

**ITEMS FOR
DISCUSSION/ ACTION
Agenda Item # 5**

AGENDA REPORT SUMMARY

Meeting Date: January 14, 2020

Subject: Proposed Four-Story Multiple-Family Residential Building at 444 and 450 First Street

Prepared by: Steve Golden, Senior Planner

Reviewed by: Jon Biggs, Community Development Director

Approved by: Chris Jordan, City Manager

Attachment(s):

1. Resolution No. 2020-XX
2. Planning Commission Meeting Minutes, November 7, 2019 (Excerpt)
3. Planning Commission Agenda Report, November 7, 2019
4. Cover Letter and Revised Density Bonus Report submitted by Applicant
5. Public Correspondence
6. Project Plans

Initiated by:

Applicant and Owner – Ciyavash Moazzami, Dutchints Development, LLC

Previous Council Consideration:

None

Fiscal Impact:

The project will result in the following estimated financial contributions to the City:

- Park in-Lieu Fees: \$1,268,800 (\$48,800/multiple-family dwelling unit)
- Traffic Impact Fees: \$108,134 (\$4,159/multiple-family dwelling unit)
- Los Altos Public Art Fund: one percent of construction costs, up to \$200,000

Environmental Review:

The project is exempt from environmental review as in-fill development in accordance with Section 15332 of the California Environmental Quality Act of 1970 as amended.

Policy Question(s) for Council Consideration:

- Is the proposal of four affordable (below market rate) units in exchange for a height incentive to allow the Project to exceed the maximum height limit of 35 feet by 11 feet, a development waiver for a reduction in the required 60% soft surfaces (landscaping) in the front and rear

City Manager

CJ

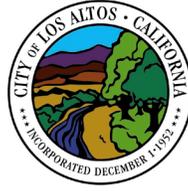
Reviewed By:

City Attorney

CD

Finance Director

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yard areas, and a parking requirement alteration consistent with State Law and the City's Affordable Housing Ordinance?

- Does the proposal of public benefits justify the requested rear setback exception pursuant to the Exception for Public Benefit provisions in the CD/R3 Zoning District?
- Does the proposal meet the required findings for design review and subdivision per the Los Altos Municipal Code?

Summary:

- The Project includes the demolition of an existing two-story commercial building and construction of a new four-story multiple-family building with 26 condominium units and two levels of underground parking with 54 spaces. The Applicant will also install a public sidewalk along the frontage of First Street of the project where a sidewalk currently does not exist.
- The Applicant is offering four affordable units, three at the Moderate income level and one at the Low income level in exchange for an "on menu" incentive to allow for increased height, a reduction in parking requirements, and development waivers for a reduction in the required 60% soft surfaces (landscaping) in the front and rear yard areas and to reduce the width of some of the parking spaces to 8.5 feet from nine feet to increase the number of spaces provided.
- The Applicant is also seeking a reduced rear yard setback exception in exchange for public benefits as part of the provisions of developing in the CD/R3 Zoning District.
- The Complete Streets Commission and the Planning Commission have reviewed the proposal at public meetings and recommend approval of the project.

Planning Commission Recommendation:

Adopt Resolution No. 2020-xx, which will approve Design Review application D19-0001 and Subdivision application TM19-0001 per the listed findings and conditions for a new multiple-family building with 26 residential units at 444 and 450 First Street.

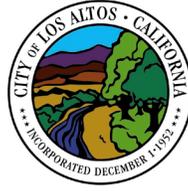
Purpose

Evaluate the Project and reach a determination on whether it complies with the Los Altos Municipal Code requirements and furthers the City's efforts of providing for the production of housing, including affordable housing, as reflected in the Goals, Policies, and Programs of the Housing Element of the Los Altos General Plan.

Background

Site Setting

The existing site, which is located on the southwest side of First Street between South San Antonio Road and Lyell Street, includes a 10,000 square-foot commercial building on a 0.35-acre site. The majority of the building is one-story, however, approximately 20% of the building footprint is



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comprised of two stories. The existing building is accessed by three driveways from First Street with surface parking in the front of the building. There is no public sidewalk along the frontage of the existing lot. The site is surrounded by one and two-story commercial buildings. Directly abutting the site to the southeast is the surface parking lot for the two-story office building at 496 First Street and the one-story commercial building to the northwest at 440 First Street (Los Altos Veterinary Clinic). Other three to four story multiple family or mixed-use development projects have been recently approved in the immediate vicinity including 385-389 First Street and 425 First Street.

