City of Mountain View

COUNCIL REPORT

DATE: February 10, 2026

CATEGORY: New Business

DEPT.: Community Development

TITLE: **R3 Zoning District Update—Development Standards and Strategies**

RECOMMENDATION

That the City Council confirms staff's recommendations on the R3 Zoning District Update to:

1. Update the residential General Plan land use designations to revise the nomenclature for residential designations, and to include more specific density ranges, height guidelines, and allowable uses as described in Table 3 in the Council report.

2. Increase development feasibility by modifying the existing R3 development standards for height, setbacks, distance between structures, building coverage, floor area ratio (FAR), open area, and personal storage, as described in Table 5 in the Council report.

3. Ensure residential development occurs at densities consistent with areas intended for greater or lower intensities of development based on the associated R3 zoning subdistrict by establishing minimum densities, as described in Table 6 in the Council report.

4. Adopt new R3 Zoning District development standards for habitable ground-floor space, parking placement, building footprint, on-site circulation, open area, vehicle access, screening, rooftop decks, utilities, and public improvements, including a process to grant exceptions to these standards, as described in Attachment 3 to the Council report.

5. Adopt new R3 Zoning District design standards that include a menu of objective design options to address critical topics such as massing, articulation, and pedestrian-friendly and engaging entries, as described in Attachment 3 to the Council report.

6. Expand retail and live/work opportunities by allowing live/work units throughout the R3 Zoning District; allowing ground-floor commercial as a stand-alone use in the R3-D subdistrict; and, adopting operational standards to ensure compatibility between residential and commercial uses.

7. Update the off-street parking standard for multi-family development to require 1 stall for each one-bedroom and smaller unit, 1.5 stalls for each two-bedroom and larger unit, and 1 stall per 1,000 square feet for commercial uses over 1,500 square feet in area.

8. Establish an incentive for the consolidation of R-3D-zoned lots less than 20,000 square feet in area by limiting the allowable development density to 35 dwelling units per acre, and increasing the allowable development density to the maximum of the R3-D subdistrict (R3-D1: 65 dwelling units per acre, R3-D2: 110 dwelling units per acre) for sites that consolidate to greater than 20,000 square feet in area.

9. Revise the City's nonconforming zoning provisions to simplify their application, and to address residential uses in nonresidential zones, sites with density greater than allowed by the applicable zoning district, allowing redevelopment of existing single-family residences in the R3 Zoning District, modifications to nonconforming buildings that do not increase the degree of nonconformity, and to address other commonly challenging circumstances.

10. Align the R4 Zoning District to achieve consistency with the updated R3 Zoning District standards.

BACKGROUND

The R3 Zoning District Update project was identified in the Fiscal Year 2019-21 City Council Goals to "review and propose revisions to the R3 Zone standards that consider form-based zoning, incentivizing stacked flats, and updated rowhouse guidelines." The project has been included in each of the City Council's subsequent work plans, including, most recently, in the Council's Fiscal Year 2025-27 Work Plan. A project chronology, including previous Council direction, is included as Attachment 1, R3 Zoning District Update Project Chronology.

January 7, 2026 Environmental Planning Commission Meeting

On January 7, 2026, the Environmental Planning Commission (EPC) held a New Business item on the R3 Zoning District Update and provided recommendations to the City Council related to the questions in this report. The EPC report includes additional background information in the R3 Zoning Update process, a summary of prior Council direction, previous outreach, and related state laws. The EPC's recommendations stemming from the January 7 New Business Item are included in the Analysis section below.

Attachment 2, Public Comment, includes correspondence received prior to the EPC meeting. Ten people spoke at the EPC meeting, and the following list is a summary of the comments:

- Most speakers expressed general support for most of the draft materials (including three that expressed primarily positive sentiments).

- Six speakers expressed concern that some standards were overly restrictive, costly, or complicated. Some of the standards highlighted by speakers included density standards being expressed in dwelling units per acre (du/ac), massing, parking, front setback, and R3-B floor area ratio.

- Three speakers requested that commercial uses be allowed in more or all R3 subdistricts.

- Two speakers expressed concern about the lot consolidation incentive.

- One speaker requested more opportunities for pedestrian connections through sites.

- One speaker expressed concern that minimum densities may result in infeasible development and affirmed that the transition standards and minimum parking are important to surrounding neighborhoods.

- One speaker expressed support for standards related to pedestrian environments, transitions, tree canopy, allowing commercial, habitable ground-floor space, and the exceptions.

- One speaker recommended that the standards should be better aligned with state laws, such as Senate Bill (SB) 79 and SB 684/SB 1123.

ANALYSIS

The purpose of this meeting is to seek Council confirmation of staff's recommendations on 10 policy topics related to the R3 Zoning Update. The following sections of this report describe each staff recommendation in detail and include the EPC recommendation on each topic.

Topic No. 1 – Draft Residential General Plan Designations

The 2030 General Plan includes seven residential land use designations, summarized below.

Table 1: Existing Residential General Plan Designations

Designation	Maximum Density	Height Guideline	Typical Uses*
Low Density	1-6 du/acre	2 stories	Single-family detached
Medium-Low Density	7-12 du/acre	2 stories	Single-family (detached and attached), duplex
Medium Density	13-25 du/acre	3 stories	Single-family (detached and attached), duplex, multi-family

Medium-High Density	26-35 du/acre	3 stories	Multi-family
High-Low Density	36-50 du/acre	5 stories	Multi-family
High Density	51-80 du/acre	5 stories	Multi-family
Mobile Home	7-14 du/acre	2 stories	Mobile home

* All designations allow parks and open space.

