

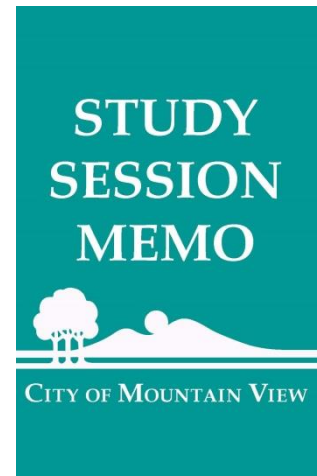
DATE: December 13, 2016

TO: Honorable Mayor and City Council

FROM: Mariya Hodge, Senior Planner
Terry Blount, Assistant Community
Development Director/Planning Manager
Randal Tsuda, Community Development
Director

VIA: Daniel H. Rich, City Manager

TITLE: **Informal Review of a Proposed Master Plan
in the North of California Street Master Plan
Area**



PURPOSE

The purpose of this meeting is to present Greystar's informal Master Plan proposal for three properties comprising the North of California Street Master Plan Area (hereafter "Master Plan Area") and receive direction on key policy topics. The proposed Master Plan is still in the early stages of design and review; however, City Council input is necessary to continue the review process.

Staff's current requests for input are tailored to the preliminary nature of the Master Plan submittal, focusing on features of the Master Plan which differ from the San Antonio Precise Plan (SAPP), City Code, and typical practices. The input provided by the Environmental Planning Commission (EPC) and City Council in Study Sessions will shape the formal Master Plan proposal. Greystar hopes to redevelop the site as soon as possible, and intends to submit Development Review Permits for the proposed buildings to be reviewed concurrently with the formal Master Plan application.

BACKGROUND

Project Location

The Master Plan Area is located within the boundaries of the SAPP and is approximately 8.6 acres in size. The Master Plan Area is bordered by California Street to the south, San Antonio Road to the west, and Pacchetti Way to the east. To the north and east of the site are several existing residential developments, including a four-story condominium building and a two- to three-story rowhouse development. Commercial uses are located to the west and south of the Master Plan Area.

There are three properties within the Master Plan Area. Two properties fronting on California Street are under common ownership and are developed with single-story commercial buildings, one vacant (the former Safeway grocery store) and one serving as a neighborhood shopping center. The third property is under separate ownership; it fronts on San Antonio Circle and is developed with a two-story office complex. Greystar will execute long-term ground leases with the two property owners to allow redevelopment of all three properties. The existing property owners wish to retain ownership; therefore, Greystar is unable to purchase the properties.



San Antonio Precise Plan

The City Council adopted the SAPP in December 2014. The SAPP identifies two subareas—Mixed-Use Center and Mixed-Use Corridor—with different land use objectives and development standards. The project site is located in the Mixed-Use Corridor subarea, which allows:

- A combination of vertical and horizontal mixed-use developments, including both residential and office buildings with ground-floor retail and active spaces.
- Up to 1.85 floor area ratio (FAR) as a “Tier 1” project with provision of public benefits.
- Building heights up to four stories (55’), with consideration of five stories (65’) on a case-by-case basis with significant public benefits or major open space improvements.

