



**DATE:** June 26, 2018

**CATEGORY:** Public Hearing

**DEPT.:** Community Development

**TITLE:** **North of California Street Master Plan and Development Project at 2580 and 2590 California Street and 201 San Antonio Circle**

### **RECOMMENDATION**

1. Adopt an Initial Study of Environmental Significance for the mixed-use project at 2580 and 2590 California Street and 201 San Antonio Circle (Attachment 1 to the Council report).
2. Adopt a Resolution Conditionally Approving a Master Plan for the North of California Street Master Plan Area Within the San Antonio Precise Plan on Three Properties Totaling Approximately 8.63 Acres at 2580 and 2590 California Street and 201 San Antonio Circle, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution Conditionally Approving a Planned Community Permit and Development Review Permit to Construct a 1.85 FAR Mixed-Use Development Consisting of 632 Residential Units and Up to 20,000 Square Feet of Commercial Space with Below-Grade Parking, a Provisional Use Permit for Rooftop Amenities Above the Third Floor, and a Heritage Tree Removal Permit to Remove 78 Heritage Trees on an 8.63-Acre Site Located at 2580 and 2590 California Street and 201 San Antonio Circle, to be read in title only, further reading waived (Attachment 3 to the Council report).
4. Adopt a Resolution Conditionally Approving a Lot Line Adjustment to Merge Two Lots Into One Lot Totaling 4.71 Acres at 2580 and 2590 California Street, to be read in title only, further reading waived (Attachment 4 to the Council report).

## **BACKGROUND**

### **Project Site**

The project site consists of three properties totaling 8.63 acres on the northeast corner of California Street and San Antonio Road, and is within the San Antonio Precise Plan (SAPP) area. The project site is currently developed with 70,000 square feet of office space and 53,000 square feet of commercial space, which consists of a vacant grocery store building (Safeway) and a neighborhood retail strip center. All of the existing buildings would be demolished to accommodate the project.



**Location Map**

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 ("The Crossings"). Commercial uses are located to the west and south.

### **Project Description**

The applicant, Greystar, proposes to redevelop the site with a mixed-use development consisting of 632 residential apartments and approximately 20,000 square feet of ground-floor commercial space, including a mix of retail, restaurants/food service uses, and offices. The project would include four buildings ranging in height from three to five stories, arranged along a network of new private streets. A wide pedestrian promenade is proposed at the project's main entrance, leading from California Street to a large, publicly accessible open space in the center of the site. Roof decks are proposed atop three of the buildings, and 78 Heritage trees are proposed to be removed.

## Previous Meetings

### *Informal Application Study Sessions*

In August 2016, Greystar submitted an informal application for the project. The application included the proposed development intensity, a conceptual site layout, and several land use options for review and comment by the EPC and City Council.

The EPC considered the informal application at a Study Session on November 16, 2016. Discussion topics included the mix of land uses; ground-floor active spaces; building heights, public benefits; park land dedication and publicly accessible private open space; and displacement of existing commercial tenants. The EPC provided feedback on these topics and the item was forwarded to the City Council for further discussion.

The City Council considered the informal application at a Study Session on December 13, 2016, and provided the following direction:

- The project should consist primarily of residential and retail floor area without substantial office.
- Residential stoops should not be used as ground-floor active space along California Street.
- Public benefits should involve transportation improvements in the San Antonio area, ideally focused on pedestrian and bicycle connectivity.
- Publicly accessible open space should be relocated west toward the center of the project.
- The Council was not willing to accept park land dedication in easement; therefore, the publicly accessible open space could be a “major open space improvement” justifying the additional height request, but would not be credited toward the park land dedication requirement. (See additional discussion under the Park Land Dedication section of this report.)
- The developer was not directed to provide relocation assistance to the site’s existing commercial tenants.

Following these Study Sessions, Greystar revised the site layout per the direction provided by the City Council and submitted a formal application in February 2017.

### *Neighborhood Meetings*

Greystar held two outreach meetings with residents of the surrounding neighborhood. The first meeting was held prior to submittal of the informal application. According to the developer, at that time neighbors expressed a preference for locating the project's publicly accessible open space in the northeast corner of the site to serve as a buffer to their adjacent residences. The City Council ultimately determined the open space would be more appropriately located toward the center of the project and visible from California Street, consistent with the site layout envisioned in the Precise Plan. Neighbors also asked about setbacks and height transitions during the initial meeting, according to the developer.

After submittal of the formal application, Greystar held a second neighborhood meeting in October 2016, which was attended by City staff and approximately 13 residents of the surrounding neighborhood. Residents expressed concerns about a potential increase in traffic on Pacchetti Way and San Antonio Road associated with the development, and discussed the need for a study of traffic calming measures on Pacchetti Way. They also expressed concerns about the use of impacted street parking by new residents and requested adequate parking be provided on-site to prevent spillover. They questioned whether the proposed public open space would result in parking or noise impacts, or other disturbances to adjacent residents.

### *City Council Study Session on Architecture*

On October 24, 2017, the City Council held a Study Session to consider the project's architecture, which was not included in the informal application. The Council expressed concerns about the massing and character of Building 1, which Councilmembers stated was too heavy and dark in appearance, and not sufficiently residential in design. The Council also requested an enhanced architectural transition to the residential neighborhood at the east end of Building 2 along Pacchetti Way. Councilmembers encouraged the applicant to provide lighter and warmer materials, more roofline variation, a stronger residential character, and enough variation along facades to give a sense of identity to individual living areas. Several Councilmembers indicated they could not support the current design scheme even with changes, but a narrow majority of the Council supported the project moving forward with the current design scheme provided it includes modifications to address the concerns.

Following this Study Session, Greystar worked extensively with staff and the DRC to revise the project design. Revisions are summarized in the DRC discussion below.