Table 2 below lists the issues with the current designations that may be addressed through this update. It also summarizes proposed solutions to those issues.

Table 2: Issues with Current Designations

Issue	Potential Solution
The range of densities listed in Table 1 under "Maximum Density" is frequently misunderstood. For example, it may appear that there is a minimum density of 13 units per acre under the General Plan Medium-Density Residential Land Use Designation. However, the intent is for some areas covered by that designation to have a maximum density of 13 units per acre and some areas to have a maximum density of 25 units per acre.	Eliminate the range of densities and replace the range with a maximum density. Provide clarifying language about how to interpret the General Plan when the maximum density in a Zoning District does not align with the maximum density in the General Plan.
The R3 Zoning District Update must allow for three new densities based on the preferred alternative selected by the City Council—one at 15-20 units per acre, one at 50-75 units per acre, and one at 75-110 units per acre.	Three new densities are proposed at 20, 65,[1] and 110 units per acre. Old designations are not modified since Council did not direct the project to change densities in other areas.
The names of General Plan designations do not support the addition of new designations. For example, the newest "High-Low" density designation does not clearly communicate its density. It is not clear what the new R3 designations would be named.	Rename all General Plan designations based on the maximum densities.
Based on Council direction, the R3 Zoning District Update must allow for small neighborhood commercial uses.	Add the allowed use to land use designations where appropriate.

[1] This is the midpoint between two preexisting designations. It is also consistent with the feasibility analysis, which found that doubling the density through the State Density Bonus to 130 units per acre is likely feasible for rental and ownership projects on a range of medium to large sites.

Staff Recommendation No. 1 – Draft Residential General Plan Designations: Based on the issues and potential solutions outlined above, the proposed residential General Plan designations are presented in Table 3, where new or changed content is highlighted in red text.

Table 3: Proposed Residential General Plan Land Use Designations

Designation	Max. Density	Max. Population Estimate[2]	Height Guideline	Typical Uses	Consistent Zoning
Residential—6	6 du/ac	15 residents per acre	2 stories	Single-family detached	R1
Residential—12	12 du/ac	30 residents per acre	2 stories	Single-family (detached and attached), duplex	R2
Residential—20	20 du/ac	50 residents per acre	2.5 stories	Single-family (detached and attached), duplex, multi-family	R3-A
Residential—25	25 du/ac	60 residents per acre	3 stories	Single-family (attached), multi-family	R3-B
Residential—35	35 du/ac	75 residents per acre	3.5 stories	Multi-family	R3-C
Residential—50	50 du/ac	105 residents per acre	5 stories	Multi-family, accessory commercial with retail and personal services	R3-D
Residential—65	65 du/ac	135 residents per acre	5 stories	Multi-family, accessory commercial with retail and personal services	R3-D (Previously R3-D1)

[2] State law requires the City to estimate the population of each designation. When the General Plan was adopted, multi-family units tended to be about 2.1 persons per unit, while single-family units tended to be about 2.5 persons per unit. However, current estimates are slightly lower.

Designation	Max. Density	Max. Population Estimate[2]	Height Guideline	Typical Uses	Consistent Zoning
Residential—80	80 du/ac	170 residents per acre	5 stories	Multi-family, accessory commercial with retail and personal services	R3-D/R4
Residential—110	110 du/ac	230 residents per acre	6 stories	Multi-family, accessory commercial with retail and personal services	R3-D (Previously R3-D1)
Mobile Home Residential	14 du/ac	30 residents per acre	2 stories	Mobile home	RMH

EPC Recommendation: The EPC recommended the staff recommendation.

Draft Development Standards for the R3 Zoning District

Overview

A draft of the Updated R3 Development Standards can be found in Attachment 3, Draft R3 Development Standards. The following were key considerations that informed the development standards recommended by staff:

- The City Council goals for this project include "pedestrian-friendly neighborhoods, respectful transitions, and increased tree canopy and landscaping," which were three major themes heard throughout the public outreach process.

- Housing Element Program 1.3 states that the City will "revise multifamily development standards in major districts (including R3)…to ensure projects can, at minimum, meet their allowed density and are economically feasible, where possible through reductions of physical development standards. Economic feasibility and the cumulative effects of standards will be inputs in the reduction of standards. Where appropriate, calibrate standards to lot size. Focus on standards with the greatest feasibility impacts on underutilized sites, such as open area, parking, and building coverage." Evaluation of both physical and economic constraints has been a consistent consideration throughout this process. More information is provided below.

- City experience reviewing development under existing standards, leading to a desire for more clarity and objectivity in standards and design outcomes.

- A Design Handbook was prepared to communicate and confirm the general approach to the development standards (Attachment 4, Design Handbook). This document provides a clear visual of the outcomes the standards are intended to achieve. It should be noted that the Handbook illustrates the standards as written, not necessarily the outcome of any project that may use State Density Bonus Law or other statutes that supersede the City's development standards.

Attachment 5, R3 Zoning District Update Map, shows the draft distribution of R3 subdistricts as directed by the City Council. Table 4 shows the relative area of each of the proposed subdistricts.

Table 4: Area of Subdistricts

Proposed Zoning Subdistricts	Acres
R3-A	61
R3-B	564
R3-C	134
R3-D at 65 units per acre	138
R3-D at 110 units per acre	138

Topic No. 2 – Changes to Existing R3 Standards based on Constraints Analysis

The physical factors that influence the feasibility of development generally relate to the ratio of net leasable/sellable area to land area. More usable (leasable) space available relative to land size (i.e., a higher-efficiency ratio of net leasable area to land area) improves financial viability. The following factors provide more detail on different standards that affect the ratio of leasable/sellable area per land area.

