



**CITY OF LOS ALTOS
CITY COUNCIL MEETING
May 26, 2015**

DISCUSSION ITEM

Agenda Item # 7

SUBJECT: Approve a modification to The Terraces of Los Altos Use Permit to allow an additional 14 months to complete construction

BACKGROUND

On August 11, 2009, the City Council approved a development application for a new continuing care retirement facility at 323 and 373 Pine Lane. The Terraces of Los Altos (formerly known as Pilgrim Haven) received approval to demolish many of the facility's existing structures and replace them with new two- and three-story buildings that include independent living units, assisted living units, skilled nursing beds, a memory support facility and an underground parking garage. Resolution No. 2009-31, which approved the Use Permit and Design Review Applications, included conditions of approval for both construction and operation of the facility (Attachment 2). Additional project information, including staff reports, design plans and the environmental impact report can be found on the City's website, www.losaltosca.gov, in the City Council meeting archive under the August 3, 2009 special meeting.

As part of the project approval, Council included a condition that required the construction be completed within 36 months (Condition No. 25). In order to address this requirement, the applicant reduced the construction schedule from four phases to three phases. With this updated schedule, Phase 1 was projected to take ten months, Phase 2 would take eight months and Phase 3 would take 18 months. The building permit for Phase 1 was issued on July 9, 2012 and was completed in February 2014. Construction for Phase 2 began in March 2014 and was completed in February, 2015. Construction for Phase 3 began in March 2015. The project is currently installing shoring walls and excavating for the underground parking garage.

EXISTING POLICY

None

PREVIOUS COUNCIL CONSIDERATION

June 23, 2009, July 9, 2009, August 3, 2009 (special meeting), August 11, 2009 and December 13, 2011

DISCUSSION

Construction Extension Request

Due to construction delays encountered during the first two phases of the project, the applicant has submitted a request to allow for an additional 18 months to complete project construction. A copy of the letter, which provides more details about the request and outlines the reasons for the construction delays, is included as Attachment 1. Based on the July 9, 2012 start date, the project's conditions of approval require that construction be completed by July 9, 2015. Given the delays on the first two phases, completing construction by this date is not feasible. Below is a summary of the construction schedule (actual and estimated).

- Phase 1 – 21 months to complete (estimated to take 10 months)
- Phase 2 – 11 months to complete (estimated to take 8 months)
- Phase 3 – Construction started March 2015 (estimated to take 18 months)

Based on their original estimate of 18 months to complete the third phase and a start date of March, 2015, the project should be completed by September 2016. This would be an extension of 14 months and result in a total construction timeline of four years and two months. In order to address the delays that were incurred during the first two phases of construction but maintain the original construction schedule for Phase 3, staff recommends that Council modify the use permit condition and grant a 14-month extension. This would mean that construction would need to be completed by September 9, 2016. In order to emphasize that this is a serious deadline that needs to be complied with, additional language is also proposed to address construction going beyond this extension. Therefore, staff recommends that the use permit condition be modified as follows:

As a condition of the Use Permit, the project is approved for phased construction as outlined in the project plans. The ~~four (4) phases~~ three (3) phases of construction shall be completed within ~~36 50 months (four years and two months)~~ from the date of permit issuance of the first building permit – July 9, 2012. ~~The applicant shall obtain the building permits for the remaining phases of the project within 24 months of the date on which the phase one building permit is issued.~~ An additional extension of up to three (3) months may be granted by the City Council based on documented evidence that shows how issues outside the control of the contractor delayed the project from being completed within the construction schedule. Such a request shall be submitted at least 45 days prior to the end of the construction schedule. Failure to submit within the timeframe could result in a “stop-work” being issued while the request is being processed. ~~the Community Development Director upon review and approval of a written request which includes reasons for the extension request.~~

Construction Related Issues

The original project approval included many specific requirements related to minimizing construction-related impacts on the neighborhood. In general, the contractor and applicant have made a good effort to abide by these conditions and minimize construction related impacts, to the extent feasible. However, there have been some construction-related issues that staff has had to work through with the applicant and contractor in order to ensure that the project is in compliance with its conditions of approval.

Off-Site Parking

At various points during construction, there have been issues with off-site parking along Pine Lane and other nearby public streets. This was primarily an issue with construction-worker parking during the transition between Phase 1 and Phase 2. Staff worked with the contractor to clarify the expectations for managing off-site construction-worker parking and the issue was resolved. The construction traffic management plan was updated for phases 2 and 3 to more clearly outline where construction-worker parking is allowed and there have not been any significant issues related to construction-worker parking on adjacent residential streets since then.

