



DATE: December 8, 2020

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **Residential Development at 325-339 Franklin Street**

RECOMMENDATION

1. Adopt a Resolution of the City Council of the City of Mountain View Approving a Planned Community Permit and Development Review Permit to Construct a 15-Unit Residential Condominium Project Over One Level of Underground Parking and a Heritage Tree Removal Permit to Remove Three Heritage Trees at 325-339 Franklin Street, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Approving a Tentative Map to Allow a One-Lot Condominium Subdivision for 15 Residential Condominium Units at 325-339 Franklin Street, to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

Project Site

The approximately 0.52-acre site is located on the east side of Franklin Street, between West Dana Street and California Street, in the P-19 (Downtown) Precise Plan. The project site is comprised of four existing parcels, which would be combined for the project, and is currently developed with one- to two-story buildings containing a total of 13 units—325 Franklin Street (one story) contains three residential units, which

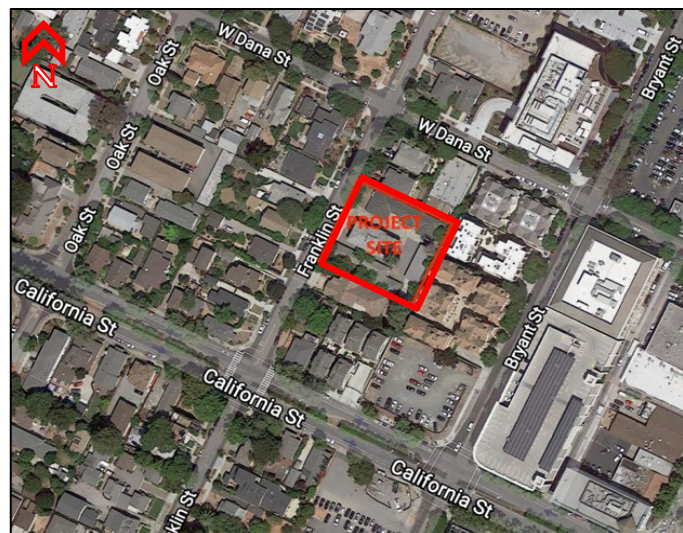


Figure 1: Location Map

are untenanted and used as AirBnb units; 333 Franklin Street (two stories) contains eight residential units, including six occupied units and two AirBnb units; and 339 Franklin Street (one story) contains two units that have been vacant for some time and previously used by commercial businesses.

Surrounding development includes two-story single-family homes immediately to the north; three-story multi-family developments (similar to the proposed project) immediately to the east and fronting on Bryant Street; a tall, one-story single-family home immediately to the south; and one- and two-story single-family homes to the west on the opposite side of Franklin Street.

Previous Meetings

Development Review Committee

The project was reviewed by the Development Review Committee (DRC) on December 21, 2016. The DRC recommended approval with building design conditions, as noted in draft project conditions of approval.

Administrative Zoning/Subdivision Committee Public Hearing

The project was reviewed by the Zoning Administrator and Subdivision Committee on November 10, 2020, where the project received a recommendation for conditional approval. There were no speakers at the public hearing. Prior to the public hearing, staff received communication from four residents who supported the project, including three public comment letters (see Attachment 3). Residents cited an attractive project design and noted it would generate revenue and redevelop an older, declining property.

ANALYSIS

Project Description

The proposed project would redevelop the project site with a new 15-unit residential condominium development above one level of underground parking accessed from Franklin Street at the southeast corner of the property. Proposed units are spread across seven buildings, including three detached units facing Franklin Street; two duplex buildings in the middle of the site; and two fourplex buildings in the rear (see Attachment 4 – Project Plans).

The units range from approximately 1,000 square feet to 2,100 square feet in size. There are 10 three-bedroom units, which have two, two and one-half, or three bathrooms. There

are five four-bedroom units: one of these units has two and one-half bathrooms, and the remaining four-bedroom units have three bathrooms and additional den area. The three units in the front of the property (along Franklin Street) are two stories tall, and the remaining duplex and fourplex buildings are three stories tall, with the third floor tucked within the roof form so they appear more like two-story buildings.

