

CITY OF MOUNTAIN VIEW

ENVIRONMENTAL PLANNING COMMISSION

STAFF REPORT

WEDNESDAY, MAY 5, 2021

5. STUDY SESSION

5.1 Downtown Precise Plan Update (Phase 1)

RECOMMENDATION

That the Environmental Planning Commission discuss and provide input on key Downtown Precise Plan issues affecting Areas A, G, and H, including historic preservation, development character and design, and ground-floor uses.

PUBLIC NOTIFICATION

The Environmental Planning Commission (EPC) agenda is advertised on Channel 26, and the agenda and this report appear on the City's Internet website. All property owners and apartments within a 750' radius and other interested stakeholders were notified of this meeting. A City Council Study Session will be held regarding this project, and property owners and interested parties will be notified.

BACKGROUND

Downtown Precise Plan Overview

The intent of the Downtown Precise Plan (DTPP) is to provide a coherent framework for downtown development and preservation and guide future development (see Exhibit 1 – Downtown Precise Plan). The DTPP was first adopted in 1988, with several amendments over the years with the last minor amendment in 2019. The DTPP is composed of 10 areas (A through J), with each area differentiating in allowed uses, allowable building height, design requirements, and other development standards. The development objectives and land use policies for the DTPP revolve around qualities that contribute to downtown, including preserving historic resources and design elements, promoting an active and attractive pedestrian environment, encouraging economic diversification for retail tenants, preserving and enhancing adjacent residential neighborhoods, and encouraging high-quality development and public improvements.

City Council Meetings

At their [March 5, 2019 Study Session](#), the City Council provided initial feedback and direction on potential amendments to the DTTP (see Exhibit 2 – March 5, 2019 Study Session Memo). On [May 21, 2019](#), Council approved a project to update the City’s DTTP as part of the Council Major Goal to Promote Environmental Sustainability and the Quality of Life for the Enjoyment of Current and Future Generations with a Focus on Measurable Outcomes (see Exhibit 3 – Council Goal-Setting – May 21, 2019).

In 2018, the City engaged the Urban Land Institute to convene a Technical Assistance Panel (TAP) to receive strategic advice on the existing condition and future success of downtown. Following several months of preparation, stakeholder interviews, and panel deliberations, the [TAP proposed some key recommendations](#) about ensuring an appealing public realm, managing parking, and using opportunity sites while maintaining the downtown core (see Exhibit 4 – Technical Assistance Panel – 2018). The Downtown Precise Plan update team utilized this TAP study and further analyzed the recommended strategies in the Precise Plan update process.

At the [June 25, 2019](#) meeting, the City Council further discussed the general scope and direction for this work (see Exhibit 5 – Study Session Memorandum – June 25, 2019). Council endorsed a two-phased project approach. Phase I of the Precise Plan update would focus on the goals, policies, and/or development standards for Precise Plan Areas A, G, and H:

- Potential revisions to design guidelines, including consideration of form-based code standards;
- Feasibility of a historic district overlay, and
- Minimal ground-floor land use changes.

Phase II would include further discussion with the City Council about any desired additional amendments.

At the [December 3, 2019](#) meeting, the City Council further highlighted that the DTTP update is to be a two-phased approach. Phase I would review limited amendments to Areas A, G, and H (see Exhibit 6 – December 3, 2019 Council Scope Report).

Specifically, Council directed the Phase I scope to:

- Limit focus to only Areas A, G, and H;
- Analyze historic preservation opportunities with the intent to protect historic resources;
- Develop policies and standards to maintain the current look and feel of downtown; and
- Promote and maintain ground-floor pedestrian activation.

Phase II of the project would potentially include amendments to other areas and requirements that would affect the entire downtown, such as parking. A map of the focused areas is shown in Figure 1.

