



## AGENDA REPORT SUMMARY

**Meeting Date:** September 20, 2022

**Subject** 330 Distel Circle Multiple Family Affordable Housing Development Project

Consider finding the project exempt from environmental review under Section 15332 (Class 32) of the California Environmental Quality Act (CEQA), and consider approval of the Design Review Permit and Conditional Use Permit for a 90-unit multiple family residential affordable rental housing development project at 330 Distel Circle (Application Nos. D22-0002 and CUP22-0001)

**Prepared by:** Radha Hayagreev, Consulting Senior Planner

**Reviewed by:** Steve Golden, Interim Planning Services Manager  
Nick Zornes, Development Services Director

**Attachment(s):**

1. Draft Resolution 2022\_XX with findings and Conditions of Approval
2. Notice of Exemption – Class-32 Categorical Exemption and Supporting Documents
3. Memorandum of Understanding between City of Los Altos and County of Santa Clara executed January 28, 2021.
4. Applicant's Density Bonus Report
5. August 18, 2022, Joint Planning Commission and Complete Streets Commission Agenda Report and Meeting Minutes
6. March 22, 2022, Story Pole Exemption minutes and conformance documents
7. Project Design Plans

**Initiated by:**

EAH Housing, Property Owner, and Applicant

**Previous Council Considerations:**

October 27, 2020: Memorandum of Understanding with the County of Santa Clara for an Affordable Housing Project at 330 Distel Circle

April 27, 2021: Affordable Housing Update and Introduction of the Affordable Housing Developer

January 11, 2022: City Council/Planning Commission Joint Study Session with Planning Commission – Project Pre-Application  
March 22, 2022: Story Pole Exemption hearing

**Fiscal Impact:**

Payment of Traffic Impact and Park In-lieu Fee will be waived for this project pursuant to the executed Memorandum of Understanding between the city of Los Altos and county of Santa Clara dated January 28, 2021 (Attachment 3). Pursuant to Section 3.52.030 of the Los Altos Municipal Code (LAMC) the project is exempt from paying the Public Art In-lieu Fee since the project is a 100 percent affordable housing project and are not considered into the contribution rate that the in-lieu fee is based on.

**Environmental Review:**

This project is categorically exempt from environmental review under Section 15332 (Class 32) of the California Environmental Quality Act (“CEQA”) because it is an in-fill development on a site in an urban setting that is under five-acres in size that is substantially surrounded by urban uses and does not contain significant natural habitat for endangered species (in that the project site is already developed with urban uses). The development proposal is consistent with the General Plan and Zoning Ordinance, as set forth in this staff report does not result in any significant effects related to traffic, noise, air or water quality, and is adequately served by all required utilities and public services, and none of the exceptions stated in CEQA Guidelines Section 15300.2 to applicability of the exemption are present. A more thorough and detailed analysis including supporting documentation is contained in Attachment 2.

**Policy Question(s) for Council Consideration:**

- Does the proposal meet the required findings for design review and conditional use permits per the Los Altos Municipal Code?

**Summary:**

- The project includes the demolition of the existing one-story, 12,120 square-foot., single-story office building, removal of nineteen trees, preservation of eight trees, and removal of the surface parking lot to construct a new five-story residential building on a 0.87 acre lot.
- The Applicant proposes a five-story multiple-family residential building that would have 90 residential rental units with 88 below market rate (BMR) units and two market rate manager units.
- Pursuant to State Density Bonus Law and the city of Los Altos Density Bonus Ordinance, 100 percent affordable projects that are within ½ mile of a Major Transit Stop are eligible for: four concessions; an increased building height of 33 feet or three-stories; and elimination of vehicle parking requirements. The Applicant seeks concessions to deviate from the zoning district standards for front yard

setback, private open space, building massing and articulation with the upper story step-back, and reduced requirements for EV Ready parking spaces. There is no requirement to approve development waivers for this type of project but the Applicant requests waivers for the design of the interior courtyard, building materials, and location and screening of the temporary refuse staging area. The Project includes 90 vehicle parking spaces.

- A Design Review Permit and Conditional Use Permit approval is required for the proposed project. The Complete Streets Commission and the Planning Commission have reviewed the proposal at a public meeting and recommend approval of the project.

**Staff Recommendation:**

Determine the project is exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) and approve a Design Review Permit (D22-0002) and Conditional Use Permit (CUP22-0001) with the inclusion of the density bonus, concessions and waivers to construct a 90 unit five-story multiple-family residential building per the findings and conditions contained in the resolution (Attachment 1).