The proposal is similar to other downtown projects on smaller multi-family properties by positioning residential units atop a partially or completely underground garage. The project also uses the general building layout/site design and proposed architectural character to present a single-family-like face to Franklin Street intended to blend with and transition to single-family development along much of the rest of this block of Franklin Street and in the surrounding area. All of the buildings employ traditional architectural styles and materials, inspired by Craftsman and Bungalow-style homes of the 1930s.

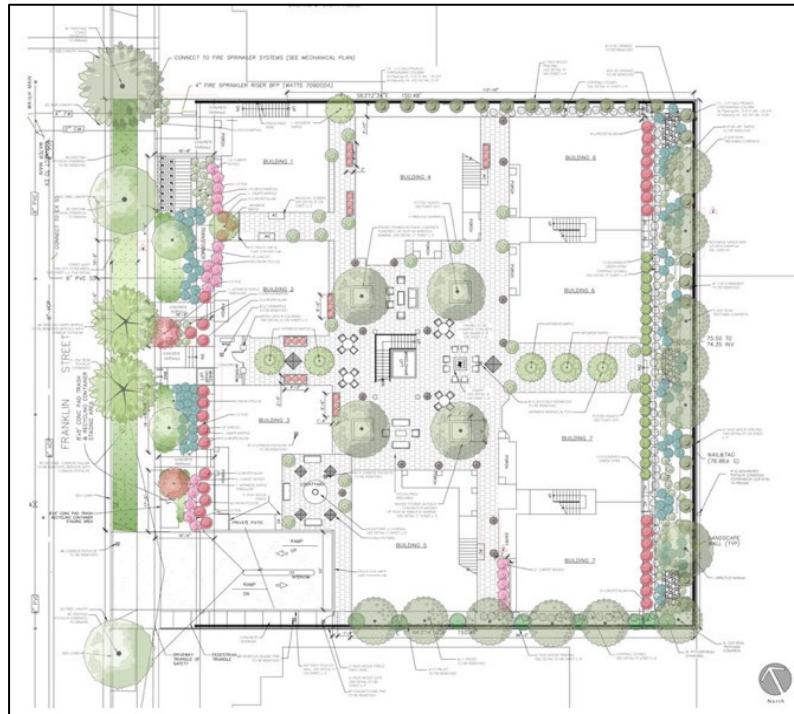


Figure 2: Site Plan



Figure 3: View from Franklin Street

General Plan

The site's General Plan Land Use Designation is Medium High-Density Residential (26 to 35 dwelling units/acre), located within the Central Neighborhoods/Downtown Planning Area. This area is composed of a mix of land uses, including the City's Historic Retail District, single- and multi-family residential development, offices, public facilities, and parks. The proposed project is consistent with the General Plan's vision for the area by seeking to develop a residential project at 29 units per acre and in compliance with the following General Plan policies:

- **LUD 3.9: Parcel assembly.** Support the assembly of smaller parcels to encourage infill development that meets City standards and spurs neighborhood reinvestment.
- **LUD 6.1: Neighborhood character.** Ensure that new development in or near residential neighborhoods is compatible with neighborhood character.
- **LUD 7.5: Compatible uses and design.** Ensure compatible uses and building design downtown along the boundaries between residential and commercial areas.
- **LUD 9.1: Height and setback transitions.** Ensure that new development includes sensitive height and setback transitions to adjacent structures and surrounding neighborhoods.
- **LUD 9.2: Compatible transit-oriented development.** Encourage transit-oriented development that is compatible with surrounding uses and accessible to transit stations.

Precise Plan

The site is located in the P-19 (Downtown Precise Plan), Subarea B (Franklin Street Residential Transition Area), which defines the western boundaries of the Precise Plan. The Precise Plan regulates residential development in Area B through a sliding density scale, which allows 30 dwelling units per acre to be built on this project site. The project proposes the maximum number of units permitted on the parcel by the Precise Plan, which is consistent with the General Plan allowed density.

