

COUNCIL

REPORT

DATE: June 24, 2025

CATEGORY: Unfinished Business

DEPT.: Community Development

TITLE: New Council Policy G-9, Gatekeeper

Application Policy and Procedures

RECOMMENDATION

Adopt a Resolution of the City Council of the City of Mountain View Adopting City Council Policy G-9, Gatekeeper Application Policy and Procedures, for the review and authorization of private development applications with legislative amendments to city regulations, referred to as the gatekeeper process, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

The "Gatekeeper Process" refers to the City's process for accepting an application for a private development project that proposes a legislative amendment to the City's land use regulations, such as a General Plan amendment, Precise Plan amendment, rezoning (map) amendment, or Zoning Code text amendment. The City first adopted a Gatekeeper Process in 2001 and amended the process in 2012 and 2018. The City Council prioritized updating the Gatekeeper Process in the Fiscal Year 2023-25 Council Work Plan adopted on June 27, 2023. Since then, the City Council held Study Sessions on the subject in September and December 2023 and held a Gatekeeper Authorization Hearing in September 2024. The Council Policy and Procedures Committee (CPPC) considered a new City Council Policy (Council Policy or Policy) on the Gatekeeper Process on March 5, 2025. Additional background on the Gatekeeper Process is included in the CPPC staff memorandum (Attachment 2 to the Council report).

Council Policy and Procedures Committee

On March 5, 2025, staff presented a draft of a new Council Policy G-9 regarding the Gatekeeper Process to the CPPC. The CPPC voted 2-0 (Councilmember McAlister absent) recommending that Council adopt the new Council Policy with the following modifications, as shown in Attachment 1:

A. Remove the existing split-zoned and industrial-to-residential conversion exemptions for Streamlined Gatekeeper projects (e.g., Gatekeeper projects that can proceed to application

review without a Council Authorization Hearing), and define different criteria for Streamlined Gatekeeper projects that reflect a high-quality project deserving of streamlined submission (further described below);

- B. Allow a Gatekeeper project to proceed through the streamlined application process (i.e., no Council Authorization Hearing is required) if the project qualifies for one of the two following exemptions:
 - 1. The proposed project is a 100% affordable housing development; or
 - 2. The proposed project satisfies <u>all</u> of the following criteria:
 - a. The project site is two to three acres maximum in size (the CPPC provided direction to staff to recommend the appropriate maximum lot size; see Attachment 3 to this staff report for maps showing eligible parcels at three-, two-, and one-acre parcel sizes, combined with the criteria immediately below regarding density).
 - b. Has a density of at least 30 dwelling units per acre and is adjacent to a site that allows a residential density greater than 12 dwelling units per acre.
 - c. Complies with all of the following Application Criteria:
 - i. <u>Affordable Housing</u>: The project must provide:
 - (1) Rental Projects—15% of units based on the standard below-marketrate (BMR) requirements, with a range greater than 50% area median income (AMI), up to 120% AMI, and a weighted average of 65% AMI or less, and one of the following:
 - An additional 5% of units with a range greater than 50% AMI up to 120% AMI with a weighted average of 65% AMI or less; or
 - An additional 25% of units with a range greater than 50% AMI up to 120% AMI with a weighted average of 90% AMI or less.
 - (2) Ownership Projects—Ownership project requirements shall be as follows:
 - For all ownership projects, excluding rowhome/townhome projects, 15% of units based on the standard BMR requirements, with a range greater than 80% AMI up to

120% AMI and a weighted average of 100% AMI, and an additional 15% of units at the same levels; or

For rowhome/townhome projects, 25% of units based on the standard BMR requirements, with 15% of units at a range greater than 80% AMI up to 120% AMI and a weighted average of 100% AMI, and 10% of units with a range greater than 120% AMI up to 150% AMI with a weighted average of 135% AMI, and an additional 5% of units with a range greater than 120% AMI up to 150% AMI with a weighted average of 135% AMI.

For projects with a mix of rental and ownership unit types, units of the same type shall be grouped together and evaluated for compliance with the requirements of this Policy.

All projects must comply with the BMR guidelines, including, but not limited to, rent/sales price calculations, proportional distribution of BMR unit sizes relative to the market-rate units based on bedroom count, locational distribution of the BMR units, and maximum annual allowable rent increases for BMR rental units.

- ii. <u>Public Open Space</u>: Dedicate a public park, plaza, or trail to the City in a size proportionate to the project being proposed (the CPPC provided direction to staff to recommend the appropriate proportion).
- iii. <u>Community Facilities</u>: Include facilities that advance a City Council Priority Work Plan project, subject to the City Manager's concurrence.
- d. Complies with the following Community Design Principles:
 - i. <u>Trees and Biodiversity</u>: Prioritize the preservation of large, healthy trees on-site and incorporate biodiversity measures from the City's biodiversity strategy, such as a minimum 75% native trees and landscaping and dark sky measures for lighting.
 - ii. <u>Historic Preservation</u>: Project does not include demolition of a Historic Resource.
 - iii. <u>Sustainability</u>: Project results in net-zero carbon emissions.