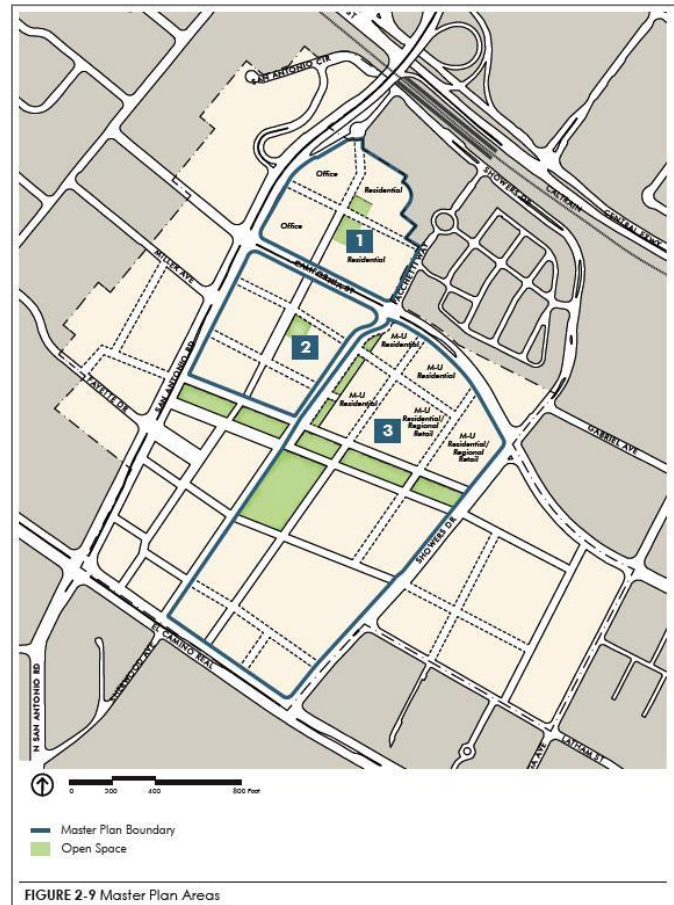


FIGURE 1-3 San Antonio Precise Plan Concepts

The SAPP identifies three Master Plan areas where a special process is required prior to any redevelopment or major remodel. The project site's three properties are identified in the SAPP as the Master Plan Area.

Key objectives for the Master Plan Area include:

- Mixed-use residential uses on the eastern half of the site and mixed-use office uses on the western half.
- A publicly accessible open space area.
- Publicly accessible roadways that provide access through the site.
- Ground-floor retail on California Street and wrapping the corner of San Antonio Road.



Master Plan Process

The Master Plan process provides a coordinated approach to planning large development areas with multiple parcels or ownerships, allowing improvements to be linked across multiple sites. A Master Plan, along with appropriate easements and legal agreements, helps foster the development of a cohesive project and ensure property owners will continue to operate the project in perpetuity as if it were located on a single parcel.

In order to achieve the objectives of the Precise Plan, some flexibility in meeting development standards can be provided at the discretion of the City Council. FAR may be calculated across the Master Plan Area as a whole rather than requiring individual compliance for each property, provided the project meets certain criteria, including fulfilling the intent and purpose of the Precise Plan. Master planned projects are also eligible for more substantial exceptions from other development standards if these are necessary for superior design and meet the goals and objectives of the Precise Plan.

Informal Master Plan Proposal

The proposed Master Plan lays out a building, parking, circulation, and open space framework for the project site. Greystar has provided two separate land use scenarios for review by the City Council at this time. The first is a mix of residential and retail uses. Greystar has expressed a preference for this option. The second includes a reduced number of residential units, an office building, and retail uses. The two scenarios have similar parking, circulation, and open space components, and the same amount of proposed retail space in each.

In summary, the proposed Master Plan includes:

- A network of new streets and pedestrian paths providing access into and through the project site.
- Three new buildings connected by a series of paths and open spaces.
- Heights ranging from three to five stories and from 35' to 60'.
- A series of three underground parking garages.
- A 0.75-acre publicly accessible open space, which may be dedicated as a new City park or may remain under private ownership.
- Cumulative FAR of approximately 1.85 across the Master Plan Area, of which 0.05 FAR is dedicated to retail uses and up to 0.43 FAR is dedicated to office uses.
- Ground-floor retail along approximately two-thirds of the California Street frontage and wrapping the corner at San Antonio Road.
- Residential apartments in a range of sizes from studio to two-bedroom.

Option 1 (preferred by Greystar):

- 644 residential units
- No office area proposed
- 19,500 square feet retail space
- 112,700 square feet private open space

Option 2:

- 480 residential units
- 160,000 square feet office space
- 19,500 square feet retail space
- 88,000 square feet private open space

Environmental Planning Commission Study Session

On November 16, 2016, the EPC held a Study Session to consider Greystar's informal Master Plan proposal. Seven members of the public provided comments during the Study Session. Public comments focused on concerns about street parking and traffic in the neighborhood, potential privacy impacts on existing residents, the design and location of the proposed open spaces, the appropriate mix and location of land uses, school impacts, and the potential loss of the on-site health clinic. In addition, the EPC discussed each of the key topics to be presented for Council consideration. The Commissioners' comments are included in the discussion below.

DISCUSSION

The proposed Master Plan demonstrates how the land use, open space, urban form, and circulation objectives of the SAPP would be implemented with future development. Final building design would be reviewed through the Planned Community Permit process.

Specific Master Plan components are discussed in more detail in the following sections of this report. This analysis focuses primarily on Master Plan components which differ from the direction provided in the SAPP. As noted above, the Master Plan process allows some flexibility to achieve a superior project design if it can be demonstrated the Master Plan meets the overall SAPP principles, policies, and objectives.

Land Use

Office and Residential Uses

When developing the SAPP, a majority of the City Council supported allowing, but deemphasizing, new office development in the plan area. As a result, the SAPP has a cap of 600,000 square feet of net new office development, with a limited small business exception.

