



August 30, 2016

Terry Blount
Assistant Community Development Director
City of Mountain View, CA

Dear Terry,

Prometheus Real Estate Group respectfully submits the attached Formal Application for a new apartment development located on the "400 San Antonio" property assemblage for the City's consideration and comment. This application employs the California State Density Bonus Law in an effort to support the first stated goal of the current Mountain View City Council, specifically to "improve the quantity, diversity and affordability of housing". A brief description of the major components of the application follows.

Development Location

This 5.75 acre proposed apartment development site is located one quarter mile from mass transit at the Caltrain "San Antonio Station" as well as multiple VTA bus lines. Google occupies roughly 500,000 square feet of office space just on the other side of the Caltrain tracks at the old Mayfield Mall site about 1/3 mile from our proposed development. Directly across the street is San Antonio Center, a regional mixed use shopping destination where LinkedIn plans to occupy 400,000 SF of new office space in phase two of the Center's redevelopment which is currently under construction. Currently the "400 San Antonio" property has a mix of older retail, light industrial, and office buildings both occupied and vacant which would all be replaced by the proposed redevelopment. Given the proximity to existing and future nearby employers and mass transit we believe this property is positioned perfectly to provide a much needed housing balance to the other developments planned for the San Antonio Precise Plan area. We also believe the proposed housing will provide practical opportunities for residents to bike or walk to work instead of using their cars. This potential reduction in vehicle miles travelled would in turn have a direct beneficial effect on local traffic patterns in this area not to mention the ancillary benefits to the environment.

Conceptual Development Plans

The attached revised conceptual development plans propose 583 apartment homes in a mix of studio, one, two, and three bedroom configurations. The plans include two five story and two seven story buildings (labeled A, B, C, and D) with two levels of subterranean parking across the entire site. The buildings will be separated by an east/west public paseo which will provide convenient access and connectivity through the site between Miller Avenue and Fayette Drive, similar in concept to the paseo we developed at both the Park Place Apartments and Madera Apartments in the Old Mountain View neighborhood.

The development proposal also includes the dedication of one half acre of land for a City park with frontage on Fayette Drive. In addition to the park land dedicated we plan to pay significant park fees to satisfy the balance of the park land dedication ordinance. Our expectation is that the City would complete construction of the park by the time we are ready to occupy the first apartments and retail spaces in the development.

Our conceptual plans include 11,162 square feet of ground floor retail spaces facing San Antonio Road which are anticipated to include a mix of shops and restaurants. We are hopeful that Masa Sushi will return to occupy roughly two thousand feet of the new retail space once it is complete, and we have factored this into our FAR since preservation of local Mountain View businesses results in a commensurate square footage credit to the FAR calculation per the San Antonio Precise Plan. The development will provide significant outdoor and indoor amenities for residents and plans to include a clubroom with chef's kitchen, fitness center, rooftop patio/deck, lobbies, media room, yoga room, pet spa, mtg conference room, an outdoor pool on the podium grade and an elevated outdoor pool on the 3rd floor bridging courtyard A, outdoor spas, outdoor bocce/putting areas, outdoor ping pong, outdoor cooking and seating areas, community garden for apartment residents, among others if feasible.

The buildings will be constructed to comply with the latest practices in resource efficient design with regard to lighting, heating, water usage, and indoor air quality, etc. We plan to obtain a "Green Point Rating" for the development at a minimum and will endeavor to provide the latest in sustainable products, technologies, and strategies.

We believe the architectural style of the conceptual building elevations to be thoughtful, contextual, engaging and timeless in nature. The buildings are planned to be constructed with materials and finishes of the highest quality. We understand that "beauty is in the eye of the beholder" and as a result we have worked diligently with Planning Staff and the City's Design Review Committee over many months to refine our conceptual designs and we look forward to continued collaboration.