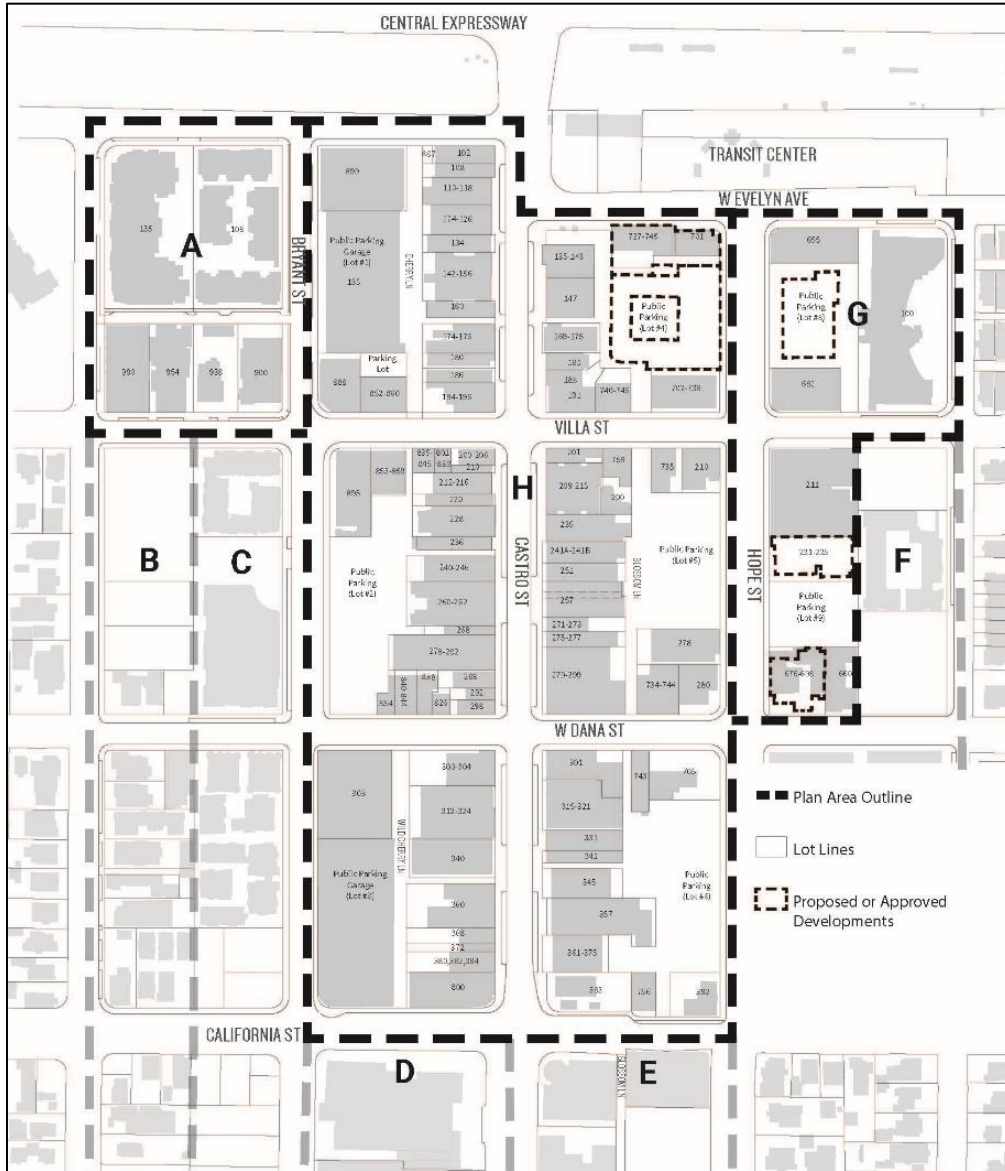


Figure 1 – Downtown Precise Plan Areas A, G, and H

Other Downtown Projects

The following City projects are also under way and may affect or otherwise overlap with this Precise Plan update:

- **Downtown Parking Strategy:** Parking policy has a significant effect on the feasibility of new office and residential development and new restaurant uses in existing buildings. A comprehensive analysis of the supply, management,

demand, and operations of downtown parking. A full set of strategies is tentatively expected for adoption by late fall 2021.

- **Transit Center Master Plan:** A plan for rebuilding the Downtown Transit Center with new development opportunities in circulation and parking supply. The Master Plan is adopted, and further steps to implement the Master Plan are under way (see next bullet statement).
- **Castro Street Grade Separation and Transit Center Access Improvements:** This project, currently in design, includes reconfigurations at Castro Street and Central Expressway and improves pedestrian and bicycle crossings with the planned closure of Castro Street at the Caltrain railroad tracks. Construction is expected between 2024 and 2026.
- **Castro Street Pedestrian Mall:** An initiative to study public improvements on the 100 block of Castro Street to create more pedestrian areas and possibly remove vehicle access.

