



DATE: July 21, 2022

AGENDA ITEM #3

## AGENDA REPORT

**Meeting Date:** July 21, 2022

**Subject:** 4350 El Camino Real – New Multiple-Family Development

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

**Reviewed by:** Steve Golden, Interim Planning Service Manager  
City Attorney's Office

**Initiated by:** Angela and Gregory Galatolo, Property Owner, and Applicant

### ATTACHMENTS:

- A. Draft Resolution 2022\_XX
- B. Initial Study and Mitigated Negative Declaration, duly noticed and circulated
- C. Comments received and responses to comments for the IS-MND
- D. Revised Density Bonus Report and letter
- E. Cover letter and response letter to PC and staff report (May 13, 2022)
- F. Revised Architectural plan set
- G. April 7, 2022, Planning Commission Agenda Report (some attachments removed as noted for clarity and to eliminate duplication with attachments of this report)
- H. April 7, 2022, Planning Commission Meeting Minutes

### RECOMMENDATION:

Recommend to the City Council approval of Multiple-Family Design Review, Conditional Use Permit, Vesting Tentative Map, Density Bonus and Development incentives and Waivers (applications 19-D-01, 19-UP-01 and 19-SD-01 – 4350 El Camino Real) per the findings and conditions contained in the resolution.

### ENVIRONMENTAL REVIEW:

The Notice of Intent to Adopt the Initial Study/Mitigated Negative Declaration (IS/MND) for the 4350 El Camino Real Residential Project was circulated for 30 days from January 11, 2022, through February 14, 2022. The City received two comment letters for the draft IS/MND during the 30-day public comment period from:

- Mountain View Los Altos School District (February 1, 2022)
- California Department of Transportation (Caltrans) (February 9, 2022)

The comment letters with responses to the potential environmental impacts raised in each letter are included in Attachment C. No text revisions to the IS/MND are required.

The comments received do not raise any significant new information or substantial evidence in light of the whole record to warrant recirculation of the MND or preparation of an Environmental Impact

Report per CEQA Guidelines 15064 and 15073.5. The City Council will review and consider the comments and responses prior to making a decision on the project. City Council adoption of the MND and Mitigation and Monitoring Program will be required to approve the project, but no action on the MND is required if the City Council decides to disapprove the project. Refer to Attachment B and C of this staff report for more details.

**PROJECT DESCRIPTION:**

The project site is a 0.66-acre parcel located at 4350 El Camino Real, which is at the southeast corner of the intersection of El Camino Real and Los Altos Avenue in northern Los Altos. The Assessor's Parcel number for the project site is 167-11-041.

The site is currently occupied by a gasoline service station, surface parking, and perimeter landscaping. The gasoline service station includes a 1,466 square-foot gasoline service station building comprising a convenience market and an auto repair shop and there are pump islands for outdoor fueling covered by canopies.

The project site is designated as 'Thoroughfare Commercial' in the General Plan and zoned CT (Commercial Thoroughfare.) The project proposes to demolish the existing gasoline service station buildings, and pump islands and canopies, and remove the asphalt paving and landscaping, and the underground fuel and oil storage tanks, and construct a new five-story residential building with two below-ground parking levels.

The Applicant requests approval applications for Design Review, Conditional Use permit, and a Tentative Parcel Map for a new multiple-family development on a 0.66-acre (28,562 sq. ft.) site at 4350 El Camino Real. The proposal includes 47 for-sale condominium units in 53.85 feet tall, five-story building with two levels of underground parking and a ground level common area at the rear of the building. The proposed design provides 40 new market-rate condominium residences, and seven affordable residences. The following paragraph indicates the revision to the proposal.

The Project unit distribution includes 10 one-bedroom, 31 two-bedroom, and 6 three-bedroom units. The one-bedroom units would range in size from 580 to 774 square feet, the two-bedroom units would range from 767 to 1,449 square feet, and the three-bedroom units would range from 1,023 to 1,675 square feet. The revision to the unit distribution is discussed in detail in section 'Number of Unit Types and BMR Units'

With regards to common space and private open space, the project includes new street trees planted in park strips along the El Camino Real and Los Altos Avenue frontages and landscape areas between the sidewalks and unit entrances on the ground floor, as well as perimeter landscaping along the southern and eastern property lines. A courtyard area that includes seating areas and raised planters is located on the ground floor of the building and provides approximately 12,359 square feet of common open space for project residents. Each unit provides approximately 64 square feet of private open space in the form of either a balcony or patio. There is an additional rooftop deck which has amenities such as a seating area and barbecue space.

