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September 24, 2025

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Re: 843, 871, 881, 903 Castro Street, 750 Fairmont Avenue, and 700 W. El Camino Real
(PL-2023-065 & PL-2023-066) – Density Bonus Letter

Dear Edgar:

This letter is submitted on behalf of GPR Ventures (the “Applicant”) to request certain benefits under the State Density Bonus Law in relation to project application (PL-2023-065 & PL-2023-066) for a mixed use development on a 1.43-acre site¹ along Castro Street, Gateway Park, El Camino Real, and Hope Street in Mountain View, California (the “Project” or “Site 1”).

I. Project Summary

The Project is an 8-story development, with 140 residential units. A complete Project Description is provided under separate cover.

II. Applicable Land Use Controls and Development Standards

The Project is bounded by Castro Street, El Camino Real, and Hope Street, and is within the City’s Downtown Precise Plan (“DTPP”), which permits residential, retail, and restaurant uses. As per **Table 1**, below, development along Castro Street is limited to 4 floors (55 feet) and development along Hope Street is limited to 3 floors (35 feet) north of Fairmont and 4 floors (55 feet) south of Fairmont.

Table 1 – Applicable DTPP Height Limits		
Location	City Limits	Source
Castro Street / El Camino Real	4 floors or 55’	DTPP, p. 112
Hope Street – north of Fairmont	3 floors or 35’ ²	DTPP, p. 112

¹ Previous applications referred to a smaller 1.31-acre site, which relied on net instead of gross acreage. State Density Bonus Law directs that density is based on the site’s gross acreage.

² The third floor must be “tucked into the roofline so that the building looks like a two-story structure.” (DTPP, p. 112.)

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Table 1 – Applicable DTPP Height Limits		
Hope Street – south of Fairmont	4 floors or 55' ³	DTPP, p. 112

The Project is subject to rear yard setbacks along the Castro Street frontage, which require a minimum 15 foot yard, or a distance equal to the height of the adjacent building wall⁴ as measured to the top of the wall plate.⁵ In effect, this creates a larger rear yard requirement as a building's height increases.

III. Density Bonus Law

The Density Bonus Law applies to housing development projects that provide on-site affordable housing and provides for not only increased residential density over the maximum density otherwise allowed, but also an unlimited number of waivers and a certain number of concessions, among other benefits. This Project is seeking additional density, a number of waivers, and a single concession, each as discussed below.

A. Base Density

In order to understand the density bonus applicable to the Project, a base density must first be established. The DTPP allows for most of the Project to develop at 50 dwelling units per acre ("du/ac"), with some of the Project site at 30 du/ac.⁶ In particular, the density is 50 du/ac for everything along Castro Street and Hope Street south of Fairmont and 30 du/ac for the portion on Hope Street north of Fairmont. As per **Table 2**, the Project is eligible for 70 base residential units.

Table 2 – Base Density Calculation		
Density	DTPP 50 du/ac	DTPP 30 du/ac
Site area (SF)	56,848 ⁷	5,478 ⁸
Site area (acres)	1.305	0.126
Total site area (acres)	1.43	

³ Building height along Fairmont Avenue may not exceed 3 floors and 35', although Fairmont Avenue will be vacated on this block so this height limit is no longer applicable. (DTPP, p. 112.)

⁴ Based on City guidance, we have interpreted "adjacent building wall" to mean the Project's building wall closest to the parcel line. See, e.g., City Zoning Calculations, p. 4 (Figure 6).

⁵ DTPP, p. 113.

⁶ Although the General Plan designation of Medium Density Residential allows 13–25 du/ac, according to Density Bonus Law, where there is inconsistency, "the greater shall prevail." (Gov. Code, § 65915(o)(6).)

⁷ Includes the gross SF of the following APNs: 158-06-008, 158-06-010, 158-06-037, 158-06-038, 158-06-039, and Fairmont Avenue.

⁸ Includes the gross SF of APN 158-06-036.

Table 2 – Base Density Calculation		
Max density allowable	50	30
Max allowable residential units	65.3	3.8
Total base residential units (base density)	70	

B. Density Bonus Project

The Project proposes to provide 15 percent of the base density at the very low income affordability level. As a result, the Project meets the criteria for an initial 50 percent density bonus. The affordable commitment also entitles the Project to an unlimited number of waivers.