The following development projects were either recently under review, recently approved, or currently under review in Areas A, G, and H.

- **Withdrawn in 2018:**
 - 938-954 Villa Street (four-story mixed-use project with a ground-floor restaurant and office above).
- **Approved, Unbuilt:**
 - 701-727 West Evelyn Avenue (four-story, mixed-use project with retail and office);
 - 231 Hope Street (four-story, nine-unit condominium residential project); and
 - 676 West Dana Street (four-story, mixed-use project with six residential units).

- Under review:
 - 756 California Street (three-story, mixed-use with ground-floor commercial and office above)
 - 747 West Dana Street (three-story mixed-use with ground-floor retail and office above)

Recently Introduced State Legislation

The State Legislature has recently introduced Assembly Bill (AB) 1401, which would prevent local governments from “imposing or enforcing” minimum parking requirements for new developments within one-half mile “walking distance” to a major transit station, including the Downtown Transit Center. This may affect the Downtown Parking Strategy and Phase 2 of the Downtown Precise Plan update, which would include updates to parking standards. Staff will continue to monitor this legislation.

ANALYSIS

This report is divided into four topic sections: Historic District Findings, Historic Preservation, Development Character and Design, and Ground-Floor Active Uses. Each section discusses existing conditions, stakeholder meetings, policy options, and staff’s recommendations on how to approach the DTPP update to achieve Council and community goals. Public comment received during project outreach to the Downtown Committee, business and property owners, neighborhood groups, developers, and designers is summarized under each of the comment sections below.

Historic District Findings

TrenorHL, the historic consultants on the project team, conducted a historic survey of Areas A, G, and H to determine if broad protections could be applied to downtown, as a “national or State recognized historic district.” A national or State historic district would provide broad California Environmental Quality Act (CEQA) protections to the entire area, provide eligibility for certain tax provisions, and may protect the area from State preemption of local zoning (such as SB 50, which was proposed two years ago but did not pass).

The historic survey found that downtown Mountain View has some historic structures at the local, State, and national level. But overall, there are relatively few

qualifying buildings, and the historic integrity of many older structures has been compromised. As such, downtown Mountain View does not meet the criteria to create a downtown historic district. (More information about this analysis is provided in Exhibit 7 – Historic District Memo).

Historic Preservation

Even though the historic survey did not find that downtown Mountain View could be designated a historic district, the existing historic resources in downtown are protected through the City's Historic Preservation Ordinance and CEQA.

The City's Historic Preservation Ordinance in Chapter 36 (Zoning) provides protection for historic resources and sets a process for modifications to historic resources and to add historic resources to the Mountain View Register. Historic resources can only be substantially modified or demolished with approval of a Historic Preservation Permit and are considered a project under CEQA.

CEQA provides procedural protection for any structures deemed to be historic or of historic interest at the local, State, or national level. Applications proposing demolition or a significant adverse change to a historic resource could be deemed a significant impact under CEQA, which would require an Environmental Impact Report (EIR) and adoption of a Statement of Overriding Considerations. The City has discretion not to adopt a Statement of Overriding Considerations, which gives the City discretion to deny a project that would significantly impact a historic resource. Conversely, the City may adopt a Statement of Overriding Considerations to approve a project despite the project's impact to historic resources; thus, the protections under CEQA are substantial, but not absolute, providing for the evaluation, disclosure, and due consideration of specific impacts prior to a City Council decision.

This CEQA authority would not have been affected by SB 50 (which was proposed in 2018 but not ultimately enacted)—which would have preempted local government control of zoning near public transit. Other preemption bills, such as SB 35, generally have a carve-out for historic properties.

Incentives for Preservation of Historic Resources

Council requested an evaluation of the economic feasibility of historic preservation requirements to incentivize property owners to maintain and preserve their buildings. More quantitative analysis will be provided at a later date, but the

following is an overview of incentives already currently available to historic resources.