**BACKGROUND:**

On April 7, 2022, the Planning Commission held a public meeting to provide feedback on the design review, conditional use permit and subdivision applications for the proposed project and voted 5-0 to

continue the applications and gave direction to the applicant to address specific concerns related to the design of the project and the affordable housing component of the project.

The Commission requested that the applicant address design deficiencies related to the design review findings and the deficiencies in meeting Density Bonus provision requirements as summarized below. Details of the Planning Commission discussion are included in Attachment G and H

The Design Review deficiencies include:

- a. Vertical and horizontal articulation of building massing.
- b. Pedestrian and vehicular entrances to be distinguished.
- c. Use of architectural elements to break up building massing to reduce bulk
- d. Design articulation to provide relief between base, body, and upper floor details.
- e. Detailing of open space to include additional amenities.
- f. Signage to highlight entrances.
- g. Rooftop mechanical screen detailing.

The Density Bonus deficiencies include:

- h. Discrepancy between unit sizes of the affordable units to the overall project unit size
- i. Exclusion of bedroom type in the affordable unit mix.
- j. Distribution of the affordable units across project.

## **DISCUSSION / ANALYSIS:**

On May 20, 2022, the applicant submitted revised architectural plans (Attachment F) and other supporting documents such as response letter, revised density bonus report etc. that reflect responses to Planning Commission direction (see Attachment H). The proposed revisions include changes to several design element deficiencies stated above and updates to the proposed distribution in affordable housing unit sizes (i.e., number of bedrooms.) Please be aware that the discussion and analysis below is limited to the specific changes to the project from the April 7, 2022, Planning Commission meeting and a more comprehensive review of the project is contained in the April 7, 2022, Planning Commission agenda report (Attachment G).

### Design Revisions

The applicant provides a more comprehensive explanation and narrative of the proposed changes with a detailed description of each change and references to sheet numbers is included in the applicant's response letter (Attachment E)

The design plans were in the revised submittal address the inconsistencies by incorporating design changes as detailed below:

- a. The vertical and horizontal articulation of building has been broken down to reflect a material change between floors, including window detailing to reflect residential nature of building, realigning garage door entrance and redesign of façade. The changes in material for the facades help visually break large surfaces into primary and secondary bays ranging from 24ft to 34ft wide that are punctuated by narrower immediate bays ranging from 9ft to 10ft. The primary bays are clad in either plaster or weathering metal, and the secondary bays are clad in masonry, wood, or color contrasting plaster.
- b. Pedestrian and vehicular entrances are shown to be distinguished by adding an entrance lobby canopy, realignment of the garage door in the front façade. The exit stair along Los Altos

Avenue is set back further from the street to create a deeper intermediate bay, as well as lowered its height to the standard parapet height. The stoops at the individual entries facing Los Altos Ave. have been redesigned with decorative painted metal railing standing on masonry stem walls, providing a welcoming appearance. Decorative lighting has been added at the stoop entries.

- c. Revised design has incorporated inset windows, metal railings for balconies on the second to fourth floors, façade material changes to enhance smaller bays and floor delineation, fourth story overhangs, recessed rooftop parapets and additional canopies to reduce mass and bulk of the building. Additional sunshades have been added to the windows along the street level frontages. Projecting eaves at the top of the fourth floor have been emphasized, and projecting metal cap detail (for shadows) has been added at the fourth-floor parapets.
- d. Ground floor facades facing El Camino Real and Los Altos Avenue have been redesigned to have a strong masonry base expression with a precast water table course, as well as a project precast belt course at the level of the second-floor windowsills. The parapet is shown to be recessed on the rooftop and there are overhangs provided on the fourth floor to provide relief between base, body, and upper floor. The base is now clearly differentiated from the building mid-sections, as well as the setback, and more transparent fifth floor.
- e. The courtyard at the rear has been revised to include additional amenities like edible herb planting and sculptural pebbles besides the community seating areas. A small rooftop deck has been added at the corner of the building facing El Camino Real which includes an outdoor grill, seating and gathering space.
- f. The address signage has been conceptually added to the rendered elevations. Rooftop mechanical equipment is shown and is appropriately screened using a mechanical screen design. Parapets are set inside to reduce the bulk of the building.