The state updated Density Bonus Law pursuant to AB 1287, which allows additional density bonus in exchange for an increase in the percentage of affordable units included. To be eligible for AB 1287's additional bonus, a project must first meet the requirements for the initial 50 percent density bonus (e.g., by providing 15 percent very low income units), and then commit to constructing additional very-low income or moderate income units.

The Project is proposing to provide 15 percent of the base density at the moderate income affordability level, which qualifies the Project for an *additional* percent density bonus of 50 percent, for a total of a 100 percent bonus. With these bonuses, the Project qualifies for 140 units.

To meet the affordable requirements, the Project will provide 11 units (15 percent of the base density of 70 units) as affordable to very low income households, and another 11 units (another 15 percent of base density) as affordable to moderate income households.

C. Requested Waivers of Development Standards

So long as a project qualifies as a density bonus project under state law, the City must waive any development standard that would “physically preclude” construction of the proposed building at the density allowed, unless certain narrow findings can be made.⁹ Courts have also clarified that “a city may not apply any development standard that would physically preclude construction of that project *as designed*, even if the building includes ‘amenities’ beyond the bare minimum of building components.”¹⁰ That is, it is not relevant if a project could be designed in a different way to comply with the development standard for which a waiver is sought, but rather the only question is whether the development standard in question would physically preclude the project *as it has been proposed*. As pointed out by the courts, it is noteworthy that Density Bonus Law used to require applicants to demonstrate that the waiver was necessary to

⁹ Bankers Hill 150 v. City of San Diego (2022) 74 Cal.App.5th 755, 770.

¹⁰ *Id.* at 775 [emphasis added], citing Wollmer v. City of Berkeley (2011) 193 Cal.App.4th 1329, 1346.

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make the project economically feasible, but the statute was amended in 2008 to focus only on the “physically preclude” standard.¹¹

The grounds for denying a waiver are limited to instances where the jurisdiction finds that the waiver would have a “specific, adverse impact, upon health or safety, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact” or when a project “would have an adverse impact on any real property that is listed in the California Register of Historical Resources, or [is granted] any waiver or reduction that would be contrary to state or federal law.” (Gov. Code, § 65915(e)(1).) In other words, once an applicant establishes “its eligibility for the density bonus . . . it [is] entitled to a waiver of any development standards that would preclude construction of the Project unless the City ma[kes] certain findings.”¹² None of these exceptions should apply to the Project.

Here, Density Bonus Law waivers are essential in providing the amount of space needed for the “bonus” units, whether that is by building up (height waiver) or out (rear yard waiver). Additionally, and despite not needing to provide this information, the “Reason for Waiver” column below explains both why the development standard would physically preclude the Project as well as a brief explanation of the building design. We provide the rationale for the design for informational purposes.

The Applicant’s list of requested waivers is included in **Table 3**, attached.

D. Request for Concession Under Density Bonus Law

1. Legal Background

Concessions¹³ recognize that affordable housing is expensive to provide, which is addressed by providing relief from development standards in order to reduce costs, which helps provide the affordable units. Accordingly, the legal test for whether the City must grant a concession is if it will “result in identifiable and actual cost reductions.”¹⁴ What can qualify as a concession is very flexible, so long as it meets the cost reduction requirements.

The City must grant (i.e., “shall approve”) the specific concessions requested by the Applicant unless the City makes written findings, based on substantial evidence, that the concession would (1) not result in a cost reduction, (2) have a specific adverse impact on health or safety

¹¹ Wollmer 193 Cal.App.4th at 1346.

¹² Bankers Hill at 774.

¹³ The SDBL uses both terms incentive and concession, but they have the same meaning, so this letter uses the term concession for readability purposes.

¹⁴ Gov. Code, § 65915, subd. (d)(1)(A).

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(as defined), or (3) be contrary to state or federal law.¹⁵ The City bears the burden of proof for the denial of a requested concession.¹⁶

Projects receive a certain number of concessions, depending on the level of affordability provided. The Project qualifies for three concessions and currently requests one.

2. Concession Request: POPA Open Space Credit

Pursuant to Government Code § 65915(d), the Applicant requests a concession to allow specific portions of the Castro Commons project, including the Fairmont paseo (the vacated Fairmont Avenue right-of-way and related open spaces totaling approximately 15,800 SF) (“Paseo Areas”) to qualify for the City’s Privately Owned/Publicly Accessible (“POPA”) open space credit under City Code § 41.11. The Paseo Areas are shown on **Attachment 1** (POPA Site Plan) to this letter.