Approve a modification to The Terraces of Los Altos Use Permit to allow an additional 14 months to complete construction

There have also been several instances where employees from The Terraces have been parking along Pine Lane. The applicant has generally been quick to respond to the issue once contacted by City staff, but it has occurred several times during construction. To ensure that employee parking will not be an issue for the duration of construction, an off-site shuttle program is now in place. Staff granted temporary approval for Terraces employees to park in the public parking lots at Lincoln Park while they negotiate a long-term parking arrangement with a nearby church. This arrangement will be in place until construction is completed and the underground parking garage is available for use.

A parking management plan for the new facility was approved by the Planning Commission on July 21, 2011. The approved plan includes a total of 163 on-site parking spaces, with up to 39 spaces reserved for employees. Once completed, all employees are expected to park on-site.

Rooftop Mechanical Noise

Following completion of Phase 1, staff became aware of a noise issue related to the rooftop air conditioning equipment. The equipment had been tested by an acoustical professional and did comply with the City's Noise Control Ordinance along the perimeter of the property. However, due to the topography of the neighborhood, residences further away from the building were experiencing excessive noise during periods of warm weather when these mechanical units were running at high levels. The applicant has been working with staff to design sound attenuation structures around these units to reduce the off-site noise impacts and comply with the Noise Control Ordinance. A portion of the rooftop parapet wall near the Pine Lane and Los Altos Avenue intersection was raised to further screen the units and two sound attenuating hoods were just installed. Staff will continue to work with the applicant and affected property owners to monitor the noise issue and ensure that it is resolved. If the air conditioner noise remains an issue, additional measures will need to be implemented by the applicant.

Exterior Lighting

Condition No. 15 requires all exterior lighting shall have shrouds and/or be downward facing to avoid impacting adjoining properties. However, there were some exterior fixtures on the new buildings that did not comply with this condition. Staff has been working with the applicant to modify the fixtures to comply with this condition; however a solution has not yet been reached. In the meantime, the applicant has removed the bulbs from these exterior fixtures to avoid impacting any of the neighboring properties until the issue is corrected.

Neighborhood Meeting

On May 7, 2015, the applicant held a neighborhood meeting to provide an update to the neighborhood and answer questions. A summary of the meeting from the applicant is included as Attachment 3. Staff was present at the meeting and observed four residents in attendance. The applicant mailed out meeting notices to all property owners within 500 feet of the project approximately two weeks before the meeting date.

Approve a modification to The Terraces of Los Altos Use Permit to allow an additional 14 months to complete construction

PUBLIC CONTACT

A public meeting notice was posted on the property and mailed to all property owners within 500 feet of the property for the May 26, 2015 City Council meeting. The mailed notice was sent to 128 property owners.

Posting of the meeting agenda serves as notice to the general public.

FISCAL/RESOURCE IMPACT

None

ENVIRONMENTAL REVIEW

Original project approved with an environmental impact report.

RECOMMENDATION

Approve a modification to The Terraces of Los Altos Use Permit to allow an additional 14 months to complete construction.

ALTERNATIVES

1. Approve the applicant's request to extend the construction schedule by 18 months.
2. Modify the condition to identify a longer or shorter construction schedule extension.

There are not any other feasible alternatives. To deny the construction schedule extension request would require the project to halt construction activities after July 9, 2015, and there may be legal implications with a denial since the issuance of a building permit is a vested right.

Prepared by: Zachary Dahl, Senior Planner

ATTACHMENTS:

1. Applicant letter dated April 7, 2015
2. Resolution 2009-31
3. May 7, 2015 neighborhood meeting summary

Approve a modification to The Terraces of Los Altos Use Permit to allow an additional 14 months to complete construction

CONDITION

07-UP-01 – 323 and 373 Pine Lane

25. As a condition of the Use Permit, the project is approved for phased construction as outlined in the project plans. The three (3) phases of construction shall be completed within 50 months (four years and two months) from the date of permit issuance of the first building permit – July 9, 2012. An additional extension may be granted by the City Council based on documented evidence that shows how issues outside the control of the contractor delayed the project from being completed within the construction schedule. Such a request shall be submitted at least 45 days prior to the end of the construction schedule. Failure to submit within the timeframe could result in a “stop-work” being issued while the request is being processed.

Approve a modification to The Terraces of Los Altos Use Permit to allow an additional 14 months to complete construction

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April 7, 2015

VIA U.S. MAIL & EMAIL

James Walgren
Community Development Director
City of Los Altos
1 North San Antonio Road
Los Altos, CA 94022

**Re: Terraces at Los Altos
Extension of Construction Time**

Dear James:

I am writing on behalf of the Terraces at Los Altos (TLA) to request an extension relative to construction time. As you know, the use permit for TLA includes a condition, Condition No. 25, that the construction of the project be completed within 36 months from the date of the issuance of the first building permit. An extension of up to three months may be granted by the Community Development Director. TLA has not sought the three month extension because the 36 months has not yet expired and a longer extension is needed. The greatest contributing factor to the need for an increase in construction time has been the lengthy review process associated with the Office of Statewide Health Planning and Development (OSHPD). As a result, TLA is respectfully requesting that the City of Los Altos approve an extension of 18 months (for a total construction time of four and one-half years from the date of the first building permit issuance) to allow for the completion of this project.

