

August 8, 2020

Aarti Shrivastava  
Assistant City Manager/Community Development Director  
City of Mountain View  
500 Castro Street  
Mountain View, CA 94041

RE: Joint Gatekeeper Application - Public Storage Redevelopment of Existing Facility and New Alta Housing Project at 1020 Terra Bella Avenue

Dear Ms. Shrivastava:

Alta Housing (“AH”), formerly known as Palo Alto Housing (PAH), and Public Storage (“PS”) have proposed a one-of-a-kind collaborative venture, that will build much needed affordable housing, while creating a diverse, compatible and vibrant mix of land uses. On November 18, 2019 the City Council unanimously voted to allow the joint Public Storage and Palo Alto Housing proposal to move forward to a Gatekeeper hearing. To that end, please accept this letter as the joint PS/AH Gatekeeper Application for review and consideration of General Plan and zoning modifications to make this project a reality.

## I. The Development Proposal

Alta Housing (“AH”) and Public Storage (“PS”) own adjacent property on Terra Bella Ave. **Attachment 1** identifies the two properties owned by AH and PS in their current configuration. AH and PS have engaged in extensive and cooperative discussions regarding a property contribution to facilitate more robust housing and commercial development. PS will donate roughly 0.50 acres of land to AH, to increase the number of affordable housing units from 56 units to roughly 105 units and to provide a significant community benefit.

The PS donation is valued at approximately \$9 million. This contribution would increase the number of affordable housing units built by AH from the original 56 units and 101 bedrooms that could have been built on the land solely owned by AH to yield a total of approximately 105 affordable family housing units yielding a bedroom count of approximately 220. In addition, the land identified by PS for contribution contains valuable frontage on Terra Bella. By facilitating residential development along the street-frontage, PS and AH will help foster a pedestrian-friendly environment within the Terra Bella neighborhood. The PS project would be located behind the AH project and adjacent to the freeway, with the AH project creating an attractive buffer between the freeway effects and the future residents of the AH project. **Attachment 2** identifies the sites once the proposed land transfer takes place. These benefits cannot be achieved through the current property configuration, only through this unique collaborative venture proposed by AH and PS.

## II. Gatekeeper Request.

PS is required to submit a Gatekeeper application for rezoning, and AH, an affordable housing project, must complete a separate NOFA process. As part of Gatekeeper approval, if City Council agrees to assign staff to this project, PS and AH would move forward with the rezoning of the two (2) properties and AH would also proceed concurrently with the NOFA process.

PS and AH are seeking Gatekeeper approval that would authorize a General Plan Amendment to allow residential to accommodate the AH project and a higher FAR to accommodate the PS project. PS & AH are also seeking a rezoning of the two properties from MM (General Industrial) to a P district (Planned Community) to allow both projects to move forward.

A Zoning Amendment from MM to P will allow the City to not only establish residential and personal storage as permitted uses for the subject properties, but would permit the PS and AH project to incorporate the following:

1. FAR – Increase the allowable FAR from 0.5 under the current MM standards to approximately 2.6 to accommodate increase in intensity for the PS project;
2. Uses – Rezoning the properties to a P Zone could allow both personal storage and residential uses on the reconfigured parcels. The MM Zone currently allows personal storage as a permitted use.
3. Parking – Evaluate the parking requirements for personal storage and affordable housing.
4. Setbacks – Evaluate required building setbacks to permit the higher density being requested.
5. Development Agreement (DA) – As part of this Gatekeeper request PS will be seeking a DA. PS will be building the project in two phases and will seek a DA as part of the entitlements to allow the construction phasing of the project.

### A. Project Details

Assuming the AH/PS proposal is approved and the City enables the land transfer from PS to AH, PS and AH propose to develop their respective properties as follows:

#### Public Storage (PS)

PS will transfer 0.5 Acres of land to AH and redevelop the remaining 3.85-acre personal storage facility, including the construction of two five-story buildings, approximately 69 feet in height, and all new site improvements and landscaping (See **Attachment 3**). The proposed floor area ratio (FAR) of the completed project would be approximately 2.63.

The redevelopment would take place in two phases, with the eastern portion, including Building 1, developed as Phase I. The western portion of the existing property would continue to operate while Phase I is constructed. After Phase I is completed and existing customers are moved into the new building, Phase II would redevelop the western portion of the site by demolishing the existing buildings and constructing Building 2.

The proposed PS project will have minimal impact on the neighborhood and is anticipated to have the benefits of improved aesthetics and additional blocking and visual and noise buffering of the neighborhood from Highway 101.