The project complies with the Downtown Precise Plan, and no exceptions are requested. The following table shows project compliance with applicable development standards:

**Table 1: Compliance with Downtown Precise Plan,
Area B, Development Standards**

Standard	Requirement	Proposed
Density/Units	30 du/acre (15 units maximum)	15 units
Floor Area Ratio (FAR)	1.1 FAR (maximum)	1.09 FAR
Front-Yard Setback	13' (minimum)	15'
Side Setback	5' (minimum)	5'
Rear Setback	15' (minimum)	15'
Open Space	50% of site area (minimum)	50%
Height	3 stories, tucked into roofline 22' eave height 35' total height (maximum)	3 stories, tucked into roofline 20' to 22' eave height 31.5' to 35' total height
Parking	2 spaces per unit + 0.3 space per unit for visitors = 35 spaces	35 resident and visitor spaces, plus 2 ADA spaces

The project also complies with more qualitative design standards and guidelines applicable to Area B sites, including, but not limited to: provision of direct pedestrian access to street-adjacent units from the Franklin Street sidewalk; massing and facade treatment reflecting the character of adjacent neighborhood areas and allowing individual units to be identifiable; variation in rooflines; sloping roofs interrupted by dormer windows, chimneys, etc.; well-proportioned windows; visually interesting street-level frontages; and the use of materials, colors, and architectural vocabularies that are compatible with the residential fabric of downtown neighborhoods.

Open Space and Trees

The project complies with the minimum 50 percent open-space standard through proposed setback areas, space between proposed buildings, and a central common courtyard area. The front setback area is landscaped with trees and low landscaping, entry paths to each of the front three units, bioretention areas, and the main pedestrian entry providing access to interior courtyard-facing units. The front setback area is also encumbered by a 10' public utility easement and utility infrastructure supporting the development. Side setbacks feature buffer landscaping, including tree species compatible with the narrow planting environment, and a tree buffer is also provided in

the rear setback area. The common courtyard is designed around the accessible lift and primary stair providing access from the underground garage and includes trees and shrubs in planters, seating areas, a fire pit, and barbecue area.



Figure 4: View from Interior Courtyard

The applicant proposes to remove three Heritage trees, 10 non-Heritage trees, and three existing street trees. The project includes approximately 35 new tree plantings, exceeding replacement requirements and including three to four new street trees. A tree survey was prepared by the applicant's arborist, and both the survey and tree health were reviewed by the City arborist. The project would remove a majority of existing on-site trees primarily due to conflicts with excavation for the underground garage and project utilities. City staff has found the tree removal is necessary to accommodate build-out of the site at the proposed/allowed density and to achieve the layout of buildings and parking required by the Precise Plan. Street tree removals are supported by the City arborist as they will remove nonstandard street trees for Franklin Street and result in planting of new, healthy trees consistent with the City-adopted Street Tree List.

Minor adjustments to the tree planting plan are required pursuant to the recommended project conditions of approval, which are primarily intended to ensure trees meet minimum Zoning Ordinance sizes, add a street tree to a gap in the planting plan, and ensure the tree layout will not conflict with a complicated layout of utility facilities along the frontage. The project's landscape architect estimates the proposed trees would

approximately match the existing tree canopy within 10 years of project completion and almost double existing canopy coverage by maturity as summarized in the table below:

Table 2: Tree Canopy Coverage

Existing Canopy	8 percent
Retained/New at 5 Years	4 percent
Retained/New at 10 Years	7 percent
Retained/New at Maturity	15 percent

Subdivision Map

The project proposes a Tentative Map to create one project parcel and subdivide the lot for 15 residential condominium units. Staff finds the project is consistent with the requirements of the Subdivision Map Act, the City's Subdivision Ordinance, and the General Plan, incorporating the draft Conditions of Approval (see Attachment 2).

Tenant Relocation and Replacement Unit Requirements

Senate Bill 330

Senate Bill 330 (SB 330), the Housing Crisis Act of 2019, took effect on January 1, 2020. Its provisions apply to residential projects not deemed complete under the Permit Streamlining Act prior to January 1, 2020. This project was deemed complete prior to January 1, 2020; therefore, the provisions of SB 330 do not apply to the project. This includes statute requirements for replacement of protected units and tenant relocation.

