeding the \$1M balance must be spent within a certain timeframe or those funds would need to be returned to the state. By expending \$1M, it will bring the City below the \$1M threshold and therefore those remaining funds would not be subject to the time requirement. Those funds could be used for homeless services or affordable housing development in the future.

2. How much have rent's gone up in Mountain View over the past 10 years?

Over the past ten years, the average asking rents for all units in Mountain View have increased from \$1,656/unit to \$2,987/unit (80% increase). Note that this average includes all rental units in apartment buildings with three or more units and across different unit sizes. The overall variation of rents is wide, with asking rents for specific units below the average for older, less amenitized units and asking rents that are significantly higher for newer, more amenitized rentals.