**Purpose:**

To review and consider a request for a design review permit and conditional use permit to allow the construction of a 90-unit five-story 100 percent affordable multiple-family residential project at 330 Distel Circle.

**Background:**

Site Setting and Project Description

The project site (APN 170-04-051) is a 0.87-acre parcel located at 330 Distel Circle which is close to the El Camino Real corridor in northern Los Altos. The project site is designated as ‘Thoroughfare Commercial’ in the General Plan and zoned CT (Commercial Thoroughfare). The Applicant requests approval for Design Review and Conditional Use Permits for a new multiple-family development project. The proposed project (Project) includes a five-story apartment building with 90 rental units, consisting of 88 affordable units and two market rate manager units. The first/ground floor is comprised of common building amenities including common amenity spaces, tenant administrative offices, tenant coworking space, trash collection and sorting room, a bike locker room for 45 bicycles, and 90 vehicle parking spaces that includes eight at grade parking spaces and 82 parking spaces on a mechanical parking lift system. The second floor has a 5,530 square-foot common open space courtyard and the second thru fifth floor contains the 90 residential units.

The Planning Commission Agenda Report contains more technical details of the project and site development standards (Attachment 5)

### SB 330

Development project applications submitted after January 1, 2020, are subject to SB 330, the Housing Crisis Act of 2019. The application was submitted on March 3, 2022; therefore, the project is considered an SB 330 project and is subject to the maximum five hearing limitation.

One public hearing was already conducted on March 22, 2022, for the Applicant's request to the City Council for an exemption to the requirement for the installation of story poles pursuant to the Council's Open Government Policy.

The second public hearing was on August 18, 2022, for a joint public hearing with the Complete Streets Commission and Planning Commission where the project was unanimously recommended approval to the City Council.

### Housing Accountability Act

Pursuant to the Housing Accountability Act, Government Code Section 65589.5, if a housing development project complies with all applicable objective standards imposed by the City, then the City has limited discretion to condition the project, and it may not deny a conditional use permit or other discretionary entitlement for the project or approve the project at a lower density unless the approval authority finds that the project "would have a specific, adverse impact upon the public health or safety." A "specific, adverse impact" means "a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete."

In addition, since at least 20 percent of the units in the project would provide housing for households at or below 60 percent of Area Median Income, per Government Code Section 65589.5 (d), the City cannot deny the project or approve it subject to conditions of approval that would make the project infeasible for housing at the levels of affordability proposed, unless one of the following findings can be made:

1. *The City has met its RHNA targets for the current housing cycle at each of the affordability levels proposed for this project;*

Staff Review: *The findings cannot be made.* The city has not met its RHNA targets for the current housing cycle at each of the affordability levels of the project.

2. *Denial or the imposition a condition of approval that would have the effect of rendering the project infeasible for affordable housing is necessary to avoid a violation of state or federal law;*

Staff Review: *The findings cannot be made.* The city has not imposed a condition of approval or recommends denial that would result in rendering

the project infeasible for affordable housing to avoid a violation of state or federal law.

3. *The project site is located on land for agriculture or resource preservation and either: (1) the site lacks adequate water or wastewater facilities, or (2) the project site is surrounded on at least two sides by land used for agriculture or resource preservation;*

Staff Review: *The findings cannot be made.* The project site is in an urban infill site, surrounded by urban land uses and has an existing functional facility with adequate water and wastewater services.

4. *The project would have a specific, adverse, and unmitigable impact on public health or safety; or*

Staff Review: *The findings cannot be made.* The project site does not have a specific, adverse and unmitigable impact on public health. The project will be considered as a Class 32 categorical exemption pursuant to the guidelines and standards under the California Environmental Quality Act and a detailed analysis has been conducted to make this determination. There is no specific, adverse, or unmitigable impact on public health or safety as a result of the proposed project.

5. *All the following are true: (1) the project is inconsistent with the zoning ordinance; (2) the project is inconsistent with the applicable general plan land use designation; (3) the City has a certified Housing Element; and (4) the project site is not identified in the Housing Element inventory or is proposed at a greater density than projected in the inventory.*

Staff Review: *The findings cannot be made.* The project is consistent with the zoning ordinance and applicable general plan land use designation, and the city has a certified Housing Element. The city is currently updating the Housing Element (6th cycle) and the public available draft does not identify the project site as a housing opportunity site.

