

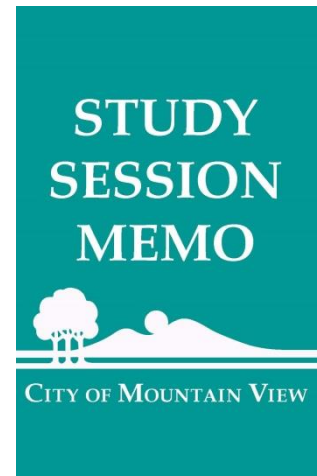
DATE: April 18, 2017

TO: Honorable Mayor and City Council

FROM: Diana Pancholi, Associate Planner
Terry Blount, Assistant Community
Development Director/Planning Manager
Randal Tsuda, Community Development
Director

VIA: Daniel H. Rich, City Manager

TITLE: **555 West Middlefield Road Residential
Development Project**



PURPOSE

The purpose of this Study Session is for the City Council to provide input on a proposed 348-unit addition (including an on-site 1.48-acre public park) to an existing 402-unit apartment complex located at 555 West Middlefield Road.

BACKGROUND

On July 2, 2015, the City Council authorized staff resources for the consideration of a General Plan Amendment from Medium-Density Residential to High-Density Residential and a rezoning from P (Planned Community) to R4 (High-Density Residential). At the time of the Gatekeeper authorization, the proposal included a total of 726 residential units at roughly 50 dwelling units per acre (du/ac) on the 14.5-acre site. City Council also directed all residential Gatekeeper projects to provide a minimum of 10 percent affordable units. This Study Session is an opportunity for early project input on the preliminary application materials submitted by the applicant, Avalon Bay Communities, Inc.

Project Location and Context

The 14.5-acre project site (referred to as 555 West Middlefield Road) is located on the south side of West Middlefield Road, and comprises nearly the entire block between West Middlefield Road, Moffett Boulevard, Cypress Point Drive, and State Route 85 (see Attachment 1). The parcel is currently developed with 402 apartment units, two surface parking areas, and other residential amenities.

To the west of the project site across Moffett Boulevard are Moffett Plaza Shopping Center and Moffett Mobile Home Park. There are two-story apartment buildings to the

north, across West Middlefield Road, and to the south, across Cypress Point Drive. The project shares the block with a gas station located at the southeast corner of West Middlefield Road and Moffett Boulevard.