- Building Height and Efficiency: Typically, more stories in a building results in more usable space; therefore, the ratio of leasable/sellable area to land area increases as building height increases. Additionally, when buildings have more leasable space relative to overall building space (including nonleasable space for stairs, elevators, hallways, equipment, etc.), the more feasible they become. However, as buildings get taller, more nonleasable building space becomes necessary, which reduces the leasable/sellable area of each floor. Construction costs are also a significant influencing factor as they can vary substantially depending on the type of construction, particularly for midrise buildings and above.

- Setbacks, Lot Coverage, Floor Area Ratio: Standards for setbacks, lot coverage, and FAR affect how much land area is available for development. Greater setbacks mean reduced area for usable space, thereby reducing the ratio of leasable/sellable area to land area. In contrast, greater lot coverage allowances and FAR typically increase usable space, thereby improving the ratio.

- Parking: Parking is a key factor in the feasibility of development on all lot size categories in the R3 Zoning District. Specifically, minimum parking ratios, typology (such as surface, tuck-under, podium, or structured parking), and layout efficiency affect the cost of providing parking and the amount of the site available for the building.

- On-Site Open Area: Requirements for on-site open area, particularly at ground level, reduce the amount of buildable area and, subsequently, the ratio of leasable/sellable area to land area. Private open space is less of a limiting factor as this requirement can be satisfied with balconies and private decks. The provision of ground-level common open area is a greater constraint on building area, especially on small- and medium-sized lots.

Staff Recommendation No. 2 – Changes to Existing Development Standards: Based on these factors, the following are recommendations that support feasibility. Table 5 below compares the existing R3 standards to those shown in Attachment 3, Draft R3 Development Standards.

- Increase the allowed maximum height where it acts as a constraint to the maximum density and with consideration of context and construction type. Allowed height is increased in the R3-C and R3-D subdistricts.

- Reduce front, side, and rear setbacks based on the desired form and context. These are reduced in all subdistricts.

- Remove the building coverage standard (the percent of a lot that can be covered by buildings) to instead regulate the maximum building footprint (the maximum dimensions of a building) for smaller development types (see "New Development Standards" below for more information). These standards apply in the R3-A, R3-B, and R3-C subdistricts.

- Remove the building coverage standard for larger development types in the R3-D subdistrict and regulate form through setbacks, FAR, new pedestrian connections, and massing design standards.

- Increase the allowed FAR. FAR is increased in all subdistricts.

- Reduce the minimum amount of required parking when parking is required (see "Draft Parking Approach" for more information).

- Reduce the amount of open area required and continue to allow balconies and podium spaces to be used to meet the standard.

Table 5: Comparing Existing and Proposed R3 Standards

	Existing	Proposed			
		R3-A[3]	R3-B	R3-C	R3-D
Maximum Height (top of wall)	36’	25’	36’	40’	50’ (R3-D1) 70’ (R3-D2)
Maximum Height (overall)	45’	35’	45’	50’	60’ (R3-D1) 80’ (R3-D2)
Minimum Setbacks	15’ or height of wall, whichever is greater	20’ (front) 7’ (side) 10’ (rear)	15’ (front) 7’ (side) 10’ (rear)	15’ (front) 10’ (side) 10’ (rear)	15’ (front) 15’ (side) 15’ (rear)
Minimum Distance Between Structures	Half the sum of the height of opposing walls	15’	15’	15’	30’
Maximum Building Coverage	35%	No max.	No max.	No max.	No max.
Maximum Floor Area Ratio (FAR)	1.05	1.0 or 1.25 for projects with 8 to 10 units[4]	1.25	1.4	Max density divided by 30[5]
Minimum Open Area	55%	10%	10%	15%	15%
Minimum Personal Storage	500 cubic feet	None	None	None	None

EPC Recommendation: The EPC recommended the staff recommendation.

[3] R3-A sites were previously zoned R2 and may not be more permissive than the existing R3 standards.

[4] Except state law prohibits the City from imposing FAR less than 1.25 on any eight- to 10-unit project (SB 478, codified at Government Code Section 65913.11).

[5] For example, where the General Plan allows 110 units per acre (“R3-D2”), the maximum FAR would be 110 divided by 30, or 3.67. Where the General Plan allows 65 units per acre (“R3-D1”), the maximum FAR would be 65 divided by 30, or 2.17.

Topic No. 3 – Minimum Densities

The standards and densities being developed are intended to facilitate additional density. However, recent studies and experience with development have shown that, even if additional density is allowed, lower-density developments like rowhouses and detached single-family homes still appeal to developers. While rowhouses may offer opportunities for ownership units at price points below those of detached single-family homes, they are also increasingly out of reach for the moderate-income buyer.

To increase the likelihood that developers will pursue higher-density projects, the Draft R3 Zoning District Update includes minimum densities. The following are considerations for the implementation of these minimum densities:

- Though other cities have implemented minimum densities, Mountain View has only done so in limited circumstances (for example, some language in the Whisman Station Precise Plan requires minimum densities).

- Some project sites that would have previously supported economically feasible lower-density development (such as single-family detached or rowhome development)[6] may not be able to feasibly support development at or above the minimum density unless land costs, construction costs, or other constraints are lessened or rent/sales prices increase.