As you know, construction of this project was originally anticipated to be done in four phases. TLA in concert with Vance Brown Builders was able to reduce that to three phases. At the completion of the first phase, a ceremonial ribbon cutting, in which Councilmember Satterlee participated, officially opened the skilled nursing building on March 19, 2014. Since then, phase 2 of the construction has been completed. Permits

were recently obtained and construction began on the third and final phase. TLA continues to work diligently to complete this project as soon as possible.

The first building permit for the project was issued on July 9, 2012. Thirty-six months from that date would be this summer on July 9, 2015, and a three month extension, if granted by the Community Development Director, would be October 9, 2015. Unfortunately, due to a number of issues with OSHPD, described below, that slowed the project, TLA will not be able to complete the construction of phase 3 within that time frame. TLA anticipates construction will be complete in September 2016, but is requesting an 18 month extension until December 2016 to provide a buffer to account for any unforeseen complications that might arise as the project moves toward completion.

TLA has been in regular communication with the City's Community Development Department throughout construction. During the first phase of construction, TLA regularly advised the City relative to difficulties with OSHPD, the State agency tasked with approving the skilled nursing portion of the project. The biggest challenge TLA was unable to overcome was the extended inspection and review process required by OSHPD. OSHPD requires voluminous documentation and numerous inspections for every project detail. TLA applied as many resources as possible in order to develop a faster process, but found that there is a speed at which a project can progress through the OSHPD system that cannot be materially sped up.

In addition to the lengthy OSHPD review process, TLA also found that the project was somewhat handicapped because of OSHPD's relative inexperience with a load-bearing metal stud building. Skilled nursing buildings tend to be one-story wood frame or multistory, Type 1 construction. A two-story skilled nursing facility such as the one TLA constructed is unique. The constrained lot and height limit made this construction type appropriate for the TLA project. This led to extended reviews of details as well as field interpretations which differed from those initially assumed by the project architect.


TLA also found itself in the middle of an OSHPD interdepartmental disagreement which eventually resulted in one department of OSHPD requiring construction to be suspended for several weeks. Once TLA was able to resume construction, the OSHPD review process still limited the contractor's effectiveness for well over a month. Despite TLA's best efforts and responsiveness this was a slow journey and construction took significantly longer than anticipated.

Phase 2 was able to follow the projected schedule until days from completion in late November. There was a substantial rain storm which inundated the site just as asphalt was ready to be laid. By the time the site dried out, the asphalt production plants were closed for the holidays. This seemingly small event ended up delaying completion for at least a month.

As it has throughout this process, TLA will continue to work diligently to complete construction and will continue to implement the necessary mitigation measures to reduce construction impacts to a less than significant level. In light of the above described delays, TLA respectfully requests the City grant an 18 month extension to the timeline identified in the use permit to allow it to complete project construction. TLA appreciates the City's willingness to consider this request and work with TLA to complete this valuable community serving project.

If you have any questions or wish to discuss this matter further, please do not hesitate to contact me.

Sincerely,



Leigh F. Prince

cc: Russell Mauk
Zach Dahl
City Council

RESOLUTION NO. 2009-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS FOR DESIGN REVIEW APPLICATION (07-D-01) AND USE PERMIT APPLICATION (07-UP-01) ON A PROPERTY LOCATED AT 323 & 373 PINE LANE

WHEREAS, the City of Los Altos received an application for the Pilgrim Haven project (07-GPA-01, 07-Z-01, 07-D-02 AND 07-UP-01) located at 323 & 373 Pine Lane, referred herein as the "Project";

WHEREAS, the Project includes the Design Review and Use Permit applications ("Design Review and Use Permit ") (07-D-02 and 07-UP-01) for the Project; and

WHEREAS, said Project was the subject of a final environmental impact report ("Final EIR"), prepared by the City as the lead agency in compliance with the requirements of the California Environmental Quality Act of 1970 as amended, ("CEQA"); and

WHEREAS, all required public notices and public hearings were duly given and duly held according to law; and

WHEREAS, the Planning Commission held duly noticed public hearings on the proposed Final EIR and the proposed Design Review and Use Permit on May 21 and 27, 2009, and recommended certification of the Final EIR; and

WHEREAS, duly noticed public hearings were held before the City Council on the proposed Final EIR and the proposed Design Review and Use Permit on July 9, 2009, August 3 and 11, 2009; and

WHEREAS, on August 3, 2009, the City Council certified the Final EIR, finding that it had reviewed and considered the information therein, that it had been completed in compliance with CEQA, and that it reflected the independent judgment of the City as lead agency for the Project; and