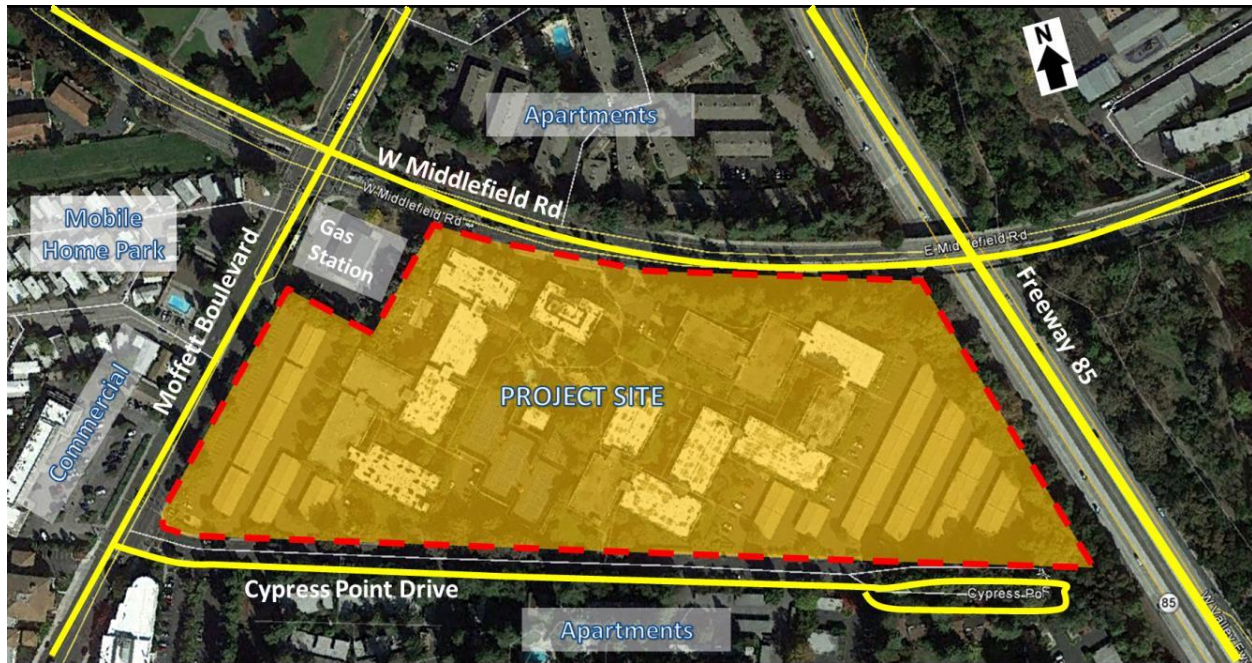


Figure 1 – Location Map

The project site is also in close proximity to two other Gatekeeper project sites located at 777 West Middlefield Road and Shenandoah Square (see Figure 2—Gatekeeper Project Sites). These three projects are expected to add a substantial amount of housing units in this area. Staff anticipates that the project's traffic impact assessment will also study potential cumulative impacts of all three Gatekeeper projects.

General Plan and Zoning

The existing General Plan designation for the subject property is Medium-Density Residential, which allows a range of residential uses such as single-family, duplex, and multi-family development with densities from 13 to



Figure 2 – Gatekeeper Project Sites

25 du/ac and maximum heights of up to three stories. This designation accommodates the existing apartment development on the property, and also allows development of parks and open space. The proposal would amend the General Plan designation to High-Density Residential, which allows higher-density development up to 80 du/ac and heights of up to five stories.

The project site is currently zoned P (Planned Community/Precise Plan) District, which in this case does not have specific development standards or design guidelines. The proposal includes a rezoning to R4 (High-Density Residential) District. The requested R4 Zoning District would allow up to 60 du/ac on the site. The project design would be required to follow the specific R4 development standards and guidelines, which are intended to integrate higher-density residential development with surrounding lower-density residential zones.

Environmental Planning Commission (EPC) Study Session Summary

The EPC reviewed the proposed project at a Study Session on March 15, 2017 (Attachment 2 – EPC Study Session Staff Report). The EPC was generally supportive of the proposed project, particularly infill housing development and on-site public park. In response to questions posed by staff, the EPC recommended changes to ensure the topics identified are appropriately addressed. The specific EPC recommendations are discussed later in the report.

DISCUSSION

The following sections will describe the proposed project and identify key topics for City Council input. Council's direction will guide the subsequent City review process.

Project Overview

Avalon Bay is proposing to replace two existing surface parking lots, covering 7 acres of the site, with two new four-story residential buildings containing 348 rental apartment units. Each new building will be constructed over two levels of underground parking. The new 52' high residential buildings will provide a mix of 28 studio, 179 one-bedroom, 125 two-bedroom, and 16 three-bedroom units. Project plans are included as Attachment 3.



Figure 3 – Proposed Site Plan

The proposal also includes renovating the existing 402 units (built in 1969), and redeveloping the existing clubhouse/leasing office and on-site amenities. The new and existing apartments will operate somewhat independently, with separate and distinct branding. Existing apartment interiors will be updated when individual units are vacated. The redeveloped clubhouse/leasing office is centrally located and intended to primarily serve the existing apartments. Although the amenities on-site will be accessible to the existing and future residents, the existing and proposed buildings will operate independently.

The new buildings will have interior courtyards containing active and passive amenity spaces, including features such as a pool, fireplace lounge, dog run, outdoor kitchen, and gathering/seating areas. The project is designed with a variety of building heights to try to achieve sensitive transitions to existing buildings and adjacent land uses. All the new buildings are proposed with an eclectic mix of contemporary and traditional architectural elements.

Project Changes

At the July 2, 2015 Gatekeeper hearing, the project proposal included 324 new residential units, for a total of 726 units on the site (see the Gatekeeper Council Report, Attachment 4). The current proposal includes 348 new units and 751 total units resulting in a site density of approximately 52 du/ac.

While the applicant has proposed a 25-unit increase, the proposal remains consistent with the proposed General Plan designation and R4 Zoning. The current project is proposed at a floor area ratio (FAR) of 1.5 and maximum building height of 52' which

are both significantly lower than the maximums permitted by the R4 Code (Attachment 5). Staff believes the lower FAR and proposed building heights are generally appropriate in the context of the existing units and surrounding development.