The concession proposes to use the § 41.11(b) “alternate proposals” pathway for POPA credit, but a concession is needed to provide relief from the development standard that the “alternate proposal” consist of a single, contiguous area greater than one 1 acre. Despite being less than 1 acre, the Paseo Areas satisfy the “alternate proposals” purposes to serve a diverse park user population (§ 41.11(b)(i)) and to provide design benefits that exceed the general POPA requirements (§ 41.11(b)(ii)) based on the specific design, access, and programming described below:

- **Diverse users.** The Paseo Areas will operate as an all-ages, universally accessible, through-block public promenade linking Castro Street transit/retail to neighborhood destinations, with benches, shade trees, and bicycle parking features that support casual lingering, mobility impaired users, families with strollers, older adults, and cyclists. Public access with wayfinding/signage will ensure clarity of use. A community room and the provision of open space to public sidewalks can be used by the community and neighborhood residents.
- **Design benefits.** Compared to the general POPA standards, the Paseo Areas offer traffic-free safety, activated edges with eyes on the street, programmable nodes (e.g., small performances/markets), through-block connections, a community room, activation benefits to the existing Gateway Park, and stormwater/urban canopy co-benefits that are not achievable in an equivalently sized, single-parcel park. These attributes comport with the City’s stated goals for quality, publicly accessible open space that advances Citywide recreation access without City O&M burden.

¹⁵ Gov. Code, § 65915, subd. (d)(1).

¹⁶ Gov. Code, § 65915, subd. (d)(4).

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If the City does not agree that the Paseo Areas satisfy these diverse users/design benefits criteria, the Applicant alternatively requests additional concession(s) to deem the Paseo Areas eligible for POPA credit.

Granting this concession results in identifiable and actual cost reductions required under State Density Bonus Law:

- **POPA Credit.** Chapter 41 requires that residential subdivisions dedicate land for park purposes, where parkland must meet certain requirements, and if that is not feasible, to pay a fee in lieu of dedication. For dense, infill projects, providing parkland on-site, as either a public park or as a POPA, is often not feasible because there are minimum size requirements. Reducing this standard and allowing the Paseo Areas to qualify provides a real, quantifiable cost reduction.
- **Site-planning efficiencies.** Recognizing the Paseo Areas avoids acquiring or redesigning to create a single, larger 1-acre parcel, reducing hard costs (demolition/regrading/utility relocations) and soft costs (design, legal descriptions, surveying), while preserving yield.
- **Operations alignment.** POPA elements embedded in the Project's ground-plane and frontage treatments leverage shared maintenance/security already planned for common areas, avoiding duplicative improvements and long-run O&M premiums that a stand-alone 1-acre park would impose.

Finally, this request meets the definition of a concession under the State Density Bonus Law. A concession under § 65915(k) includes reductions or modifications of local standards that produce cost reductions. Here, the Applicant seeks a reduction in a site development standard (i.e., the eligibility standard to receive POPA credit) such that a private park that is smaller than 1 acre qualifies for POPA open space credit.

While not directly relevant to the legal standard for a concession, this request is also consistent with Housing Program 1.8 in the Housing Element, which supports relaxing restrictions on the size and type of POPA areas and allowing credit for pedestrian connections. In addition, as part of implementing Program 1.8, the City recently studied parks level of service and found that a need exists for additional mini parks, both in the current state and projected future needs by 2034.

Because the concession reduces identifiable, actual costs by enabling POPA credit application to the project's Paseo Areas, it furthers Chapter 41's purpose of creating high-quality, publicly accessible private open space, and it does not seek any "waiver of fees" under § 65915, none of the narrow statutory findings for denial apply.

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Patch Duffy
& Bass LLP

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Thank you for your consideration of these matters.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Miles Imwalle", written in a cursive style.