- According to recent guidance from the Department of Housing and Community Development,[7] developers cannot request concessions to avoid complying with minimum densities under State Density Bonus Law.

- Accessory dwelling units (ADUs) may count toward the minimum density.

- New nonconforming standard updates are necessary, as described in "Draft Nonconforming Ordinance Approach" on Page 21, below.

- For some lots and development types, there may be outside constraints to building size (such as the relative cost of different construction types), which may result in smaller units or infeasible development if the minimum density is set too high. For example, in the R3-D subdistrict that allows up to 110 units per acre, a minimum density of 55 units per acre would still allow large-unit condominiums within the construction type modeled in the feasibility study. But a minimum density significantly higher than that would not allow for large units without requiring a change to a different and more costly construction type.

[6] Rowhouse developments are approximately 15 to 22 units per acre. These developments would continue to be feasible based on allowable densities in R3-A and R3-B but would likely be difficult to implement in R3-C.

[7] HCD Technical Assistance Letter to the City of Fremont, dated October 29, 2025.

Staff Recommendation No. 3 – Minimum Densities: Based on the above considerations and the project goals, staff has developed minimum densities for the R3 Zoning District as shown in Table 6.

Table 6: Proposed Minimum Densities

Subdistrict	Maximum Density	Minimum Density
R3-A	20 units per acre	66% of max (13.2 units per acre)
R3-B	25 units per acre	66% of max (16.5 units per acre)
R3-C	35 units per acre	66% of max (23.1 units per acre)
R3-D	65 (R3-D1) or 110 (R3-D2) units per acre	50% of max (32.5 or 55 units per acre)

EPC Recommendation: The EPC recommended the staff recommendation.

Topic No. 4 – New Development Standards

The draft R3 Zoning District standards in Attachment 3, Draft R3 Development Standards, also include new standards to address policy goals of the City Council, community input, and issues that frequently arise in the development review process.

Staff Recommendation No. 4 – New Development Standards: The following is a summary of new development standards in the R3 Zoning District (as shown in Attachment 3, Draft R3 Development Standards):

- Habitable Ground-Floor Space and Parking Placement Standards (within each subdistrict): These requirements help avoid the placement of parking along the street, requiring habitable space in the frontage area instead.

- Building Footprint (within each subdistrict): These standards help maintain the character of neighborhoods by prohibiting long buildings that limit opportunities for landscaping and views.

- On-Site Circulation and Open Area Requirements (Sections 36.10.71 to 73): These standards promote high-quality pedestrian circulation in new development, including private access among individual buildings and open areas within a project. There are also two sections that require public access through sites:

    — Large sites over three acres are required to prepare a Neighborhood Circulation Plan that will break up the site into publicly accessible blocks.

— New public pedestrian connections are required in critical locations to improve access to key destinations, including Rengstorff Park and the San Antonio Caltrain Station.

A map of proposed public connections is shown below in Figure 1.

- Vehicle Access, Screening, Rooftop Decks, Utilities, and Public Improvements (Sections 36.10.74 to 77): These standards address design issues that can affect the quality of the public realm and noise/privacy impacts to neighboring properties.

- Exceptions to Standards: This section allows applicants to request reductions to development standards based on unforeseeable property characteristics, such as Heritage trees, easements, or historic resources.

Figure 1: Draft Public Connections

Topic No. 5 – Draft Multi-Family Design Standards

Recent state laws have curtailed the City's ability to enforce design review comments on residential developments that are unrelated to objective standards adopted by the City. The R3 Zoning District Update includes form-based and objective design standards, which provide a clear, predictable framework that supports high-quality development while streamlining project review. By focusing on the physical form and relationship of buildings to the public realm, these standards help ensure new projects contribute positively to walkability, neighborhood character, and overall urban design. Objective criteria also reduce ambiguity for applicants, shorten approval timelines, and improve consistency in decision-making, thereby lowering administrative costs and minimizing the potential for legal challenges.

Staff Recommendation No. 5 – Design Standards: The multi-family design standards are structured to provide objective requirements while offering a menu of options for developers to allow for design variation and cost efficiency. Attachment 3, Draft R3 Development Standards, Division 16 (Building Design), includes critical topics to address massing and articulation and pedestrian-friendly and engaging entries. However, the project team may continue to add topics based on EPC, Council, and community feedback. The topics in Division 16 include:

- Entry Design: These sections establish standards for a range of entry types, including porches, stoops, forecourts, common entries, and shopfronts.

- Bay Composition: These standards establish the rhythm of windows and plane changes in a facade to provide legible patterns and avoid blank walls and glass curtain walls.

- Base-Middle-Top Design: These standards ensure ground levels are appropriately highlighted and provide a clear termination of the building at the roofline.

- Massing Features: These standards provide guidance for volumes that add interest and highlight key elements without over-complicating the facade.

EPC Recommendation: The EPC recommended the staff recommendation.

Topic No. 6 – Draft Retail/Live-Work Approach

Community outreach indicated broad support for integrating neighborhood-serving commercial uses into the R3 Zoning District update. Residents identified several anticipated benefits, including enhanced neighborhood character, reduced vehicle trips, strengthened support for small businesses, and improved access to goods and services within walking distance of homes.

The City conducted a series of studies to evaluate opportunities for commercial integration with the R3 Zoning Update (Attachment 6, Retail and Live-Work Memos). These analyses assessed market demand for ground-floor commercial space within proposed change areas, recommended physical and site-planning configurations to accommodate commercial uses, and provided background research, case studies, and policy recommendations related to live/work units.

