



COUNCIL REPORT

DATE: September 10, 2024
CATEGORY: New Business
DEPT.: Community Development
TITLE: **Gatekeeper Applications 2024**

RECOMMENDATION

Staff recommends that the City Council take the following actions on the Gatekeeper requests:

1. 62 West El Camino Real: Review staff's analysis and provide direction as to the assignment of staff resources necessary to amend the P(38) (El Camino Real) Precise Plan to allow submittal of a development application for a proposed five-story, 107,040 square foot personal storage facility on 1.56 acres.
2. 2400-2470 East Charleston Road: Review staff's analysis and provide direction as to the assignment of staff resources necessary to amend the General Plan and Zoning Map to allow for submittal of a development application for a proposed mixed-use development of approximately 450 multi-family units (350 rental units and 100 ownership condominium units), approximately 450,000 square feet of commercial office/research and development (R&D), approximately 30,000 square feet of retail, approximately 305,000 square feet of structured aboveground parking, and associated landscaping, on-site improvements, and off-site improvements to Charleston Road on 10.32 acres.

BACKGROUND

Gatekeeper Process

The State Permit Streamlining Act (PSA) requires the processing of any development application that is in compliance with the City's General Plan and City Code within specific timelines. Due to these requirements, development applications that are in general conformance with City standards (e.g., those not requiring a General Plan amendment or rezoning) must be prioritized for the allocation of staff resources. Similarly, the City is required to meet other state-mandated requirements, such as adoption of a certified Housing Element and implementation of associated Housing Element programs. In acknowledgement of the limited remaining staff resources after fulfilling the aforementioned obligations, while balancing the need to consider new development ideas, the City Council adopted a Gatekeeper process in 2001. The Gatekeeper process is

intended to provide an avenue for City Council consideration of new development proposals while also managing and coordinating these potential development applications with the staff resources required to complete City review of existing, and proposed, current planning projects and numerous long-range/advanced planning efforts coupled with the need to deliver quality customer service and meet project deadlines.

Under the current Gatekeeper process, staff evaluates privately initiated requests for legislative land use changes (Gatekeeper applications) based on Council-adopted authorization criteria. In addition, information regarding the Planning Division staffing levels and workload is presented for Council consideration, including development applications, state-mandated legislative (long-range) plans and programs, and Council-directed policy work. In recent years, the state-mandated legislative workload has increased significantly, particularly as it relates to Housing Element program implementation.

Housing Program 1.3 of the adopted 2023-2031 Housing Element directed the City to hold at least one Gatekeeper meeting per year, which may be limited to residential or residential mixed-use projects only, to create greater opportunities for project-specific rezonings and to begin accepting Gatekeeper applications by June 30, 2024. To comply with this program, Council provided direction to staff on January 23, 2024 to open the Gatekeeper application window in March 2024, utilizing the existing authorization criteria, Gatekeeper exemptions, and process for the current year.

To publicize the process, Community Development Department (CDD) staff:

- Sent an email notification of the application period to 40 development professionals in February 2024 and discussed the 2024 Gatekeeper authorization process at the biannual developer meeting in May 2024.
- Communicated directly with parties who had previously contacted staff regarding their interest in submitting a Gatekeeper application.
- Updated the Gatekeeper [webpage](#) to note the application time frame.
- Held meetings, when requested, with interested parties.

Staff opened the Gatekeeper application period from March 1, 2024 through June 28, 2024. Over the course of the four-month application window, staff received two Gatekeeper applications, which are analyzed in this report. Additionally, the City is processing one informal and two formal Planning applications for residential rowhouse projects requiring legislative land use changes that are exempt from a Council Gatekeeper authorization hearing per Sections 36.52.15(e) and 36.52.55(f) of the City Code, as discussed below.

City Council Authorization Criteria

The required findings for approval of a General Plan Amendment or rezoning/zoning text amendment are the same for Gatekeeper and non-Gatekeeper applications. However, the Gatekeeper provisions reference the City Council’s consideration of “amendment authorization criteria” to guide decision-making on Gatekeeper applications. The City Council in 2017 endorsed the seven Amendment Authorization Criteria listed below as a tool to evaluate Gatekeeper applications and their alignment with Council priorities and City objectives. The two Gatekeeper applications are evaluated later in this report against each of the following criteria:

1. Is the project in a General Plan Change Area?
2. Does the project provide additional affordable housing above what is required by the City Code?
3. Does the project propose community benefits?
4. Is the project near commercial services?
5. Does the project dedicate park land above what is required?
6. Does the project enhance environmental sustainability efforts?
7. Does the project improve transportation by enhancing mobility and connectivity?

Relevant City Policies

In addition to the Gatekeeper Amendment Authorization Criteria listed above, staff has identified two additional City policies that are relevant in the assessment of these applications. The first, General Plan Change Areas, is referenced in the Gatekeeper Amendment Authorization Criteria, and relevant to the proposed project at 62 West El Camino Real, and the second, Industrial Land Conversion Policy, is relevant to the proposed project at 2400-2470 East Charleston Road.