Density Bonus Law Explanation

The purpose of the State Density Bonus Law (DBL) is to encourage cities to offer bonuses and incentives to housing developers that will "contribute significantly to the economic feasibility of lower income housing in proposed housing developments." (Gov. Code § 65917.) The State Density Bonus Law has four distinct primary components: (1) Density Bonuses; (2) Incentives/Concessions; (3) Development Standard Waivers; and (4) Parking Standards. Although interrelated, each component serves a different purpose and is governed by unique standards as follows:

- 1) Section 65915(b)(1) of the State Density Bonus Law provides that requests for a density bonus *must* be granted "when an applicant for a housing development seeks and agrees to construct a housing development" that meets one or more of the statute's thresholds. Our proposed development will provide 11% of the General Plan allowed apartment density (i.e. calculated to be forty eight (48) apartments) to households that meet the "Very Low" income qualification, which would entitle it to receive a 35% density bonus over and above the maximum density allowed in the General Plan.

- 2) The number of Incentives and Concessions to which a project applicant is entitled depends upon the percentage of Very Low, Low-, or Moderate-income units provided. The project applicant may receive two incentives for projects that include at least 10% for very low income households, as is the case here. (§ 65915(d)(2)(B).) As of this writing the proposed conceptual development does not request any specific incentives or concessions but reserves the right to do so at a future date should necessity dictate, subject of course to the City's review.
- 3) The third component of the State Density Bonus Law, Development Standard Waivers, is separate from and in addition to requests for incentives. The law states that a density bonus applicant may request a waiver or reduction of development standards that would have the effect of physically precluding the construction of the project at the densities or with the incentives permitted under the statute. (§ 65915(e)(1).) The definition of a "development standard" includes a site or construction condition, including, without limitation, local height, setback, floor area ratio, onsite open space, and parking area ratio requirements that would otherwise apply to residential development pursuant to ordinances, general plan elements, specific plans, charters, or other local condition, law, policy, resolution, or regulation. (§ 65915(o)(1).) A request for a development standard waiver neither reduces nor increases the number of incentives to which the developer is otherwise entitled. (§ 65915(e)(2).) Furthermore, there is no limit on the number of waivers that may be issued. The design team has made significant efforts to comply with the original intent of the San Antonio Precise plan and has worked with City Staff where waivers from Plan requirements have been needed to accommodate the additional density. As a result the proposed development will specifically require the following Development Standards Waivers in order to physically achieve a 35% Density Bonus on the 5.75 acre subject site, however we reserve the right to request other waivers consistent with the DBL should necessity dictate, subject to review by the City:

- 1) Height Waiver: The San Antonio Precise Plan limits the height of buildings in this area to 4 stories. The development is physically precluded from achieving the 35% density bonus commensurate with the provision of 11% affordable housing units available to households that meet the "Very Low" income qualification unless the maximum height allowed is seven stories, as detailed in the attached "proposed" development site plans and FAR calculations.
- 2) Residential Height Transitions (pg 83): The precise plan states, "The maximum height of new development in neighborhood transition areas (see Figure 4-2) shall not exceed the allowed height of the adjacent residentially-zoned property by more than one story at all setback lines. Where additional height is permitted, additional stories must step back 10 feet per story. Additional height or setback restrictions may be required if these areas are proposed near existing, single-family residential (see Figure 4-6 pg 83)." The proposed development requests a waiver of this specific requirement on the western property line where generally our facades step back only once, one story above the adjacent zoning height (i.e. Step back occurs at the 5th story and adjacent zoning allows 3 stories.) The step back varies from 8'6" to 10' instead of 10' prescribed in the Precise Plan.
- 3) Height at Frontage Setback: The Precise Plan states where more than 4 stories are allowed (See Tables 4-3 pg 75 and 4-5, pg 81), 80% of a building's linear frontage above 4 stories

must step back a minimum of 10 ft on every street the project faces.". The proposed development is requesting a waiver from this requirement since the frontage of Building B on Miller Avenue steps back at the 6th floor instead of the 5th floor in order to maintain a proportional relationship to the seven story building. Also, this step back varies between 8'6" and 10' instead of the 10' prescribed in the Precise Plan.