In addition to the office development cap, the SAPP identifies office uses as secondary in priority after mixed-use residential and retail uses. When offices are permitted as provisional uses, they are encouraged to be



located close to transit and carefully balanced with retail and residential. Given its location in close proximity to transit, the North of California Street Master Plan is identified as an appropriate site for offices. The SAPP encourages, but does not require, office uses in the Master Plan Area. The SAPP's conceptual land use plans include office uses on the western half of the Master Plan Area with residential on the eastern half.

No residential development cap is included in the SAPP; however, the environmental analysis completed for the Precise Plan evaluated the potential impacts of 1,235 new housing units. A larger number of units may be approved without revising the SAPP, but additional environmental analysis would be required.

Previously approved projects in the SAPP include 727 new residential units, leaving a total of 508 remaining units which have been evaluated by the previous environmental analysis. Approximately 284,500 square feet of net new office development have been approved in the plan area, leaving approximately 315,500 square feet remaining before the office development cap is reached.

Greystar has provided two land use scenarios for the Council's preliminary consideration. The first (Option 1, summarized on Sheet A2 of the project plans) is a mixed-use residential project consisting of 19,500 square feet of ground-floor retail uses and 644 residential apartment units. The second scenario (Option 2, summarized on Sheet A13 of the project plans) also includes 19,500 square feet of retail space, along with 160,000 square feet of office and 480 residential apartment units.

Greystar's Option 1 includes 644 new residential units, which exceeds the number of remaining units which were evaluated in the Environmental Impact Report (EIR). The number of units is consistent with the SAPP since no residential development cap was established, but additional environmental analysis would be required. The Council has expressed support for increasing housing supply in the City, and the additional housing units proposed in this option are consistent with the SAPP's direction to prioritize residential uses. However, this mixed-use residential proposal without office uses is somewhat inconsistent with the SAPP's conceptual land use plans, which encourage office uses on the west side of the site.



Greystar's Option 2 proposes 480 new residential units, which is within the total amount studied in the previously certified EIR. The northern parcel in the Master Plan Area is currently developed with approximately 56,500 square feet of offices which would be demolished to construct the proposed project. This would result in 103,500 square feet of net new office development for Option 2, which falls beneath the office development cap. As a result, the land uses proposed in Option 2 are consistent with the SAPP's conceptual land use plans and the previous environmental analysis. Office uses on this site could provide daytime support for other on-site commercial tenants while taking advantage of the site's proximity to transit to reduce vehicle trips. However, this option offers a reduced number of housing units.

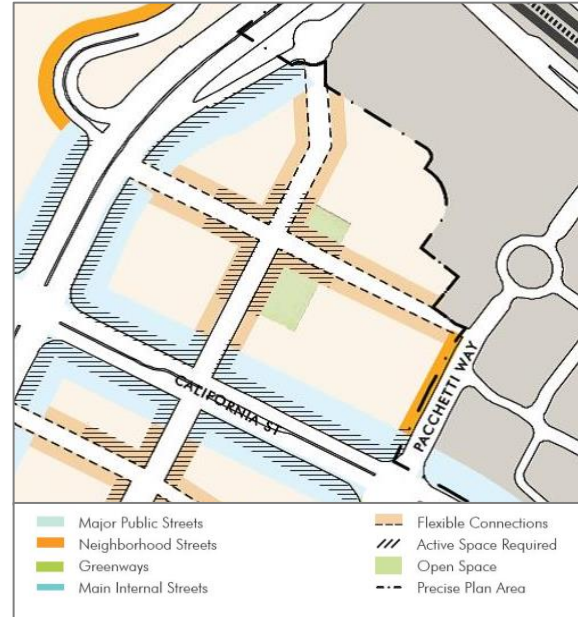


The EPC discussed the two potential land use scenarios in a November Study Session. The EPC expressed concern about the jobs-housing balance associated with Option 2, stating the number of housing units in this scenario would be lower than the number of jobs provided by the offices proposed on the site. In addition, Commissioners stated there is no deficit of offices in the area, and a recent proposal by Federal Realty to locate substantial office area in the East San Antonio Center suggests additional office may not be needed on this site. On the other hand, some Commissioners noted the complementary nature of office and residential uses in Option 2 could reduce traffic congestion, provide additional support to ground-floor retailers, and ensure the site remains active throughout the day and week. The EPC asked whether the developer would consider introducing some larger three-bedroom units to increase the number of residents, but noted this could result in increased school impacts. During this discussion, Greystar expressed a preference for Option 1. After weighing the alternatives, two Commissioners expressed a slight preference for Option 1, two Commissioners expressed a slight preference for Option 2, and one Commissioner felt both options were equally attractive.