General Plan Change Areas

During the community engagement process that informed the *Mountain View 2030 General Plan*, adopted July 10, 2012, there were focused conversations regarding where Mountain View might change the most significantly during the life of the plan. Five “Change Areas” were identified and shown below in Figure 1 (General Plan Map of Change Areas). A vision, goals and policies, and form and character for each Change Area were developed as part of the General Plan Update.

Change Areas indicate an area’s readiness and capacity for change and locations where there was prior community support for change. To date, Precise Plans have been initiated or adopted for each of the Change Areas which have, and will, include additional investments in these areas in the form of detailed planning and community engagement. Location within a Change Area indicates that the subject area has already been identified as having a high likelihood of change and, in the Change Areas where a Precise Plan has already been adopted, substantial resources have been expended by staff and stakeholders to plan for and manage anticipated change through a thoughtful and comprehensive planning process.

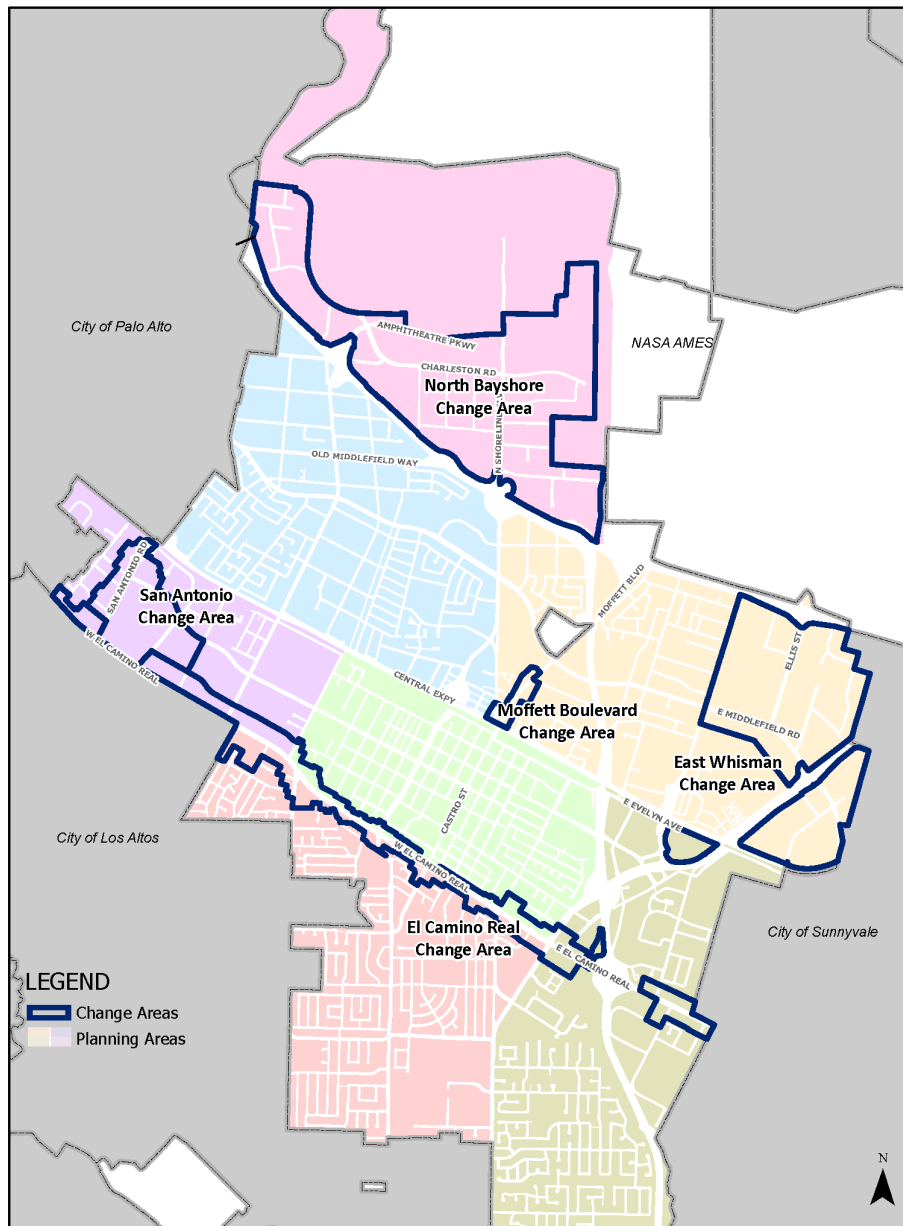


Figure 1: General Plan Change Area Map

Industrial Land Conversion Policy

In August 2004, the City Council directed staff to investigate the concerning trend of increasing requests to convert industrial/commercial land to residential use. After studying various alternatives, the City Council adopted a resolution on March 22, 2005, which identified industrial areas to be evaluated on a case-by-case basis for conversion to residential uses per the following four evaluation criteria:

1. Minimum Site Size of Two Acres
2. Contiguous with Existing Residential Zones
3. Allow to Maintain Operations of Existing Adjacent Businesses
4. Do Not Create Islands of Residential or Industrial Properties

Planning Division Staffing

In addition to the above Amendment Authorization Criteria and relevant City policies listed above, the current and projected CDD staff workload is another relevant factor when considering whether to authorize a Gatekeeper application. Managing CDD staff workload was a key component that led to establishment of the Gatekeeper process. The CDD staff will have primary responsibility for the processing of any Gatekeeper applications authorized by the City Council to advance to regular processing. Processing of a General Plan Amendment or rezoning/zoning text amendment is a staff resource-intensive undertaking.