### *Development Review Committee (DRC)*

The Development Review Committee (DRC) met to consider the project design on May 31, 2017, February 7, 2018, and April 4, 2018. Some of the key objectives of the DRC's work with the applicant were: developing appropriate massing for project buildings, especially Building 1; providing variation between buildings and across facades while maintaining a cohesive project design; ensuring sensitivity to adjacent residential uses in transition areas; selecting colors, materials, and details to create high-quality, varied facades; and providing a residential expression for the project, particularly at ground-level entries.

Several members of the public spoke during the first two DRC meetings; they commented on the overall pace and scale of development in the San Antonio area, expressed a preference for locating the open space so it is visible from the public street, and suggested locating commercial uses along the open space rather than along California Street. Attendees initially expressed concerns about the project architecture, indicating it felt out of context, involved too much repetition, and did not appear residential or welcoming.

Greystar made numerous changes to the project design in response to the comments from the City Council, neighbors, DRC, and staff, which are discussed further in the Architecture section of this report. Revisions were made to all four buildings, but the most substantial changes were focused on Buildings 1 and 2. The DRC responded positively to the proposed changes, as did the member of the public in attendance at the final DRC meeting, who thanked the developer for addressing previous comments. The DRC recommended approval of the project with conditions to continue working with staff to refine several design elements.

### *Environmental Planning Commission (EPC)*

The Environmental Planning Commission (EPC) considered the project in a public hearing on June 6, 2018. Prior to the public hearing, members of the public submitted comments regarding Heritage tree removals, the pace and scale of development in the area, Below-Market-Rate (BMR) housing, and the project's environmental review process (see Attachment 11 – Public Comment). The EPC discussed the project design and concerns raised by the public.

The EPC encouraged Greystar to save as many of the site's mature trees as possible, either through on-site preservation or relocation. Based on further work by the applicant and staff prior to the hearing, it was determined up to four additional

Heritage trees could be saved with paving modifications, and eight additional non-Heritage trees could be saved if desired. The potential to relocate up to nine smaller Heritage trees was also explored. These additional preservation options are discussed in detail later in this report.

The EPC strongly encouraged providing on-site BMR units rather than paying the Rental Housing Impact Fee. Greystar indicated willingness to provide BMR units on the site, but has not made a specific proposal. Additional detailed discussion is provided in the BMR Housing section of this report.

A labor union representative expressed concern regarding the project's environmental review process. Additional information is provided in the Environmental Review section later in this report. The EPC encouraged the applicant to meet with the labor union to better understand their concerns.

The EPC also discussed the project design, including the site layout and architecture. Commissioners expressed support for the project's pedestrian circulation with connectivity to transit and San Antonio Village across the street, and its high-quality architecture including unique eye-catching elements. Commissioners noted the project will add a substantial number of housing units in the City, and while it is challenging to support the removal of large Heritage trees, the project would satisfy other competing objectives and implement the vision of the San Antonio Precise Plan (SAPP).

## **ANALYSIS**

### **General Plan**

The project site is located in the San Antonio Change Area of the General Plan, which envisions the area as a diverse regional and community destination with a lively mixture of commercial and residential uses. The San Antonio Change Area is identified as one of the key focus areas for housing growth in the City, along with El Camino Real. It is envisioned to have walkable blocks, streets oriented to pedestrians, and convenient bicycle and pedestrian connections to surrounding neighborhoods and to Caltrain/VTA transit stations. The General Plan Form and Character guidance encourages buildings located at or near the sidewalk, engaging and pedestrian-scaled building design, and mixed-use buildings having attractive and functional ground-floor features such as awnings, windows, terraces, and residential stoops and porches.

The General Plan land use designation for the project site is "Mixed-Use Corridor," which allows a broad range of commercial, office, residential, and public spaces. This

designation allows new projects up to 1.85 FAR, of which up to 0.50 FAR may be office or commercial, and has a height guideline of four stories. (The SAPP provides options for increased height over four stories with significant public benefits or major open space improvements.)

The proposed project is consistent with the General Plan's vision for the site, with a mix of commercial and residential uses, an FAR of 1.85, and heights up to five stories, including provision of a major open space improvement. The project is consistent with following General Plan Policies:

- LUD 21.1: A mix of land uses. Support a mix of commercial land uses serving the neighborhood and the region.
- LUD 21.2: Higher-density residential near transit. Encourage higher-density residential uses near bus and Caltrain stations.
- LUD 21.4: Improved pedestrian and bicycle circulation. Support improved pedestrian and bicycle circulation and connectivity throughout the area.
- LUD 22.4: Pedestrian-oriented design elements. Ensure that developments include pedestrian-oriented design elements such as accessible building entrances, visible storefronts, and landscaping.
- LUD 22.7: Improved bicycle and pedestrian connections. Promote improved bicycle and pedestrian connections to the San Antonio Caltrain station, El Camino Real bus service, adjacent neighborhoods, and the Citywide bicycle and pedestrian network.

The SAPP was adopted in December 2014 to implement the General Plan vision for the San Antonio Change Area. An analysis of the project's compliance with specific standards of the SAPP is provided under the following sections in this report.

## **Master Plan**

The SAPP identifies three Master Plan areas where a special process is required prior to any redevelopment or major remodel. The project site comprises the North of California Street Master Plan area, which requires approval of a Master Plan for the entire area prior to approving development permits for redevelopment of any parcel within the area. This is intended to facilitate coordinated development across multiple parcels with varied ownership. In this case, Greystar is proposing development of all

parcels in the Master Plan area; therefore, an application for development permits was accepted concurrently with the Master Plan application.

The Master Plan document (Attachment 6) provides an overview of the general improvements proposed for the site, including site plan layout, circulation concept, open space concept, architectural concept and proposed massing, sample streetscapes, landscaping and site furnishings concepts, and public improvement plans. Although the Master Plan provides a framework for coordinated development, a lot tie agreement between the properties in the Master Plan area would also be required to ensure the owners are legally bound to maintain and operate their sites as part of a single development for the life of the project.