City Council Question No. 1: Does the Council have a preference between the two Master Plan land use options?

Retail Uses

The SAPP identifies frontages on which ground-floor active space is required in order to create a vibrant, pedestrian-oriented environment. This requirement may be met with public open spaces, plazas, outdoor dining areas, retail and restaurant uses with transparent storefronts, stoops or pedestrian entries, and lobbies or amenity areas. The SAPP's conceptual land use plans call for ground-floor active spaces along the full length of the site's public street frontages on California Street, San Antonio Road, and San Antonio Circle. The SAPP also calls for ground-floor active space wrapping the corner of Pacchetti Way, wrapping the corners of the main entry from California Street, and at corners where the site's new internal streets intersect. For highly visible locations such as the corner of California Street and San Antonio Road, ground-floor active spaces should be those which generate the highest levels of activity, such as outdoor plazas, restaurants, and retail uses. For less visible areas such as the one-way ramp along San Antonio Circle, lower-intensity active spaces such as stoops and pedestrian entries would be appropriate.



In both proposed development scenarios, retail storefronts are located near the corner of California Street and San Antonio Road, and at the corners of A Street and California Street. Public plazas are located along the west side of A Street and at the corner of California Street and Pacchetti Way. At the corners of A Street and B Street, lobbies and amenity areas are provided as the active ground-floor spaces. Along the eastern one-third of the site's California Street frontage, active space is limited to residential stoops and entries. Staff supports expanding the amount of retail space in the project to occupy the full California Street frontage. The developer does not believe market analyses support the requested amount of retail at this time. However, market conditions may change over time as redevelopment proceeds.

In their November Study Session, the EPC considered the proposed site layout and the requirement for active space in the SAPP. The EPC noted retail is a very important component of the mixed-use environment in the Precise Plan area. At the same time, certain frontage areas may not have the level of activity needed to sustain retail, or retail uses may be inconsistent with surrounding character. At the corner of Pacchetti Way

and California Street, the EPC indicated residential stoops would serve as a good transition to the adjacent rowhouses. Four Commissioners expressed support for Greystar's proposal to use residential stoops and entries as active space on the eastern third of the California Street frontage. One Commissioner was neutral as to whether stoops or retail uses should be used.

City Council Question No. 2: Does the Council support the use of residential stoops and entries to meet active space requirements along a portion of California Street, or should other active spaces or uses be introduced to this frontage?

Development Intensity

Floor Area Ratio (FAR)

The base FAR for the Mixed-Use Corridor subarea is 1.35. Up to 1.85 FAR can be permitted for Tier 1 developments if the project provides public benefits consistent with the required value detailed below. Of the total permitted floor area, up to 0.50 FAR may consist of commercial or office uses. Both of the options proposed by Greystar comply with FAR requirements when calculating across the Master Plan Area as a whole. Option 1 has a total of 0.05 FAR of commercial space and an overall FAR of 1.85. Option 2 also proposes 1.85 FAR, of which 0.48 FAR consists of commercial space. The project as designed requires approval of flexibly calculated FAR by the City Council.

Building Height

The base height allowed in the Mixed-Use Corridor subarea is three stories (45'). Tier 1 developments are permitted four stories (55') to coincide with the higher FAR allowance, subject to a public benefit contribution. On a case-by-case basis, heights up to five stories and 65' can be approved if the project provides "significant public benefits or major open space improvements" in addition to those required for a Tier 1 development. In Option 1, Greystar proposes building heights ranging from three stories/35' on the east side of the project to five stories/55' on the west side near San Antonio Road. In Option 2, building heights range from three stories/35' on the east side to five stories/60' on the west side. Both scenarios require approval of additional height above the base allowance.

TABLE 4-3 Mixed Use Corridor Intensity and Height Standards		
	INTENSITY TYPE	
	Base	Tier 1
MAXIMUM FLOOR AREA	1.35 Up to 0.50 can be office or commercial	1.85 FAR Up to 0.50 FAR can be office or commercial
MAXIMUM STORIES	3 stories	4 stories ¹
MAXIMUM BUILDING HEIGHT	45 feet	55 feet ¹
PUBLIC BENEFITS REQUIREMENT	No public benefit contribution required.	Public benefit contribution required.
1. Up to 5 stories (65 feet) will be considered on a case-by-case basis if project provides significant public benefits or major open space improvements per Figure 4-2. Additional height (in feet) may be allowed if needed to accommodate commercial uses.		