The Planning Division is budgeted for 18 full-time equivalent (FTE) professional planners. The full-time planning positions consist of the following:

- One Assistant Community Development Director/Zoning Administrator
- One Advanced Planning Manager
- Two Deputy Zoning Administrators
- One Principal Planner
- Seven Senior Planners
- Six Junior/Assistant/Associate Planners

In addition to the FTE employees, the Division has three contract planners and one hourly planner to assist with the workload and complexity of the existing and forthcoming projects and to supplement existing staff resources. These CDD staff are primarily responsible for the processing of all current planning (e.g., development project) and long-range/advanced planning (e.g., General Plan and zoning-related amendments, Precise Plans, and Housing Element

implementation) and additionally serve as project managers for these activities to coordinate the work of non-CDD staff and consultants. Currently, the Planning Division is experiencing a 16.7% vacancy rate with active recruitments ongoing to fill three vacancies. The Division also recently had one multi-month absence of a staff member on family leave, and the possibility of other family/medical leave absences have been identified within the next 12 months (the additional absence effectively creates a 22.3% vacancy rate). Thus, full Planning Division staffing is not anticipated for at least the next several months and possibly beyond.

Planning staff also have additional responsibilities that limit their abilities to focus on project processing. Specifically, the Assistant Community Development Director, Advanced Planning Manager, and Deputy Zoning Administrators have several other job responsibilities at any given time, importantly including their managerial and supervisory functions as team leads within the Planning Division. This reduces their ability to commit their attention to development projects.

Planning Division Workload

As referenced above, development applications which do not require any legislative amendments are subject to the PSA, which dictates the time by which local government must process an application and render a decision; therefore, these projects must be prioritized. The category of development applications which must be given priority has expanded over the last several years with the passage of legislation at the state level intended to streamline and support the production of housing.

The [December 5, 2023 Study Session Memo](#) (see Attachment 1) supporting prior Council consideration of Gatekeeper Process Updates provides a holistic description of the range and extent of development and long-range policy work the Planning Division and other City departments engage in annually, including: PSA projects (Planning applications); building/fire permit reviews and inspections; implementation of new state laws requiring annual changes to processes or City codes and staff training; and implementation of state-mandated plans, such as Housing Element implementation and City Council work plan projects.

The above-noted Study Session memo provides some overarching context on the multi-department annual workload associated with development review and long-range planning tasks of the City, while the following section, along with Table 1, which is a summary of projects where the Planning Division is the lead and number of staff who regularly work on the various projects, provides a detailed snapshot of the Planning Division's current development review and long-range project workload.

Table 1: Summary of Projects Led by Planning Division Staff

Project Type		Number of Projects*	Mandated Completion Deadlines	Planning Staff Members Involved (15 FTE currently on staff)	Notes
Permit Streamlining Act (PSA) Projects Requiring Public Hearings	Staff-Level/Smaller Projects	81	Varies—Set by PSA/state law	15	Reviewed on a rolling basis based on date of application submittal.
	Major Projects	19	Varies—Set by PSA/state law	15	Includes 5 Builder’s Remedy projects.
Housing Element Implementation		30 subtasks within 20 programs^	Deadlines of 12/31/24 to 12/31/26	10	Includes R3 Zoning and Moffett Boulevard Precise Plan.
SB 35 Projects		4	Set by PSA/state law	6	100% Affordable Projects.
Authorized LASD TDR Gatekeeper Projects		2	None/City-LASD MOU	4	Timely processing critical to LASD for funding purposes.
Gatekeeper Exempt Projects		3	None	6	
Downtown Precise Plan Update		1	None	5	Council work plan project.
Historic Preservation Project		1	None	4	Council work plan project.
Total Projects		141			

* Development Project totals fluctuate on a regular basis.

^ Project total only includes tasks with a due date of December 31, 2024 to December 31, 2026.

Development Review (Current Planning)

The attached project information characterizes active Planning applications, which is subject to change on a regular basis as Planning applications are submitted, withdrawn, and/or final action occurs (i.e., approval/disapproval). It does not include data on the hundreds of building permit reviews performed by Planning Division staff annually, which encumber Planning Division and other department resources for projects that have completed the Planning entitlement phase or do not require a Planning application. Nor does the attached list document Planning Division and other multi-departmental assistance and review of major capital improvement projects.