The Mountain View City Code, Chapter 36 (Zoning), Division 15, includes a broad range of available benefits and incentives for historic resources which protect and enhance the character-defining features or retention of the historic resource. The following is a list of available historic benefits and incentives:

1. Variances;
2. Exemptions from nonconforming uses and structures;
3. Exceptions from requirements of the Downtown Precise Plan;
4. Use of the State Historic Building Code;
5. Mills Act contracts;
6. Property Tax Rebate Program;
7. Exemption from planning, building, and historic preservation permit fees related to the historic resource, including, but limited to, the relocation, preservation, and rehabilitation of the historic resource;
8. Credit for below-market-rate (BMR) program requirements, including BMR units and in-lieu fees, where the historic resource is preserved or rehabilitated as part of a residential development;
9. Credit toward Park Land Dedication or fees in lieu thereof; and
10. Approval for condominium conversions of six residential units or less in a single historic resource.

The City Council also requested that staff look into additional incentives, such as Transfer of Development Rights (TDRs), which would allow historic property owners to sell unrealized development rights to another location within the City. The TDR value could be used for facade improvements or building renovations. Staff does not recommend a TDR program for several reasons:

1. The City has adequate tools to require the preservation of historic resources and create financial incentives for their maintenance and preservation.

2. There are a range of financial incentives already available to applicants interested in historic preservation.
3. TDR did not garnish support from stakeholders as it is too complicated for relatively little gain.
4. The amount of floor area transferred from any one property would be very small and may not attract buyers.
5. It is a one-time action, and maintenance is an ongoing financial need.

Public Comments on Historic Preservation

Public comments were provided at stakeholder meetings held with the Downtown Committee, business and property owners, neighborhood groups, developers, and designers. Historic preservation comments included the following:

- The look and feel of the existing buildings contribute to and support downtown vibrancy, character, and interest.
- Many of the building owners have been long-time owners. They might not have the desire to make substantial modifications to their buildings as it may not yield an investment return that will cover the expenses for renovation.
- An improvement incentive program, such as TDRs, would not substantially incentivize building upgrades.

Historic Preservation Staff Recommendation

Make no changes to the DTPP regarding historic preservation and rely on existing preservation authority under CEQA and the local Historic Preservation Ordinance.

Preservation of downtown character can be enhanced through updates to the DTPP standards and guidelines, though this would not have the effect of preserving individual nonhistoric buildings (see “Development Character and Design,” below).

Question 1 – Does the EPC support the Historic Preservation staff recommendation to rely on existing preservation incentives and authority under CEQA and the City Code?

Development Character and Design

Development character and design is a broad topic that could include massing, bulk and site configuration standards, or design guidance, including composition, materials, colors, and ornamentation.

Over the last several years, Council has expressed interest in a building's use of traditional materials and composition for renovations and new buildings so that they fit into the context of downtown. The purpose of this section is to discuss opportunities for updates to the DTPP standards and guidelines to address this issue. This would address the preservation of the downtown character, as recommended in the previous section. However, it should be noted that historic architecture professionals, including the historic consultants on this project, do not recommend "false historicism," or the constructing of something new that appears to be from a previous time period.

The strategy for new buildings in downtown will therefore be to prioritize compatibility with existing structures in terms of size, scale, uniformity of setbacks, and other standards, without requiring a specific style of architecture.

Existing DTPP Design Guidelines, Development Requirements, and Process

Downtown Mountain View contains buildings of numerous architectural styles and influences, though many follow similar design principles and share elements that tie the buildings together. Common elements include transparent building frontages, canopies, decorative roof elements (strong caps or cornices), recessed building entries, and other elements (see Exhibit 8—Existing Building Design Elements Proposed Illustration). The DTPP has existing design standards and guidelines to promote and preserve these elements to create congruent development.

Areas A, G, and H also have specific requirements that address ground-level facade and roof treatment, open space, windows, building materials, and site access and entrances and more (see Exhibit 1—Downtown Precise Plan, Pages 26 to 32 and Pages 65 to 95). The DTPP also requires that substantial exterior modifications and

new construction be reviewed by the Development Review Committee and that all new buildings require City Council review.

Design Standards and Guidelines

The Precise Plan standards, guidelines, and procedures provide a strong framework for the oversight of development in the area. However, the City can better communicate the intended character of the district by clarifying the intent of existing design guidelines, reviewing where design guidelines can be promoted to the “Design Standards” section and including more illustrative graphics.