Planning Commission Study Session

On January 17, 2019, the Planning Commission held a study session to review and provide feedback on the Applicant's conceptual architectural and site design. Overall, the Commission expressed support for the concept, but expressed some concerns about the architectural design and how the design will anticipate future development on the adjacent properties to the north and south. A copy of the Planning Commission study session minutes is included within the Planning Commission agenda report (Attachment 3).

Complete Streets Commission

On June 26, 2019, the Complete Streets Commission (CSC) held a public meeting to consider the Project. As specified by the Zoning Code, the CSC is tasked with reviewing the bicycle, pedestrian, parking and traffic elements of a development application and providing an advisory recommendation to the Planning Commission and City Council. The CSC expressed general support for the Project but noted a desire for the Project to provide explicit information regarding EV charging, improve ingress/egress for transporting bicycles through the lobby ramp, confirmation of the proposed six-foot wide sidewalk along the Project frontage on First Street, and limit parking on the northern side of the entrance driveway for increased visibility. Following the discussion, the CSC voted unanimously to recommend approval of the Project to the Planning Commission and City Council. A copy of the CSC meeting minutes is included within the Planning Commission agenda report (Attachment 3).

Story Pole Installation

Pursuant to the City Council Policy, the Applicant installed story poles per the approved plans as verified by the Applicant's civil engineer in a certification letter dated August 28, 2019 included within the Planning Commission agenda report (Attachment 3).

Planning Commission

On November 7, 2019, the Planning Commission held a public hearing to consider the Project. Following a presentation by the applicant and public comment from residents, the Commission deliberated on the proposal. A majority of the Commissioners expressed general support for the project as a whole, the size, density and mix of the residential units, and the design concept; however, the Commission expressed concerns about some of the exterior architectural detailing and materials and the potential visual impacts, particularly light and glare of the large fourth story windows facing



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to the west across Foothill Expressway towards the single-family residential neighborhoods. Following the discussion, the Commission voted 4-0 (with three Commissioners absent) to recommend approval of the project with design modifications for Council consideration (see discussion below). The Planning Commission meeting minutes and agenda report are attached for reference (Attachments 3 and 4).

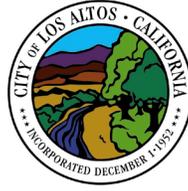
Discussion/Analysis

Planning Commission Recommendations/Design Revisions

The following is a list of design considerations that were proposed by the Planning Commission in their recommendation for Council approval of the project:

- A fourth-floor floor plan needs to be developed;
- Detailing of the window trim treatments on the third and fourth floor windows needs to be developed;
- Explore shortening or screening windows on the back of the building to address privacy and light splay concerns;
- Explore other planting opportunities using species with non-invasive roots in street landscape wells;
- Delete edge seating at the upper level outdoor decks;
- Change glass railings on the fourth level or make opaque;
- Use tighter or graduated spacing on railings of the at the ground level along First Street;
- Explore using 8.5-foot wide parking spaces and strongly encourage this to be supported as a waiver if it results in more parking;
- Introduce expansion joints or use different color combinations on the exterior stucco walls to alleviate or break up the larger fields of stucco on the building;
- Reconsider the size and arrangement of the 28 windows of the upper floor at the back of the building – alternative treatments to be explored can include – recessing the windows into the wall or adjusting their orientation so the face to the side, lowering the head height or raising the sill height, or developing some alternate interior control elements;
- Explore alternative landscaping to create an attractive streetscape at the south end of the project; and
- Evaluate the addition of electric parking spaces, the more the better.
- Staff to revise language of condition No. 19 (requiring ingress/egress easement for abutting property) of the Resolution;

The Applicant has revised the design by addressing the Planning Commission's design concerns. A cover letter submitted by the Applicant is included in Attachment 4 which explains the design revisions that were made to address the Commission's concerns. The revised design plans are included in



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Attachment 6. Overall, the design revisions appear consistent with the recommendations to approve the project made by the Planning Commission.