- **PSA Projects:** The Planning Division works on a wide range of high-priority PSA projects, from administrative (staff-level) Planning applications through development projects and other discretionary requests requiring final action by Council; this currently includes approximately **100** active applications. While even small permits can require significant staff resources to review, the heaviest expenditure of staff resources stem from major projects requiring final action by the City Council and/or proposing new development with final action by the Zoning Administrator/Subdivision Committee. **Currently, the Planning Division workload includes 19 such major projects, of which five are Builder’s Remedy projects.**
- **Senate Bill 35 (Ministerial) Projects:** The Planning Division is working on four 100% affordable residential developments that have submitted preliminary reviews, informal applications, or are under review through other City review processes (e.g., Notice of Funding Availability (NOFA) applications, etc.) and have stated intentions to submit formal Senate Bill (SB) 35 applications before the end of the year. These projects require a similar amount of development review as comparable PSA projects, except they are not required to undergo California Environmental Quality Act (CEQA) analysis or go to public hearings and must be approved in a compressed statutory review timeline.
- **Gatekeeper Exempt Projects:** At the January 23, 2024 City Council hearing on the Gatekeeper Process Update, Council directed staff to continue to use the existing Gatekeeper authorization exemptions this year while the Gatekeeper Process Update work continues in 2025. As a result of that direction, the Planning Division is working on three Gatekeeper projects exempt from a Council authorization hearing (referred to as “Gatekeeper exempt projects”), which are not subject to PSA because they require legislative land use changes (i.e., General Plan/Zoning Amendments). The projects are prioritized for City staff review—above Council-authorized Gatekeeper projects—by virtue of their eligibility to use at least one of the following three exemptions per City Code Sections 36.52.15(e) and 36.52.55(f):
 - Project sites within more than one zoning district, under two acres in total size, and owned by a single entity if the change is consistent with one of the site’s existing land use designations or land use types.
 - Project sites under two acres in total size, abutting an existing residential zoned property, and proposed for conversion from an industrial to a residential zoning designation.
 - Projects that require authorization by the Council NOFA Committee.

- **LASD TDR Gatekeeper Projects:** The Planning Division is working on two Los Altos School District (LASD) Transfer of Development Rights (TDR) Gatekeeper projects, which were previously authorized by Council and are prioritized for review by the City per the Memorandum of Understanding between the City and LASD for the TDR Program.

In total, as noted above, there are 19 significant development projects under review as part of the approximately 100 active Planning applications. A table providing brief information on each of these significant active projects is attached to this report (see Attachment 2). More detailed information on these projects, as well as significant post-entitlement projects, can be found in the Planning Division's [Development Project Update](#) for August 2024 (see Attachment 3), which is updated on a bimonthly basis and posted on the Planning Division website.

Long-Range Projects (Advanced Planning)

In addition to the active development projects mentioned above, the Planning Division is also working on numerous complicated long-range/advanced planning efforts that also have time-sensitive deadlines and require significant staff resources. The larger of these projects are summarized below, but this list is not inclusive of all ongoing advanced planning tasks and projects. A more detailed list of these projects is included in Attachment 2.

- **Housing Element Implementation:** The City's Housing Element was certified in May 2023 as substantially compliant with state law and contains 32 programs which have a total of 49 subtasks. The programs have deadlines for the City to meet, and 30 of the subtasks are due to be completed by December 31, 2026. While a minority of the programs and subtasks are objective and less complicated, the majority of the programs require extensive staff resources, community outreach, Study Sessions with the Environmental Planning Commission (EPC)/Council, and collaboration between several City departments.
 - **Moffett Boulevard Precise Plan:** The City Council recently approved the scope of work and budget for staff to begin working on the Moffett Boulevard Precise Plan, which will involve property rezonings that are required in the Housing Element with a deadline of December 31, 2025. While development of a Precise Plan typically occurs over a longer period of time, the City is working with a consultant who is also committed to the Housing Element deadline; however, development of the vision and goals for the area, plan alternatives, development standards, and necessary community engagement will require multiple staff members to be engaged in this process over the next 18 months.
 - **R3 Zoning Update:** While not all components of the R3 Zoning Update are Housing Element-related, Council directed staff in April 2024 to proceed with the project under a combined approach which entails folding the required changes to the R3 standards, as required in the Housing Element, into consecutive work to analyze the potential for

increased density in certain R3 areas. Staff and Council have publicly acknowledged that this combined approach will not allow the deadline set in the Housing Element for these subtasks to be met but still projects a tight timeline for the work that must occur to finish this project. Similar to the project above, the tasks associated with the R3 zoning updates will require multiple staff members to be engaged in the process over the next 22 months.

- **Downtown Precise Plan Update:** The City Council recently approved the scope of work and budget for this work effort. Staff is currently kicking off the project with consultant discussions followed by outreach efforts on the vision for the plan area and a Study Session with the City Council tentatively scheduled for Q1 2025. While this project does not have an associated Housing Element deadline, it is a priority of the City Council to update the Downtown Precise Plan within the next 24 to 30 months to modernize development standards to enable thoughtful new development and maintain a vibrant downtown.
- **Historic Preservation Ordinance and Historic Register Updates:** This project is scheduled to be completed by the end of 2025; however, there are still several milestones that must be met in order to reach that goal. Staff will return to Council to discuss the historic eligibility criteria and results from the intensive-level historic resources survey (currently in progress) at a Study Session in Q1 or Q2 2025 and will engage with the community when the information from the intensive survey is ready to share.
- **Economic Vitality Strategy Implementation:** The Economic Vitality Strategy was adopted by Council in April 2024 and serves to advance several of Mountain View's equity interests through strategies and actions to improve the economic climate in the City. While the actions and strategies are overseen by the Economic Development Division, several of the strategies require Planning staff efforts and review from the Assistant Community Development Director and Community Development Director.
- **Cross-Department Advanced Planning Efforts:** There are several other ongoing City projects that require Planning staff input and participation at a smaller scale than the projects described above but should be mentioned as they contribute to the workload of the Planning Division. Some of the larger efforts include the creation of a Biodiversity and Urban Forest Plan, creation of a Citywide Transportation Demand Management (TDM) Ordinance program, and creation of a Parks and Recreation Strategic Plan.