If the Master Plan and Development Permits are approved and Greystar ultimately decides not to proceed with their proposed development, another developer could choose to submit a revised project consistent with the approved Master Plan. Given the proposed site layout which includes a key private street bisected by a property line, all parcels in the Master Plan area would need to be developed concurrently. A revised project would also be subject to review and approval by the City through the Base FAR or Tier 1 FAR process outlined in the SAPP.

### Project Description

The proposed mixed-use development includes 632 rental apartment units and approximately 20,000 square feet of ground-floor commercial space, including a mix of retail, restaurants/food service uses, and a small office area to be reserved for nonprofit organizations. The following sections briefly describe the site layout and project design.



**Site Plan**

## Site Layout

The site layout consists of four buildings arranged along a network of new private streets. "A" Street runs from north to south leading from California Street into the center of the project. "B" Street runs from west to east through the center of the site connecting to San Antonio Road, "A" Street, and Pacchetti Way. A new, publicly accessible path for pedestrians and bicyclists continues from the center of the site north to San Antonio Circle, providing convenient access to the San Antonio Caltrain station. At the northeast corner of "A" and "B" Streets is a new, 0.98-acre publicly accessible open space, which will be privately maintained by the developer. A wide pedestrian promenade on the east side of "A" Street leads from California Street to the central open space, and a corner plaza on the west side of "A" Street provides outdoor dining area, public seating, and elevator and stair access to below-grade parking.

Buildings 1 and 2 are located on the southern half of the project site facing California Street and include a mix of residential units and ground-floor commercial uses. Buildings 3 and 4 are located on the northern half of the project site and consist solely of residential uses. Residential amenity areas are located on the ground floors of the buildings, including a lobby, leasing office, club rooms, lounges, and fitness centers.

The site layout provides substantial separation between the project's buildings, especially between Buildings 1 and 2, which are over 160' apart at California Street and over 120' apart at "B" Street (see Attachment 7—Project Plans, Sheet A1.3.7). Private streetscapes within the project are designed with street parking, detached sidewalks with landscaping buffers, and street trees. These features provide an appropriate development scale and avoid a "canyon-like" effect between taller buildings.

The site layout was reviewed by the City Council at the December 2016 Study Session, and Greystar has substantially addressed Council's feedback in their site design.

## Floor Area Ratio

The base floor area ratio (FAR) allowance for the Mixed-Use Corridor subarea is 1.35. Up to 1.85 FAR can be requested for a "Tier 1" project with provision of public benefits. Greystar proposes a Tier 1 project with a total floor area of 699,500 square feet, equivalent to 1.85 FAR with the FAR exemption discussed below.

### *FAR Exemption*

The SAPP allows the development of up to 7,500 square feet of FAR-exempt floor area, provided the area is set aside for use by qualifying businesses, such as nonprofit organizations; other cultural/public services providers; and existing neighborhood-serving retail businesses providing goods and services to residents in the surrounding area. The proposed project includes a 4,285 square foot office area at the east end of Building 2's California Street frontage which will be designated for use by nonprofit organizations or other cultural/public service providers. A deed restriction must be recorded identifying the requirement to maintain the space for qualifying businesses.

### Building Heights

The Mixed-Use Corridor subarea allows 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. Greystar requests the additional height allowance in exchange for providing the project's publicly accessible 0.98-acre central open space as a major open space improvement. The approximate size and alignment of this improvement are consistent with the open space concept for the Master Plan area shown in the SAPP.

Building 1 is five stories and reaches a maximum height of 65'. Building 2 steps up from three stories and 38' along Pacchetti Way to five stories and 60' along "A" Street. Building 3 is five stories and reaches a maximum height of 60'. Building 4 steps up from a height of three stories and 37' near the adjacent residential property line to four stories and 48' to 55' along the central open space. Roof equipment, penthouses, chimneys, and other architectural projections may extend beyond the height limit per the SAPP.

Setbacks

The SAPP provides varied frontage setback requirements based on the type of adjacent street. Table 1 below identifies the requirements for each project street frontage and summarizes compliance.

**Table 1: Frontage Setbacks**

	Major Streets	Neighborhood Streets	Flexible Connections
<b>Applicable Streets</b>	San Antonio Road/ California Street	Pacchetti Way	"A" Street/ "B" Street
<b>Frontage Line</b>	Curb line	Curb line	Outside edge of sidewalk
<b>Minimum Setback from Frontage Line</b>	18'	24'	No minimum
<b>Provided Setback (at first story)</b>	San Antonio Road: 19'-11" California Street: 19'	24'	"A" Street: 15'-9" "B" Street: 12'-5"

Buildings can be a maximum of 4 stories (55') above grade at the setback line. Where more than 4 stories are allowed, 80 percent of a building's linear frontage above 4 stories must step back a minimum of 10' along major and neighborhood streets. The minimum side or rear setback for neighborhood transition areas is 25'. Architectural features may encroach up to 8' into frontage setbacks per the SAPP.

The project meets all frontage setback requirements and neighborhood transition area setbacks. Compliance with the frontage setback standards is visually illustrated on Sheets A1.3.5 through A1.3.9 of the Project Plans (Attachment 7).

**Architecture**

The SAPP design guidelines encourage contemporary, innovative design styles; pedestrian-oriented features; strongly defined building bases and corners; massing breaks; high-quality materials and detailing; and sensitivity to neighborhood transitions.

The proposed buildings use contemporary architectural styles, and Greystar seeks to create a different identity for each of the buildings using varied architectural details, amenities, unit types, and layout. The City Council reviewed the project architecture in

an October 2017 Study Session, as noted above. Since that time, Greystar has modified the design to address Council, DRC, and community comments. A summary of each building's key architectural features and recent modifications is provided below.

### *Building 1*

Building 1 is envisioned to have an “urban lifestyle” concept with a mixed-use urban character and indoor-outdoor atmosphere. The five-story building generally uses recesses to break up longer facades, with upper-floor step-backs and balconies, window bays, and unit entries providing additional facade modulation and interest. Roof forms are primarily flat, but have substantial height variation across rooflines, including awnings and parapet caps to terminate vertical wall areas.