The primary findings of these memos include:

- If the projected growth materializes, there would be significant demand for new commercial development within the R3-D areas. The areas that may be most successful include the California/Latham/Rengstorff area, the Evelyn/Calderon area, the Central Park Apartments area, and the Continental/Dale area.

- Small businesses tend to have lower square footage and parking needs than national brands.

- Live/work units, which combine residential and workspace functions in a single unit, are distinguished from home occupations, which are small-scale business activities accessory to a primary residential use.

- Live/work units have historically been successful as adaptive reuse of industrial areas, and purpose-built projects in residential areas may face feasibility and viability challenges.

- The City of Sunnyvale's standards for live/work units are recommended as a starting place for the City to develop standards (included in Attachment 6, Retail and Live-Work Memos).

While the studies recognize that larger commercial centers may eventually be viable in portions of the R3 District, such centers could conflict with the City's primary objective for these areas: facilitating the production of new housing. Allowing large commercial formats could reduce housing capacity or hinder the creation of residential environments that the Zoning Update is intended to achieve.

Staff Recommendation No. 6 – Retail and Live/Work: To balance neighborhood-serving commercial opportunities with the City's housing goals, staff recommends the following:

- Authorize live/work units throughout the R3 Zoning District in addition to existing allowances for home occupations and further develop local standards based on the City of Sunnyvale example.

- Permit ground-floor commercial as a stand-alone use only within R3-D areas where market demand and desired mixed-use character are most compatible. The other R3 subdistricts

are envisioned for more limited change than the R3-D subdistrict, which may be inconsistent with the additional activity, noise, traffic, odors, deliveries, etc., that may be associated with commercial development.

- Adopt targeted operational standards to ensure compatibility between residential and commercial uses, including limits on the proportion of a building dedicated to commercial activity, requirements for indoor trash storage, and prohibitions on late-night commercial operations.

- Ensure the R3 Zoning District Update development standards can accommodate successful ground-floor commercial uses.

EPC Recommendation: The EPC recommended the staff recommendation, except that more R3 areas, except the R3-A subdistrict, should allow commercial uses.

***Staff Analysis of the EPC Recommendation*:** If Council agrees with the EPC, it may wish to consider allowing commercial in the R3-B and/or R3-C subdistricts with refinements that may limit adverse impacts to these areas. These refinements may include limiting commercial to properties located along arterial roadways[8] or limiting commercial to larger lots (e.g., at least 20,000 square feet). Regardless of the approach directed by Council, the State Density Bonus Law includes a provision (Government Code Section 65915(k)) which allows developers to use a concession to build a mixed-use development if it would reduce the cost of the housing development and if the other land uses are compatible with the housing project and the existing or planned development in the area.

Topic No. 7 – Draft Parking Approach

As described above, parking is a key factor in the feasibility of development on all lot size categories in the R3 Zoning District. Current minimum parking standards for multi-family development are shown in Table 7 and apply in R3 and R4 Zoning Districts (and Precise Plans that reference them) and several other Precise Plans where multi-family development is allowed but does not supersede the City Code. The City has codified state law prohibitions on imposing minimum parking standards within one-half mile of Caltrain and light rail stations, except stalls for individuals with disabilities and electric vehicle charging stalls (AB 2097, codified at Government Code Section 65863.2). In addition, some Precise Plans, such as Downtown, San Antonio, El Camino Real, North Bayshore, and East Whisman, no longer have a minimum parking requirement for multi-family development (Housing Element Program 1.2 required the elimination of minimum parking requirements in several of these Precise Plans). Within the last

[8] Similar to provisions for storefront facing rights-of-way of minimum width in the City's General Plan Mixed-Use Village Center Development standards (Section 36.30.115 of the City Code). The current standard allows storefronts to face rights-of-way 70 feet or greater in width but recently adopted amendments to the City Code reduce that standard to 60 feet.

15 years, the City has been applying a "model parking standard" selectively on large multi-family projects and, prior to the implementation of Housing Element Program 1.2, in several Precise Plans. No parking shortages have been reported at sites using this standard. This standard is also shown in Table 7.

Most multi-family projects built in the City utilize State Density Bonus Law, which supersedes the City's parking standards. Typical projects using State Density Bonus Law are entitled to the following minimum parking requirements:

a. Zero to One Bedroom: One on-site parking space per unit.

b. Two to Three Bedrooms: One and one-half on-site parking spaces per unit.

c. Four and More Bedrooms: Two and one-half parking spaces per unit.

Several recent development applications have not been subject to a minimum parking standard, and some of those projects have proposed fewer parking spaces than the code requirement. Developers are likely evaluating the cost of providing parking against the estimate of future residents' parking needs. These estimates may be based on several factors that have reduced the need to construct as much parking, including shrinking household sizes and unbundled/unreserved parking (which allows properties to provide only the spaces needed by the average household, not the households with the most cars).

The feasibility analysis conducted in early 2025 assumed fewer parking spaces than are currently required in Chapter 36 (Zoning) of the City Code for multi-family development. The number of stalls in this analysis was based on a review of voluntary parking provided by recent development. This analysis found that the provision of the proposed parking standards in Table 7 could result in feasible development. In addition, other modifications to the standards will provide more flexibility to allow less expensive at-grade and tuck-under parking while prohibiting those types of parking in areas that affect the walkability and character of the development.