Based on the proposed design changes discussed above, notwithstanding concessions and waivers requested<sup>1</sup>, the project will maintain consistency with all the objective design standards in the CT zoning district (see Attachment G and H)

Overall, these changes have improved the overall design of the project while presenting a better designed structure for this site. Staff recommends that the Planning Commission consider these positive design review findings found in the draft resolution in Attachment A and/or recommend conditional approval and changes as maybe incorporated in the design as necessary.

#### Number of Unit Types and BMR Units

Pursuant to Section 14.28.030, Standards of the Inclusionary Housing Ordinance, all affordable units in a project “shall be constructed concurrently with market rate units, shall be dispersed throughout the project, and shall not be significantly distinguishable by size, design, construction or materials.”

The project maintains a total of 47 units, but with regard to the overall distribution of unit sizes, the Applicant has reduced the number of two-bedroom units by one unit (31 total proposed) and increased the number of three-bedroom units by one unit (six total proposed) but did not change the number of one-bedroom units (ten total proposed). With regards to the income restricted (or below

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<sup>1</sup> Exceptions for development incentives include increased height, reduced parking aisle widths, and optional that the project is eligible for under Density Bonus Law and discussed as part of the April 7, 2022, Planning Commission agenda report.

market rate [BMR]) units, the applicant exchanged a two-bedroom, moderate income unit with a three-bedroom, moderate income unit and also relocated BMR units throughout the project.

The tables below show the revised unit distribution of the overall project and proposed income restricted units by bedroom count, size, and location.

Overall Units

<b>UNIT TYPES</b>	<b>Number</b> (Percent of Total Units)	<b>Size</b>
1 Bedroom	10 (21%)	580 to 774 sf
2 Bedroom	31 (66%)	767 to 1,449 sf
3 Bedroom	6 (13%)	1,023 to 1,675 sf

Income Restricted (BMR) Units

<b>Income Restriction Level</b>	<b>Number</b>	<b>Size</b>	<b>Floor</b>
Moderate Income 4 total (16%)	1	3-Bedroom (1,461 sf)	First
	1	2-Bedroom (767 sf)	Second
	1	2-Bedroom (767 sf)	Third
	1	1-Bedroom (580 sf)	Third
Very-Low Income 3 total (12%)	1	1- Bedroom (718 sf)	First
	1	1-Bedroom (580 sf)	Second
	1	1-Bedroom (718 sf)	Fourth

\*Note: Percentages above represent the percentage of a 25-unit base density project.

In addition, the table below is a comparison of the BMR units by bedroom count to the overall units proposed in the project (including the BMR units).

	<b>BMR Units</b>	<b>Overall Project</b>
1-bedroom units	4 units (3 VLI, 1 MI) 57% of BMR Units	10 Units 21% of Total
2-bedroom units	2 units (2 MI) 28% of BMR Units	31 Units 66% of Total
3-bedroom units	1 unit (1 MI) 14% of BMR Units	6 Units 13% of Total
Median Unit Size	767 Square Feet	1,326 Square Feet

In summary, there is some improvement in the distribution of the affordable units by bedroom count in the revised proposal with the inclusion of a 3-bedroom unit into the affordable housing mix with the one- and two-bedroom units and the revised proposal maintains the proposed location (dispersement) of the BMR units. However, more than half (57 percent) of the BMR units still are 1-bedroom units while the overall project has majority 2-bedroom units (66 percent). Staff suggests that two additional 1-bedroom BMR units should be converted into 2-bedroom units for a more equitable affordable unit distribution by bedroom count (unit size) when compared to the distribution of units in the whole project and in compliance with the Inclusionary Housing Ordinance. This would result in two 1-bedroom units or 28% of the BMR units and four 2-bedroom units or 57% of the BMR. A condition of approval has been added to the resolution consistent with the standards. With regards to the proposed BMR locations, per the Inclusionary Housing Ordinance standards, the BMR units

are required to be dispersed throughout the project. Similar to the original proposal, the Applicant has not proposed any of the BMR units on the fifth floor. In general, the BMR units are dispersed in the project (i.e. not delegated to one particular floor or location of the building), but locating a BMR unit(s) on the fifth floor would provide further evidence that the proposal meets this standard.