In order to keep the focus of change to Areas A, G, and H, changes to the Area H design guidelines, which are also referenced in other areas of the Precise Plan, should be avoided. The recommendations below can be carried out with this limitation, and staff will ensure any final proposed Precise Plan edits will affect only Areas A, G, and H. The design guidelines in Areas A and G have no such references, so they can be modified as needed.

Exhibit 8 includes illustrations and pictures reflecting the range of existing styles downtown. These diagrams, guidelines, and illustrations directly reflect the range of existing styles downtown. These diagrams will be used to identify and refine additional guidance for new construction and major remodels to reinforce downtown’s historic character.

Some existing design guidelines may also be promoted to development standards, providing more legislative authority for their compliance. Some examples of such new standards may include:

1. Upper-floor step-backs;
2. Fine-grained facade patterns at 25’ to 50’ increments;
3. Main entrances accessed directly from the sidewalk;
4. Transparent storefronts along primary ground-floor frontages;
5. Overhanging awnings; and
6. Creation of varied rooflines and parapets.

Lastly, several comments frequently come up in the review of downtown developments, including:

1. Use solid building walls punctuated by regular windows;
2. Create visual distinction of ground levels;
3. Provide additional ornamentation and detail (ground floor, cornice, windowsills and heads, entryways, etc.);
4. Use planters and other appropriate pedestrian-friendly landscaping, especially in areas where windows or active frontage cannot be provided, and
5. Locate blank walls, stairs/elevators, and service areas away from street facades. Based on Council direction, staff will further evaluate, develop, and refine the existing design guidelines, and make some of them design standards. Staff will return to Council with draft Precise Plan Amendments for approval.

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Maximum Floor Area Ratio – Office

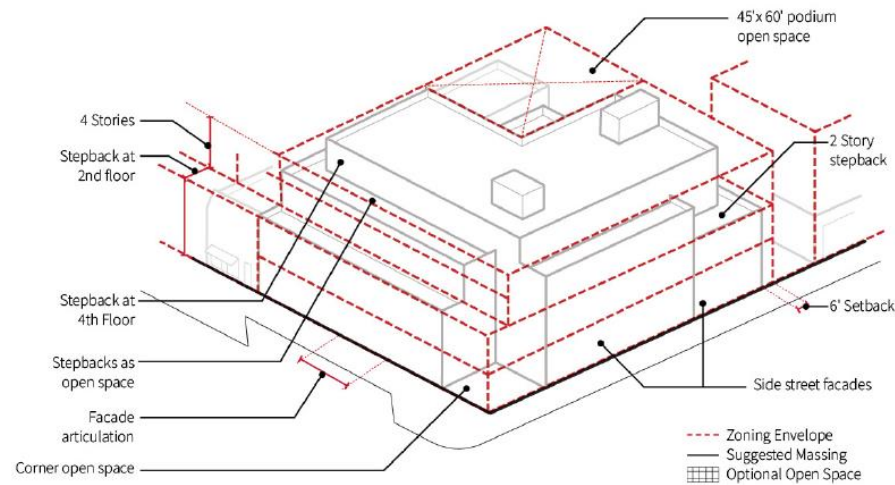
Area H is the only downtown area where building intensity is not controlled by the Floor Area Ratio (FAR). Instead, intensity is controlled by height, and staff recommended upper-floor step-backs. However, the lack of specific standards makes it especially challenging to address the design expectations for buildings and projects that require several design iterations. Staff is, therefore, recommending reviewing the inclusion of standards to provide clarity and streamline the development review process.

Additional controls on massing, such as increased step-backs, open area, and facade articulation, can help preserve the existing scale of downtown and reduce the visibility of taller portions of buildings (see Figure 2 below). In addition, new development near historic resources should not overwhelm the resource or hide its defining features. Upper-floor step-backs and other reductions to building mass can help support that objective.