The new R3 Zoning District will also include commercial uses. These uses may also require some parking, since commercial uses often struggle to succeed unless some parking is provided. However, the high parking requirements for commercial uses in Chapter 36 (Zoning) of the City Code may significantly impact development feasibility. As described above, the number of commercial establishments in any location is expected to be small, and there is significant new residential development capacity nearby that may support access by modes other than automobile trips requiring off-street parking. Additionally, mixed-use developments can often take advantage of different peak parking periods to reduce the total amount of parking required.

Rather than eliminating minimum parking entirely, such standards may still have value outside major transit areas and corridors. For example, parts of the City continue to be impacted by high

demand for on-street parking. In addition, if developments are constructed that rely on street parking, it may complicate future efforts to build bicycle lanes and other street infrastructure.

Staff Recommendation No. 7 – Parking: The parking standards in Table 7 illustrate the recommended minimum parking for multi-family development. Outside of Precise Plans, the City's land use regulations do not regulate parking by zone (though some Precise Plans do refer back to Chapter 36 (Zoning) of the City Code for parking requirements). Therefore, staff recommends adopting these standards for all multi-family development, except where it is superseded by a Precise Plan. These standards would not apply to other residential uses, such as single-family homes, duplexes, townhouses, and rowhouses.

Table 7: Existing and Proposed Minimum Parking for Multi-Family

	Existing Minimum	"Model Parking Standard"	Proposed Minimum
One bedroom and smaller	1.5 stalls per unit*	1 stall per unit	1 stall per unit
Two bedroom and larger	2 stalls per unit*	2 stalls per unit	1.5 stalls per unit
Accessory ground-floor commercial	1 stall per 100 to 180 square feet, depending on use	N/A	None for the first 1,500 square feet per building, 1 stall per additional 1,000 square feet

* One-bedroom units greater than 650 square feet require two stalls.

EPC Recommendation: The EPC recommended the staff recommendation.

<u>Topic No. 8 – Incentive for Lot Consolidation</u>

One of the Council goals for this project is to identify incentives for lot consolidation, or the combination of several small lots into one or more larger parcels for development. Small lots are frequently less able to accommodate higher densities than large lots. They may be less able to accommodate amenities that may help the project pencil out, such as parking and open areas. They are also less able to accommodate features that may support the community, like parks or retail. Incorporating small lots into large developments may also result in a more consistent and cohesive neighborhood character. One additional challenge with small lots in the R3-D subdistrict is that many of its standards presuppose larger developments on medium- or large-sized lots. These standards may be more difficult for smaller lots to meet.

There are challenges associated with creating incentives. In many cases, the criteria for incentives may be waived or reduced under State Density Bonus Law, so projects may be able to take advantage of the incentives without achieving the community's goals. One potential

incentive to study further is to allow additional density (for which State Density Bonus Law does not allow waivers) when applicants propose to consolidate small parcels with their development.

Staff Recommendation No. 8– Lot Consolidation: Due to the feasibility challenges associated with the development of smaller lots at higher densities, staff recommends focusing lot consolidation incentives on the R3-D Zoning District.

These parcels may be encouraged to combine with neighboring parcels if the City sets a minimum project area to achieve the highest densities in the R3-D Zoning District. This minimum area would likely be 20,000 square feet, slightly smaller than the 30,000-square-foot project area analyzed in the feasibility analysis.

Parcels less than 20,000 square feet constitute 17.5% of R3-D parcels but less than 5% of the R3-D area (excluding condominium and rowhouse parcels, which have different redevelopment considerations). Staff has not yet identified a maximum density for R-3D sites that are too small to be developed up to the maximum density, but it would likely be approximately 35 dwelling units per acre. At this density, the difference in total unit capacity on smaller sites with and without the incentive is about 760 units, assuming that all such sites would ultimately build to their full capacity, compared to over 19,000 total capacity on noncondominium and rowhouse parcels throughout the R3-D zones. This number of parcels balances the creation of opportunity to achieve lot consolidation with the preservation of significant remaining capacity for higher-density development.

This approach would create an enforceable incentive for small lots to consolidate with their neighbors. In addition, small parcels are less likely to develop at the highest densities, so a relatively small amount of housing capacity is lost by limiting densities on smaller lots.

Note that this recommendation is not yet incorporated into Attachment 3.

EPC Recommendation: The EPC did not recommend the staff recommendation. Commissioners were skeptical about how the incentive would function, with some commissioners seeing it as a punitive measure rather than an encouraging incentive. The EPC recommended that other incentives be evaluated.

Staff Analysis of the EPC Recommendation: Staff has concerns regarding additional "incentives" (such as permit streamlining, reduction of development standards, or increased density) based on consistency with State Density Bonus Law, the use of AB 130 on most housing development projects (already streamlining the process significantly), and that additional items may lead to increased complexity of our codes and procedures.

Further, property owners have many reasons informing whether they may choose to develop in concert with their neighbor that are unrelated to City lot consolidation incentives. City Code

incentive tools may have limited effect on these factors. Lastly, other aspects of the draft code may fulfill he Council's direction to "encourage lot consolidation." For example, the new minimum density standard may prohibit development types (like rowhouses) that may provide the highest return on smaller lots. This may encourage property owners to pursue higher returns and economies of scale by working with their neighbor to build higher densities on a larger lot.

Issues related to incentives on this topic are similar to those discussed in the March 25, 2025 City Council report regarding local bonuses more appealing than State Density Bonus Law (see Pages 16 and 17). These include the challenge of offering an incentive more appealing than those already provided under state law, uncertainty about the economic feasibility of additional density, and uncertainty about the interpretation and future direction of state law.