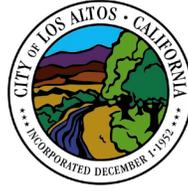
With regards to the Commission's recommendation to provide landscaping with potentially less invasive roots in the tree wells in the public right-of-way, the Engineering Division prefers that the Applicant remove the landscape wells from the public right-of-way altogether. The Engineering Division is concerned with the proximity to the existing sewer main, which is located along the southern side of the street, the existing condition and material of the sewer pipe, and any future complications that should arise if the pipe needs to be replaced or maintained. The landscape area would need to be irrigated which further complicates its installation and maintenance.

With regards to decreasing the width of some of the parking spaces from nine feet to 8.5 feet, the Applicant may be able to install 54 parking spaces with 41 of them 8.5 feet in width based on the revised plans, which is 3 more parking spaces than the proposed plan reviewed by the Planning Commission, but may be contingent upon the final structural design of the building. However, a reduction in parking space width may conflict with the Complete Streets and Planning Commission's desire to increase the number of parking spaces with Electronic Vehicle Supply Equipment (EVSE). Pursuant to the 2019 California Green Building Code, a minimum of ten percent of all parking spaces shall be EV spaces capable of supporting future EVSE. All EVSE parking spaces are mandated to be a minimum of 9 feet wide. The Applicant is proposing 13 EV parking spaces (24% of total parking spaces); however, a waiver to reduce parking width should not apply to EV parking spaces. Therefore, the final construction design will need to be reviewed for compliance with these requirements, but no less than 51 parking spaces would be provided as previously shown on the design plans reviewed by the Planning Commission and in compliance with the alternative parking requirements pursuant to the Affordable Housing Ordinance.

With regards to the Condition No. 19, the Applicant requested a modification to the language implementing the easement requirement pending negotiations with the property owner on the abutting parcel to the north. Staff has reviewed the requested revision to the condition with the City Attorney's office and determined that the revised language in the resolution is appropriate.

General Plan and Zoning

The Project is consistent with all applicable goals and policies contained in the Los Altos General Plan. This includes goals, policies and programs in the Land Use Element, Community Design & Historic Resources Element, Economic Development Element and Housing Element. The Project meets all applicable site standards for a multiple-family residential project in the CD/R3 District, and all other applicable Zoning Code requirements with the exception of the following items pursuant to State Law and the City's Affordable Housing Ordinance (see further discussion below) and in exchange for providing four affordable units:



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- An “on menu” development incentive for an 11-foot increase to the building height to 46 feet where 35 feet is the standard height limit;
- Reduced the number of parking spaces from the required 59 to 54 parking spaces pursuant to parking reductions allowed by the Affordable Housing Ordinance;
- A development waiver for a reduction in the required 60% soft surfaces (landscaping) in the front and rear yard areas; and
- A development waiver for a reduction in the width of some parking spaces from nine feet to 8.5 feet as recommended by the Planning Commission to provide more total parking spaces (see discussion above).

The Applicant submitted a revised Density Bonus Report included in Attachment 4, since the reduction in the width of the parking spaces is an additional development waiver request; this waiver was strongly supported by the Planning Commission.

In addition to the incentives and waivers provided for under the Affordable Housing Ordinance, the Applicant is also requesting a two-foot encroachment into the rear setback for an eight-foot rear yard setback where as a ten-foot rear yard setback normally applies. The exception is being requested pursuant to Los Altos Municipal Code (LAMC) Section 14.52.160 in exchange for public benefits as part of the development in the CD/R3 Zoning District.

A more detailed discussion about the Project’s General Plan and Zoning compliance is included in the Planning Commission agenda report (Attachment 3).