Community Stabilization and Fair Rent Act and Tenant Relocation Assistance Ordinance

The existing residential units are covered under the City's Community Stabilization and Fair Rent Act (CSFRA) and Tenant Relocation Assistance Ordinance (TRAO). These regulations apply to the 11 units located on the 325 and 333 Franklin Street parcels; however, only 333 Franklin Street includes currently leased and occupied units. The two vacant units at 339 Franklin Street, with prior commercial uses, are not covered.

On-site units range from studio/one-bathroom units to a three-bedroom/one-bathroom unit; a majority of the units are studio or one-bedroom units, and monthly rents range from \$995 to \$3,400. At the time of the application submittal in July 2015, the developer offered standard benefits required by the then-applicable TRAO. Of the 11 original

households to be displaced by this project, it was estimated that seven might be eligible for relocation assistance. Thus far, the following TRAO activities have occurred:

- On April 4, 2016, an original Notice of Intent (NOI) was sent to all households, which included an estimated vacate date of June 2016.
- On June 9, 2016, TRAO applications were mailed to all households.
- On June 21, 2018, an updated letter extended the estimated vacate date to June 2019.
- On July 2, 2018, 12-Month Notices to Vacate were delivered to all of the households.
- On April 19, 2019, another update letter was sent to all households, extending the vacate date to an estimated timeline of March 31, 2020.
- Since the original NOI, 10 of the original 11 households have vacated the property. Only one household submitted a TRAO application and was deemed eligible for relocation assistance. This household vacated their unit on September 18, 2019 and received all of their relocation assistance. The household included two adults, with a combined annual income of \$110,226, who received \$10,274.50 in tenant relocation assistance. The remaining nine original households who vacated their units did not submit TRAO applications; household income levels are unknown for these tenants.
- Currently, six units are leased and occupied. This includes one remaining “original tenant” who has rented their unit since before the original NOI. This tenant has not submitted a TRAO application despite four mailings in 2016, 2018, 2019, and, most recently, on November 4, 2020. The other five occupied units were rented after the original NOI and are not covered by the TRAO; however, the applicant has voluntarily revised their TRAO proposal to cover these tenants, as described below.
- In August 2020, the applicant submitted an updated proposal to voluntarily provide enhanced TRAO benefits to original tenants in accordance with the 2020 TRAO. Staff supports the enhanced benefit package, which is comparable to or exceeds other recent residential projects and applicable TRAO requirements (summarized in Table 3).
- In November 2020, the applicant amended their voluntary enhanced TRAO benefit proposal to cover all current tenants regardless of move-in date. Mailed notices were sent to the six existing households on November 4, 2020 (Attachment 4), which explained the enhanced benefits proposal and included a TRAO application form for tenants to submit to determine eligibility for relocation assistance. No additional

TRAO applications have been submitted as of the writing of the Council report or since the November mailing.

- The remaining five residential units are not covered by the enhanced TRAO proposal because two units are unoccupied and three units are used as short-term rentals on AirBnb (registered with the City's Short-Term Rental program).

Table 3: Voluntary Enhanced TRAO Proposal

Tenant Relocation Benefits (2014 TRAO)	Enhanced Benefits (2020 TRAO)																
Income Eligibility: 80% AMI	Income Eligibility: \$5,000 above 120% AMI																
Full refund of the tenant’s security deposit.	Full refund of the tenant’s security deposit.																
A 60-day subscription to a rental agency.	Unlimited subscription to a rental agency.																
The cash equivalent of 3 months’ rent, based on the median monthly rent for a similar-sized unit in Mountain View. Based on Q2 2016 average rents.	The cash equivalent of 3 months’ rent, based on the median monthly rent for a similar-sized unit in Mountain View. Based on Q2 2020 average rents.																
<table><tr><td>Studio</td><td>1 Bed</td><td>2 Bed</td><td>3 Bed</td></tr><tr><td>\$2,003</td><td>\$2,619</td><td>\$2,711</td><td>\$2,994</td></tr></table>	Studio	1 Bed	2 Bed	3 Bed	\$2,003	\$2,619	\$2,711	\$2,994	<table><tr><td>Studio</td><td>1 Bed</td><td>2 Bed</td><td>3 Bed</td></tr><tr><td>\$2,157</td><td>\$2,661</td><td>\$3,354</td><td>\$4,276</td></tr></table>	Studio	1 Bed	2 Bed	3 Bed	\$2,157	\$2,661	\$3,354	\$4,276
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An additional \$3,075 per rental unit for special circumstances households.	An additional \$8,000 per rental unit for special-circumstances households.																
	Waiver of the tenants’ obligation to provide a 30-day move-out notice.																
	The second/final portion of the TRAO payment will be made when tenants provide documentation of a replacement rental or move out, whichever is earlier.																