For these reasons, if Council agrees with the EPC on this topic, staff would not include lot consolidation in the final development standards, as staff has yet to identify suitable alternatives to the lot consolidation incentive already proposed.

Topic No. 9 – Draft Nonconforming Ordinance Approach

The City's nonconforming ordinance, Division 3 (Nonconforming Uses and Structures) of Article III (General Regulations, Special Provisions, Exceptions and Interpretations) of Chapter 36 (Zoning) of the City Code (Attachment 7, Nonconforming Ordinance), addresses buildings or uses that were allowed under previous versions of the City Code but are not allowed under the current version. These standards address maintenance, modifications, disasters, and whether the City intends to phase out nonconforming projects (especially those that cause nuisances) in favor of projects that may be more consistent with the City Code.

It is important to update the City's nonconforming ordinance as part of the R3 Zoning District Update for the following reasons:

- Housing Element Program 1.5 requires the City to: "Update the Zoning Ordinance to allow replacement of multifamily development in the R1 and R2 districts with non-conforming density to preserve units above the allowed density in the underlying zone."

- The Housing Crisis Act (Section 66300.6 of the Government Code) forbids the City from approving a development project that reduces the number of units on the site. Sites with nonconforming density are, therefore, unable to redevelop in a way that complies with Chapter 36 (Zoning) of the City Code.

- The R3 Zoning District Update will create several new nonconformities. For example, many sites (especially across the R3-D subdistrict) will not comply with the minimum density standard. Many buildings will not meet the parking configuration or design standards.

- The ordinance is not clearly organized or easy to understand.

- A recent state law (Section 65852.25 of the Government Code) requires the City to allow reconstruction of multi-family developments after a disaster if they receive permits within two years of the date of damage or destruction. The current City Code requires construction to be complete within one year, which is likely not possible.

- There are several restrictions and procedural requirements that needlessly complicate the development review process of nonconforming structures. For example, all additions to nonconforming single-family homes require a development review permit from the Planning Division, but the review procedure is identical to the review of conforming single-family homes, which are reviewed only through the building permit process.

Staff Recommendation No. 9 – Nonconforming Development: Nonconforming codes require significant time and effort to evaluate various scenarios. Given the nature of the R3 Zoning District Update and priorities listed above, staff is focusing on amendments that affect residential developments and uses. Commercial and industrial uses and structures will continue to be regulated by the existing language.

The following are recommended approaches across a range of scenarios:

- Residential Uses in Nonresidential Zones: Additions on these projects will continue to be limited but, pursuant to the Housing Crisis Act, will be allowed to redevelop to the same size and extent.[9]

- Existing Density Greater than the Allowed Density. Housing Element Program 1.5 informs this scenario in R1/R2, but the scenario may also apply to multi-family buildings in other zones. Projects will be allowed to redevelop to the same extent as existing development on the site. If additions are possible under the standards of the current zone, they would also be allowed. For example, small multi-family developments in R2 that are less than 0.55 FAR would be allowed to add floor area up to that maximum. While this is only prescribed for the R1 and R2 Zoning Districts in the Housing Element, this language should also apply to the R3 Zoning District as there are multiple sites in R3 with more units than the District allows.

- Single-Family Homes and Duplexes, Subject to a Proposed Minimum Density in R3. There are a significant number of single-family homes and duplexes in the R3 Zoning District, whose owners may not be aware that they are in a multi-family zone. These owners may have bought their properties with the thought of eventually expanding on or rebuilding the

[9] Under the Housing Crisis Act, units do not need to be replaced if the new development is industrial. However, given that a range of uses may be allowed in nonresidential zones, the nonconforming code should allow redevelopment of residential uses, generally.

existing house. Subjecting these owners to a minimum density may add significant costs to such a project. Based on these factors, sites with an existing single-family home or duplex would be allowed to modify or redevelop the property based on the R1 or R2 standards.

- Multiple-Family, Rowhouses, and Other Sites, Subject to a Proposed Minimum Density in R3: These sites would not be allowed to redevelop at their existing density. They would be allowed small additions (such as the addition of a laundry room or bedroom), but redevelopment would need to meet the minimum density of the District. The addition of units that do not fully meet the minimum density would be allowed.

- Existing Structures that do not Meet Development Standards: These sites would be allowed to make modifications that do not increase the degree of nonconformity. For example, if a site has insufficient open area, it can still add floor area if other standards allow it.

- Reduce Other Restrictions:

  — Allow rebuilding after a disaster or accident if a permit is obtained within two years.

  — Allow modifications for reasonable accommodations related to resident disabilities.

  — Allow additional justifications for structural modifications, such as to allow the continued safe use of the structure, to allow the construction of interior improvements and to allow minor exterior modifications, such as the modification of doors and windows.

  — Reduce or eliminate planning permitting requirements where possible.

EPC Recommendation: The EPC recommended the staff recommendation.

Topic No. 10 – Inclusion of R4 Zoning District

The R4 Zoning District typically allows up to 80 dwelling units per acre, which is within the range of proposed R3 Zoning District densities. The district covers seven sites: three sites that are fully developed or under construction, three sites where affordable housing developments are planned, and one site occupied by an existing two-story apartment complex where no development is currently proposed (600 North Whisman Road, between Evandale Avenue and Devonshire Avenue). The district is intended to function as a "floating zone," which developers may request if their proposed project meets area and location criteria. Previous staff reports on this topic have briefly mentioned integrating R4 into the R3 Zoning District Update. This idea has also been brought up by several EPC members.