Public Open Space and Circulation

Avalon Bay is proposing to dedicate a 1.48-acre public park along Cypress Point Drive, in an area currently occupied by tennis courts and other complex amenities. This is a change from the original Gatekeeper request which had the park proposed at the intersection of Moffett Boulevard and Cypress Point Drive. The City Council generally supported the proposed public park location and size at the Gatekeeper hearing. The applicant has revised the park location to make it more visible, to centralize its location, and for safety reasons. Dedication of the proposed 1.48-acre park would satisfy a portion of the project's park land dedication requirement, with the remainder of the requirement provided in the form of park in-lieu fees.

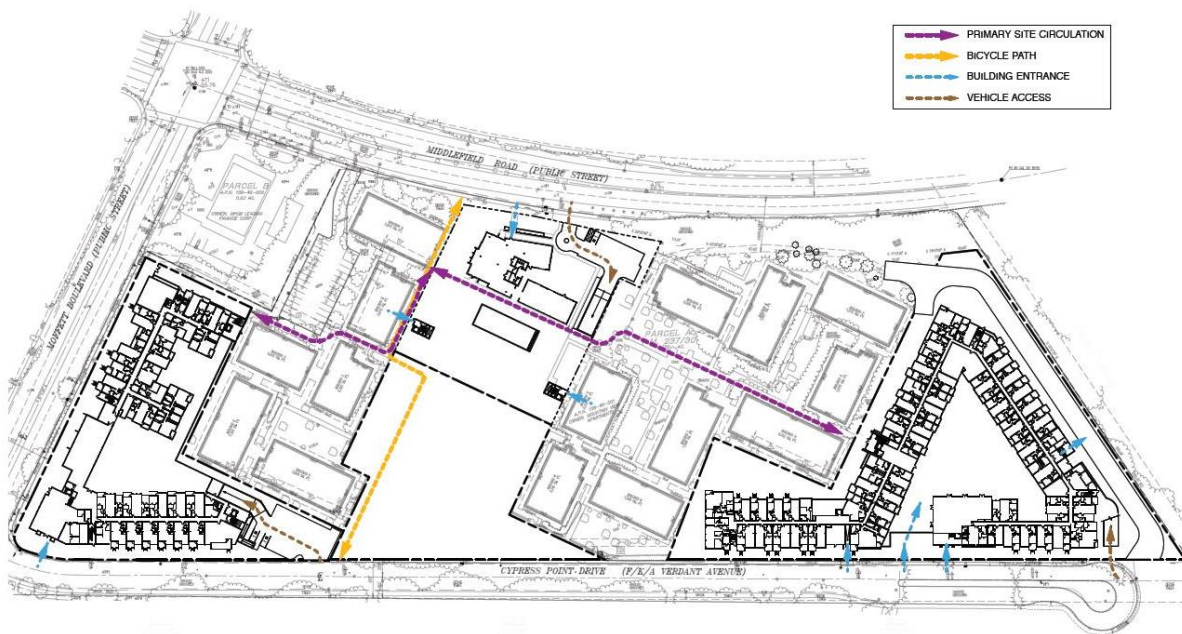


Figure 4 – New Site Circulation

An on-site public path is proposed along the park and leasing office, connecting West Middlefield Road to Cypress Point Drive. The proposed path is an effort to enhance the public bicycle and pedestrian connection through the site and provide access to the public park. City staff will be continuing to work with the applicant on the design of this connection. The project also includes a variety of landscaped paths between the

new and existing buildings. Many ground-floor units have direct connections to public street frontages and common amenity areas.

Parking

The proposed buildings will replace the existing surface parking lots (total of 670 parking spaces). The project proposes two levels of underground parking under the new residential buildings and the redeveloped clubhouse/leasing office. The underground garages will contain 1,002 parking spaces, and the project will also include 49 surface spaces for a total of 1,051 parking spaces. The proposed parking areas will provide spaces for both new and existing apartment units, and include guest parking.

The proposal slightly exceeds the City's "Model Parking Standard" of one parking stall per studio unit and one-bedroom unit, and two parking stalls for each two-bedroom or larger unit. The project provides 79 parking spaces more than the 972 parking spaces which would be required by the Model Parking Standard. It should be noted that staff is studying the applicability of the Model Parking Standard to the three Gatekeeper projects in the Moffett/Middlefield area (555 West Middlefield Road, 777 West Middlefield Road, and Shenandoah Square sites).

The applicant has proposed a phasing plan to offset the loss of parking for the existing units during construction. The project will be constructed in four phases where new parking will be constructed before the existing parking is demolished. The existing units will have required parking at all times throughout the project development.