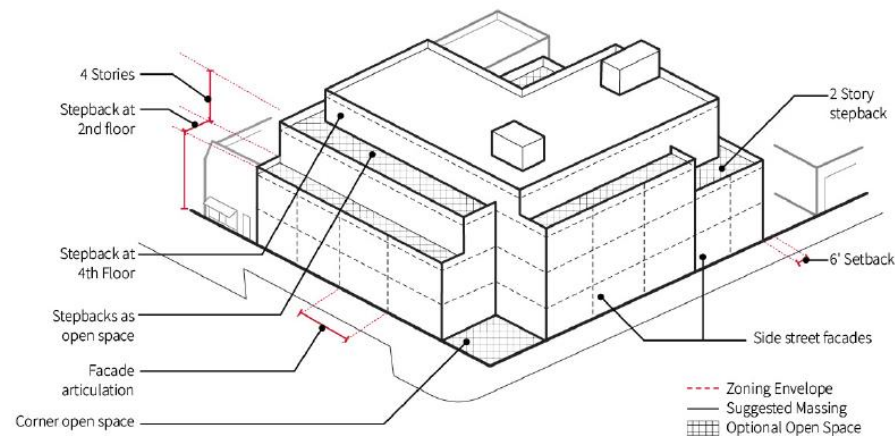
However, the City cannot add such general controls on massing for residential development (residential is a provisionally allowed use in Area H) under SB 330, and the City cannot adopt new standards that constrain the development of

housing. However, staff proposes to study the massing controls illustrated in Figure 2 and identify other standards to include, but not limited to, FAR that would apply to nonresidential buildings only.

Based on EPC and Council direction, staff will return with proposed FARs and other standards, as necessary, that reflect these massing expectations after studying a range of parcel sizes and configurations. The proposed standards would be presented with the draft Precise Plan Amendments for approval.



Development Envelope



New building with additional massing control on development

Figure 2 – Additional Massing Controls on Office

Public Comments on Design and Character

Public comments were provided at stakeholder meetings held with the Downtown Committee, business and property owners, neighborhood groups, developers, and designers. The Design and Character comments included the following:

- They enjoy the unique and small-scale individual character of the various shops.

Design and Character Recommendation

Staff recommends updating the DTPP standards and/or guidelines for Areas A, G, and H based on Exhibit 8 and the list of topics above and studying the inclusion of FAR and other objective standards, as needed, in Area H to help control massing.

Question 2—Does the EPC support the development character and design staff recommendation to update the Area A, G, and H standards and/or guidelines and include objective standards (such as FAR) to clarify design expectations in Area H?

Active Ground-Floor Uses

Downtown has been and continues to be a popular destination for restaurants and cafés. Some other commercial uses, such as retail, food stores, personal services, medical, and fitness, also have some presence along Castro Street and the cross-streets.

The retail market is changing, reducing the viability of shopping in traditional main streets like downtown. As a result, retail and restaurant rents may not be as high as other uses, such as office, which does not tend to provide the same activation and interest; however, there is a public good in preserving continuous activation and interest along Castro Street and the cross-streets. As it supports the commercial uses that depend on pedestrian visibility, it also reinforces the area as the “functional and symbolic center” of the City, as stated in the Precise Plan. This section provides an analysis of uses that support ground-floor activation.

Currently Allowable Ground-Floor Uses

Ground-floor permitted and provisional uses in key parts of Areas A, G, and H are summarized in the chart below.

Area	Permitted Uses	Provisional Uses
Area A, Fronting Villa Street	<ul style="list-style-type: none"> • Retail • Offices, not including administrative offices • Art galleries Personal and business services 	<ul style="list-style-type: none"> • Restaurants • Administrative offices, theaters, entertainment, and indoor recreation uses
Area G	<ul style="list-style-type: none"> • Retail • Offices, not including administrative offices • Art galleries • Personal and business services 	<ul style="list-style-type: none"> • Restaurants • Administrative offices • Theaters, entertainment, and indoor recreation uses • Residential, including senior housing and efficiency studios • Hotels • Child-care centers • Bars and nightclubs (Hope Street in the 100 block only)
Area H, Castro Street and Cross- Streets	<ul style="list-style-type: none"> • Retail • Art galleries • Personal services 	<ul style="list-style-type: none"> • Must demonstrate pedestrian activity and interest • Restaurants • Business services • Offices, including banks, financial institutions, and administrative offices • Medical services • Hotels • Theaters • Bars and nightclubs • Indoor recreation uses
Area H, Bryant, and Hope Streets	<ul style="list-style-type: none"> • All principal permitted uses for Castro Street and cross-streets • Business services • Offices, not including administrative offices • Medical services • Banks 	<ul style="list-style-type: none"> • Restaurants • Administrative offices • Hotels • Indoor recreation use • Lodges, clubs, etc.