The following are considerations for integrating the R4 Zoning District into the R3 Zoning District Update:

- As described above, the R3-D subdistrict allows densities less than and greater than the R4 Zoning District. If the R4 Zoning District is not integrated into the project, the relevance of the R4 District would be diminished, and the legibility of the Zoning Ordinance would be negatively affected. For example, the location criteria to apply the R4 Zoning District (it is prohibited on smaller sites and adjacent to R1 and R2) could be bypassed through the R3-D subdistrict.

- The draft R3-D subdistrict is designed to be flexible enough to accommodate any of several General Plan designations, which means that the R4 Zoning District could use the same standards as the draft R3-D standards without changing the allowed density. The maximum density in the subdistrict refers to the General Plan, and the maximum heights and floor area ratios are expressed in terms of those maximum densities.

- Neighbors and property owners of R4 sites (especially those near 600 North Whisman Road) may not be aware of the project or how it may affect the site. These properties should be notified if this action is carried out.

- Standards in the draft R3-D subdistrict are similar to, but in general more permissive than, the existing standards in R4 (see Table 8), which means that R4 could be integrated into the project without impacting pipeline projects.

Table 8: Comparing R4 and R3-D Standards

Standard	Existing R4 Standards	Draft R3-D Standards
Size Criteria	1 acre and 160’ width, except projects receiving City funding	None, except pursuant to the “incentive for lot consolidation,” sites less than 20,000 square feet (approximately one-half acre) may have limited density
Density	80 du/acre	80 du/acre (as it would apply to sites in the High-Density Residential General Plan designation)

Standard	Existing R4 Standards	Draft R3-D Standards
FAR	1.4 for projects under 40 du/ac 1.95 for projects 40-50 du/ac 2.3 for projects 50-60 du/ac (80 du/ac unclear)	2.67 (based on 80 units per acre)
Setbacks	15' (except 1-2 story side — 10')	15'
Height (wall/overall)	52'/62'; 60'/70' for 5 stories with design review; 40' wall facing R1 across street	60'/70'
Open Area (overall/private)	30% of lot area/average of 40' per unit	15% of lot area/none
Personal Storage	80 square feet	None

Staff Recommendation No. 10 – R4 Zoning District: Based on the considerations above, staff recommends integrating the R3-D and R4 Zoning Districts together. At this time, staff is only seeking confirmation of whether to integrate the R4 Zoning District into the project and to align applicable standards to the draft R3-D standards. Staff will return with a recommended code structure at a future date (i.e., whether R4 sites are rezoned to R3-D, or the R3-D subdistrict is changed to an R4 Zoning District).

EPC Recommendation: The EPC recommended the staff recommendation.

Other Updates and Next Steps

Once the City Council provides direction, staff will prepare a draft ordinance, and the project will return to the EPC and City Council for final action in Q2-Q3 2026.

In addition to the items presented in the rest of this report, the project team is continuing to work on the following items and will provide materials for review and approval when the project returns to EPC following City Council direction.

- Other Code Sections Necessary for the R3 Zoning District Update: Minor changes to the residential land uses, accessory structures, and definitions are needed to fully implement the R3 Zoning District Update.

- Transition Areas: Standards to withhold upzoning on portions of properties within 100' of R1 and R2 Zoning to maintain respectful transitions of density.

- Implementation of State Laws: Code changes are being developed that implement the most recent ADU laws (Sections 66314 and 66323 of the Government Code) and the Starter Home Revitalization Act (Sections 65852.28 and 66499.41 of the Government Code).

- R2 Amendment: Pursuant to Housing Element Program 1.3.h, R2 sites will be allowed development similar to SB 9 developments in R1, except additional ADUs will also be allowed.

- Environmental Impact Report: An Environmental Impact Report (EIR) is being prepared pursuant to the California Environmental Quality Act (CEQA). The public draft will be released after this meeting.

FISCAL IMPACT

New residential development at increased densities may generate additional City revenues, including property tax, sales tax, and development-related fees. New residential development may also result in increased costs related to additional service demands, including police, utility, library, and other municipal services. The project will provide a more detailed accounting of these revenues and costs at a future meeting. Consistent with prior City analyses of higher-density residential development, including work completed during the Housing Element Update in 2023, increased revenues are generally expected to fully offset the corresponding increase in service costs.

No direct fiscal impact or additional appropriation is requested as part of the recommended action.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a "license, permit, or other entitlement for use" if the official has received a campaign contribution exceeding $500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html.

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT
☒ General policy and legislative actions

CONCLUSION

In conclusion, staff is requesting that the City Council confirm staff's recommendations on various topics associated with the R3 Zoning District Update, including General Plan designations, development standards, and approaches for retail/live-work, parking, nonconforming residential developments, incentive for lot consolidation, and the alignment with the R4 Zoning District.

ALTERNATIVES

1. Reject any of the staff recommendations in this report.

2. Provide additional direction to refine or modify the staff recommendations in this report.

PUBLIC NOTICING

The City Council agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. Electronic notices were sent to those who signed up to receive them regarding this project. Neighborhood associations and groups that had previously expressed interest in the project were notified, a newspaper notice was published, and meeting information was posted on the City's website: www.mountainview.gov/r3zoningupdate.

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CDD/EA-02-10-26CR

Attachments:
1. R3 Zoning District Update Project Chronology
2. Public Comment
3. Draft R3 Development Standards
4. Design Handbook
5. R3 Zoning District Update Map
6. Retail and Live-Work Memos
7. Nonconforming Ordinance