Public Benefits

Public benefits refer to development contributions to the Precise Plan area in exchange for approval to develop additional intensity. Public benefits may be physical improvements or the equivalent financial resources. In order to qualify as public benefits, contributions must exceed the minimum standards applicable to the project based on SAPP requirements or other City codes.

The Council has established a SAPP public benefit value of \$20.46 per square foot for floor area in excess of the base threshold. Based on current Master Plan data and the adopted public benefit value, redevelopment under the proposed Master Plan would require over \$3.8 million in public benefits for Tier 1 FAR. In addition, the developer's proposal for building heights over four stories would require additional significant public benefits or major open space improvements as noted above. The Council has not identified a required value for these additional benefits; they are to be considered on a case-by-case basis.

At this time, the applicant has not proposed a specific public benefits package, nor has the applicant identified the type or amount of significant additional benefits which will be proposed for additional height over four stories. Greystar may request consideration of a "major open space improvement" on the site as a justification for additional requested height above the Tier 1 allowance (see Precise Plan Table 4-3 above). The proposed 0.75-acre open space, which is discussed in detail later in this report, could be considered a major open space improvement to meet this requirement at the discretion of the City Council.

The EPC discussed public benefits for the proposed project in their November Study Session. Consistent with other recent applications in the SAPP area, the EPC expressed a preference for public benefits to be directed to improvements located within the Precise Plan area. Several Commissioners expressed support for funding transportation improvements in the area, including enhancing bicycle and pedestrian safety. Although the EPC did not discuss the potential for a pedestrian tunnel beneath Central Expressway in detail, this has been a desired transportation improvement in the area, and the project's public benefits could be used to help fund this improvement. The EPC noted there has been previous discussion of using public benefit funds to help the Los Altos School District purchase a new school site, ideally with an agreement for shared use of athletic fields as public open space, and this should continue to be explored. The SAPP calls for a study of possible traffic calming measures on Pacchetti Way to reduce cut-through traffic, an issue raised by one of the members of the public who commented during the Study Session. The EPC asked whether public benefits could be used to fund traffic calming measures resulting from the study. If the traffic study identifies a need for traffic calming measures, these would be considered a requirement of the Precise Plan to be implemented by the developer, and would, therefore, not be eligible for consideration as public benefits. Implementation of requirements cannot be considered a public benefit.

City Council Question No 3: How does the Council wish to direct the applicant in developing a public benefits package, including:

- a. Which types of benefits are recommended to meet the estimated \$3.8 million public benefit requirement for Tier 1 FAR and height up to four stories/55';*
- b. Is a new 0.75-acre open space a sufficient major open space improvement to justify additional height over four stories/55', or should other significant public benefits be provided to justify this height increase; and*
- c. If additional significant public benefits are needed to justify the height increase, what type and amount of additional benefits are recommended?*

Open Space and Parks

The SAPP identified a network of new, publicly accessible open space areas which are intended to help address existing open space deficiencies and provide amenities for the full range of future uses in the Precise Plan area. The locations of these spaces as shown in the SAPP are conceptual and were based on coordination with existing open spaces and with the future anticipated urban form. The SAPP includes separate requirements for private open spaces for residential developments and publicly accessible open

spaces located on private property. These are independent of the Citywide park land dedication requirements for residential projects.

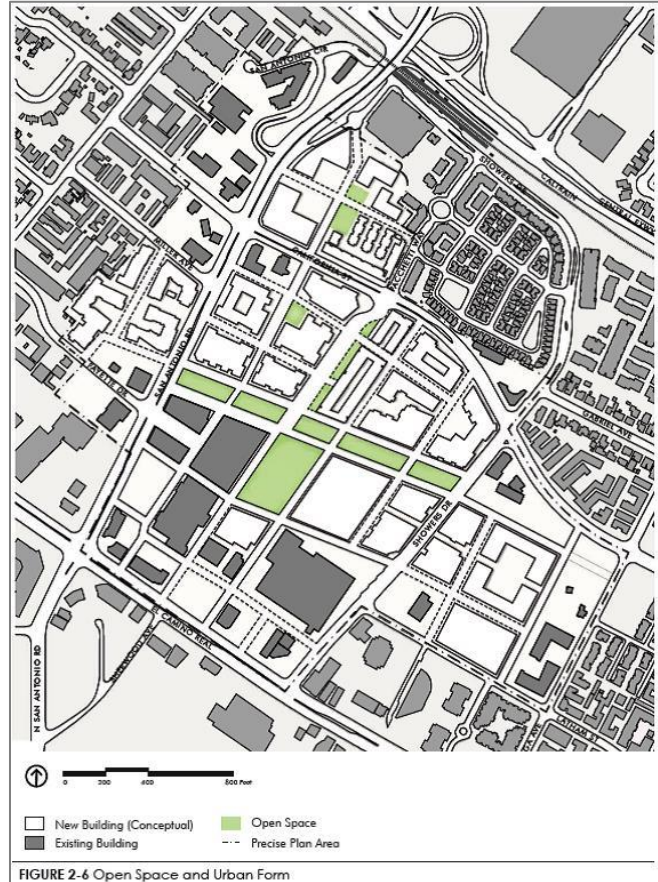
San Antonio Precise Plan Open Space Requirements