WHEREAS, the Design Review and Use Permit was processed in accordance with the applicable provisions of the California Government Code and the Los Alto Municipal Code; and

WHEREAS, the location and custodian of the documents or other materials which constitute the record of proceedings upon the City Council's decision is based is the Office of the City Clerk.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Los Altos hereby approves the Design Review and Use Permit subject to the findings and conditions of approval attached hereto as Exhibit "A" and incorporated by this reference.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the 11th day of August, 2009 by the following vote:

AYES: PACKARD, CARPENTER, BECKER, SATTERLEE
NOES: CASAS
ABSENT: NONE


Megan Satterlee, MAYOR

Attest:


Susan Kitchens, CITY CLERK

August 25, 2009

EXHIBIT A

FINDINGS

07-D-02 & 07-UP-01—323 and 373 Pine Lane

- a. With regard to Design Review, the City Council finds in accordance with Chapter 14.78 of the Municipal Code that:
- A. 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, as specifically set out in the Draft EIR on pages 36-52;
 - B. The proposal has architectural integrity and has an appropriate relationship with other structures in the immediate area in terms of height, bulk and design, in that no structure will exceed 30 feet in height and the third story element that is 30 feet will face a school playing field and will not be visible to the neighborhood, the two story buildings are similar to other two story buildings in the area with their craftsman style architectural details such as covered porches, horizontal siding and wood trim details, the bulk of the buildings will be broken up with balconies, parapets, pitched roofs and other residential characteristics that create a feeling of smaller-scale buildings and specifically along Pine Lane the design is such that there appears to be multiple house facades;
 - C. Building mass is articulated to relate to the human scale, both horizontally and vertically, and building elevations have variation and depth and avoid large blank wall surfaces as described above. The buildings have a residential appearance;
 - D. Exterior materials and finishes convey quality, integrity, permanence and durability, and materials are used effectively to define building elements such as base, body, parapets, bays, arcades and structural elements, as described above;
 - E. 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. Overall the generous landscape screening of the site will remain, and although many trees will be removed, they will be replaced and 112 net new trees will be planted for a total of 313 trees on-site. Landscaping includes substantial street tree canopy, either in the public right-of-way or within the project frontage; new street trees will be added along Los Altos Avenue, and new evergreen trees for screening will be added along both Los Altos Avenue and Pine Lane;
 - F. The existing signage that complements the building architecture in terms of style, materials, colors and proportions will remain. Any new directional signs will return to the Community Development director for review;
 - G. Mechanical equipment is screened from public view and the screening is designed to be consistent with the building architecture in form, material and detailing in that the equipment will be hidden in roof wells or behind the mansard roofs; and
 - H. 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; all delivery bays, utility areas and trash areas will be located at the rear of buildings and be shielded from public view.
- b. With regard to the Use Permit, the City Council finds in accordance with Chapter 14.80 of the Municipal Code that:

- A. The proposed location of the conditional use is desirable or essential to the public health, safety, comfort, convenience, prosperity, or welfare in that it increases housing opportunities for seniors. The Project will add 28 additional units to the community, thereby numerically providing more housing opportunities for Los Altos seniors. The Project will add memory support to aid those seniors living with Alzheimer's or dementia, thereby adding variety to the housing opportunities for Los Altos' seniors. The Project will also provide 16 Below Market Rate (BMR) units for low-income seniors, thereby increasing the opportunity for seniors with different income levels to have access to high-quality continuing care. Additionally, Pilgrim Haven has indicated it will give priority to filling all the units in its continuing care retirement community with Los Altos residents and secondly with those seniors who have close relatives residing in Los Altos. As a result, the Project is targeted to increase housing opportunities specifically for the Los Altos' senior population.

The Project also improves parking, aesthetics and neighborhood compatibility for the following reasons: The Project provides 172 parking spaces, which is 81 more than currently exist on-site and 55 more than the 117 required by the Los Altos Municipal Code. Parking capacity is increased from 0.59 to 0.95 spaces per unit. This reduces the likelihood that people will park on surrounding streets and, therefore, improves Pilgrim Haven's neighborhood compatibility. The underground parking garage minimizes the number of cars visibly parked on-site. As a result, aesthetics and neighborhood compatibility are improved. The Project increases building setbacks from those in the existing community and makes Pilgrim Haven's buildings less visible to persons on Pine Lane or Los Altos Avenue. The increased setbacks improve aesthetics and neighborhood compatibility. The three-story building, which is within the 30 foot height limitation, is located at the rear of the independent living building and will not noticeably intrude on Pine Lane, Los Altos Avenue or the Santa Rita School. The three-story building is similar in height to four existing buildings (one of which will remain) along the Santa Rita School property line. As the three-story building is set farther back than the existing buildings of similar height, the Project improves the aesthetics and compatibility with the neighboring school. Much of the existing landscaping will remain in place to screen the community. Evergreen trees will be added to enhance the existing landscaping screening. Two rows of the apricot orchard will be preserved and enhanced along Los Altos Avenue. Overall, there will be 112 net new trees added to the site. All of these Project elements enhance the residential feel and neighborhood compatibility of Pilgrim Haven.