### Alta Housing (AH)

With the Public Storage land donation of 0.5 Acres, Alta Housing proposes to develop a seven-story, approximately 105-unit, family housing community for households with income levels between 30-80% of the area median income. **(See Attachment 4)**. The project will contain one, two, and three-bedroom units to support households of various sizes. The proposed buildings would be approximately 74 feet in height. On-site amenities will include a community room with a kitchen, a conference room, laundry facilities, and an 11,000 SF outdoor deck area for tenants. 1020 Terra Bella is centrally located with good proximity to transit and amenities, including a grocery store. The site is near the future Shoreline transportation corridor, which will provide enhanced transit, bicycling, and pedestrian facilities between North Bayshore and Downtown Mountain View while fostering a pedestrian-friendly streetscape along Terra Bella. This Gatekeeper request will allow Alta to file the necessary applications—General Plan Amendment, Zone Change, Planned Community Permit, and Density Bonus request—to begin the development review process.

#### **B. Community Benefits of the Proposal.**

Some of the community benefits of this PS land contribution to PAH are:

- Achieves one of the City's goals to offer a variety of housing types at varying income levels
- Nearly doubles the number of affordable housing units from 56 to approximately 105 units.
- Contribution reduces cost of all the affordable units by roughly \$80,000 +/- per unit.
- Creates a 100% affordable, family housing community with one, two- and three-bedroom units.
- Improves layout, quality and design of the affordable housing project
- PS is prepared to relinquish frontage on Terra Bella and place their project behind the AH project. This proposed layout buffers the AH project from the freeway and creates a more pedestrian friendly environment
- PS has one manager residential unit that would be incorporated into the AH project
- Increase in number of bedrooms from 101 to approximately 220.
- Increase in the number of extremely low and low income individuals housed from less than 150 to over 320.

#### **C. Compliance with the Gatekeeper Requirements.**

Mountain View Municipal Code sections 36.52.15 and 36.52.55 require the gatekeeper application to include the following information.

Prior Studies Relevant to the Project (MVMC §§ 36.52.15(f)(1)(a), 36.52.55(g)(1)(a)).

The most recent study completed was the Terra Bella Visioning Plan that began to define a Vision for the Terra Bella area. No further studies have been completed for either the PS or AH sites.

Community Benefits and Contributions (MVMC §§ 36.52.15(f)(1)(b), 36.52.55(g)(1)(b)).

As described in more detail above, the proposal will create significant community benefits by contributing property worth approximately \$9 million to facilitate the development of almost 50 new affordable housing units while promoting a pedestrian-friendly streetscape and insulating future residents from the impacts of the adjacent freeway.

General Plan and City Council Goals ((MVMC §§ 36.52.15(f)(1)(c), 36.52.55(g)(1)(c)).

As illustrated in **Attachment 5**, the joint project from AH and PS will advance multiple goals articulated by the City in its General Plan and Housing Element, including providing new housing opportunities and a diverse and flexible mix of land uses.

Fiscal Impact ((MVMC §§ 36.52.15(f)(1)(d), 36.52.55(g)(1)(d)).

This project will have limited fiscal impact other than increase in property taxes from the redevelopment of the PS site.

Consistency with Amendment Authorization Criteria ((MVMC §§ 36.52.15(f)(1)(e), 36.52.55(g)(1)(e)).

The project is designed to meet the findings required for all amendments. It is consistent with the General Plan, will promote the public interest and welfare of the City, and will comply with the California Environmental Quality Act.

#### **D. Community Outreach**

During the past several months, PS met with representatives of the Stierlin Estates Neighborhood Association to discuss the PS and AH project and in November, 2019 AH provided them with an onsite tour of some of the affordable housing projects operated by Alta Housing. We will also be reaching out to them prior to the August 25, 2020 City Council meeting.

### **III. Conclusion**

If the City Council grants this Public Storage/Alta Housing Joint Gatekeeper application, both teams are committed to working with the City to implement this plan. This joint collaboration between PS and AH is a unique opportunity that will result in an increase in the number and quality of affordable housing units to be constructed by Alta Housing and allow Public Storage to reinvest in the community and provide a “state of the art” personal storage facility to better serve its customers.

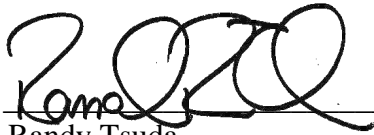
We greatly appreciate your time and consideration of this joint request, and if you have any questions or need any additional information please do not hesitate to contact us.

Sincerely,



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Andres Friedman  
Senior Vice President, Development Real Estate Group



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Randy Tsuda  
President and CEO  
Alta Housing

Enclosures

Attachment 1: Aerial of existing properties

Attachment 2: Land swap plan

Attachment 3: Public Storage proposed site plan, elevations, and renderings

Attachment 4: Palo Alto Housing proposed site plan, elevations and renderings

Attachment 5: General Plan and Housing Element Policies

C.c. Bryan Miranda  
Diane Dittmar  
Anna Cole  
Rose Bacinski  
Stephanie Williams  
Diana Pancholi  
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