C. Retain the remaining Application Criteria and Community Design Principles as the "menu" of options a Standard Gatekeeper application can select from to distinguish it as a superior project.

Additionally, the CPPC requested the following clarifications to the draft Policy:

- Mixed-use projects and projects proposing only a zone change/General Plan map change (no development) can apply.
- Council can condition the reauthorization terms of an application, such as allowing an application to make certain project changes and to reapply in fewer than two years as specified by Council.
- Project applications should implement and provide detail on Council priorities their project is advancing (e.g., does the project break up a mega street block, does it introduce a new connection to Stevens Creek Trail, etc.).

Finally, the CPPC requested to review the Gatekeeper Policy annually to make adjustments in response to changing market conditions where refinements will occur over time. The CPPC also noted their desire to see various project types, including residential and nonresidential projects, through the Gatekeeper Process.

ANALYSIS

New Council Policy

To implement updates to the Gatekeeper Process, a new City Council Policy for the Gatekeeper Process must be adopted by Council as well as Zoning Ordinance amendments to codify the changes. The draft policy presented for City Council consideration (Attachment 1 to the staff report) reflects staff's further analysis and refinement of CPPC's direction.

In addition to key substantive provisions intended to shape Gatekeeper project applications, the draft Policy also includes a number of administrative provisions to provide clarity to applicants regarding the filing and timing of Gatekeeper applications, including, but not limited to:

• <u>Defining Terms</u>: The draft Policy clarifies various key terms applicable to the Gatekeeper Process, including the term "Streamlined Gatekeeper Project," which is the term used to describe those applications exempt from a City Council Authorization Hearing. Previously, these have been referred to as "Gatekeeper-exempt" projects, which staff believes is misleading given these projects are still subject to all other requirements of the Gatekeeper Process, including but not limited to City Council discretion to approve/disapprove the requested legislative amendment(s).

- <u>Timing of Accepting Applications</u>: The draft Policy would establish a requirement to submit a Gatekeeper application at least 90 days prior to a scheduled City Council Authorization Hearing in order to be considered at that hearing. This is necessary to provide sufficient time for staff to analyze the applications and prepare the necessary staff report for the Council Authorization Hearing.
- <u>Streamlined Gatekeeper Criteria</u>: Currently, Sections <u>36.52.15.e</u> (General Plan Amendments) and <u>36.52.55.f</u> (Zoning Amendments) of Chapter 36 (Zoning) of the City Code contain the list of General Plan and zoning amendments that are exempt from the Council Authorization Hearing process. Staff proposes to delete these from the City Code and instead relocate the list of Streamlined Gatekeeper criteria to the Council Policy. This will provide greater flexibility for City Council to periodically update the Streamlined Gatekeeper criteria by adoption of a resolution rather than having to amend Chapter 36 (Zoning) of the City Code, which requires separate review by the Environmental Planning Commission (EPC) prior to Council action. Following Council adoption of the new Policy, staff will return later in 2025 with an ordinance proposing to remove the current exemptions listed in the Zoning Code (in addition to other duplicative information), following a recommendation by the EPC.
- Application Criteria: The draft Policy outlines application criteria that are suggested but not required for the filing of a Gatekeeper application based on prior City Council direction. The Policy indicates that Council retains full discretion to approve any legislative amendment it finds in the public interest, while articulating criteria that, in general, would result in a Gatekeeper application being reviewed favorably.
- <u>Frequency and Scheduling of Hearings</u>: The draft Policy provides for at least one Council
 Authorization Hearing per calendar year and further provides that the City Manager or
 designee may determine that scheduling more than one authorization hearing is
 appropriate, such as to consider large and small projects, or residential and commercial
 projects, separately.
- <u>Content of Staff Reports</u>: The draft Policy establishes a uniform set of information contained in staff reports prepared for Gatekeeper Authorization Hearings.
- <u>Council Actions</u>: The draft Policy describes the range of actions Council may take on an
 application at a Gatekeeper Authorization Hearing. It also establishes a minimum two-year
 waiting period for submission of a substantially similar application following action by
 Council not to authorize a Gatekeeper application to formally submit and begin review.

- <u>Study Sessions</u>: The draft Policy requires Gatekeeper applications authorized for processing to undergo at least one Study Session with the EPC and then with the City Council. Streamlined Gatekeeper projects would not be subject to the study session requirement.
- <u>Development Agreements</u>: The draft Policy requires Gatekeeper and Streamlined Gatekeeper applications to execute a development agreement with the City to ensure an enforceable mechanism for project features and community benefits the Council deemed necessary for the approval of legislative amendments.

Housing Element Program 1.3

Within the adopted <u>2023-2031 Housing Element</u>, Program 1.3.f. and 1.3.g include updates to the Gatekeeper Process:

- <u>Program 1.3.f</u>: Identify additional Gatekeeper exemptions for residential projects based on location, size, affordability, and other Policy goals; and
- <u>Program 1.3.g</u>: Hold at least one Gatekeeper meeting per year, which may be limited to residential or residential mixed-use projects only, creating greater opportunities for project-specific rezonings.