- B. 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, as more specifically set out in the Ordinance rezoning the Spagnoli property from R1-10 to PCF;
- C. 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, as evidenced by the conclusions in the certified Final EIR that there are no significant unmitigated impacts of the Project other than the short term construction impact that is due to the length of construction rather than the severity of any construction impacts. The Council has found that it is infeasible to mitigate this one significant unavoidable impact and has adopted findings of overriding considerations regarding the benefits of the Project; and
- D. The proposed conditional use complies with the PCF District regulations including use, height, and setbacks and the general provisions of Chapter 14.02 except where development incentives for lot coverage and a third story element in the rear of the independent living building have been granted for 16 independent living BMR units.

CONDITIONS

07-D-02 & 07-UP-01—323 and 373 Pine Lane

GENERAL

1. Project approval is based upon the plans received on April 21, 2009 and August 10, 2009 and the materials provided by the applicant except as modified by these conditions.
2. The applicant shall meet all conditions and mitigation measures, and provide all necessary reporting, as outlined in the Mitigation Monitoring and Reporting Program shown in the resolution adopting and certifying the Environmental Impact Report. The project manager, contact information and other necessary information as outlined in the Reporting Program shall be posted on the site as outlined in Condition No. 12.
3. All projects shall comply with the Urban Runoff Pollutions Prevention Program regulations in place at the time of construction. The improvement plans shall include the "Blueprint for a Clean Bay" plan sheet as page 2 in all plan submittals.
4. The applicant shall submit a copy of the Notice of Intent to the City Engineer to comply with the State Construction Storm Water General permit submitted to the State Water Resource Control Board prior to any demolition, any grading or issuance of the building permit, whichever happens first.
5. The applicant shall submit a copy of the Storm Water Pollution Prevention Plan (SWPPP) and Storm Water Management Plan (SWMP) to the City Engineer for review prior to any demolition, any grading or issuance of the building permit, whichever happens first.
6. As required in the Mitigation Monitoring and Reporting Program, a Construction Traffic Management Plan (CTMP) that includes truck routing and staging for the proposed excavation of the site, shall be submitted for review and approval by the Community Development Director and the City Engineer. The CTMP shall include a requirement that construction deliveries not be scheduled during student pick-up and drop-off at Santa Rita Elementary School. The CTMP shall also include a temporary onsite parking plan that for up to 15 construction vehicles. All other construction worker vehicles, and Pilgrim Haven employee vehicles that cannot be parked onsite, shall be parked offsite at a location to be determined and construction workers, and employees if necessary, shall be shuttled to and from the site.
7. All street tree species planted in the public right-of-way shall be approved by the City Arborist and be a minimum 24-inch box in size.
8. The project shall be allowed a maximum of two signs along the Pine Lane frontage but shall be prohibited from locating any signage along the Los Altos Avenue frontage. The total sign area shall be a maximum of 30 square feet and the location of the signs shall be reviewed and approved by the Community Development Director.
9. The applicant shall show the location of and provide a noise rating for all mechanical equipment. The mechanical equipment shall be fully screened from public view and meet the City's Noise Ordinance.
10. The use of jackhammers shall be prohibited except for very short periods of time and with written approval by the Community Development Director.
11. If the actual noise levels in the Santa Rita Elementary School classrooms exceed the measured values indicated in the Charles M. Salter and Associates Acoustical Analysis dated July 28, 2009, the applicant shall implement additional noise protection measures to reduce the noise to acceptable levels.
12. The applicant shall provide a temporary construction sign that is posted on the site in a conspicuous location for the duration of project construction. The sign shall include the project name, project manager, contact

information and information required in the Mitigation Monitoring and Reporting Program. The design and location of the temporary construction sign shall be reviewed and approved by the Community Development Director.