**Building 1 Along San Antonio Road Looking North**

Tower elements use special inverted gable or “butterfly” roof forms at the northeast, southeast, and southwest building corners. Along California Street, ground-floor retail storefronts project forward to the sidewalk; the building's main four- to five-story massing is stepped back 7' to 10' from the ground-floor commercial space. Wall materials consist of stucco, cementitious panels, wood siding, and stone veneer. Corten steel and metal trellises and railings are used as accent materials (see Attachment 7—Project Plans, Sheets A3.1.1 to A3.1.11).



**Building 1 Along California Street Looking West**

Since the City Council reviewed the design in October 2017, Greystar has removed 10 residential units from the fifth floor along San Antonio Road and California Street, resulting in reduced building massing and more varied rooflines. A roof deck with a trellis and landscaping was added near the primary corner, and roof elements were added to the main residential masses. The previous dark gray brick was replaced with a lighter beige stone, and the use of corten was reduced. Windows were modified to provide greater variation across each facade and to add recesses and awning details. Along San Antonio Road, ground-floor unit entries were enhanced with street-facing doors, trellises, revised stoops, and patios adjacent to entries. Overall, the revisions provide more varied massing, a lighter color/materials palette, and a stronger residential character.

### *Building 2*

Building 2 is designed with a focus on social activities and recreation, including a range of residential amenities and ground-floor commercial uses. The California Street and "B" Street elevations use similar strategies as Building 1 to break up massing. The "A" Street elevation introduces different, additional design accents, including large frame elements along parapets and around building segments, echoing the butterfly roof forms of Building 1's towers; undulating wall planes; and projecting corner balconies.



**Building 2 Along "A" Street Looking North**

Building heights vary as Building 2 steps down from five stories near "A" Street to three stories at Pacchetti Way. Along Pacchetti Way, the building is simplified and gabled roofs are introduced to respond to the more traditional design of the rowhouses across the street. Wall materials consist of stucco, cementitious siding, metal panels, and composite wood siding. Ceramic tile is used along the building base, with corten steel as an accent (see Attachment 7 – Project Plans, Sheets A3.2.1 to A3.2.12).



**Building 2 Along Pacchetti Way Looking South**

Since the City Council reviewed the design in October 2017, the applicant has refined the Pacchetti Way elevation with roofline changes and warmer materials and colors to better respond to the adjacent residential development, and modified the north and south ends of the Pacchetti Way facade to better transition between the more traditional style of this elevation and the remainder of the building. Ground-floor entries were

enhanced along Pacchetti Way and “B” Street, and three tile colors incorporated into the California Street frontage to provide variation along the facade and a different color/materials palette than the retail frontage on Building 1.

### *Building 3*

Building 3 uses some of the same architectural elements and details as Buildings 1 and 2, but with different proportions and applications. Along San Antonio Road and “B” Street, smaller frame elements recall the more prominent feature on Building 2’s west elevation while establishing a fourth-floor massing break.



**Building 3 Along San Antonio Road/Circle**



**Building 3 Facing the Central Open Space**

The design of the east elevation facing the open space also has a strong relationship to Building 2's undulating west elevation. An exterior stair element and open atrium add a unique feature that highlights the building entry, and creates a visual connection between the interior private open space and the publicly accessible central open space. Wall materials are primarily stucco, cementitious panels, and composite wood siding. Accents include metal panels, corten steel, and a ceramic tile base (see Attachment 7—Project Plans, Sheets A3.3.1 to A3.3.9).

Since the City Council reviewed the design, Greystar has enhanced the ground-floor building entries, refined the material application, and modified windows to provide greater variation across each facade and throughout the building.

#### *Building 4*

Building 4 is envisioned as a less urban, more family-oriented building with larger units, a shared private outdoor lounge, and direct access to the central open space. This building is the smallest of the four project buildings and employs a simpler design scheme. Massing is four stories facing the open space and steps down to three stories in the neighborhood transition area closest to the rowhouses in The Crossings development. The building facades are broken into smaller segments by recesses between primary wall areas. Projecting bays provide some additional visual interest, along with sunshades and ground-floor patio trellises. Wall materials are generally stucco and composite wood siding, with metal and wood accent features (see Attachment 7—Project Plans, Sheets A3.4.1 to A3.4.6).



**Building 4 Along "B" Street Looking West**

Since the City Council reviewed the design, Greystar has enhanced the ground-floor unit entries and patios, and added a stucco reveal and color transition to highlight the building base.

Overall, staff believes the substantial design changes enhance the project's residential character and compatibility with surrounding developments. The DRC recommended approval of the revised project design with several design conditions, which direct the applicant to continue working with staff on specific refinements, including ground-floor entries, trellises, and windows.

### Green Building

The project incorporates highly sustainable features, including solar water heating, photovoltaic panels, and high-efficiency, energy-saving, and water-conserving appliances and systems. Greystar has provided a Build It Green checklist demonstrating the project's intent to achieve 125 points on the Green Point Rated scale, equivalent to a Gold certification level. A LEED checklist has also been provided demonstrating the project has been designed to the intent of LEED Gold certification.

### Open Space and Landscaping

The proposed landscaping plan is designed to create an attractive environment with a substantial number of trees and planting areas softening the appearance of buildings and paving. New street trees are proposed along the project perimeter and along the internal private streets. Decorative trees are also proposed along all building facades, including a large specimen tree proposed for the corner of San Antonio Road and California Street.



**Landscaped Site Plan**

Along the "A" Street pedestrian promenade, three large planters for specialty gardens are surrounded by seating and separate the outdoor amenity zone from the sidewalk. The central open space area is

primarily designed as a lawn for flexible and active use, with “outdoor rooms” and public art pieces arranged around the perimeter, and wood decking beneath a group of existing mature redwood trees to protect their roots. Conceptual plans for activation of the open spaces include food trucks, fairs, farmers markets, movie nights, and other community events.