### Story Pole Installation

On March 22, 2022, the City Council approved an exemption to the story pole installation for this development project. As an alternative, the Applicant was required to install additional billboard signs which included an additional 3D rendering of the proposed project from the residential neighborhood on Marich Way. The billboard signs including the additional 3D rendering were installed per the approved plans on May 12, 2020, as verified by staff. Per the story pole policy, the requirement is for the story poles to remain

installed 30 days prior to any public hearing approval. Refer to Attachment 6 for details of the installed poles and compliance provided by the applicant.

#### Joint Complete Streets Commission and Planning Commission Hearing

On August 18, 2022, the Complete Streets Commission (CSC) and Planning Commission (PC) held a duly noticed Joint Commission public meeting to consider the Project.

Pursuant to Section 14.78.090 of the Zoning Code, an application for Council design review shall be subject to a multimodal transportation review and recommendation to the PC and Council by the CSC as part of the approval process in order to assess potential project impacts to various modes of transportation such as but not limited to bicycle, pedestrian, parking, traffic impacts on public streets, and/or public transportation. Following the discussion, the CSC voted 5-0 to recommend approval of the Project to the PC and Council subject to the finding and conditions of approval that are included into the draft resolution. The Joint Commission meeting agenda report and minutes is contained in Attachment 5 of this agenda report.

At the Joint Commission meeting, the PC reviewed the Design Review and Conditional Use Permit aspects of the project. Following their discussion of the proposed Project, the PC voted 6-0 to recommend Council consideration that the project is exempt from further environmental review in compliance with CEQA statutes and guidelines, approval of the Design Review Permit and Conditional Use Permit with the inclusion of the density bonus, concessions, and waivers, subject to the findings and modified conditions of approval in the resolution (Attachment 1). The August 18, 2022, Joint Commission agenda report and minutes is included in Attachment 5.

#### **Discussion/Analysis:**

This section is intended to be a summarized version of staff's complete evaluation and analysis of the project for conciseness. As referenced above and included as attachments, staff refers readers to the August 18, 2022 Joint Complete Streets and Planning Commission agenda report and meeting minutes (Attachment 5) for a more detailed analysis.

The city of Los Altos is partnering with the county of Santa Clara for this proposed 100 percent affordable housing project. A Memorandum of Understanding (MOU) (Attachment 3) was executed between the City and County on January 28, 2021, memorializing the expected purchase agreement by the County for the property from Midpeninsula Open Space District and the commitment to develop a 90-unit affordable housing project with certain affordability levels and the city's commitment to waive 100 percent of the project's development impact fees.

The applicant proposes to demolish the existing building and construct a five-story building with 90 residential rental units, an at grade parking garage with 90 parking spaces including

electric vehicle (EV) charging spaces, a bike room to accommodate 45 Class I bike parking spaces and ten outdoor Class II bike parking spaces, a large open space in the rear portion of the property at the second floor and other common amenities for the residents on the first floor (Project). The Project will install landscaping on the project site and will replace the public sidewalk, curb and gutter, and driveway approach along the project frontage on Distel Circle.

The proposed 90-unit residential project is 100 percent affordable exclusive of two manager units. Pursuant to the State Density Bonus Law and the Los Altos Density Bonus Ordinance (Chapter 14.28, Article 2), provisions for 100 percent affordable projects within half mile-distance from a major transit stop, the Project qualifies for an unlimited density bonus, four concessions, a building height increase of up to three stories or 33ft increase that doesn't count as a concession, and no parking is required. In addition to requesting concessions, the Applicant is requesting development waivers; however, per the State Density Bonus Law, development waivers are optional for 100 percent affordable projects within one-half mile of a major transit stop since the project is entitled up to a 33-foot building height increase; therefore, the approval of development waivers are at the discretion of city council approval. Further details regarding the proposed project, density bonus provisions, and Council findings are discussed below.

#### General Plan Conformance

The draft resolution (Attachment 1) and Planning Commission Agenda Reports (Attachment 5) provide findings and details how the project conforms to the city's General Plan. This includes the project's conformance with the goals and policies for the Land Use Element, Community Design, and Housing Element. As discussed in other sections of this report and the Planning Commission Report, the Applicant will construct a total of 90 residential units with 88 affordable units and improvements to the pedestrian streetscape, all of which are consistent with the General Plan Land Use and Housing Element policies. Although, the height and density of the proposed building is greater than what is allowed for a non-affordable project in the CT zoning district, they are similar with other approved buildings along the El Camino Real Corridor and in conformance with the Community Design and Land Use Elements that suggest intensification of uses in this area of the city.