Miles Imwalle

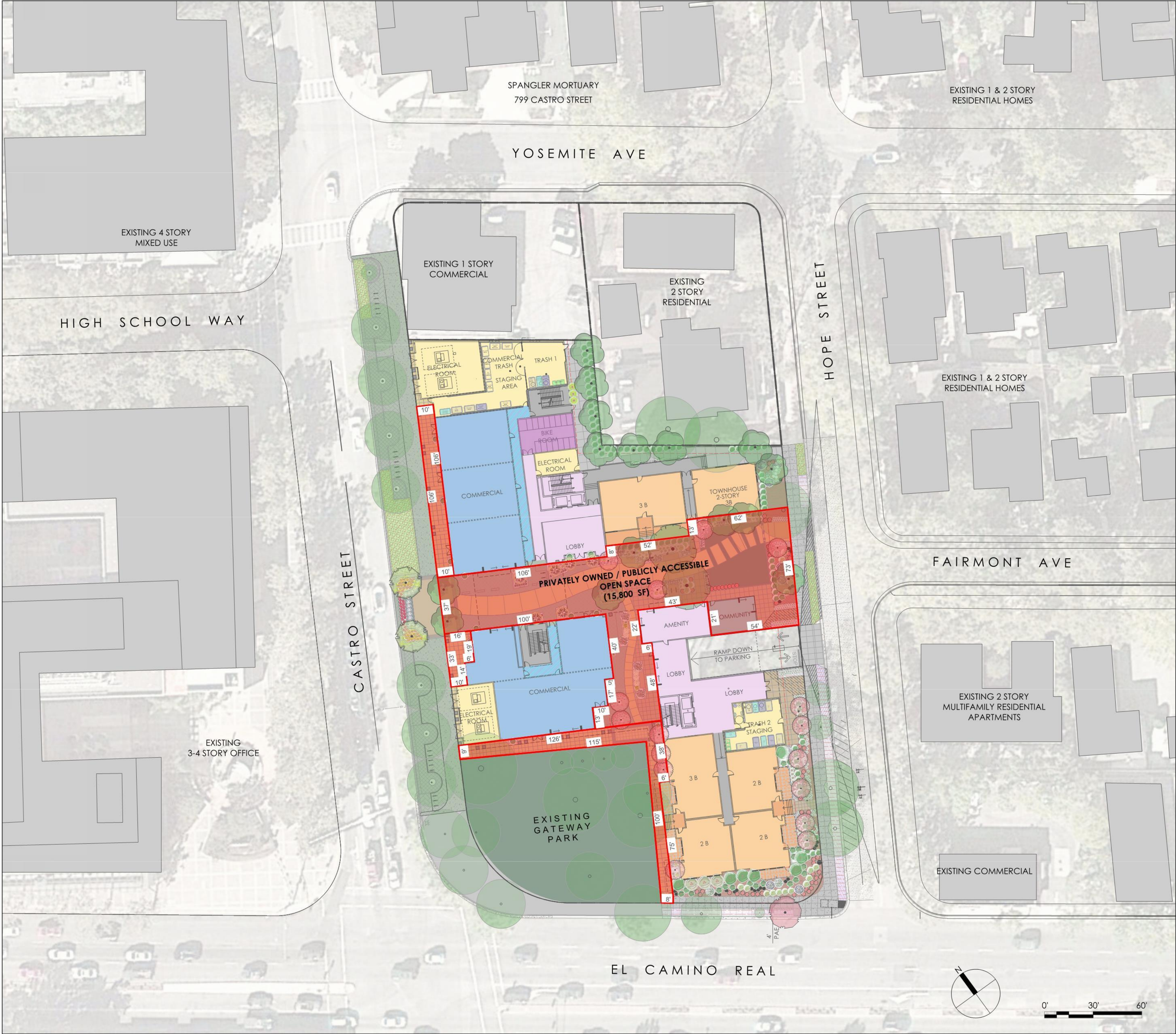
Attachment

Table 3: List of Requested Waivers

Reference	Development Standard	Waiver Request	Reason for Waiver
Building Height			
DTPP Area J, Part B.2; Page 112	• <u>Castro Street frontage</u>: 4 stories and 55' • <u>Hope Street frontage</u>: 3 stories and 35', and the third floor must be "tucked into the roofline so that the building looks like a two-story structure." • <u>Castro Street/El Camino Real block</u>: 4 stories and 55'	• <u>Castro Street frontage</u>: The Project requests a waiver to provide 8 stories and 92' to roofline. • <u>Hope Street frontage</u>: The Project requests a waiver to provide 3 stories and 37' north of the paseo (without a "tucked" third story) and 8 stories and 92' to roofline south of the paseo. • <u>Castro Street/El Camino Real block</u>: The Project requests a waiver to provide 8 stories and 92' to roofline.	The Project as designed exceeds both height limit metrics (stories and measurement). Therefore, the applicable building height development standards here would physically preclude construction of the proposed Project. The Project's proposed height is required in order to accommodate the number of bonus units permitted, including the proposed affordable housing units. The proposed heights also provide an opportunity for a diversity of forms and better design.
Rear Yard			
DTPP Area J, Part B.4; Page 113	• <u>Castro Street frontage on blocks between Church Street and Fairmont Avenue</u>: minimum 15' or distance equal to height of adjacent building wall as measured to top of wall plate	• Although the Project complies with this rear yard requirement on the first and second floors, it fails to do so starting on the third floor and above and requests a waiver for these exceedances.	