Design Review Findings and Guidelines

In order to approve the Project, the City Council must make positive design review findings as outlined in Section 14.78.060 of the Municipal Code (see the Resolution in Attachment 1). In addition to complying with the standard design review findings, the Project must address the CD/R3 District’s Design Controls (Section 14.52.110). The Project reflects a desired and appropriate development intensity for the CD/R3 District and within the First Street District as outlined in the General Plan and the Vision. The multiple-family development provides for both market-rate and affordable housing units, and a mixture of unit sizes including one-bedroom units (approximately 750 square feet in area), two-bedroom units (approximately 1,200-1,400 square feet in area) and three-bedroom units (approximately 2,100 square feet in area) which will attract different types of households and contribute to the commercial vitality of the Downtown. The new building will improve the streetscape and has incorporated design elements that support the residential use. The architectural design uses a variety of elements to break up the bulk of the structure including building articulation, balconies, and a mix of exterior materials. The private terrace areas on the ground floor and balconies on the upper stories signals habitation and also steps back the mass of the building. Overall, as evidenced in this discussion, the discussion in the Planning Commission Agenda Report (Attachment 3), and as



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further supported by the findings contained in attached Resolution, the project meets the City's required design review findings and zoning district design controls.

The Downtown Design Guidelines (adopted December 8, 2009) and the more recently adopted Downtown Vision Plan provide additional criteria and guidelines for new development to ensure that high quality materials are utilized, appropriate scales and massing are incorporated, and overarching Downtown characteristics are preserved and maintained. An architectural peer review report, which includes a summary the Downtown Design Guidelines for the First Street District and a critique of an earlier architectural design, was provided for the project. The peer review report did identify some design discrepancies, but overall, the Project design and composition appears consistent with the Downtown Design Guidelines and the Downtown Vision.

Affordable Housing –Development Incentives and Waivers

The Applicant is offering four units (15 percent of the Project's units) as affordable, with three units at the moderate-income level and one unit at the low-income level, which complies with the minimum requirements stipulated in Chapter 14.28 for multiple family development projects greater than ten units. The Project has a total of 26 units consisting of three one-bedroom units, 22 two-bedroom units, and 1 three-bedroom units and the affordable units consist of 1 one-bedroom unit (low-income level) and 3 two-bedroom units (moderate-income level). Since the CD/R3 Zoning District doesn't have a density threshold, no density bonus or increase in the number of market rate units is being requested. The Applicant has detailed the unit sizes, unit types, and proposed affordable units in their Density Bonus Report included in Attachment 4 and on Sheet G-0 of the design plans.

Since the Project is providing at least ten percent of its units as affordable restricted at the moderate-income level, it qualifies for one incentive per State Law and City Ordinance. The Applicant, as outlined above, is seeking an "on-menu" height incentive to allow the Project to exceed the maximum height limit of 35 feet by 11 feet for a total building height of 46 feet. The Applicant is also seeking development waivers, which are needed to construct the Project and does not require use of an incentive or concession. In this case, the Project is requesting a development waiver for a reduction in the required 60% softscape surfaces (landscaping) in the front and rear yard areas and also a reduction in the required width of 41 parking spaces from nine feet in width to 8.5 feet in width, which was recommended by the Planning Commission in order to obtain more parking spaces for the project. The Applicant is requesting a waiver to the minimum softscape surface within the landscaped area requirement because it will have the effect of physically precluding the construction of the project since emergency access requiring hardscape surfaces into and surrounding the building are required facilities as well as the concrete driveway approach, pedestrian access to the raised terraces and below grade garage, and hardscape surface of the underground transformer vault in the front yard.

Also, as described in the Zoning section above, the Project is eligible for the alternative parking standards specified in LAMC Section 14.28.040(G). Based on these standards, the project is required



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to provide one on-site parking space for each one-bedroom unit and two on-site parking spaces for each two- or three-bedroom unit, which results in a minimum of 49 required on-site parking spaces whereas 59 spaces is normally required by the Zoning Code. The Project is providing a total of 54 parking spaces in two underground parking levels with 13 parking spaces supporting electric vehicle charging.

Subdivision

The project includes a Tentative Map to subdivide the site for Condominium purposes. The Condominium map would allow for the further division of the air space for the 26 residential units as well as the below grade parking and common areas. As outlined in the Resolution (Attachment 1), the subdivision is in compliance with the General Plan, is physically suitable for this type and density of development, is not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat, is not injurious to public health and safety, and provides proper access easements for ingress, egress, public utilities and public services.

Environmental Review

The project site, which is 15,246 square feet (0.35-acres) in size, is considered a small in-fill site (i.e., less than five acres) that is substantially surrounded by urban uses and does not contain significant natural habitat for endangered species. The development proposal is consistent with the General Plan and Zoning Ordinance, 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 to applicability of the exemption are present. Therefore, in accordance with Section 15332 of the California Environmental Quality Act (CEQA) Guidelines, the project is exempt from further environmental review.