ANALYSIS

***PLEASE NOTE:** The Gatekeeper requests being considered have only undergone a cursory review for the purpose of preparing this report. Detailed analysis, including compliance with General Plan goals, policies, form, and character and other City policies, regulations, and guidelines, will only begin in earnest if Council authorizes City resources to review these applications.*

Authorization of a Gatekeeper request in no way presumes staff or Council support of the project or guaranteed approval of the legislative actions that would need to occur.

Gatekeeper Requests

As mentioned above, staff received two Gatekeeper applications during the March to June 2024 application period which are analyzed below using the existing seven Gatekeeper Amendment Authorization Criteria. Following the analyzation under the criteria, staff has included a high-level analysis of the anticipated project components that are required to process these two applications as proposed.

1. Gatekeeper Application No. 1: 62 West El Camino Real Application (Personal Storage Facility)

The site at 62 West El Camino Real is currently developed with a small building that is occupied by U-Haul with a large parking lot to store the moving equipment for rental use. The project proposes to remove the existing building and redevelop the site with a five-story, 107,040 square foot personal storage facility (see Attachment 5—62 West El Camino Real Gatekeeper Application Materials).

The site is within the Village Centers Corridor Character Area (zoning subarea) of the P(38) (El Camino Real) Precise Plan, which is described as, “a place with neighborhood-serving uses, public spaces and strong connections to surrounding neighborhoods. Concentrations of retail, services and new public gathering areas.” The site is adjacent to low-density residential development with zoning designations of R2 (Residential—one and two family) Zoning District and R3 (Residential—multiple-family) Zoning District to the north (Medium-Density General Plan Land Use Designations), State Route 237, and an auto dealership within the P(38) (El Camino Real) Precise Plan (Medium-Intensity Corridor subarea) to the east, an auto service use within the P(38) (El Camino Real) Precise Plan (Village Centers subarea) that is on a site designated as a Housing Opportunity Site in the Housing Element to the south (along El Camino Real), and a hotel use within the P(38) (El Camino Real) Precise Plan (Village Centers subarea) and low-density residential development with zoning designations of R2 (Residential—One and Two Family) Zoning District to the west.

The permitted use table of the P(38) (El Camino Real) Precise Plan does not list “personal storage facility” as a permitted or provisionally permitted use within the Precise Plan, which means the use is prohibited in the Precise Plan. Additionally, the development, as proposed, does not meet the development standards (e.g., height, floor area ratio (FAR)) allowed in the Village Centers Corridor Character Area. Table 2, below, analyzes the project against the authorization criteria and depicts areas where the project is not in conformance with key existing standards in the Village Centers Corridor Character Area of the P(38) (El Camino Real) Precise Plan.

Table 2: Project Analysis for 62 West El Camino Real

1.	Project Address:	62 West El Camino Real
	Applicant:	Dante Abordo, MCP for U-Haul
	Project Site Size:	1.55 acres
	Existing GP Designation:	Mixed-Use Corridor
	Requested GP Designation:	Mixed-Use Corridor (No Change)
	Existing Zoning District:	P(38) (El Camino Real) Precise Plan
	Requested Zoning District:	P(38) (El Camino Real) Precise Plan (No Change)
	Existing Corridor Character Area (Zoning Subarea)	Village Center
	Proposed Corridor Character Area (Zoning Subarea):	Applicant has not requested a specific zoning subarea designation. There is not currently a designation that would allow this use or the development, as proposed, in the P(38) (El Camino Real) Precise Plan, and a new character/subarea may be necessary to allow this project.
Project Analysis:		
GATEKEEPER EVALUATION CRITERIA		
1.	Is the project in a General Plan Change Area?	YES—El Camino Real Change Area. However, since adoption of the General Plan in 2013 which designated the change area, the City Council adopted the El Camino Real Precise Plan to address the change area designation and implement the intended vision for changes in land use.
2.	Does the project provide additional affordable housing above what is required by the City Code?	NO—The project does not include any housing units.
3.	Does the project propose community benefits?	YES—The project includes a Community Benefit consisting of a \$150,000 monetary contribution to be used at the discretion of the City.
4.	Is the project near commercial services?	YES—The project is located at the northwest corner of Grant Road/State Route 237 and El Camino Real. Commercial uses at this intersection include a grocery store, drugstore, personal services, variety retail, fast casual dining, and gas station.

1.	Project Address:	62 West El Camino Real
5.	Does the project dedicate park land above what is required?	NO—The project as presented does not propose park land above what is required, nor does it include any information on how it will meet the requirements of the El Camino Real Precise Plan for a public plaza along El Camino Real.
6.	Does the project enhance environmental sustainability efforts?	NO—The application does not include any proposed measures to enhance environmental sustainability.
7.	Does the project improve transportation by enhancing mobility and connectivity?	NO—The application does not propose any features which would enhance mobility and connectivity, nor does it include information on how it will meet the minimum frontage requirements of the El Camino Real Streetscape Plan (4’ right-of-way easement, 8’ sidewalk, 4’ planter zone, and 7’ cycle track).