#### Zoning District and Other Development Standards

The proposed Project is within the Commercial Thoroughfare (CT) Zoning District. As detailed in the Planning Commission Agenda Report (Attachment 5), the Project is consistent with applicable objective development standards with the inclusion of the four requested density bonus concessions and three additional discretionary waivers. The requested concessions include: a 10-foot front yard setback, whereas 25 feet is required; a reduction of the required open space from an average of 50 square feet for the total units to 25 square feet; elimination of the required 10-foot step-back from the ground floor façade for the upper stories of the building above 45 feet in height; and a reduction in the number of EV ready parking spaces that would normally be required under the city's adopted REACH codes.

With regards to development waivers, the Applicant is requesting that the interior courtyard not be visible and accessible to the public street that is normally required; the use of wood as a foundation/base material that is not listed as an allowable material, and the use of the public street for a temporary refuse staging area for pickup that is required to be screened and located on-site.

The concessions and waivers are analyzed in detail in the Planning Commission staff report (Attachment 5) and further discussed below in the Density Bonus and Affordable Housing section.

### Affordable Housing and Density Bonus

#### *Affordable Unit Distribution*

Per the MOU (Attachment 3) executed between the city of Los Altos and the county of Santa Clara, the proposed housing project was anticipated to provide “a minimum of 90 units, with 100% of the units restricted to occupants earning 80% or less of the area medium income (AMI), with a minimum of 5% earning 30% or less of the area medium income (AMI), 50% earning 50% or less of the area medium income (AMI), and 45% earning 80% or less of the area medium income (AMI).”

The Applicant proposes 90 residential rental units with 88 affordable units and two market rate units to be used for manager units distributed in the income categories as found in the table below:

Unit Mix – 330 Distel		AMI				Unit Total	Unit Mix
	SQFT PU	30%	50%	60%	80%		
SRO/Efficiency	465	14	3	7	-	24	27%
1-BR	645	9	3	7	1	20	22%
2-BR	965	12	3	4	2	21	23%
3-BR	1140	10	3	7	3	23	26%
4-BR	0	-	-	-	-	-	0%
MGR	965					2	2%
<b>Unit Total</b>		45	12	25	6	<b>90</b>	100%
<b>Affordability Dist.</b>		50%	13%	28%	7%	100%	
<b>Average Affordability</b>	<b>44.66%</b>						

The table below is a comparison of the affordable units anticipated in the MOU as compared to the affordable units offered by the Applicant.



<b>Affordability</b>	<b>MOU</b>	<b>Proposed</b>
30% AMI (Extremely- Low)	5% (4.5 Units)	50% (45 units)
50% AMI (Low)	50% (45 Units)	13.3% (12 units)
80% AMI (Moderate)	45% (40.5)	34.4% (31 units)

The Applicant’s proposal offers more units in the extremely-low income category than the MOU, a higher number of units in the low-income category<sup>1</sup>, and a lower number of units in the moderate-income category. Overall, since the number of extremely-low and low-income units is more than what was anticipated when the MOU was executed and contributes more of those units towards the city’s Regional Housing Needs Assessment (RHNA) goals, this proposal will be a significant contribution to the BMR units. While the Applicant has included the unit types (i.e. bedroom count) in their proposal for each income category, the Applicant is committing to an overall number of units in each income category and requests flexibility in achieving the right mix of unit types for the project. In response to the applicant's request for flexibility within each BMR category, and as modified in Condition #2 of resolution (Attachment I), only the total number of units at each income level is specified under each category. Furthermore, this unit count for each income category will be stated in the Affordable Housing agreement document upon approval of the project.

Typically, with a market rate residential project that includes affordable units, there is more of an equity concern regarding the type and distribution of affordable units compared to the market rate units; however, here the project is a 100 percent affordable project, so there isn’t a concern. Aside from the city’s requirements, the Applicant will need to maintain an average affordability level across all units to satisfy certain funding requirements for the affordable housing project.

*Density Bonus*

The proposed 90-unit residential project is a 100 percent affordable project exclusive of two manager units. As such, pursuant to the State Density Bonus Law (Government Code Section 65915) and the Los Altos Density Bonus Ordinance (LAMC Chapter 14.28, Article 2), the project is eligible for a density bonus, development concessions, and elimination of parking requirements. Per the Commercial Thoroughfare (CT) zoning district standards (Section 14.50.080 LAMC), the maximum permitted residential density is 38 dwelling units per net acre which would allow up to a maximum of 33 units on the project site. With density bonus, there is no maximum density limitation since 100 percent of the housing units will be affordable and the project is located within one-half mile of a major transit stop. (Table D of the Appendix to the Affordable Housing

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<sup>1</sup> For the purposes of determining overall low-income units, all extremely-low income units are also considered low-income.