13. Prior to the start of construction of Phase I, the applicant shall construct an eight-foot tall noise attenuating redwood fence along the shared property lines with 300 and 304 Spagnoli Court. The applicant shall coordinate the design and construction timeframe for the new fence with the property owners of 300 and 304 Spagnoli Court. This condition shall replace the Noise Mitigation Measure "MM NOI-1.1" in the Mitigation Monitoring and Reporting Program which requires an eight-foot tall masonry wall.
14. The minimum number of on-site parking stalls, as required by Code Section 14.74.120, shall be maintained and available during all phases of the project, and shall not be used by construction personnel.
15. All exterior lighting shall have shrouds and/or be directed downward to avoid impacts to the adjoining properties.
16. The applicant shall submit revised project plans that reduce the lot coverage to a maximum of 35 percent. The reduction in lot coverage shall not be taken from the architectural details or building articulation. The Revised plans shall be reviewed and approved by the Community Development Director.
17. The applicant shall retain a licensed traffic engineer to provide traffic counts at the Guadalupe Drive-Pine Lane intersection and at the Los Altos Avenue-Hacienda Way intersection before the start of the project construction and six months after the completion of the last phase of construction. The traffic counts shall be reviewed and approved by the City Traffic Engineer. If the City Traffic Engineer determines that there is a noticeable increase in traffic pursuant to the TIRE (Traffic Infusion on Residential Environments) index, then appropriate measures, such as directional signage and raised crosswalks, shall be implemented on Guadalupe Drive and Hacienda Way. The applicant shall be responsible for installing the additional measures.
18. The applicant shall form a joint Pilgrim Haven-Neighborhood committee to make recommendations on the design of the landscaping and screening along Pine Lane and Los Altos Avenue. The makeup and membership of the committee shall be reviewed and approved by the Community Development Director.
19. The applicant shall eliminate the two proposed stop signs on Pine Lane at the intersection with Guadalupe Drive and install a stop sign at the proposed driveway opposite Guadalupe Drive.
20. The applicant is encouraged to work with the Santa Rita Elementary School and Egan Intermediate School Parent Teacher Associations (PTA) to identify safe routes to schools during project construction.
21. The applicant shall work with the Fire Department to study the feasibility of eliminating the fire access driveway in order to increase landscaping and screening on Pine Lane.
22. The applicant shall look into the feasibility of adding light wells to the underground parking garage.
23. As a condition of the Use Permit, construction activities on Saturdays shall be limited to work that does not generate noise in excess of the daytime noise limits for R1 Zoning Districts (see Table 1 in Sec. 6.16.050).
24. As a condition of the Use Permit, all Pilgrim Haven employees shall be provided with on-site parking and the applicant shall make all practical and feasible efforts to ensure that all visitors and employees park on-site. All employees who exit after dark shall park in the underground parking garage.
25. As a condition of the Use Permit, the project is approved for phased construction as outlined in the project plans. The four (4) phases of construction shall be completed within 36 months from the date of permit issuance of the first building permit. The applicant shall obtain the building permits for the remaining phases of

the project within 24 months of the date on which the phase one building permit is issued. An extension of up to three (3) months may be granted by the Community Development Director upon review and approval of a written request which includes reasons for the extension request.

26. As a condition of the Use Permit, Pilgrim Haven shall provide first priority access to Los Altos residents when accepting applications to fill vacant living units. Second tier priority access shall be given to couples or individuals who have direct family (parents, siblings and/or children) who are Los Altos residents. The priority system shall be in a form approved by the Community Development Director and the City Attorney.
27. Sixteen (16) Independent Living units shall be offered for rent or lease to individuals or couples with Low Incomes as defined below. The required terms and conditions of the below market rate (BMR) units shall be as follows and executed in an Affordable Housing Agreement in a form approved by the City Attorney:
 - a. The monthly service fee, which includes rent along with other amenities, shall be set at 50 percent of the designated income level for an individual and 60 percent of the designated income level for a couple.
 - b. The monthly service fee shall include rent, one meal per day per individual (individual shall have the choice of breakfast, lunch or dinner), housekeeping services, all utilities except telephone, property insurance, maintenance, activities, social programming and priority access to assisted living or nursing services. The owner shall include an exhibit in the affordable housing agreement that lists services that will be provided as part of the monthly service fee. The services shall not be different from those offered to individuals or couples living in the market rate units.
 - c. The income levels for Low Income households will be calculated by the California State Department of Housing and Community Development.
 - d. The units shall be designated as BMR for a period of 30 years.
 - e. Priority access to the BMR units shall be given to Los Altos residents.
 - f. A one-time entry fee, no greater than the entry fees paid by residents living in comparable market rate units, may be charged for the BMR units. The amount of the one-time entry fee shall be submitted to staff for file documentation. The amount of the one-time entry fee shall be identified to ensure it is not so high as to make the units unaffordable for the target recipients.
 - g. The applicant shall provide an annual report to the City and the City's designated affordable housing administrator outlining compliance with the affordable housing agreement. The annual report shall include documentation showing that the BMR household's income is within the Low Income limit in effect at the time of occupancy and that one-time entry fees charged for the BMR units are the same as the entry fees charged on comparable market rate units.
 - h. The BMR units do not need to be pre-assigned, but Pilgrim Haven shall provide evidence in the annual report that 16 BMR units are available and/or occupied at all times.
28. The Applicant shall indemnify, hold harmless and defend the City, its employees, agents, independent contractors and volunteers (collectively "City") from any and all costs and expenses, including but not limited to attorney's fees incurred by the City or held to be the liability of City in connection with City's defense in any proceeding brought in any State or Federal Court, any other action, or referendum, challenging the City's action with respect to this Permit(s) or contesting any action or inaction in the City's processing and/or approval of this Permit(s).