The intent behind these programs is to expand opportunities for legislative amendments that facilitate residential development within the City. However, state law provides cities with the authority to determine appropriate procedures to manage legislative amendments. The proposed Gatekeeper Policy achieves the goals of Housing Element Program 1.3.f by removing certain locational requirements to qualify for a Streamlined Gatekeeper Application (such as split zoning or industrial zoning adjacency) and increasing the maximum site area to three acres. The Policy would retain certain locational requirements intended to ensure compatibility of residential projects exempt from a Council Authorization Hearing with surrounding land uses, such as adjacency to sites that already allow higher-density housing. The affordability criteria in the Policy would also incentivize the provision of additional affordable housing units. Lastly, the Policy commits the City to conduct at least one Council Authorization Hearing per year.

The new Policy affords Council the ability to more readily revise and update the Gatekeeper criteria and application procedures to be responsive to changes in market conditions by removing processing provisions from the City Code. This speedier process further assists interested applicants as they will have opportunities to participate in the meetings where Policy updates occur.

Deferred Policy Requirements

Staff's work following the CPPC's consideration of the new Gatekeeper Policy on March 9, 2025, included detailed consideration of how CPPC's recommendations could be reflected in the policy presented to Council for adoption and identification of required ordinance amendments.

The following provisions are not recommended for inclusion in a new Gatekeeper Policy at this time:

- <u>Gatekeeper Applications With No Associated Development.</u> As described above, CPPC recommended an addition to the new Gatekeeper policy to allow submission of a Gatekeeper Project application for a project proposing only a Zoning/General Plan map change (i.e., no development). After further review of existing City Code provisions, staff has identified City Code amendments that would be necessary before the City can accept this type of Gatekeeper application under the new policy because current City Code provisions currently require submission of plans describing a proposed Gatekeeper project. Staff will prepare necessary ordinance amendments and Gatekeeper policy revisions for Council consideration in Q3 2025 to incorporate provisions that allow a no-development Gatekeeper application.
- <u>Dark Sky Ordinance Requirements.</u> The draft policy presented to and recommended by CPPC included as one of the criteria for Gatekeeper application consideration consistency with "dark sky measures for lighting." Staff is currently working on objective lighting standards that will form the basis of a new Dark Sky Policy, but that work is in the early stages. To avoid applicant confusion regarding the applicability of not-yet-adopted standards, staff has prepared the new Gatekeeper Policy without mentioning dark sky measures for lighting. Staff will recommend a revision to the Gatekeeper Policy at such time as Council adopts a new Dark Sky Policy and associated standards.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) applies only to projects that have the potential for causing a significant effect on the environment. This action is not a project pursuant to Public Resources Code Section 21065 and CEQA Guidelines Section 15378.

FISCAL IMPACT

There is no fiscal impact associated with adoption of Council Policy G-9.

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/paytoplay-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

Completing an update to the Gatekeeper Process has been a City Council priority for several years. The Gatekeeper Process currently provides an important mechanism to manage staff resources associated with processing developer-initiated legislative amendments while shaping the kinds of applications the City desires to receive. Updating the Gatekeeper Process requires a balancing of many factors, which makes the process challenging.

Staff has prepared a draft Policy for Council consideration that balances prior Council direction with the City's Housing Element obligations, the recommendations from the CPPC, and other factors based on staff's analysis. Staff has also strived to provide clearer criteria about how applicants can design high-quality developments that meet the community's needs as part of the Gatekeeper Process.

Completion of an update to the Gatekeeper Process before the Council's summer recess is necessary in order to open the Gatekeeper application process in Calendar Year 2025 under the new Policy. Otherwise, the 2025 application process will be conducted under the existing Gatekeeper Process that the City utilized in Calendar Year 2024.

NEXT STEPS

If the Council adopts the new Council Policy, staff will:

- Publicize the new City Council Policy and announce the open application opportunity (i.e., no fixed application period);
- Return to the EPC and City Council in Q3 2025 with an ordinance with the required text modifications to Chapter 36 (Zoning) of the City Code to align with the new Council Policy;

- Prepare any amendments to the new Council Policy necessary to effectuate the aforementioned text modifications to Chapter 36 (Zoning) of the City Code, for consideration concurrently with the text modifications; and
- Hold a Gatekeeper Authorization Hearing after the required ordinance amendments take effect, anticipated in Q1 2026.

ALTERNATIVES

- 1. Adopt Council Policy G-9 with modifications.
- 2. Do not adopt Council Policy G-9 and direct staff to open the Gatekeeper submittal window under the existing Gatekeeper Process (utilized in 2024).

PUBLIC NOTICING

The City Council agenda is advertised on Channel 26, and the agenda and this Council report appear on the City's website. Email notifications of this meeting and the CPPC meeting were distributed to interested stakeholders who have subscribed to the City's email list for "Gatekeeper Application Announcements" and was shared with members of the development community. Following the CPPC meeting in March, City staff had conversations with the Chamber of Commerce and developers in March and early May 2025 regarding the proposed changes to the Gatekeeper Process.

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Attachments: 1. Resolution to Adopt Council Policy G-9

- 2. CPPC Staff Memorandum Dated March 5, 2025
- 3. Qualifying Parcels for Streamlined Gatekeeper Applications