Ordinance (Chapter 14.28 LAMC) and State Density Bonus Law (Government Code Section 65915 (f)(3)(D)(ii)).

Per State Density Bonus Law Section 65915(o)(4) “major transit stop” includes an existing rail or bus rapid transit station. The project site is 0.4 miles to a major transit bus stop at El Camino Real and Showers Drive since VTA Rapid line 522 makes a stop at this location (see Attachment 5); therefore, the project is within one-half mile of a major transit stop as defined in the State Density Bonus Law and is eligible for unlimited density.

*Density Bonus Concessions*

Per State Density Bonus Law and the Los Altos Density Bonus Ordinance (Chapter 14.28 LAMC, Article 2), projects providing 100 percent affordable units including the density bonus units, exclusive of manager’s units, are entitled to four development concessions. The table below summarizes the four concessions requested by the applicant that are detailed further in the applicant’s submitted Density Bonus report (Attachment 4) including the project’s eligibility for the density bonus allowances, the concession and waiver requests and justification for the requests.

	<b>Standard (in CT zone)</b>	<b>Proposed</b>	<b>Concessions and Waivers</b>
Front Setback LAMC 14.50.090	25ft	10ft	Concession -1
Private Open Space LAMC 14.50.150	Not required for every unit, average 50 sq. Ft. shall be provided for the total number of dwelling units. For 90 units 4,500 sq. ft	25 sq. Ft. Average  2,550 sq. ft.	Concession - 2
Design Control 14.50.170 B (1) Building Massing and articulation. Upper Story Step-Back	Min 10ft from ground floor façade for stories above 45ft in height (top story)	No step back	Concession-3
Reduced Standards for Los Altos REACH codes for EV Ready charging points for affordable housing projects to meet reduced requirement	EV2 ready spaces – 9 EV1 ready spaces – 81	Meets affordable housing 10% EV2 ready spaces. (2019 code)  Proposed EV2 ready - 9	Concession – 4

which is 10% EV2 ready spaces of total of 9 spaces in total.			
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All requested concessions in the proposed project are off-menu concessions per the Los Altos Density Bonus Ordinance. Pursuant to Govt Code Section 65915(d)(1), a concession request must be granted unless the City Council is able to make one of the following findings:

- A. The concession or incentive does not result in identifiable and actual cost reductions, consistent with subdivision (k), to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).
- B. The concession or incentive would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households.
- C. The concession or incentive would be contrary to state or federal law.

A thorough analysis for each requested concession and justification that none of the above findings can be made is included in the August 18, 2022 Joint Commission Agenda Report (Attachment 5). The Planning Commission and staff recommend approval of the concession requests and are included in the draft resolution (Attachment 1) since none of the above findings can be made. With regards to the request for a reduction of Electric Vehicle (EV) Ready parking spaces, the Applicant would only be eligible for a reduction or elimination of the REACH code requirement adopted by the city, but the California Building Standards (“Building Code”) would still apply. The city’s increased requirements for EV parking under the city’s adopted REACH codes are the city’s local amendment to the Building Code, but under State Density Bonus Law, a developer cannot receive a development concession for a requirement under state law; therefore, the standards under the Building Code and more specifically the mandatory measures for EV parking under the California Green Building Standards Code would still apply..

*Development Waivers*

In addition to requesting concessions, density bonus projects are typically eligible for waivers of any development standards that would physically preclude the construction of a project with the density bonus and the concessions to which the development is entitled; however, per the State Density Bonus Law, development waivers are optional for 100 percent affordable projects within one-half mile of a major transit stop since the project is entitled up to a 33-foot building height increase and are at the discretion of City Council

approval. The applicant has requested three development waivers that are necessary to construct the project as proposed as found in the table below:

	<b>Standard (in CT zone)</b>	<b>Proposed</b>	<b>Waivers</b>
Design Control 14.50.170 C (5) a. Building Design. Interior Courtyard.	Interior courtyard must be partially visible from the street and linked to the street by a clear accessible path of travel	Raised courtyard on level 2 not visible from the street. Access to courtyard and exit via stair.	Waiver-1
Design Control 14.50.170 D (4) a. Materials. Materials Defining Building Elements.	For multistory elements, the base of the building shall be defined by a distinct material selected from among the following: stone, brick, concrete, CMU, or stucco (“base material”)	Wood serves as a distinct material	Waiver-2
CT required conditions 14.50.060 C. 2. Access and screening of refuse collection	Every development will be required to provide suitable space on-site for solid waste separation, collection, storage and pick up and shall site these in locations that facilitate access, collection, and minimize any negative impact on persons occupying the development site, neighboring properties, or public right-of-way	Solid waste separation, collection and storage are on-site, but the pickup is proposed to be in the service staging area on the public right-of-way	Waiver-3