Building Massing and Transitions

The R4 District height standards provide specific height and massing requirements intended to help coordinate R4 development with adjacent residential zones. Additional design guidelines provide direction on design elements to help integrate new development into existing neighborhoods. The guidelines encourage residential buildings to employ facade articulation which helps address the character and scale of nearby residential areas. Design elements such as porches, projecting eaves and overhangs, and other traditional architectural elements are a few tools that help provide residential scale and help break up building mass.

Existing City streets separate the project site from surrounding neighborhood areas, and effectively provide additional setback between new, predominantly four-story buildings and the predominantly one- and two-story buildings in the surrounding area. Although the project is in the early stages of design review, there are a few key areas

where staff recommends additional design attention to improve integration of the project.

1. *Cypress Point Drive/Moffett Boulevard Frontages*

Many of the existing neighborhood buildings employ a fairly utilitarian architectural style, but with more traditional residential design elements such as gabled roofs, wood siding, etc. The proposed new residential buildings are four stories tall with a contemporary design. While new buildings should not duplicate designs from the immediate vicinity, additional work is needed to more smoothly integrate the design of the new buildings with residential development in the area. The project includes two new, long building frontages along Cypress Point Drive, which form the primary interface between new project areas and the surrounding residential neighborhood.

The R4 design guidelines provide direction to maintain appropriate scale and pattern of development that is compatible with existing neighborhoods. As shown below, the proposed four-story building includes two- and three-story elements closer to the street. However, taller elements need better pedestrian-scaled features, and the proposed materials (currently ledgerstone and fiber cement panels) should provide a warmer, residential character.

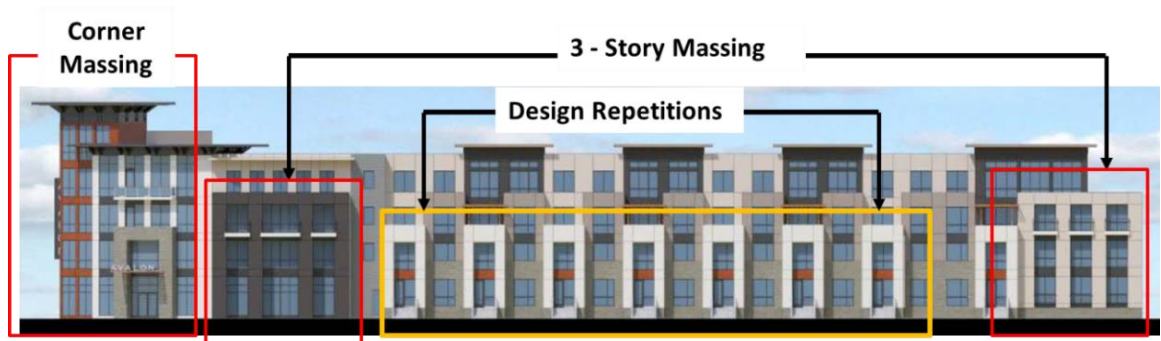


Figure 5 – Street Facade and Corner Massing, Lot 1

Staff will continue to work with the applicant on features that promote integration with the surrounding lower-density residential area and adjacent on-site buildings, including: porches, entries, and bay features to establish a strong relationship with street frontages and to emphasize more pedestrian-scale elements; upper floor step backs and other design elements to deemphasize taller massing; variation and breaks in long facades; and color/material palettes to provide a more current/updated residential character while better integrating with the lower-density area surrounding the project site.

2. *Moffett Boulevard/Cypress Point Drive Corner Massing*

The building design at the corner of Moffett Boulevard and Cypress Point Drive has a commercial appearance, with less articulated wall areas, a tower feature with five-story massing, large window areas, and little ground-level definition. While there are commercial buildings adjacent to the site along Moffett Boulevard, staff believes the massing and character of this building corner should convey a more residential character to provide a better transition to the residential area and new public park along Cypress Point Drive.



Figure 6—Moffett Boulevard and Cypress Point Drive Corner Massing, Lot 3

Some taller building walls may be appropriate along a major road like Moffett Boulevard; however, the R4 Zoning District and General Plan policies seek to have new development sensitively transition to surrounding buildings. Therefore, staff recommends updating the corner massing with more traditional flanking elements, introducing better pedestrian scale and features, and using more residential materials/treatments. An interesting landscape design at the corner would also help accent the building entry, and, if coordinated with frontage features along Cypress Point Drive, would create a more dynamic pedestrian environment leading to the new public park.