Project applicants in the SAPP are required to provide publicly accessible open spaces consistent with the standards set forth in the Precise Plan, provide private open space for residential uses, and meet other open area and landscaping requirements. The proposed Master Plan demonstrates compliance with the minimum requirements for open space, open area, and landscaping. The two development options provide from 40 percent to 41.5 percent of the lot area as open area and landscaping, meeting the minimum requirement of 40 percent.

Private open space for residential units is provided by a combination of ground-floor courtyards, private balconies, and roof decks, meeting the requirement of 175 square feet per unit. The applicant has also proposed several publicly accessible open spaces on the project site, some of which staff finds to be inconsistent with the intent of the Precise Plan.

The proposed publicly accessible open spaces are a large plaza along the project's main entry drive (A Street) fronting on California Street, a mini-plaza at the corner of California Street and Pacchetti Way, and a 0.75-acre open area in the northeast corner of the site. The applicant has expressed interest in providing the 0.75-acre open space as a public park to meet a portion of the site's park dedication requirement, which is discussed in detail later in this report.

The San Antonio Precise Plan includes a conceptual plan for new open spaces. This plan depicts a consolidated open space area near the center of the North of California Street Master Plan Area, which is depicted at the eastern corners of the intersection of A Street and B Street. While the open space locations shown in the Precise Plan are



conceptual and may not represent the final arrangement of open spaces, any alternate location must be consistent with the policies and objectives of the Precise Plan. Specifically, the Precise Plan gives the following direction on the location and design of public open spaces and major open space improvements:

- Locate public open spaces near building entrances, street frontages, or along public pedestrian connections.
- Locate usable public open spaces to be visible from surrounding public rights-of-way, or from publicly accessible private streets if applicable.
- Design publicly accessible open spaces to draw visitors to area businesses.
- Design publicly accessible open spaces to provide space for passive recreation, additional tree canopy, commercial plazas, amenities for small gatherings, and bicycle and pedestrian connections.
- Clearly delineate public open spaces from nearby private and semiprivate open spaces.

Staff finds the large public plaza proposed along A Street generally meets the intent of the Precise Plan for publicly accessible open spaces. It is prominently located along California Street and provides an active area in front of proposed ground-floor retail and restaurants. The mini-plaza proposed at the corner of California Street and Pacchetti Way would be visible from public streets and is depicted as an entry point to proposed residential building lobbies. This space may be less successful as an area for recreation, gatherings, or other uses encouraged by the Precise Plan, given its isolated location and size. The mini-plaza is surrounded by buildings and lacks a clear visual connection to the rest of the Master Plan Area. As a result, staff finds the mini-plaza to be inconsistent with the intent of the SAPP for publicly accessible open space.

The 0.75-acre area in the northeast corner of the site is also located in a manner which makes it inconsistent with use as a publicly accessible open space. This area is tucked in a rear corner of the site, between a proposed four-story residential building and an adjacent rowhouse development. It is not readily visible from public rights-of-way and lacks visual connection to the rest of the Master Plan Area, including the other public open spaces. Its location adjacent to a private open space for the nearby rowhouses could also lead to confusion among users. Reversing the locations of this open space and Building 3B could address these concerns. Locating the 0.75-acre open space at the northeast corner of A Street and B Street would create a visual connection between this area and the public entry plaza, which would further activate both spaces. It would

also make this publicly accessible open space more readily visible from California Street.

Greystar has held two outreach meetings with residents of the surrounding neighborhood. According to the developer, neighbors expressed a preference for locating the 0.75-acre public open space in the northeast corner of the site to serve as a buffer to their adjacent residences. Relocating the space to the interior of the project, while more consistent with the policies set forth in the Precise Plan, may be in tension with the preferences of immediately adjacent residents who expressed support for this location.