A waiver cannot be granted if doing so would violate state or federal law or if the waiver would have a specific, adverse impact on public health or safety that cannot be mitigated feasibly, or on real property listed in the California Register of Historic Resources. Also, ordinarily an applicant must demonstrate that denying the waiver would physically preclude the applicant from constructing a project that the applicant wants to construct at the allowed density and with the concessions granted. Because the waivers requested here are optional and no density limit applies to the project, other relevant factors may be

considered. These factors may include, for example, the ability to provide parking even though no parking is required for the project (as discussed below), the desire otherwise to maximize the use of the site for affordable housing or to provide suitable amenities and services to residents, cost savings for affordable housing (like with a concession), the inability to achieve a concession or to realize its cost saving benefits without a waiver, or flexibility to achieve a superior design.

The project is a 100 percent affordable project, exclusive of the managers units, with 63 percent of the units for Very Low and Extremely Low-Income households, the City is a co-sponsor of the project, and the project will help the City meet Regional Housing Needs Allocation (RHNA) targets at multiple affordability levels. Additionally, the requested development waivers as further discussed and detailed in the Joint Commission Agenda Report (Attachment 5) will result in a superior architectural design that provides for resident amenities such as on-site parking and other common amenities that would not otherwise be required for this residential development project. Therefore, the Planning Commission and staff recommends granting the optional waivers and are included in the draft resolution (Attachment 1).

#### *Parking Reduction*

Pursuant to Government Code Section 65915 (p)(3), and Section 14.28.040 Table F of the Los Altos Density Bonus Ordinance, any project that is 100 percent affordable and has unobstructed access to a major transit stop located within a one-half mile radius does not require any vehicle parking. This special parking reduction is allowed in addition to any requested development concession or waiver. In lieu of the required parking elimination, the Applicant proposes 90 parking spaces in a parking garage accessed at grade.<sup>2</sup> The garage is located on the first floor of the project which has two rows of parking stalls with a 24-foot drive aisle. One row of parking stalls contains 69 parking stalls within a mechanical parking lift system. The lift system is designed as a three-level stacking solution with one level of parking platforms lowered into a pit, a second level at grade, and third stacked above. The opposite row contains regular at-grade stalls.

Since, vehicle parking requirements are eliminated for this project per Density Bonus Requirements, any parking provided exceeds the minimum required. Additional discussion is provided in the August 18, 2022 Joint Commission Report (Attachment 5).

#### Discretionary Permits

The project requires a Design Review Permit and a Conditional Use Permit, as summarized below and discussed in greater detail in the Joint Commission Agenda Report (Attachment 5). Because at least 20 percent of the units in the project would provide housing for households at or below 60 percent of Area Median Income, the Housing Accountability

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<sup>2</sup> Since parking is being provided, minimum requirements for accessible parking and electric vehicle charging must be provided consistent with Building Code requirements.

Act states at Government Code Section 65589.5(d) that the City cannot deny the project or approve it subject to conditions of approval that would make the project infeasible for housing at the levels of affordability proposed, unless one of the following findings can be made:

1. The City has met its RHNA targets for the current housing cycle at each of the affordability levels proposed for this project;
2. Denial or the imposition a condition of approval that would have the effect of rendering the project infeasible for affordable housing is necessary to avoid a violation of state or federal law;
3. The project site is located on land for agriculture or resource preservation and either: (1) the site lacks adequate water or wastewater facilities, or (2) the project site is surrounded on at least two sides by land used for agriculture or resource preservation;
4. The project would have a specific, adverse, and unmitigable impact on public health or safety; or
5. All the following are true: (1) the project is inconsistent with the zoning ordinance; (2) the project is inconsistent with the applicable general plan land use designation; (3) the City has a certified Housing Element; and (4) the project site is not identified in the Housing Element inventory or is proposed at a greater density than projected in the inventory.

Even if one of the foregoing findings can be made, under Government Code Section 65589.5(j), the project must be approved at the density proposed if it complies with all applicable objective standards, unless the project would have a specific, adverse, and unmitigable impact on public health or safety, as defined in the statute. A project is deemed to be consistent with an objective standard unless notice of inconsistency was provided to the applicant pursuant to Government Code Section 65589.5(j)(2).