The SAPP requires mixed-use projects in the Mixed-Use Corridor subarea to provide at least 40 percent of the site as open area which is not covered by buildings or automobile paving; usable open space should be consolidated whenever feasible. At least 175 square feet of common usable open space is required per residential unit.



**Central Open Space Rendering**

The site layout remains largely as previously reviewed by the City Council at prior Study Sessions. It provides approximately 4.8 acres of open area (approximately 56 percent of the site area), exceeding the minimum requirement. This includes approximately 1.6 acres of publicly accessible open spaces, including the central open space area and pedestrian promenade, public plazas along California Street and San Antonio Road, and the pedestrian/bicycle connection to San Antonio Circle. Additional common open space in the project consists of courtyards, roof decks, and an outdoor lounge.

Greystar proposes to use the publicly accessible open spaces as part of the project’s residential common open space requirement, which is permitted in the Mixed-Use Center subarea but requires approval of an exception in the Mixed-Use Corridor subarea. Master Plan projects may be granted flexibility in meeting development standards at the discretion of the City Council in order to facilitate a superior design and meet the purpose and intent of the SAPP. Granting the exception to include the publicly accessible open spaces as common area would allow the project to provide a substantial number of new housing units and a major open space improvement accessible to the public while still ensuring adequate usable open space is available for project residents. With this exception, the project would provide approximately 3 acres of common usable open space (approximately 208 square feet per unit).

The project includes four common roof decks for use by residents, which are located atop Buildings 1, 2, and 3. Three of the decks are located above the fifth floor and oriented toward the center of the project. One is located above the fourth floor and is located at the corner of San Antonio Road and California Street, facing the public streets. None of the decks are directly adjacent to other residential uses in the area. A Provisional Use Permit is required to allow roof amenities above the third floor. The locations and sensitive design of the roof decks are consistent with the intent of the Provisional Use Permit to limit intrusions on adjacent residences. In addition, staff recommends a condition of approving limiting the hours of operation for the roof decks to 7:00 a.m. to 10:00 p.m. in order to further reduce the potential for noise impacts.

## **Trees**

There are 240 existing trees on the project site, including 94 Heritage trees. Existing trees range in condition from fair to excellent. Many of the site's large mature trees are located along the perimeter or in the parking lot of the existing office development. The project plans (Attachment 7) propose removal of 218 of the site's trees, including 78 Heritage trees, to construct the new development.

HortScience, Inc. prepared an arborist report to evaluate the potential for tree preservation and tree relocation. Most of the trees to be removed are in conflict with the proposed site improvements, including the underground garages, buildings, roadways, and sidewalks. Others are in a declining condition and/or would be unlikely to survive the disturbances caused by construction. The arborist report concluded no trees would be suitable for relocation within the future development, as the project schedule would require them to be stored for more than two years, which is generally incompatible with tree survival.

During the application review process, staff worked with the applicant to preserve as many of the existing mature trees as possible given the proposed development intensity and site planning requirements. As shown in the project plans, this includes:

- Six large redwood trees are proposed to be retained in the future open space area near the center of the site (Tree Nos. 44, 46, 47, and 104 through 106). In order to preserve these trees, the northern parking garage will be located primarily under Building 3 to avoid excavating in the area of these trees.
- Thirteen (13) mature redwood and sycamore trees along the project's north property line are proposed to be retained within a public utility easement over

existing utilities (Tree Nos. 126 through 133, 135 through 138, and 141). Some of these may need to be removed in the future if access to the utility lines is required, but they can be preserved at this time.

- Three additional trees are proposed be saved along the east and west property lines; these trees are in good condition and are located in areas without new structures or paving (Tree Nos. 94, 117, and 119).

In total, the project plans show 22 trees proposed for preservation on the site, including 16 Heritage trees. The arborist report provides detailed guidance for the protection and maintenance of these trees during construction. A total of 335 new trees are proposed to replace the removed trees.

During the EPC public hearing on June 6th, public comments focused on options for tree preservation, and the EPC encouraged Greystar to retain or relocate as many of the site's mature trees as possible. Based on further work by the applicant and staff prior to the hearing, it was determined three additional trees can be saved with minor paving modifications (Tree Nos. 45, 95, and 96), two of which are Heritage trees. Two Heritage trees and two non-Heritage trees along San Antonio Circle (Tree Nos. 86, 88, 90, and 92) could be saved by modifying the streetscape design set forth in the SAPP to include meandering sidewalks which remain monolithic in some areas, at the discretion of the City Council. Five non-Heritage trees along Pacchetti Way (Tree Nos. 235, 236, and 238 through 240) could also be saved if desired, although these trees are relatively small, are in moderate to fair condition, and their landscape value could be replaced by new trees relatively quickly. A Tree Preservation Exhibit (Attachment 8) has been provided illustrating these options. Based on further evaluation by the project arborist, nine non-Heritage trees located in the current shopping center parking lot could potentially be relocated (Tree Nos. 189, 191, 192, 194, 195, 197, 198, 206, and 208).

The EPC recommended the applicant modify the plans to preserve as many Heritage trees as possible, including the retention of Tree Nos. 45, 86, 88, 90, 92, 95, and 96 in their current locations. The EPC also encouraged the relocation of Tree Nos. 189, 191, 192, 194, 195, 197, 198, 206 and 208, if possible. The EPC's recommendation would reduce the number of Heritage trees removed for the project from 78 to 74. If the City Council also directs the applicant to relocate the nine non-Heritage trees in the parking lot and retain the five non-Heritage trees along Pacchetti Way, the number of non-Heritage trees removed for the project would be reduced from 140 to 123.