PRIOR TO ISSUANCE OF BUILDING PERMIT

29. The applicant shall submit on-site grading and drainage plans that include (i.e. drain swales, drain inlets, rough pad elevations, building envelopes, drip line of major trees, elevations at property lines, all trees and screens to be saved) for approval by City staff. No grading or building pads are allowed within two-thirds of the drip line of trees unless authorized by a certified arborist and the Planning Department.
30. All works within the public right-of-way shall be done in accordance with plans to be approved by the City Engineer.
31. The applicant shall submit a cost estimate for review for work in the public right-of-way and shall submit a 100 percent performance bond (to be held until acceptance of improvements) and a 50 percent labor and material bond (to be held 6 months after acceptance of improvements) in an amount as approved by the City Engineer. A one-year, 10 percent maintenance bond shall be submitted upon acceptance of improvements in the public right-of-way.
32. The applicant shall contact the Los Altos Garbage Company and submit a solid waste disposal plan indicating the type and size of containers proposed and the frequency of pick-up service subject to the approval of the Engineering Department. The applicant shall submit evidence that LAGCo has reviewed and approved the size and location of the proposed new enclosure for recyclables. Each enclosure shall be roofed to prevent rainwater from mixing with the enclosure's contents and then draining out and into the sewer system. The enclosure's pad shall be designed to not drain outward, and the grade surrounding the enclosure designed to not drain into the enclosure. The locations of all trash enclosures shall be reviewed and approved by the Community Development Director.
33. As a condition of the use permit, the applicant shall provide a parking management and circulation plan for the on-site parking facilities. The plan shall include identifying which spaces will be used for resident, employee and guest parking. The plan shall identify a maximum number of resident vehicles that will be allowed to park onsite. The plan shall be submitted for review and approval by the Planning Commission. The final action taken by the Planning Commission is not appealable.
34. The applicant shall submit a final landscaping plan for review and approval by the Planning Commission. The final landscape plan shall include the recommendations from the joint Pilgrim Haven-Neighborhood committee. The final action taken by the Planning Commission is not appealable.
35. The applicant shall file and record a lot-line adjustment merging the parcels at 323 and 373 Pine Lane.
36. The applicant shall submit a noise assessment that demonstrates that the noise levels generated by the HVAC system and mechanical equipment are consistent with the approved plans and comply with the City's Noise Ordinance.
37. The property owner shall execute an agreement with the City to retain the below market rate units as affordable and record the applicable deed restrictions as required by the City Attorney and the Community Development Director.
38. The applicant shall pay a fee in lieu of traffic impacts in accordance with Chapter 3.48 of the Los Altos Municipal Code.
39. The applicant shall pay an additional sanitary sewer connection fee.

PRIOR TO THE START OF CONSTRUCTION

40. The applicant shall remove and replace all asphalt sidewalks, curb and gutter along the Los Altos Avenue frontage with new concrete sidewalk, curb and gutter and a planter strip between the new sidewalk and new curb and gutter.
41. The applicant shall provide new crosswalks at Guadalupe Drive and Pine Lane as approved by the City's Traffic Engineer. New ADA Standard ramps shall be constructed at the corners leading into the new crosswalks at Guadalupe St. and Pine Lane.

PRIOR TO FINAL OCCUPANCY

42. The applicant shall remove and replace the existing asphalt pathway along the north side of the Pine Lane frontage from Guadalupe Drive to Los Altos Avenue with new concrete sidewalk, curb and gutter to tie-in to the new concrete sidewalk, curb and gutter on the Los Altos Avenue frontage with the current ADA Standard ramp in accordance with plans to be approved by the City Engineer. The work shall be completed prior to the end of the first phase of construction.
43. The applicant shall construct new parking duck-outs along the north side of the Pine Lane frontage from Guadalupe Drive to Los Altos Avenue as approved by the Community Development Director and the City Engineer. Landscaping shall be installed between and at the ends of the duck-outs. The work shall be completed prior to the end of the first phase of construction.
44. The applicant shall record a maintenance agreement for the approved storm water treatment system as approved by the City Engineer.
45. The applicant shall provide a letter from their civil engineer certifying that the storm water treatment system was constructed per approved plans.
46. The applicant shall label all new or existing public and private catch basin inlets, which are on or directly adjacent to the site with the NO DUMPING – FLOWS TO BAY logo.
47. The applicant shall provide an acoustical analysis that evaluates the noise generated by the mechanical equipment to ensure that the project is in compliance with the City's General Plan and Noise Ordinance.
48. Prior to final inspection for each phase of construction, all new landscaping and irrigation shall be installed and approved by the Planning Division. All required landscaping and screening along Pine Lane shall be installed prior to the end of the first phase of construction.