#### Design Review Permit

To approve the project as proposed by the applicant, the City Council must make positive design review findings as outlined in Section 14.78.060 of the LAMC and found below. A more complete analysis of the design review can be found in the Joint Commission Agenda Report (Attachment 5). The Planning Commission recommended positive design review findings as summarized below and contained in the draft resolution (Attachment 1).

1. *The proposal meets the goals, policies and objectives of the general plan and any specific plan, design guidelines and ordinance design criteria adopted for the specific district or area.*

The project meets the goals and policies for the El Camino Real Corridor under the Special Planning Area in the Land Use Element, Community Design and Historic Resources Element, Housing Element and Economic Development Element. Together these elements discourage exclusive office use and promote inclusion residential development, encourage affordable housing projects, increased height for residential development, intensification of development to be compatible to the opposite side of the El Camino Real Corridor and streetscape improvement and pedestrian friendly streetscape designs. The project is a multiple family residential project that includes affordable housing with a proposed building height that is compatible with other residential projects on El Camino Real. The Planning Commission agenda reports provide details of the project's compliance with the design criteria adopted in the Commercial Thoroughfare district.

2. *The proposal has architectural integrity and has an appropriate relationship with other structures in the immediate area in terms of height, bulk and design.*

The proposal demonstrates architectural integrity since it complies with the objective design standards except for those requested exceptions per density bonus concessions and waivers. The proposed building is five stories which is similar to existing or proposed structures in the vicinity which are four to five stories and similar in scale and proportion. The relationship of this proposal with the neighboring structures and that of the recently approved projects in the area will result in harmonious buildings as envisioned in the General Plan for this zone and the El Camino Corridor Special Planning Area.

3. *Building mass is articulated to relate to the human scale, both horizontally and vertically. Building elevations have variation and depth and avoid large blank wall surfaces. Residential or mixed-use residential projects incorporate elements that signal habitation, such as identifiable entrances, stairs, porches, bays, and balconies.*

The project conforms to the city's adopted objective design standards with eligible concessions and waivers as noted in the agenda report. The bulk and massing have been appropriately scaled using architectural design elements such as metal screens, façade material separation into primary and secondary bays, and mass timber canopy at the first floor to articulate the human scale. The first-floor landscaping and primary façade make an inviting space and there are defined entrances to with projecting wooden pergola elements which signal habitation while providing human scale design at the first story. Fenestration details provide a connection between the outside and inside space enhancing the signs of habitation.

4. *Exterior materials and finishes convey high quality, integrity, permanence and durability, and materials are used effectively to define building elements such as base, body, parapets, bays, arcades, and structural elements. Materials, finishes, and colors*

*have been used in a manner that serves to reduce the perceived appearance of height, bulk, and mass, and are harmonious with other structures in the immediate area.*

The exterior base material is mass timber which is an alternative to the standard list of base materials; however, the applicant requests a development waiver. The mass timber conveys a high-quality character and durable finish to the structure while rendering a warm welcoming experience to the pedestrian environment. The exterior material of the upper floors is primarily stucco with highlights of wood panels, metal railings, wood composite railings and white metal and vinyl windows. All facades show accents of perforated metal screens which provide relief to a long façade in addition to the primary and secondary bays. The materials above in the second thru fifth floor are alternating dark grey and light grey stucco to highlight the primary and secondary bays. Each floor has a horizontal band showing visual separation for each floor. These materials and finishes are used in the manner to reduce the bulky nature of the five-story building and are harmonious with the other structures in the immediate area.

- 5. Landscaping is generous and inviting, and landscape and hardscape features are designed to complement the building and parking areas, and to be integrated with the building architecture and the surrounding streetscape. Landscaping includes substantial street tree canopy, either in the public right-of-way or within the project frontage.*

Landscaping is generous and inviting. The project incorporates hardscape and softscape features at the lobbies and entrances to signify entry elements. The tree canopy is substantial along the main Distel Circle side as well as the side setback areas. The landscape plan proposes six new street trees along the project's Distel Circle frontage. There are twenty-seven peripheral trees and shrubs proposed along the side and rear setback. An additional six trees are proposed in planter boxes with other landscape features in the interior private courtyard space. The landscaped courtyard area also includes amenities such as play mounds, waterlily balance play structure, community garden planters, and gathering space with seating areas.

- 6. Signage is designed to complement the building architecture in terms of style, materials, colors, and proportions.*

The architectural rendering indicates entrance signage which complement the building architectural style. A sign permit review is required if the project is approved.