The existing tree canopy covers approximately 25.5 percent of the site. At the time of planting, the new tree canopy is expected to provide approximately 5.5 percent site

coverage, increasing to 13.5 percent coverage within 5 years. Within 15 years after planting, the new canopy is expected to cover approximately 23 percent of the site, and at maturity the new canopy would cover approximately 29 percent of the site. This data has been updated to include the existing trees to be retained, which were incorrectly omitted from canopy coverage calculations in the EPC report. To provide as much early canopy coverage as possible, all new trees in the project would be at least 24" box size. About 40 percent of the trees to be planted are 36" or 48" box sizes.

### **Park Land Dedication**

Based on its high-density residential land use, the project's 632 units would result in a dedication requirement of approximately 3.8 acres of park land. The EPC and City Council discussed the project's park land dedication requirement at Study Sessions in 2016. At that time, Greystar proposed providing a public park on the project site which would be dedicated to the City in easement rather than in fee, since Greystar does not have ownership of the subject properties and the current owners are unwilling to provide in-fee dedications. The EPC and City Council did not support the concept of public parks on private land dedicated in easement. As a result, it was determined the project's open spaces would not meet the park land dedication requirements and payment of the park land dedication in-lieu fee would be required in full. Greystar would provide public access easements over its central open spaces, and the publicly accessible spaces would be considered a "major open space improvement" to justify the project's additional height request per the SAPP. This approach was supported by the EPC and City Council in the 2016 Study Sessions, and by the EPC in their June 2018 public hearing.

Since that time, a revised proposal for park land dedication has been made by the developer. The City Council will be considering another item on June 26th regarding changes in the Los Altos School District's (LASD's) previously authorized transfer of development rights (TDR) program. The proposed change to the LASD TDR sending site creates an opportunity for Greystar to purchase and dedicate two acres of land for a public park adjacent to the new LASD site. This could partially satisfy the park dedication requirement for the Greystar project. If the City Council approves the change to the LASD TDR sending site and wishes to accept the proposed dedication by Greystar, the conditions of approval for this project would need to be modified to allow for a combination of two acres of park land dedication and the remainder paid through in-lieu fees. Alternate language is provided in Attachment 5.

## Parking

Parking for the mixed-use project is proposed in two below-grade parking structures: one located beneath Buildings 1 and 2 to serve the commercial uses in the project and the residential uses on the southern portion of the site, and one located beneath Building 3 to serve the residential uses on the northern portion of the site. The garages take access from “A” and “B” Streets. Greystar proposes to provide 138 parking spaces for the commercial uses and 767 parking spaces for the residential units, for a total of 905 parking spaces. Of these, 863 spaces are located within the below-grade garages and 42 spaces are located as parallel parking spaces along the new private streets. Fifteen percent (15%) of residential parking spaces would be designated for guests (115 spaces). Parking spaces for residents would be assigned and would be located in gated areas of the garages. Parking spaces for commercial employees, customers, and residential guests would be unassigned and located in areas of the garages outside gates, or as street parking along the private streets. Greystar has provided a Parking Management Plan outlining the proposed strategies for assigning and managing the use of the site’s parking.

Based on the City’s parking requirements for commercial uses, including retail, restaurant and food service, outdoor dining, and offices, the proposed project would require 158 parking spaces to serve the proposed commercial uses. The required parking for the multi-family residential use is based on the standards in the San Antonio Precise Plan: one parking space per studio or one-bedroom unit, and two spaces for units with two or more bedrooms (inclusive of guest spaces). The proposed project would require 852 spaces for the residential use. The base parking requirement for the entire mixed-use project would, therefore, be a total of 1,010 parking spaces.

The SAPP allows projects with specific characteristics to request parking reductions: up to 20 percent reduction for uses having different peak periods, subject to a parking analysis; up to 10 percent reduction for projects located within a 1,000’ walking distance from Caltrain or rapid bus access; and up to 10 percent reduction for projects with a Parking or Transportation Demand Management (TDM) program. The Greystar project is located within less than 1,000’ walking distance from the San Antonio Caltrain station and the VTA bus transit center. Greystar has also developed a Parking Management Plan, as noted above, and a TDM program to reduce peak-hour trips to and from the project site. TDM program measures include free transit passes/subsidies for both residents and employees, and membership in the Mountain View Transportation Management Association (MV TMA). The project’s Parking Management Plan, TDM Program, and proximity to transit make it eligible for up to 20 percent parking

reduction. Greystar's proposed 905 parking spaces represent a 10.4 percent reduction in overall parking from the SAPP requirements.

A parking study was completed by Hexagon Transportation Consultants for the project. The study indicated the project would not qualify for a parking reduction for different peak period uses, as the evening parking peaks for the residential and restaurant uses on the site would overlap. However, the project would qualify for the reductions associated with proximity to Caltrain and the development of Parking Management and TDM programs.

The parking analysis found the maximum demand for parking in the development would occur in the evening hours between 7:00 p.m. and 9:00 p.m., with a parking demand of 792 spaces. Therefore, based on the parking study, the 905 proposed parking spaces would adequately serve the project's parking demand.

### **Traffic and Circulation**

The City hired Hexagon Transportation Consultants to prepare a traffic study for the proposed project. Vehicle trips generated by the project were added to existing traffic volumes to obtain estimated traffic volumes and Level of Service (LOS) on local roadways and intersections after project completion as well as the expected LOS from the project when added to other approved but not-yet-constructed projects in the area.

The project is estimated to generate 3,927 net new daily trips, including 186 new a.m. peak-hour trips and 262 new p.m. peak-hour trips. Seventeen (17) intersections surrounding the project site were evaluated for LOS impacts. The results of the analysis show that all signalized and unsignalized study intersections would operate at an acceptable level during both the a.m. and p.m. peak hours.