Density Bonus

Under the State’s density bonus regulations (Section 65915 of the California Government Code) and the City’s Affordable Housing Ordinance, the project qualifies for a density bonus based on very-low-income units if it provides at least five percent very-low-income units. With three affordable units at the very-low-income level (12 percent), the project qualifies for a density bonus of 38.75%. However, the applicant is requesting an 88% bonus, as reflected in the table below.

Lot Size	28,562 square feet, or 0.656 acres
General Plan	Thoroughfare Commercial 38 units per acre
Zoning	Commercial Thoroughfare 38 units per acre
Allowed Density -	Base Density 25 units
Affordable Housing Requirement	(15%) 4 units
Affordable Housing Provided	7 units (4 Moderate Income, 3 Very-Low Income)
Eligible Density Bonus	38.75% = 9.69 ~ 10 units
Eligible Gross Density	35 units
Additional Density Bonus Units Requested	22 units
Total Number Dwelling Units Proposed	47 units
Percent Density Bonus Requested	88%

In the Applicant’s density bonus letter (Attachment D), the report states the 88% density bonus is necessary because: “the project provides three additional affordable housing units over the minimum City requirement, the developer’s perspective that the number of overall project units is necessary to reduce the risk and provide a safety net because of the very high cost of land, the very high cost of construction trending even higher over time, and the uncertain nature of the housing market in the future when the project units will be delivered.”

Pursuant to Section 14.28.040.E of the Zoning Code, the city has the discretion to grant “a density bonus greater than what is described in this section for a development that meets the requirements of this section or from granting a proportionately lower density bonus than what is required by this section for developments that do not meet the requirements of this section.” Therefore, the granting of a density bonus that exceeds the density bonus threshold per city ordinance is at the city’s discretion.

While previously approved projects by no means sets precedence for future projects, at the April 7, 2022 Commission meeting, the Commission opined about the city’s housing production needs, the benefit of additional housing within the CT zoning district within the El Camino Real corridor, and inquired about some of the other recently approved projects for informational and comparative purposes only. Details of other recently approved projects in the El Camino Real corridor with discretionary density bonuses above the 35 percent threshold are included in the table below.

<p><b>4898 El Camino Real</b> Five-story 28-unit multiple-family building with two levels of underground parking.</p>	<p>The project included six affordable units (40 percent of base density with 2 very low, 2 low, and 2 moderate rate) and received an 87 percent density bonus, an incentive for increased height and a waiver to allow for a taller elevator tower. The City Council approved this project on October 1, 2019</p>
<p><b>4856 El Camino Real</b> Five-story 52-unit multiple-family building with two levels of underground parking.</p>	<p>The project includes 10 affordable units (35.7 percent of base density with 6 very low, 1 low, and 2 moderate rate) and received an 82.5 percent density bonus, incentives for increased height and a reduced rear yard setback, and a waiver for a 17-foot-tall elevator tower. The project was approved by the City Council on November 27, 2018.</p>

**PUBLIC NOTIFICATION AND CORRESPONDENCE:**

For this meeting, a public hearing notice was published in the *Town Crier* and mailed to 332 property owners and current tenants within 1,000 feet of the site. At the April 7<sup>th</sup>, 2022, Planning Commission hearing, a public notice billboard with color renderings was installed along the project’s El Camino Real frontage and story poles to represent the walls and roof line of the building were installed in conformance with the City Council approved modified story pole installation for this project. Staff is unaware if the story poles have been maintained at site since the April 7<sup>th</sup> hearing. The April 7<sup>th</sup> story pole certification and notices areas detailed in Attachment E