3. *On-Site Transitions*

The existing residential buildings in the complex are three stories tall, and the new residential buildings are four stories tall. Although the project integrates landscape and open space design in the site plan to create separation between existing and proposed buildings, there are a few pinch points in the design where the buildings are less than 13' apart at the ground level.

The R4 standards (Attachment 5) require a minimum of 15' separation between one- to three-story buildings, and 20' separation for four-story buildings. Staff will work with the applicant to reduce building heights and/or increase building separation at pinch points to better coordinate on-site development and comply with the R4 Ordinance. Staff will also work with the applicant on the design of the

existing buildings and the new clubhouse/leasing office, since these buildings will front on the new public park and bike/pedestrian connection.

Environmental Planning Commission Comments

The EPC supported the project's four-story height, but had concerns about the contemporary architectural style and five-story tower massing at the intersection of Cypress Point Drive and Moffett Boulevard, and building transition across Cypress Point Drive. The EPC recommended that the applicant improve the integration with the surrounding lower-density residential area and adjacent on-site buildings.

City Council Questions:

1. Does the City Council support the predominantly four-story building height?
2. Does the City Council support the EPC/staff recommendations to improve the project design through the following:
 - a. Appropriate transition to surrounding development;
 - b. Better integration with existing buildings;
 - c. Increasing building separation at the pinch points; and
 - d. Addressing the commercial appearance/character of the proposed buildings?

Heritage Trees

This large site has over 400 existing trees, including roughly 260 Heritage trees. The Heritage trees are distributed throughout the property and many cannot be easily preserved, given the infill nature of the project and the underground parking garages. To accommodate the proposed development, 117 out of the 263 on-site Heritage trees are proposed for removal, as shown in Figure 7. A total of 299 replacement trees will be planted as part of the proposed project, primarily around the periphery of proposed buildings and in the central courtyard areas.



Figure 7 – Tree Removal Plan

The existing tree canopy coverage is 25.6 percent of the lot area. The proposed tree canopy coverage will match the existing tree canopy coverage after 15 years. Though 44 percent of Heritage trees are currently proposed for removal, the proposal includes preservation of Heritage trees in some key frontage locations. Staff recommends that a priority be placed on preservation of additional, high-quality trees where feasible in other key locations.

For example, 37 Heritage trees (mostly Coast live oak, Coast redwoods, Brazilian pepper, and Aleppo pine) are proposed to be removed adjacent to State Route 85 in order to provide fire emergency access to building areas located further from public streets. Half of these trees have high suitability for preservation (see Attachment 6 – Arborist Report). In addition to the general benefit of retaining healthy, mature trees, these trees provide a visual buffer to the highway. Staff recommends the applicant study modifications to the proposed site plan to allow additional Heritage trees to be preserved or relocated on-site.

Environmental Planning Commission Comments

The EPC supported the staff recommendation to preserve more onsite trees and look for opportunities to relocate existing trees. The EPC also directed the applicant to work on revisions to the site layout which could accommodate the existing on site trees which are specifically located along State Route 85 and the Cypress Point Drive frontage.

City Council Questions:

3. Does the City Council support EPC/staff recommendation to modify the site design to preserve and/or relocate additional Heritage trees on-site?

4. Are there specific locations to prioritize for tree preservation and/or where relocated trees should be planted?

Affordable Housing

As part of the project's Gatekeeper authorization, the City Council directed a minimum of 10 percent of all the units be affordable to low-income households (or a total of 35 affordable rental units for this project). The applicant's original proposal presented to the EPC included the City Council-directed 10 percent affordable rental units targeted to moderate-income households (earning up to 120 percent of area median income (AMI)). Staff found that the proposal was not consistent with the City Council direction or applicable requirements.

Environmental Planning Commission Comments

The EPC agreed that the 10 percent moderate-income unit proposal is not consistent with the City Council direction at the Gatekeeper hearing. The EPC recommended that the applicant consider providing moderate-income units in addition to the 10 percent lower-income affordable rental units. Based on this the applicant has agreed to comply with City Council direction and provide 10 percent affordable rental units to low-income households.

City Council Question:

5. Does the City Council support the EPC recommendation to provide moderate-income units in addition to the 10 percent affordable lower-income rental units?
6. Does the City Council support the applicant's original proposal to target affordable moderate-income rental units? If so, should a higher percentage of moderate-income affordable rental units be provided?