#### *Traffic Signal*

The traffic study also evaluated whether the project's main entrance, at the new intersection of "A" Street and California Street, should be signalized. The SAPP's circulation plan envisions a pedestrian crossing in this location; and future land uses and development levels in the area, combined with the proposed project, would encourage a substantial number of pedestrians to cross California Street midblock. Given the expected volume of pedestrian crossings, introducing an uncontrolled midblock crosswalk at this location could cause congestion backing into the San Antonio Road/California Street intersection during the p.m. peak hour, impacting the intersection's operations. This could potentially increase cut-through traffic in the

surrounding neighborhood as vehicles use San Antonio Road and Showers Drive to circumvent the impacted intersection. In addition, an uncontrolled midblock crossing would pose a safety risk for pedestrians given the high traffic volumes on California Street at this location. Therefore, to meet the connectivity goals of the SAPP, facilitate safe pedestrian crossings, and minimize the potential for cut-through traffic, a new traffic signal at "A" Street/California Street is recommended. The new signal would need to be coordinated with the existing traffic signals at San Antonio Road and Pachetti Way. This improvement is included as a condition of approval for the project.



**New Traffic Signal and Pedestrian Crossing**

### *Neighborhood Traffic Calming*

During development of the SAPP, area residents expressed concern about the potential for redevelopment projects to increase cut-through traffic on Pachetti Way. The SAPP calls for an analysis of potential traffic calming improvements along Pachetti Way as a means to improve the bicycle/pedestrian environment and limit cut-throughs. Hexagon performed a study which evaluated existing and future conditions on Pachetti Way. Daily traffic counts, a traffic speed study, and a license plate survey to determine the amount of existing cut-through traffic were conducted.

Analysis of the survey data and the estimated project traffic conditions showed:

- Existing through-traffic on Pachetti Way is relatively low (about 14 percent of daily trips). This is within the typical range of 10 percent to 20 percent for neighborhood streets.
- Average travel speeds on Pachetti Way are 13 to 18 miles per hour, well below the 25 miles per hour speed limit.

- The design of Pacchetti Way is not conducive to speeding or cut-through traffic. The street is narrow with parking on both sides, includes a major traffic calming feature (a large roundabout), and straight roadway sections are short.
- Some future project traffic would use Pacchetti Way, but project traffic would not be considered “cut-through traffic” since these would be local trips made by new neighborhood residents. Each trip would also traverse only a portion of Pacchetti Way (from California Street to “B” Street or from Showers Drive to “B” Street) rather than the full length of the street.
- Pedestrian safety may be improved and cut-throughs may be further discouraged by constructing a raised crosswalk across Pacchetti Way between “B” Street and Freedom Lane.
- If the San Antonio Road/California Street intersection experiences substantial delays in the future, a larger number of drivers could choose to circumvent the intersection by cutting through the neighborhood. Operations at San Antonio Road/California Street will be aided by the new traffic signal at “A” Street/California Street to address the timing of pedestrian crossings as discussed above.
- During the SAPP adoption process, some neighbors suggested partial closure of Pacchetti Way to reduce cut-through traffic. While such an extreme measure could achieve that goal, it would also reduce the effectiveness of the public street network and prevent existing and future neighborhood residents from reaching their destinations. As a result, street closure is not recommended.

The coordinated traffic signal at “A” Street/California Street and the raised crosswalk across Pacchetti Way at “B” Street, which were recommended in the traffic study, have been included as conditions of approval for the project, along with several other minor operational and design recommendations. The traffic study did not recommend additional traffic calming measures given the relatively low existing and expected future traffic levels on Pacchetti Way. Substantial increases in traffic speeds or the amount of cut-through traffic on Pacchetti Way as a result of the project were determined to be unlikely. However, if these conditions should unexpectedly occur after occupancy, neighbors could avail themselves of the City’s Neighborhood Traffic Management Program to request additional study and reconsider options.

## **Below-Market-Rate (BMR) Housing**

The project was deemed substantially complete prior to the effective date of the City's recent amendments to the BMR ordinance requiring rental housing projects to provide at least 15 percent of units below market rate (BMR). As a result, the project is not subject to the new BMR requirements and remains subject to the Rental Housing Impact Fee. Greystar may voluntarily provide BMR units in the project to address the City's desire for integrated affordable housing in market-rate projects as an alternative mitigation to the Rental Housing Impact Fee or in partial satisfaction of the fee. The Rental Housing Impact Fee could be reduced accordingly to account for the value of any affordable housing units provided on site.

The EPC strongly encouraged providing on-site BMR units rather than paying the Rental Housing Impact Fee. During the EPC hearing, Greystar indicated willingness to provide BMR units on the site. No specific proposal has been made, but Greystar has expressed interest in providing units affordable to moderate-income renters. Several Commissioners supported the idea of moderate-income units. One Commissioner did not support this concept and stated any BMR units should be provided for the lowest income levels possible. If Greystar makes a proposal for on-site BMR units which is approved by the City Council, an additional condition of approval is recommended (see Attachment 5).

## **Public Benefits**

The SAPP requires Tier 1 projects to provide public benefits in exchange for constructing additional floor area above the base FAR allowance. The required value of public benefits for the 1.85 FAR project is estimated at approximately \$4.1 million. The SAPP provides a list of priorities for public benefits for the plan area, including affordable housing, pedestrian and bicycle amenities, and public parks and open space. Amenities must exceed minimum requirements to be considered public benefits.

The EPC and City Council discussed the project's requirement for public benefits in Study Sessions held in late 2016. The City Council expressed a preference for Greystar to provide funds directed toward transportation improvements in the San Antonio Precise Plan area, particularly emphasizing bicycle and pedestrian connectivity. The Council discussed the potential to fund a grade-separated pedestrian and bicycle connection beneath Central Expressway at the Caltrain station, which has been a desired improvement in the area. City staff is working to develop a capital improvement program (CIP) project for this improvement, which will be presented to the City Council at a later date, including the proposed alignment and estimated cost.