CONSISTENCY WITH THE P(38) (EL CAMINO REAL) PRECISE PLAN

The purpose of this Precise Plan is to provide a road map for future changes and investment to El Camino Real and its adjacent properties. These changes will transform the corridor with people-friendly places, gathering spaces, key destinations, and improvements promoting safety and comfort. The plan contains guidance for this change in the form of standards and guidelines for new development, direction for potential street improvements, and implementation actions.

The plan is structured around 11 guiding principles:

1. Preserve, connect, and serve adjacent neighborhoods.
2. Create a more livable and beautiful corridor.
3. Focus investment and development in defined locations.
4. Promote diversity and flexibility.
5. Prioritize pedestrian-oriented urban design and building form.
6. Improve bicycle access and facilities.
7. Encourage creative and flexible use of small parcels.
8. Limit the impacts of parking.
9. Support existing and new small businesses.
10. Seek broad public benefits.
11. New affordable and senior housing will support the City’s diversity and livability.

As mentioned above, staff only performed a cursory review of the proposed plan elements to assess the extent of the modifications required to accommodate the proposed project.

1.	Project Address:	62 West El Camino Real	
	Element/Standard	Development Standard Requirements	Proposed Project
	Allowed Uses	Storage permitted as an accessory use only (i.e., as a minor companion use to a predominant use that is allowed). Does not include “Personal Storage Facilities” which is specifically defined in Section 36.60.35 of the City Code as a facility consisting of a building or group of buildings that contains generally small, individual stalls, or lockers designed and constructed for the purpose of being rented as individual storage spaces and characterized by low parking demand.	Personal Storage Facility (<i>prohibited in El Camino Real Precise Plan P(38)</i>)
	Max. FAR	1.0 FAR	1.58 FAR
	Max. Height	Five stories and 65’	Five stories, 58’8”
	Max. Pavement Coverage	25%	52%
	Min. Open Area	40%	16%

Future Project Requirements if Formal Application is Authorized

As staff has not analyzed the proposed project in detail, nor has the applicant provided enough information to enable a full review, staff has identified the following minimum future processes/permits that would be required for the project to proceed, if authorized by Council:

- Precise Plan Amendments:** The El Camino Real Precise Plan would need to be amended to create a new corridor character area (subarea) or special category to allow the proposed use, intensity (FAR), and development standards of the proposed project. As currently proposed, the project exceeds several development standards for commercial development. Staff would also need to evaluate if any new or amended guiding principles (i.e., policies) would be needed to support the specific amendments needed to accommodate the project. This would require a significant level of effort and resources from staff and involve reengaging with the community, which may lead to reconsideration and potential amendments to other aspects of the Precise Plan.
- Development Permits:** In addition to the Precise Plan Amendments noted above, the proposed development would, at minimum, require approval of a Planned Community Permit and Development Review Permit in the entitlement phase of City review. These

permits would require a community meeting and a public hearing at the EPC followed by a public hearing at the City Council.

- **Environmental Review and Other Studies:** Any required modifications to the Precise Plan and/or the review of any development permit would require environmental review of the project, as well as preparation of other studies to assist in the project review (e.g., economic/fiscal analysis).

The above noted processes would require a public hearing before the EPC for a recommendation to the City Council on whether to approve or disapprove the application, followed by a public hearing at the City Council for final action.

2. Gatekeeper Application No. 2: 2400-2470 East Charleston Road Application (Mixed-Use Residential and Commercial)

The site at 2400-2470 East Charleston Road is currently developed with approximately 139,721 square feet of big-box retail buildings and formula retail that is currently 75% vacant and a large surface parking lot. The project proposes to redevelop the property with approximately 450 multi-family residential units (350 rental units and 100 ownership condominium units), approximately 450,000 square feet of commercial office/R&D, 30,000 square feet of retail, and 305,000 square feet of structured aboveground parking (see Attachments 6 and 7—2400-2470 East Charleston Road Gatekeeper Application Materials). Table 3 below analyzes the project against the authorization criteria and depicts areas where the project is not in conformance with the existing standards.

This property is located within an existing industrial/commercial area and is proposing to introduce residential uses as part of the redevelopment. While this site does not currently meet all the criteria listed in the *Industrial Land Conversion Policy* for conversion to residential, it is important to note that the City of Palo Alto abuts the west property line of this the proposed project. As part of its 2023-2031 Housing Element Update, Palo Alto identified the General Manufacturing (GM) and Research, Office, Limited Manufacturing (ROLM) Districts adjacent to U.S. 101 from Boronda Lane to the Mountain View city limits as a location for future housing opportunities. As a result of this action, residential uses will gradually be introduced into what had been an exclusively nonresidential area immediately adjacent to the Charleston property.

In addition to the information on the properties to the west of the site described above, the site is adjacent to U.S. 101 to the north, service uses with a zoning designation of General Industrial (MM-40) and a land use designation of Industrial/Regional Commercial to the east, and retail uses (e.g., Costco) with a zoning designation of General Industrial (MM-40) and a land use designation of Industrial/Regional Commercial to the south.