Eviction Moratorium

On August 31, 2020, the State of California enacted Assembly Bill 3088 (AB 3088), the Tenant Relief Act. AB 3088 created eviction protections for tenants experiencing COVID-19 related financial hardship. It went into effect September 1, 2020 and superseded the City of Mountain View's residential eviction moratorium extension approved on August 25, 2020. AB 3088 protects tenants of all residential properties in Mountain View from eviction through January 31, 2021 due to nonpayment of rent as a result of COVID-19-related hardships and establishes rent repayment procedures and timelines.

The applicant's enhanced TRA0 benefit proposal allows all current tenants to remain in their units until at least January 31, 2022. The property will comply with all applicable eviction moratorium requirements in effect under AB 3088 as well as any subsequent legislation providing eviction protections that is in effect prior to required vacation of units on February 1, 2022 (or any extension thereof based on project implementation timelines).

ENVIRONMENTAL REVIEW

The project qualifies as categorically exempt under the California Environmental Quality Act (CEQA), Section 15332 ("In-Fill Development Projects"), because it is characterized as an infill development which is consistent with the applicable General Plan and zoning designation; is on a project site that is less than five acres; contains no value as habitat for endangered, rare, or threatened species; would not result in any significant effects relating to traffic, noise, air quality, or water quality; and the site can adequately be served by all required utilities and public services.

FISCAL IMPACT

The existing project site has a total assessed value of approximately \$5.9 million. The City's existing share of property tax revenue is approximately \$9,400 per year. If the site were developed as proposed, the City would receive approximately \$28,800 in additional annual property tax revenue.

The project is subject to the City's Below-Market-Rate (BMR) Ordinance, Phase I, as the project was submitted prior to the Phase II effective date. Payment of the required BMR in-lieu fees would result in an estimated BMR payment to the City of approximately \$720,000, based on the applicant's projected average sales price of \$1.6 million per unit.

The project is also subject to the City's Park Land Dedication Ordinance, based on the net new unit count of two units. The projected park in-lieu fee requirement for the net new project units is approximately \$114,000.

CONCLUSION

The Zoning Administrator and Subdivision Committee recommended conditional approval of the proposed residential development. The project supports General Plan policies for neighborhood character, compatible transit-oriented development in neighborhood transition areas, and parcel assemblage; is consistent with General Plan and zoning-level land-use allowances; and complies with applicable development/design direction from the Downtown Precise Plan. The proposed multi-

family development is designed to provide single-family residential character, reflecting traditional architectural styles of surrounding residential neighborhoods.

Overall, the proposed residential subdivision, together with proposed improvements, design, and conditions of approval, is consistent with the General Plan Land Use Designation of Medium High-Density Residential; the Downtown Precise Plan; the City's Subdivision Ordinance; and the Subdivision Map Act.

ALTERNATIVES

1. Approve the project with modified conditions.
2. Refer the project back to the Development Review Committee and/or Zoning Administrator for additional consideration.
3. Deny the project and/or deny the map.
4. Provide other direction.

PUBLIC NOTICING

The City Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. All property owners and tenants within a 750' radius were notified of this meeting.

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RS/6/CAM
803-12-08-20CR
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- Attachments:
1. Resolution Approving a 15-Unit Residential Condominium Project
 2. Resolution Conditionally Approving a Tentative Map
 3. Public Comment
 4. Project Plans
 5. Tenant Relocation Proposal Letters