Chart 1: Allowed Ground-Level Uses in Areas A, G, and H
(Source: Mountain View City Code)

In addition to the listed uses, there is language pertaining to a ground level provisional use on Castro Street and cross-streets in Area H that requires uses to demonstrate that they will generate pedestrian activity and streetside interest. For

example, a medical use with private rooms along the street would not be allowed, but an optometrist with glasses retail along the street would be allowed.

Ground-Floor Office

Office uses come in three primary varieties in the Downtown Precise Plan:

- *Office* refers to general business offices and personal service offices, such as tax preparers, lawyers, architects, counseling, etc.
- *Administrative office* refers to business offices performing headquarters activity, and management and administration of firms and institutions. Technology development and similar offices are included in this category.
- *Banks and financial office* refers to banks, lending and investment companies, and similar uses.

Administrative offices have the least ability or desire to provide transparency, pedestrian interest, and customer activity. In effect, this means administrative offices generally do not meet the pedestrian activity and interest standard for provisional uses on Castro Street and the cross-streets. As a result, to provide more clarity it would be preferable and more straightforward for the DTPP to simply prohibit the use. If Castro Street and the cross-streets prohibited ground-floor administrative office use, Figure 2 shows a map of the areas this would affect, while other areas would still require provisional use permits for the use.

There may be some existing administrative office uses in this area. If Council is interested in prohibiting new administrative offices, staff would develop standards to allow the existing uses to remain, which may include the following:

- Nonconforming use language;
- Small refinements to the area affected; or
- Allowance for minimal lobby or entrance areas.