Public Benefits

Public benefits refer to development contributions to the City in exchange for approval to develop additional density/intensity. In order to qualify as public benefits, contributions must exceed the minimum standards and requirements applicable to the project based on City Code. Gatekeeper requests are expected to include public benefit proposals, given proposed changes in allowed densities/intensities.

The proposed project is expected to provide community benefits as part of the requested legislative acts. On March 7, 2017, staff sought input from the City Council regarding community benefit contributions for projects authorized through the Gatekeeper process. Community benefits for the project were not discussed at the EPC Study Session as it took place before the Gatekeeper Study Session where the topic was scheduled to be discussed. While the El Camino Real and San Antonio Precise Plans provide a formula for expected community benefit contributions proportional to increases in development standards, no consistent metric has been established for projects authorized to proceed through the Gatekeeper process.

To provide consistent expectations for the City and applicants, the Council requested in the Gatekeeper Study Session that staff undertake a Citywide financial study to model the appropriate community benefit contribution for multiple prototype developments in the City. The Council may then adopt standardized community benefit expectations for different types of developments requesting Zoning or General Plan Amendments. Council will consider whether staff should undertake the Citywide financial study through the upcoming goal-setting process.

The project proposed at 555 West Middlefield Road is projected to move forward prior to completion of the requested study. Staff recommends a project-specific financial study be completed by a City-contracted consultant to determine the appropriate community benefits. This would ensure the project's community benefit contribution is scaled appropriately given the specifics of this request.

An alternate option for addressing the community benefit contribution would be to request the applicant provide a contribution equal to that of the El Camino Real and San Antonio Precise Plans (\$21.09/square foot above the current FAR of 0.35). While the El Camino Real Precise Plan and San Antonio Precise Plan fee is a reference point, the analysis conducted for El Camino Real and San Antonio are not necessarily applicable to Gatekeepers in other areas of the City. The results of a financial analysis on community benefits are sensitive to land values, existing uses, and the difference between the currently allowed floor area and proposed floor area, among other factors.

Environmental Planning Commission Comments

The EPC recommended that public benefits be used for improving pedestrian connectivity to Stevens Creek Trail on Middlefield Road, additional tree planting on Stevens Creek Trail, on-site moderate-income housing, and a higher tree replacement ratio (3:1) for on-site tree replacement.

City Council Questions:

7. Does the City Council have any input on public benefit priorities for this project?
8. Should a project-specific financial study be completed by the City to determine the appropriate community benefits contribution of this project?

RECOMMENDATION

Staff requests City Council feedback on the following questions:

1. Does the City Council support the predominantly four-story building height?
2. Does the City Council support the EPC/staff recommendations to improve the project design through the following:
 - a. Appropriate transition to surrounding development;
 - b. Better integration with existing buildings;
 - c. Increasing building separation at the pinch points; and
 - d. Addressing the commercial appearance/character of the proposed buildings?
3. Does the City Council support EPC/staff recommendation to modify the site design to preserve and/or relocate additional Heritage trees on-site?
4. Are there specific locations to prioritize for tree preservation and/or where relocated trees should be planted?
5. Does the City Council support the EPC recommendation to provide moderate-income units in addition to the 10 percent affordable lower-income rental units?
6. Does the City Council support the applicant's original proposal to target affordable moderate-income rental units? If so, should a higher percentage of moderate-income affordable rental units be provided?
7. Does the City Council have any input on public benefit priorities for this project?
8. Should a project-specific financial study be completed by the City to determine the appropriate community benefits contribution of this project?

ENVIRONMENTAL REVIEW

All potential environmental impacts (e.g., traffic, biological resources, air quality, noise, etc.) will be studied as required by the California Environmental Quality Act (CEQA). Staff anticipates the traffic analysis will also study potential cumulative impacts of the three Gatekeeper projects near the Moffett Boulevard/West Middlefield Road intersection (e.g., 777 West Middlefield Road and Shenandoah Square sites).

NEXT STEPS

Following feedback from the City Council at this Study Session, the applicant will refine the project for the formal development review process. A formal City Council hearing on the project will happen at a future date.

PUBLIC NOTICING

The City Council agenda is advertised on Channel 26, and the agenda and this report appear on the City's Internet website at www.mountainview.gov. A notice was sent to all property owners and tenants within a 500' radius and to interested parties on file with the Community Development Department.

DP-TB-RT/7/CAM
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- Attachments:
1. Location Map
 2. EPC Study Session Staff Report – March 15, 2017
 3. Project Plans
 4. Gatekeeper Staff Report – July 2, 2015
 5. R4 Zoning Standards
 6. Project Arborist Report