With regard to traffic, Implementation Program C8 in the General Plan's Circulation Element requires a transportation impact analysis (TIA) for projects that result in 50 or more net new daily trips. As outlined in the project's traffic report prepared by Hexagon Transportation Consultants and submitted by the applicant (included in Attachment 3), the proposed project will generate 141 average daily trips as compared with the property's existing uses, which primarily include office uses, that generate 97 average daily trips. Since the Project's will result in a net increase of only 44 average daily trips, a full TIA was not required. However, in response to previous Complete Street Commission concerns about the potential cumulative impacts of multiple smaller projects that do not individually have significant impacts, a cumulative traffic analysis was completed by the Applicant's consultant. The consultant concluded that the project, together with other known proposed projects in the downtown area, would not create a significant impact to any of the study intersections.

With regard to air quality, since the project is located in proximity to Foothill Expressway, the Project could potentially expose long-term residents to air pollution and the Project's construction has the potential to create short-term air pollution impacts. An air quality and greenhouse gas emission



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assessment was prepared for the Project by Illingworth & Rodkin and submitted by the applicant (included in Attachment 3). The assessment concludes that based on General Plan policies and other measures adopted by the Bay Area Air Quality Management District there will be no impact or less than significant impacts to air quality with standard mitigation measures incorporated into the project. Implementation of the air quality mitigation measures have been incorporated as conditions in the attached resolution (Condition No. 29). The Applicant has also completed the City's Climate Action Plan checklist for new development (included in Attachment 3) and will be complying with all applicable requirements to ensure that the project support's the City's greenhouse gas emission reduction targets (Condition No. 14 of attached resolution).

With regard to noise, due to the site's proximity Foothill Expressway, the project is located in an area that may expose its residents to higher noise levels and the project's rooftop mechanical equipment may generate off-site noise levels that exceed thresholds established in the City's Noise Control Ordinance. To address these potential noise impacts, a noise study was prepared by Charles M. Salter and submitted by the applicant (included in Attachment 3). To ensure that there are no significant noise impacts, the study recommends mitigation measures that specify certain types of exterior glazing and supplemental ventilation if necessary. Implementation of the noise mitigation measures have been incorporated as conditions in the attached resolution (Condition No. 30). The study also concluded that based on the site conditions, rooftop mechanical equipment is not expected to exceed City standards. Further analysis will be required at the time of building permit plan submittal to ensure that the Project is designed to comply with the City's noise regulations (Condition No. 31).

The Project is located on an infill site with the Downtown area and will be served by existing public services and utilities. The Applicant will be required to submit a sewage capacity study and upgrade the sewer main as necessary (Condition No. 33). Overall, as documented above, the project's technical studies support the finding that the project meets the criteria and conditions to qualify for as an in-fill development project that is exempt from further environmental review.

Public Notification

For this meeting, public hearing notices were mailed to 384 residential property owners and 275 business tenants within 1,000 feet of the site. A public notice billboard with color renderings was installed along the project's First Street frontage and story poles to represent the corners of the building were installed.

Included in Attachment 5 is any correspondence received subsequent to the publication of the Planning Commission November 7, 2019 agenda report up to the time of report publication of this agenda report.

City Council Action



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The necessary findings related to the project's environmental review, design review, subdivision and affordable housing applications to approve the project are contained in Exhibit A of the Resolution, and appropriate conditions to ensure the project is properly implemented are contained in Exhibit B. Based on the information contained in this report, the options for City Council action are listed below.

Options

- 1) Approve Resolution No. 2020-XX

Advantages: The project will replace an underdeveloped commercial property with a high-quality multiple-family development that helps the City meet its goals for producing new housing units, both affordable and market rate, and is supportive of the goals of the Downtown Vision Plan.

Disadvantages: The amount of commercial office space along First Street will be reduced in size.

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

Advantages: The existing office building on the site will be maintained

Disadvantages: The City will not make any progress on achieving its goals for the production of new housing units and implementation of the Downtown Vision Plan.

Recommendation

The Planning Commission and staff recommend Option 1.