The applicable rear yard development standard here would physically preclude construction of the proposed Project at the density allowed under Density Bonus Law. The Project's proposed massing would accommodate the additional bonus units at the Project's higher floors, which is necessary to achieve the project density, including the proposed affordable housing units. In particular, the rear yard setback increases as the building height increases, so the area available for building mass becomes constrained as height increases. However, efforts were made to locate upper level units away from neighboring residential areas.

Attachment 1

POPA Site Plan



KEYNOTES:

1

BUILDING FOOTPRINT

2

PASEO ENTRANCE ON CASTRO STREET

3

PROPERTY LINE

4

1'-6" PLINTH FROM GROUND LEVEL

5

LINE OF BUILDING ABOVE

6

NEW PASEO AT FAIRMONT AVENUE RIGHT OF WAY. SEE LANDSCAPE PLAN FOR ENHANCED DETAILS

7

ELEVATORS

8

STAIRS

9

TRASH ROOM AND UTILITY

10

LOBBY

11

LOADING ZONE

12

RAMP TO BASEMENT STARTING WITH BLEND RAMP

13

PARKING STALLS

14

TRASH STAGING

15

BIKE ROOM (LONG TERM)

16

TRANSFORMER ROOM

17

TRASH MANAGEMENT RAMP FOR PULLING BINS TO STREET LEVEL

18

PARKING ENTRANCE GATE

19

CARD READER/ISLAND

LEGEND

COMMUNITY ROOM

TRASH AND UTILITY ROOM

AMENITY SPACE

COMMERCIAL

CIRCULATION

RESIDENTIAL

RESIDENTIAL PORCH

LONG TERM BIKE PARKING

- NOTE:
1. THE PROPOSED SIGNS ARE FOR INFORMATIONAL PURPOSE ONLY

2. THE LONG-TERM BIKE PARKING ROOMS WILL BE SECURED BY KEYPAD, UTILIZE VIDEO SURVEILLANCE CAMERAS, AND ACCESSIBLE TO AUTHORIZED RESIDENTS & PERSONNEL ONLY

3. CLEARLY VISIBLE SIGNAGE TO BE POSTED FOR BIKE PARKING AREA RACKS

4. THE ACCESS WALKS FROM TRASH ROOMS #1 AND #2 WILL BE ON BROOM FINISHED CONCRETE

CASTRO COMMONS

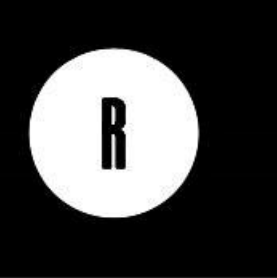
MIXED -USE
DEVELOPMENT
MOUNTAIN VIEW,
CALIFORNIA



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CONSULTANTS

REVISION

02.12.24

FORMAL PLANNING SUBMITTAL

06.28.24

FORMAL PLANNING RE-SUBMITTAL #1

10.31.24

FORMAL PLANNING RE-SUBMITTAL #2

11.29.24

FORMAL PLANNING RE-SUBMITTAL #3

02.28.25

FORMAL PLANNING RE-SUBMITTAL #4

05.15.25

FORMAL PLANNING RE-SUBMITTAL #5

09.19.25

ZONING ADMINISTRATOR SUBMITTAL

PROJECT NO. 37.668

DATE 02.01.24

DRAWN BY

SCALE AS SHOWN

CHECKED BY

PROPOSED
SITE PLAN

A-1

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