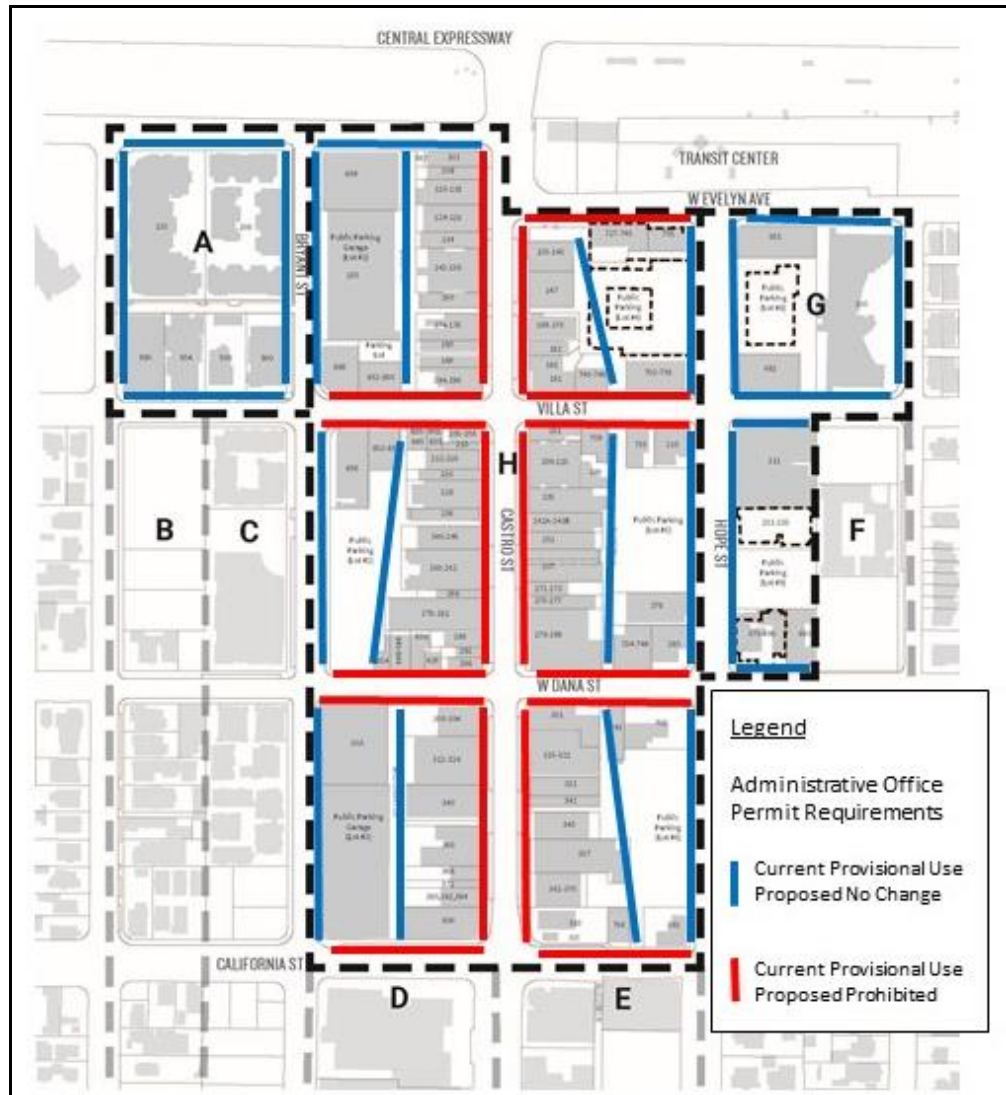


Figure 3: Areas Where Administrative and R&D Office Uses Would Be Disallowed
(Source: Staff)

Additional Active Uses

Other activating commercial uses may be appropriate for these ground-level areas and may provide additional opportunities for property owners to fill spaces without viable tenants, especially off Castro Street. However, the listed uses in each area of the Precise Plan are interrelated –if a use is listed in one area, it is presumed to not be allowed in another. Therefore, to avoid affecting areas outside Areas A, G, and H, staff recommends updating and adding active uses to the Precise Plan in Phase 2.

Public Comments on Active Uses

Public comments were provided at stakeholder meetings held with the Downtown Committee, business and property owners, neighborhood groups, developers, and designers. Active use comments included the following:

- There is need for more diverse uses with higher-end stores, but not to create a luxury mall experience.
- Retail uses are viable options on Castro Street, but become less appealing and difficult to attract on side streets.
- There is limited to no desire for restaurant or retail uses off Castro Street.
- When lot size is small, mixed-use (e.g., retail on the ground floor and office on upper floors) is not efficient or feasible.
- The COVID-19 pandemic has affected the viability of retail uses. Many property owners are having a difficult time leasing vacant spaces.
- Concerns about COVID and predicting trends after things start to reopen, further restricting office use, can be of substantial impact to businesses.
- There is a need for greater flexibility on allowed uses.
- Parking is often a deal breaker for the proposed tenant as the proposed tenant does not have the capital to pay the in-lieu fee.

Active Ground-Floor Uses – Staff Recommendations

Staff recommends prohibiting administrative office use in Area H in the ground-level fronting on Castro Street and cross-streets (see Figure 3).

Question 3—Does the EPC support the Active Ground-Floor Uses staff recommendation to prohibit administrative office from parts of Area H?

NEXT STEPS

Following the Study Session with the EPC, the project will be heard at a City Council Study Session tentatively scheduled for June 8, 2021. Based on Council direction,

staff will develop the proposed Precise Plan Amendments and return to the EPC and Council for approval.

CONCLUSION

Staff recommends that the EPC respond to the questions below.

1. Does the EPC support the Historic Preservation staff recommendation to rely on existing preservation incentives and authority under CEQA and the City Code?
2. Does the EPC support the development character and design staff recommendation to update the Area A, G, and H standards and/or guidelines and include objective standards (such as FAR) to clarify design expectations in Area H?
3. Does the EPC support the Active Ground-Floor Uses staff recommendation to prohibit administrative office use from parts of Area H?

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- Exhibits:
1. Downton Precise Plan
 2. Study Session Memo – [March 5, 2019](#)
 3. Council Goal Setting – [May 21, 2019](#)
 4. [Technical Assistance Panel](#) – 2018
 5. Study Session Memo – [June 25, 2019](#)
 6. Council Scope – [December 3, 2019](#)
 7. Historic District Memo
 8. Existing Design Elements Proposed Illustrations