However, it is possible other funding sources for this improvement may be identified, such as Measure B. As a result of the ongoing CIP process and the potential for alternate funding, staff does not recommend specifically designating the project's public benefit funds to the grade-separated crossing project. Instead, staff recommends accepting a cash benefit designated more generally for transportation improvements focused on the San Antonio Precise Plan area, with discretion provided to staff to determine which projects ultimately receive the funds. Staff's intent would be to use the funds for the grade-separated crossing project unless alternate funding sources are identified, but providing flexibility would allow staff to reallocate the funds to other improvements in the area if necessary without returning to the Council.

### **Lot Line Adjustment**

Greystar proposes a Lot Line Adjustment to merge the two southernmost properties, which are under common ownership, into a single lot (see Attachment 9). This is necessary to allow construction of Building 1, which would otherwise cross a property line. Approval of the Lot Line Adjustment would result in two parcels within the Master Plan Area, each under separate ownership: a 4.71-acre parcel on the southern end of the site along California Street, and a 3.92-acre parcel (existing) on the northern end of the site along San Antonio Circle.

## **ENVIRONMENTAL REVIEW**

### **Background**

In December 2014, the City Council adopted the SAPP to implement the goals and policies set forth in the 2030 General Plan for the San Antonio Change Area. The City prepared an Environmental Impact Report (EIR) for the SAPP that evaluated the environmental impacts associated with projected development of the plan area. Consistent with the requirements of CEQA Section 15168, the program-level analysis in the SAPP EIR considered the broad environmental impacts of the overall SAPP. The EIR acknowledged that subsequent development of the SAPP area would occur in multiple years and phases. As those phases are proposed, they are evaluated to determine whether the required entitlements and actions fall within the scope of the approved EIR and incorporate all applicable performance standards and mitigation measures identified therein.

## Process

An Initial Study of Environmental Significance was prepared pursuant to Section 15168 of the CEQA Guidelines to evaluate compliance of the project with the previously certified SAPP EIR (see Attachment 1). The Initial Study examined each of the environmental review categories in terms of any changed condition that may result in environmental impact significance conclusions different from those found in the EIR in order to determine whether supplemental environmental review may be required.

## Findings

The Initial Study found that with implementation of the San Antonio Precise Plan standards and guidelines, standard City Conditions of Approval, State regulations, and mitigation measures identified in the SAPP EIR, the proposed project would not result in any new or substantially more severe environmental impacts compared with those evaluated in the previously certified EIR. As a result, the project is covered by the previous environmental review, and no additional environmental review is needed.

## Environmental Planning Commission (EPC)/Public Comment

During the EPC public hearing on June 6, 2018, a representative of the Laborers International Union of North America provided comment expressing concerns about the environmental review process for the project. The labor union representative also delivered a letter just prior to the hearing stating that an EIR should have been prepared for the project (see Attachment 11). Staff has reviewed the issues raised in the letter and determined that the environmental review completed for the project is appropriate and that no additional analysis is required. The EPC recommended the City Council adopt the Initial Study as prepared.

## **FISCAL IMPACT**

The City's share of the property taxes is currently approximately \$28,000 per year. If the site were redeveloped with the proposed project, it is estimated the City would receive approximately \$351,000 in property tax revenue per year, or a net increase of \$323,000 per year. The City would also receive sales tax revenue from the retail portion of the project, the amount of which would depend on the nature and success of the specific future tenants, but would likely be less than the tax revenue from the Safeway formerly located on the site until 2013.

The project is subject to the Rental Housing Impact Fee, which mitigates the impact of new market rate rental apartments on the demand for and availability of affordable housing. Based on the aggregate new habitable floor area of rental units, the Rental Housing Impact Fee for the project is estimated at approximately \$9.34 million. This fee would be reduced or eliminated if BMR units are provided in the project as an alternate mitigation, as recommended by the EPC.

The estimated Park Land Dedication In-Lieu Fee for the 632 residential units is \$37.92 million if no dedication is provided. With a proposed two-acre land dedication, the estimated park land dedication fee would be approximately \$17.92 million. This fee would be reduced if BMR units are provided in the project, as BMR units are not subject to park land dedication requirements.

The required value of public benefits for the project is estimated at approximately \$4.1 million, as noted above.

## CONCLUSION

The project as proposed, with the recommended conditions of approval, is consistent with the intent and purpose of the General Plan, the development standards in the SAPP and the Zoning Ordinance, and the design guidance set forth in the SAPP. Staff recommends that the City Council conditionally approval the Master Plan, Planned Community Permit, Development Review Permit, Provisional Use Permit, Heritage Tree Removal Permit, and Lot Line Adjustment, with the conditions in the attached Resolutions including the modifications recommended by the EPC.

## ALTERNATIVES

1. Adopt the CEQA document and approve the Master Plan, development project, and Lot Line Adjustment with modified conditions.
2. Refer the project back to the Development Review Committee and/or Environmental Planning Commission for additional consideration.
3. Do not adopt the CEQA document, deny the Master Plan, deny the development project, and/or deny the Lot Line Adjustment.
4. Provide other direction.

## **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](http://www.mountainview.gov). All property owners and tenants within 300' of the project site were notified of this meeting, and the noticing radius was expanded to include all property owners and tenants within The Crossings development, which extends approximately 900' east of the project site. Notices were also provided to the Greater San Antonio Community Association, the Monta Loma Neighborhood Association, and other interested stakeholders.

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802-06-26-18CR-E

- Attachments:
1. Initial Study of Environmental Significance
  2. Resolution Approving the Master Plan
  3. Resolution Approving the Planned Community Permit, Development Review Permit, Provisional Use Permit, and Heritage Tree Removal Permit
  4. Resolution Approving the Lot Line Adjustment
  5. Recommended Additional/Modified Conditions of Approval
  6. Master Plan
  7. Project Plans
  8. Tree Preservation Exhibit
  9. Lot Line Adjustment
  10. Developer's Request for Tier 1 FAR and Additional Height
  11. Public Comment
  12. City Council Study Session Report, December 13, 2016
  13. City Council Study Session Report, October 24, 2017
  14. Environmental Planning Commission Report, June 6, 2018