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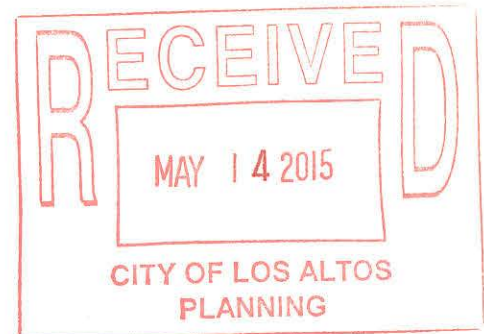
MARVIN S. SIEGEL
(1936 - 2012)

May 13, 2015

VIA EMAIL & U.S. MAIL

James Walgren
Community Development Director
City of Los Altos
1 North San Antonio Road
Los Altos, CA 94022

**Re: Community Meeting
Construction Extension**



Dear James:

On May 7, 2015, The Terraces at Los Altos ("The Terraces") hosted a community meeting to discuss its request for an extension of the time to complete construction identified in the use permit for the project. Notices of the community meeting were sent on April 23, 2015 to residents within 500 feet of The Terraces based on a list received from the City of Los Altos ("City"). A copy of the notice was also sent to the City. Five people were in attendance--four were current or former Terraces board members, three of whom live within the noticing radius, and Zach Dahl, Senior Planner. It would appear based on turnout that the community is not concerned about the extension of construction time.

At the community meeting, The Terraces reviewed the three phases of the current project and the construction timing of each phase. Construction of the first two phases is complete. The third and final phase of construction is underway. The use permit for the project anticipated that construction of all three phases would be complete within 36 months and provided the potential for a three month extension (those dates would be July and October 2015 respectively). Aware of this expedited time frame, The Terraces took steps to ensure they would meet the timeline, including, but not limited to, hiring a full time architect on-site, using a mat slab foundation system and using load bearing metal stud framing to expedite the structural system. The Terraces also designed and specified prefabricated products, finishes and equipment where possible

to expedite construction. Nevertheless, mainly due to a more complicated process than anticipated with the Office of Statewide Health Planning and Development ("OSHDP") and normal minor delays for things like rain, construction will not be complete within the above referenced time frames. As a result, The Terraces is requesting a longer extension.

Phase 1

The Terraces originally estimated that construction of Phase 1 would take 10 months plus one to two weeks for licensing and move in. The actual construction time was 20 months plus an additional three months for licensing and move in. The entire process for Phase 1 took approximately 12 months longer than anticipated. This was due in large part to the OSHPD process which involves significant state administrative oversight, voluminous documentation and reporting and field staff that monitors construction, audits, reviews and reports on every detail. OSHPD was less familiar with two-story metal construction and that resulted in extended reviews and field interpretations. Also, over the course of the project there were eight changes in inspectors who each required time to get up to speed on the project and who had individual and sometimes differing field interpretations. The delays ranged from several days to weeks where the contractor was working at less than full speed waiting for resolution on critical path issues. Over the course of a complicated project, the delays quickly added up to approximately 12 months of delay.

Phase 2

The Terraces originally estimated that construction of Phase 2 would take 8 months plus one to two weeks for licensing and move in. The actual construction time was 10 months, including licensing and move in. Phase 2 took approximately 2 months longer than anticipated. OSHPD was not involved in Phase 2. The Terraces construction team pushed for completion by early December, on schedule, but experienced the only significant rain of the season during this phase. The rain delay pushed the completion of the remaining site work, grading, paving and concrete into the holidays, where further delay was experienced due to plant shut downs through the holiday season. All together (Phases 1 and 2), there has been approximately 14 months of delay.

Phase 3

Phase 3 is now underway and mass excavation should be complete before the end of May 2015. Construction on Phase 3 in total is anticipated to take 18 months per the original estimate provided to the City. Construction began in March 2016 and is anticipated to be complete by September 2016, which is 18 months from the start of construction and a 14 month delay from the original estimated completion date of July 2015. Nevertheless, to account for potential minor delays, The Terraces is requesting 18 months or until December 2016 to complete the project.

The Terraces understands staff would prefer the three month for potential delays be a staff level extension rather than included in the permitted extension. However, The Terraces respectfully asserts that it would be a better use of staff and Terraces time and resources if the time for minor delays were built in rather than requiring another administrative process. City staff has expressed concern that there is no motivation for The Terraces to timely complete the project without City oversight. With all due respect to staff, The Terraces has external motivation--its residents and its financial commitments. There is incentive to complete the work so The Terraces residents can move into their new homes and the ones already living on site can enjoy a quiet and complete home.

The Terraces appreciates the patience of the community in this process and respectfully requests that the extension be granted.

Sincerely,



Leigh F. Prince

cc: City Council
Russell Mauk
Rae Holt
Zach Dahl