Table 3 below analyzes the project against the authorization criteria and consistency with the industrial land conversion policy.

Table 3: Project Analysis for 2400-2470 East Charleston Road

2.	Address:	2400-2470 East Charleston Road
	Applicant:	K. Cyrus Sanandaji for Charleston Mountain View Owner, LLC
	Project Site Size:	10.32 acres
	Existing GP Designation:	Industrial/Regional Commercial
	Requested GP Designation:	Mixed-Use Center
	Existing Zoning District:	General Industrial (MM-40)
	Requested Zoning District:	Planned Community District (P)
Project Analysis:		
GATEKEEPER EVALUATION CRITERIA		
1.	Is the project in a General Plan Change Area?	NO—Although, as noted above, the area is anticipated to experience change that will introduce residential uses into the area as a result of the City of Palo Alto’s 2023-2031 Housing Element.
2.	Does the project provide additional affordable housing above what is required by the City Code?	<p>YES—The City’s Below-Market-Rate (BMR) inclusionary zoning ordinance does not specify how to calculate affordable housing requirements for projects with split tenures (i.e., including both rental and ownership BMR units). The structure of the BMR ordinance best supports compliance analysis by tenure, given that the ordinance separately describes the required BMR unit percentages and other applicable requirements by tenure. This approach aligns with staff’s past practice as well. Therefore, the following analysis reflects consideration of the rental and ownership tenures separately.</p> <p>The summary below is categorized by rental and ownership tenures:</p> <ul style="list-style-type: none"> • Rental—16.5% BMR rental units (15% is required)

2.	Address:	2400-2470 East Charleston Road
		<ul style="list-style-type: none"> • Ownership—10% BMR ownership units plus \$1,785,000 payment of in-lieu fees (15% is required. Alternative BMR proposals, including payment of in-lieu fees, can be approved if they are greater than the minimum requirement.) <p>The proposal would exceed the 15% BMR unit requirement for rental units by providing 16.5% BMR units. The proposal would meet the 15% BMR unit requirement for ownership units by providing 10% BMR units in a stacked flat configuration plus payment of an in-lieu fee equal to the remaining 5% BMR requirement (the applicant has committed in writing to meeting, but not exceeding, the City’s BMR ownership requirement in effect at the time a development application is submitted).</p> <p>Therefore, because the ownership component of the project would include the required amount of affordable housing under the City’s BMR Ordinance, and because the rental component of the project would exceed the required amount of affordable housing under the City’s BMR Ordinance, the project would satisfy this Gatekeeper Authorization Criterion.</p>
3.	Does the project propose community benefits?	<p>YES</p> <ul style="list-style-type: none"> • Approximately 5,000 square feet of child-care space with a tenant improvement allowance and subsidized rental rate. • Approximately 2,500 square feet of Community and Career Development Space.
4.	Is the project near commercial services?	<p>YES—The project is located on Charleston Road at Independence Avenue. Commercial services at this location include a warehouse grocery store, variety retail, and fast casual dining.</p>

2.	Address:	2400-2470 East Charleston Road
5.	Does the project dedicate park land above what is required?	NO—The project, as proposed, includes private open space with amenities which is currently conceptual in design. The applicants intend to further refine the design to comply with eligibility criteria for a one-acre privately owned, publicly accessible (POPA) open space and pay in-lieu fees for the remaining required park credit.
6.	Does the project enhance environmental sustainability efforts?	YES—The project will target LEED Gold® and include water recycling, energy-efficient design, solar panels, stormwater treatment, EV charging stations, and a shared parking strategy. Residential buildings will be all-electric, and commercial buildings made all-electric where feasible. The project will be proactively designed to address sea level rise by including elevated structures, flood protection measures, and green infrastructure.
7.	Does the project improve transportation by enhancing mobility and connectivity?	YES—Bike and pedestrian improvements are proposed for the Charleston Road frontage, including a 12’ wide sidewalk with street trees, two-directional curb ramps at all four corners of Charleston Road and Independence Avenue, and a buffered bike lane on the Charleston Road frontage. In addition, multi-modal access for vehicles, bicycles, and pedestrians is provided around the perimeter of the project connecting to Transport Street and the City of Palo Alto in the northwest corner of the site.

CONSISTENCY WITH THE INDUSTRIAL LAND CONVERSION POLICY

A cursory evaluation of consistency of the proposed project with this policy was conducted.

	Criteria	Evaluation
	Minimum Site Size of Two Acres	YES—Proposed site is 10.32 acres.
	Contiguous with Existing Residential Zones	NO—Site is currently surrounded by commercial uses; however, the area immediately west of the property is zoned General Manufacturing (GM) in the City of Palo Alto, which was recently amended to permit multi-family on Housing Element Opportunity Sites by right and on other sites with a Conditional Use Permit.
	Allow to Maintain Operations of Existing Adjacent Businesses	YES—The proposed project maintains existing circulation patterns and incorporates buffers to avoid disruption of adjacent existing businesses.

2.	Address:	2400-2470 East Charleston Road
	Do Not Create Islands of Residential or Industrial Properties	YES—The proposed project would create a mixed-use area with residential uses consistent with recent land use changes in adjacent portions of Palo Alto.