Public Park Location

The City Code requires residential projects to dedicate a portion of the project site for development of public park land or pay a fee in lieu of dedication. For projects with 50 or more units, land dedication may be required. Providing a new public park within the Master Plan Area is further encouraged based on significant new park facility needs in the SAPP area as identified in the 2014 Parks and Open Space Plan (POSP). Option 1, with 644 residential units, would require 3.86 acres of land dedication (approximately 45 percent of the project site). Option 2, with 480 residential units, would require 2.88 acres of land dedication (approximately 33 percent of the project site). In each case, requiring full dedication would render the proposed development infeasible given the large percentage of the project site to be dedicated. Balancing park facility needs with project feasibility, staff recommends a park dedication of approximately 0.75 acre to 1 acre be provided in the Master Plan Area, with the remainder of the required park land dedication to be paid as in-lieu fees.

As noted above, Greystar's proposal locates a 0.75-acre public open space in the northeast corner of the property, adjacent to the neighboring rowhouse development. The developer has expressed interest in providing this area for use as a public park to meet a portion of the site's park dedication requirements; however, the proposed location may not be ideal to serve as a public park. The proposed 0.75-acre open space is hidden toward the back of the site and does not front on a public right-of-way, as a rowhouse building is located between the open space and Pacchetti Way. Given the site layout, it would not be visible from California Street or the project's main entry. If this area were dedicated as a public park, it is unclear whether surrounding residents would be aware of the park or perceive it to be public, given its location. Its location adjacent to a private open space for a nearby development could also cause confusion for park users, as discussed previously. It would be more appropriate to locate a public park directly adjacent to a public street, or potentially in the center of the site, more readily visible from public streets, to address these concerns.

In their November Study Session, the EPC shared staff's concerns about the location of the 0.75-acre open space, whether serving as a park or a publicly accessible open space on private property. A member of the public who also serves on the Parks and Recreation Commission suggested the small size and irregular shape of the open space would make it very difficult to program as a park; she indicated even mini-parks need to be rectangular or circular to allow for the layout of seating, equipment, and amenities. The EPC noted a new public park is needed in the San Antonio area per the POSP, but stated this does not appear to be the appropriate site to introduce a park given the site constraints. Instead, the EPC expressed a preference for a publicly accessible open space on private property as described in the SAPP, but asked the applicant to explore relocation of that space for more visibility and connection, potentially by switching the locations of the open space and Building 3B. The possibility of moving the large plaza on A Street to the east side of the street was also discussed. The EPC stated the small plaza at the corner of California Street and Pacchetti Way appears to be too isolated to be an actively used public space, and should be reconsidered.

City Council Question No. 4: Should the project provide a new public park on the site to assist in meeting park needs for the San Antonio area, or should the applicant be permitted to pay in-lieu fees for the full required park land dedication?

City Council Question No. 5: Does the Council find the design and location of the following open spaces appropriate to meet the policies and intent of the Precise Plan and Parks and Open Space Plan:

- a. The mini-plaza at the corner of California Street and Pacchetti Way;*
- b. The 0.75-acre open space at the rear of the site (as a public park or as a publicly accessible open space on private property)?*

Park Land Dedication Process

As previously noted, Greystar is unable to purchase any of the three properties in the Master Plan Area. Instead, Greystar will enter into long-term ground leases with the two property owners who control these three parcels. As a result of these ground leases, the developer has requested to provide their required park dedication as an easement rather than an in-fee dedication. The current property owner would retain ownership of the land on which the public park would be located, but would provide legal agreements allowing the public to access the area. At this time, it is unclear whether the property owners would offer these agreements for park use in perpetuity, or whether they would terminate at the end of Greystar's long-term ground leases

(estimated at 99 years). This proposed arrangement is not currently permitted by the City Code. All park land dedications are required to be full in-fee dedications in which the City assumes ownership of the dedicated land. Without an in-fee dedication, the area may be considered a publicly accessible open space, but it would not be counted toward the park land dedication requirement under current codes. Payment of in-lieu fees for the full required park land dedication would be required. In order provide credit for park land dedication without a full in-fee land dedication, as proposed by the developer, amendments to the City Code would be required. Staff has recently been approached by another developer requesting a similar accommodation for a proposed project on Villa Street. Given current land values, site availability, and the increasing prevalence of ground lease conditions, staff expects to receive additional requests of this type in the future.

The five Commissioners present at the EPC's November Study Session unanimously indicated they were not comfortable with alternative means of accepting park land dedications. They expressed a strong preference for the City to continue requiring full in-fee park land dedications.

City Council Question No. 6: Does the Council support exploring alternatives to requiring dedication of park land to create public parks?