- 7. Mechanical equipment is screened from public view and the screening is designed to be consistent with the building architecture in form, material, and detailing.*



The rooftop mechanical and other mechanical equipment appear to be set inside and appropriately screened from public view using a roof screen which is consistent with the building. Surface area for photovoltaic panels are set inside from the parapet line on the rooftop. These are consistent with the building architecture in form, material, and detailing.

8. *Service, trash, and utility areas are screened from public view, or are enclosed in structures that are consistent with the building architecture in materials and detailing.*

The main refuse collection room on the first floor is screened from public view and enclosed. Per requested waiver #2, temporary staging of refuse containers is requested to be located on Distel Circle on collection days. The location and design of the service, trash and utility areas are integrated well into the building architecture and is consistent with the rest of the building with the material use and detailing.

#### *Conditional Use Permit Review*

To grant Conditional Use Permit UP19-001, the City Council must make the following findings in accordance with Chapter 14.80.060 of the LAMC and found below. A more complete analysis of the design review can be found in the Joint Commission Agenda Report (Attachment 5). The Planning Commission recommended positive Conditional Use Permit findings as summarized below and contained in the draft resolution (Attachment 1):

1. *That the proposed location of the conditional use is desirable or essential to the public health, safety, comfort, convenience, prosperity, or welfare.*

The proposed multi-family residential building is envisioned as a conditional use in the General Plan and has been reviewed and conditioned for approval for health and safety and environmental considerations. Based upon the technical reports and the categorical infill exemption for the project, there is evidence that the project will have no significant impact on the surrounding community. The project will enhance the affordable housing stock and make available more housing units to enhance comfort, prosperity, and welfare of the community, furthering the City's housing goals.

2. *That the proposed location of the conditional use is in accordance with the objectives of the zoning plan as stated in Chapter 14.02 of this title;*

The project is categorically exempt from CEQA as an infill project and will conform to many of the goals and objectives of the General Plan and complies with the City's inclusionary housing requirements. Pursuant with State Density Bonus requirements, the project complies with the density bonus and is eligible for additional density, concessions, building height increases, and parking reduction standards. Notwithstanding the requested concessions and waivers, the project complies with all

the objectives set forth in Section 14.02.020 of the Los Altos Municipal Code. The project conforms to the City's design objectives, as set forth above with respect to the Design Review Permit findings.

- 3. That the proposed location of the conditional use, under the circumstances of the particular case, will not be detrimental to the health, safety, comfort, convenience, prosperity, or welfare of persons residing or working in the vicinity or injurious to property or improvements in the vicinity.*

Because the project is recommended for a categorically exemption as an infill project, the development of a housing project at 330 Distel Circle will not be detrimental to the health and safety, comfort, convenience, prosperity or welfare of persons residing or working in the vicinity to property or improvements in the vicinity.

- 4. That the proposed conditional use will comply with the regulations prescribed for the district in which the site is located and the general provisions of Chapter 14.02;*

Notwithstanding the density bonus concessions, waivers and approvals which is consistent with State Law, the proposed conditional use of a multi-family residential project complies with the regulations prescribed for the CT district as detailed in the Joint Commission Agenda Report (Attachment 5).

**Options:**

- 1) Approve Resolution No. 2022-XX

**Advantages:** The project will replace an existing office building with a 90-unit affordable multiple-family residential rental development that helps the city meet its goals for producing new affordable housing units at various affordability levels to meet the RHNA goals and is supportive of the General Plan Vision for the El Camino Real Corridor.

**Disadvantages:** The City will lose the office building.

- 2) Do not approve Resolution No. 2020-XX

**Advantages:** The existing office building and surface parking lot will remain.

**Disadvantages:** The City will lose an opportunity to make progress on achieving its goals to produce new housing units and implementation of the General Plan vision for El Camino Real Corridor. The sidewalk

along the frontage of the project will not be replaced with a standard city sidewalk and newer infrastructure. There will be no improvement to Distel Circle.

**Public Notification and Correspondence:**

For this meeting, a public hearing notice was published in the *Town Crier* and mailed to 455 property owners and 534 current tenants within 1,000 feet of the site. A public notice billboard with color renderings was installed along the project's frontages and a modified story pole installation to represent the walls and roof line of the building were installed in conformance with the City Council approved modified story pole design for this project.

Previous public correspondences are included with the Planning Commission agenda reports (Attachment 5) and staff will forward any additional correspondence received to the Council.

**Recommendation:**

The staff recommends Option 1.