- 4) The fourth component of the State Density Bonus Law concerns the project parking ratio. In addition to the incentives allowed under Section 65915(d), an applicant may request that the city not require a vehicular parking ratio for a density bonus project that exceeds the following: 1 onsite space for 0-1 bedroom; 2 onsite spaces for 2-3 bedrooms; and 2.5 onsite spaces for four or more bedrooms. (§ 65915(p)(1).) At this time the proposed development does not request any parking modifications and plans to comply with the City's Model Parking Standard and the allowance for shared parking in the San Antonio Precise Plan. However, the applicant reserves the right to request parking standard modifications in the future consistent with the provisions found in the DBL Section 65915(d) should necessity dictate, subject of course to review by the City."
- 5) Findings: The City has requested that we provide written support for the following findings:
 - a. The development project would not be a hazard or nuisance to the city at large or establish a use or development inconsistent with the goals and policies of the general plan;
 - i. *The General Plan states: "The San Antonio [Plan Area] continues to evolve as a diverse regional and community destination with a variety of land uses and mobility improvements. In 2030, San Antonio is a lively mixture of commercial and residential uses. Bicyclists and pedestrians connect easily to surrounding neighborhoods, Caltrain, and VTA transit stations. San Antonio Center (the Center), the core of the area, is a regional and local draw with its housing, retail stores, services, and restaurants. Walkable blocks and streets oriented to pedestrians are punctuated by vibrant, active plazas and enhancements to the Hetch Hetchy right-of-way."* The proposed development certainly achieves the General Plan vision of creating best in class walkable and bicycle friendly residential and retail mixed use development within ½ mile of mass transit and directly across the street from the Core Precise Plan Area. The proposed plan will not be a hazard or nuisance to the City in any way.
 - b. The number of dwellings can be accommodated by existing and planned infrastructure capacities;
 - i. The proposed development makes use of the State Density Bonus Law to provide 582 apartments on the property. Infrastructure capacities are being studied now as part of the CEQA documentation and no deficiencies are anticipated.
 - c. Adequate evidence exists to ensure that the development of the property would result in the provision of affordable housing in a manner consistent with the purpose and intent of this chapter [zoning ordinance] and the general plan;
 - i. The development will provide forty eight (48) apartments) to households that meet the "Very Low" income qualification. This is compliant with the State Density Bonus Law and consistent with the intent of the General Plan.
 - d. In the event that the city does not grant at least one (1) financial concession or incentive as defined in state law (Government Code § 65915) in addition to the density bonus, that

additional concessions or incentives are not necessary to ensure affordable housing costs; and

- i. The proposed development does not request any “financial concessions or incentives” but does request waivers. We do not anticipate requesting any further concessions or incentives.
- e. There are sufficient provisions to guarantee that the dwelling units would remain affordable in the future.
 - i. The State Density Bonus law requires a 55 year agreement be executed with the City to ensure the provision of affordable housing in the future. The current development will be subject to such an agreement with the City of Mountain View.

Conclusion

This application responds directly to the primary stated goal of the current City Council to “improve the quantity, diversity and affordability of housing” in the City by providing the maximum amount of housing allowed by the State on this important site, including forty eight (48) apartments available to households that meet the “Very Low” income qualification.

The San Antonio Precise Plan area is vital to the City’s continued economic success and vibrancy and we believe our proposed development will provide a wonderful balance to the recently approved plans to greatly intensify the retail and office presence within the Plan area. Providing as much housing as possible within close proximity to the City’s wonderful retail, office, and mass transit resources makes sense to us and we commend the City for planning with wise purpose in this area of town.

Prometheus has owned, developed, and managed high quality housing in the City of Mountain View for more than three decades and we hope to continue to be a part of the fabric of the community for decades to come. We hope you will look favorably on our Formal Application and we appreciate the opportunity to work with you and other Staff members and the community to help realize the City’s vision for the San Antonio Precise Plan area.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Nathan Tuttle', with a long horizontal line extending to the right.

Nathan Tuttle
Senior Development Director
Prometheus Real Estate Group

CC: Randy Tsuda, Rebecca Shapiro, Carly Panos