Commercial Tenants

The three lots comprising the project site are currently occupied by commercial and office uses. The property at the corner of California Street and Pacchetti Way is developed with a vacant commercial building formerly occupied by Safeway, and is currently being used as a construction staging area for a nearby project. The property at the corner of California Street and San Antonio Road is developed with a single-story shopping center. Tenants include neighborhood-serving uses such as a health clinic, dentist, and dry cleaner. The northern property is occupied by a two-story office complex with multiple small office tenants.

The City Code requires tenant relocation assistance be provided to certain residential tenants displaced by development, but the requirement does not apply to commercial tenants. Although there is no requirement to relocate displaced commercial tenants, the City Council has encouraged developers to provide consideration and assistance for existing small businesses. The SAPP also encourages the retention of small businesses on project sites through Precise Plan policies and by providing a FAR exemption for up to 7,500 square feet of additional floor area to be occupied by qualifying businesses such as nonprofit organizations, cultural and public service providers, and existing neighborhood-serving retailers.

At this time, Greystar is not proposing to retain any of the existing businesses on the site. Staff has been contacted by the operators of the health clinic, who expressed some interest in remaining on the site, if possible.

The EPC discussed existing commercial and office tenants on the site and asked the applicant about remaining leases. Greystar indicated all tenants are on month-to-month leases due to pending redevelopment efforts. A member of the public who spoke during the comment period expressed concern about displacing the health clinic from the site because it serves a wide range of residents, including low-income families, and moving it to a location further from transit could create barriers to access. The EPC suggested the developer continue to work with the clinic to explore options for keeping them on-site, which would be preferred, given the project's transit-oriented location. With respect to other tenants, the EPC noted there is no information suggesting these tenants want to remain on the site; therefore, this project is different from Greystar's previous project at 801 West El Camino Real. The EPC suggested the applicant target future leasing to neighborhood-serving retail to limit traffic impacts.

City Council Question No. 7: Does the Council wish to provide direction regarding the existing commercial tenants on the project site?

ENVIRONMENTAL REVIEW

Environmental review of the proposed Master Plan will be completed as part of the formal application process, in conformance with the California Environmental Quality Act (CEQA).

RECOMMENDATION

Staff requests the City Council provide input on key topics for the informal Master Plan proposed by Greystar for three properties located in the Master Plan Area. In summary, the key topics and questions in this report are:

Land Use

Question No. 1: Does the Council have a preference between the two Master Plan land use options?

Question No. 2: Does the Council support the use of residential stoops and entries to meet active space requirements along California Street, or should other active spaces or uses be introduced to this frontage?

Development Intensity

Question No 3: How does the Council wish to direct the applicant in developing a public benefits package, including:

- a. Which types of benefits are recommended to meet the estimated \$3.8 million public benefit requirement for Tier 1 FAR and height up to four stories/55';*
- b. Is a new 0.75-acre open space a sufficient major open space improvement to justify additional height over four stories/55', or should other significant public benefits be provided to justify this height increase; and*
- c. If additional significant public benefits are needed to justify the height increase, what type and amount of additional benefits are recommended?*

Parks and Open Space

Question No. 4: Should the project provide a new public park on the site to assist in meeting park needs for the San Antonio area, or should the applicant be permitted to pay in-lieu fees for the full required park land dedication?

Question No. 5: Does the Council find the design and location of the following open spaces appropriate to meet the policies and intent of the Precise Plan and Parks and Open Space Plan:

- a. The mini-plaza at the corner of California Street and Pacchetti Way;*
- b. The 0.75-acre open space at the rear of the site (as a public park or as a publicly accessible open space on private property)?*

Question No. 6: Does the Council support exploring alternatives to requiring dedication of park land to create public parks?

Commercial Tenants

Question No. 7: Does the Council wish to provide direction regarding the existing commercial tenants on the project site?

NEXT STEPS

After receiving feedback from the City Council, the applicant will refine the Master Plan materials and continue to work with staff to address technical feedback in preparation for the formal development review process. The applicant intends to submit a

development application concurrently with the formal Master Plan application, which will be reviewed by staff, including any required environmental analysis. The EPC will make a formal recommendation to the City Council on the development application and Master Plan at a future date, followed by a City Council hearing.

PUBLIC NOTICING

The Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website at www.mountainview.gov. Property owners and tenants within a 300' radius of the site, owners and tenants of the nearby Crossings development, and other interested stakeholders were notified of this meeting.

MH-TB-RT/3/CAM
802-12-13-16SS-E

Attachment: 1. Master Plan Project Plans