Analysis on the Below-Market-Rate Housing Proposal

As shown in Table 2 above, the applicant proposes to respond to the City’s BMR Housing requirements in the following manner:

- **Rental:** The project will include 350 total rental units, of which 58 would be BMR rental units (53 units required), resulting in a 16.5% inclusionary component which exceeds the 15% requirement. The additional 1.5% may be considered a community benefit.
- **Ownership:** The project will include 100 total ownership units (stacked flat condominiums), of which 10 would be BMR ownership units (15 units required), resulting in a 10% inclusionary component, which is less than the 15% requirement. To make up for the 5% differential, the applicant proposes an in-lieu fee of \$1.785 million based on the currently adopted fee schedule. At this time, the applicant has not provided enough information for staff to confirm if the proposed in-lieu amount is sufficient to result in an overall 15% equivalency when combined with the 10 BMR ownership units. However, the applicant has stated their commitment to meet, but not exceed, the BMR ownership requirement in effect at the time their development application is submitted. Staff will work with the applicant to meet the 15% equivalency through the applicant’s combined approach of units and in-lieu fee if the Gatekeeper application is authorized to proceed.

The applicant has not yet provided the level of detailed information necessary for staff to determine if the proposal meets other key BMR criteria, such as proportionate mix of unit sizes, equitable distribution of the BMR units throughout the rental and ownership buildings, and meeting the affordability requirements. However, determining full compliance with BMR ordinance criteria is not necessary at this time since the Gatekeeper authorization criteria addresses only unit count, for which there is sufficient information to determine the project would meet this criterion. Staff has conveyed these other BMR requirements to the applicant, and the applicant has indicated that the project will meet the requirements for both the rental and ownership units as part of the regular application process.

Future Project Requirements if Formal Application is Authorized

As staff has not analyzed the proposed project in detail, nor has enough information been provided to do a full review, staff has identified the following minimum future processes/permits that would be required for the project to proceed, if authorized by Council:

- **General Plan Amendment:** The General Plan Land Use Map would need to be amended to change the designation of the subject property from Industrial/Regional Commercial to Mixed-Use Center.
- **Planned Community (P) Zoning District:** A zoning map amendment will also be required, likely to apply a standalone P Zoning District designation to provide for the uses and development standards as set forth in a planned development, subject to further staff analysis. The applicable standards would be adopted through the zoning amendment and project conditions of approval at the time of the rezoning to this zoning district.
- **Environmental Review and Other Studies:** The General Plan Amendment, Zoning Map Amendment, and any development permit(s) will require environmental review as well as preparation of other studies to assist in the project review (e.g., economic/fiscal analysis and evaluation of the BMR proposal).

The above-noted processes would require a public hearing before the EPC for a recommendation to the City Council on whether to approve or disapprove the application followed by a public hearing at the City Council for final action.

CONCLUSION

Staff advertised and opened an application window for submittal of Gatekeeper applications as required by the Housing Element and per City Council direction for the 2024 Gatekeeper Application process and received two project submittals which have been analyzed above.

Pursuant to the attached analysis of the two Gatekeeper applications against the Gatekeeper authorization criteria and other applicable policies, the projects can be summarized as follows:

- **62 West El Camino Real:**
 - Meets three of seven Gatekeeper authorization criteria.
 - Requires major modifications to the P(38) (El Camino) Precise Plan.

- Is located directly adjacent to a Housing Opportunity Site as designated in the certified Housing Element.
- Proposes a \$150,000 community benefit.
- **2400-2470 East Charleston Road:**
 - Meets five of seven Gatekeeper authorization criteria.
 - Meets three of four metrics for the Industrial Land Conversion Policy.
 - Requires both General Plan and Zoning Amendments.
 - Furthers production of market-rate/BMR rental and ownership housing units in the City.
 - Proposes a subsidized childcare space and community space as community benefits.

RECOMMENDATION

Staff recommends that the City Council review staff's analysis and provide further direction as to the assignment of staff resources necessary to allow submittal of a formal Planning application for the Gatekeeper applications analyzed herein, including, but not limited to, the alternatives identified below.

ALTERNATIVES

1. Authorize a formal application to be submitted for one/both of the Gatekeeper applications after Housing Element Programs and associated tasks, due by December 31, 2024, have been completed.
2. Defer consideration of one/both of the Gatekeeper applications to another future date.
3. Do not authorize the Gatekeeper applications.

ENVIRONMENTAL REVIEW

The Gatekeeper Authorization Hearing process is not a project under Public Resources Code Section 21065 and CEQA Guidelines Section 15378.

FISCAL IMPACT—None.

PUBLIC NOTICING

The Council 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 the meeting. Electronic notices were sent to those who signed up on the website to receive information regarding the authorization hearing. Meeting information was also posted on the Gatekeeper webpage of the City website.

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- Attachments:
1. [December 5, 2023 Study Session Memo](#)
 2. Summary Table—Significant Active Planning Division Projects
 3. [Development Project Update—August 2024](#)
 4. 62 West El Camino Real Gatekeeper Application Materials
 5. 2400-2470 East Charleston Road Gatekeeper Application Project Letter
 6. 2400-2470 East Charleston Road Gatekeeper Application Plans