



NEW LEGISLATION, DEVELOPMENT, AND ISSUES AFFECTING OMV IN 2025

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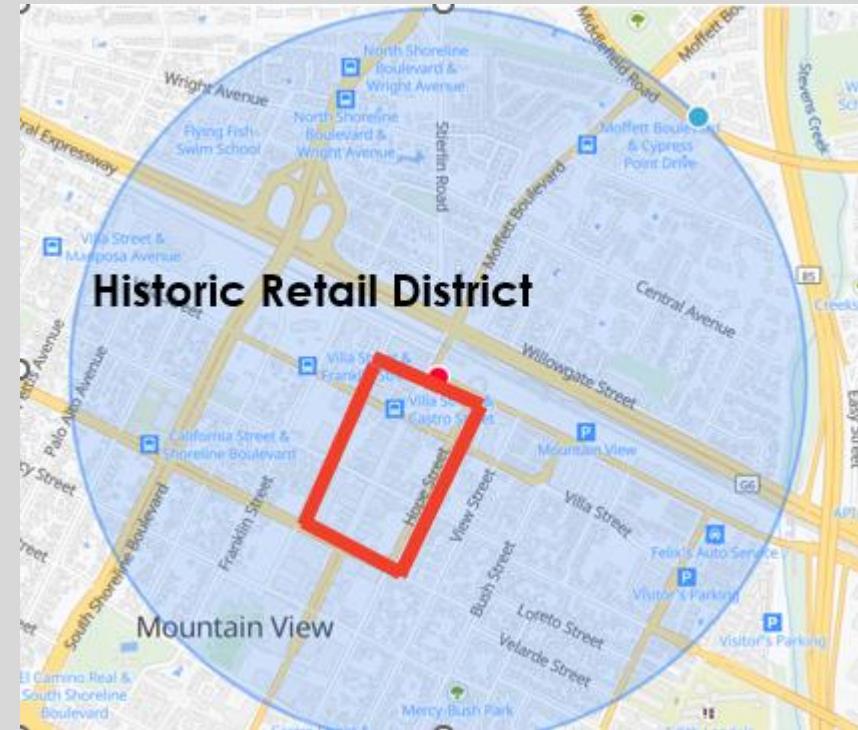
Overview

- State Legislation
- Local Legislation
- Long-Term Local Planning Projects
- Local Public Works Projects
- New Development Projects
- What to Look for in 2026

STATE LEGISLATION

Senate Bill 79 (SB79)

- Downtown Mountain View transit center is an SB79 Tier 1 transit stop
- SB79 permits
 - 7 story (75 ft) residential buildings within 1/4 mile of Tier 1 transit stop
 - 6 story (65 ft) residential buildings within 1/2 mile of a Tier1 transit stop
 - Most of OMV north of Church Street is affected.
- Downtown property owners in the could assemble their properties and redevelop them as housing
 - Our downtown would no longer be a key retail and restaurant destination
 - Big loss of city sales tax revenue (75% of visitors come from outside Mountain View)



SB79 transit-oriented development zone around the downtown transit center

Senator Wiener says SB79 Local Alternative Plans are the answer

- “Why did you draft a state mandate to have every city upzone without any sensitivities to individual characters of each city, so that the state remedies would almost certainly destroy local uniqueness?” one person asked, to a smattering of applause throughout the room.
- “That’s like the ‘when did you start beating your spouse’ question,” Wiener shot back. “I completely dispute the premise of that question.”
- “Oh wow...” people in the crowd scoffed.
- **“Cities have the ability to craft their own **alternative option** that implements the goals of the bill, but does it in a way that works for that city,”** Wiener said, returning to the dry, policy-focused responses that made up the majority of his answers.
- Mission Local website, “Lurie warns Sunset: Upzone, or S.F. could see ‘towers everywhere’” October 7, 2025



STATE LEGISLATION

SB79 Local Alternate Plan

- Could be used to transfer density from the downtown commercial district to other transit-oriented development zones around the light-rail stations
- City council will talk about this option at the first regular council meeting on January 27, 2026
- Could depend on forming a historic district in the downtown and putting it on Mountain View's local historic register



Other Cities Are Already Working On SB79 Local Alternative Plans

- SB79 Local Alternative Plans must be submitted and approved before SB79 goes into effect on **July 1, 2026**
 - Cities such as Palo Alto, Sunnyvale, and Los Angeles are already working on their SB79 local alternative plans.
- Unless we act now, **the historical core of our pioneer-founded city could be lost.**



Sunnyvale's Historic Murphy Avenue

STATE LEGISLATION ASSEMBLY BILL 609 (AB 609)

- Eliminated CEQA (California Environmental Quality Act) review for most urban projects
- Governor Newsom made 2026 budget approval contingent on passing AB609
- CEQA review still required for
 - Projects over 20 acres
 - Builder's remedy projects over 5 acres
 - Historical resources
 - Environmentally-sensitive areas
 - Hazardous sites



LOCAL LEGISTRATION

R3 Zoning Update

- R3 Zoning Update
 - Provides for higher densities in certain areas zoned for multifamily apartments
 - Biggest change northeast of West Dana and Calderon
 - Eaves Creekside & Sunshine Gardens
 - 4-8 stories in the Light Red area
 - 6-12 stories in the Dark Red area
 - Some R2 (duplex) areas are now included in R3-A
 - 2.5-5 stories in the Light Orange areas
 - State law SB79 already upzones many of these areas
 - Final council approval expected in 2026



R3 Zoning District Update Preferred Alternative

New District*

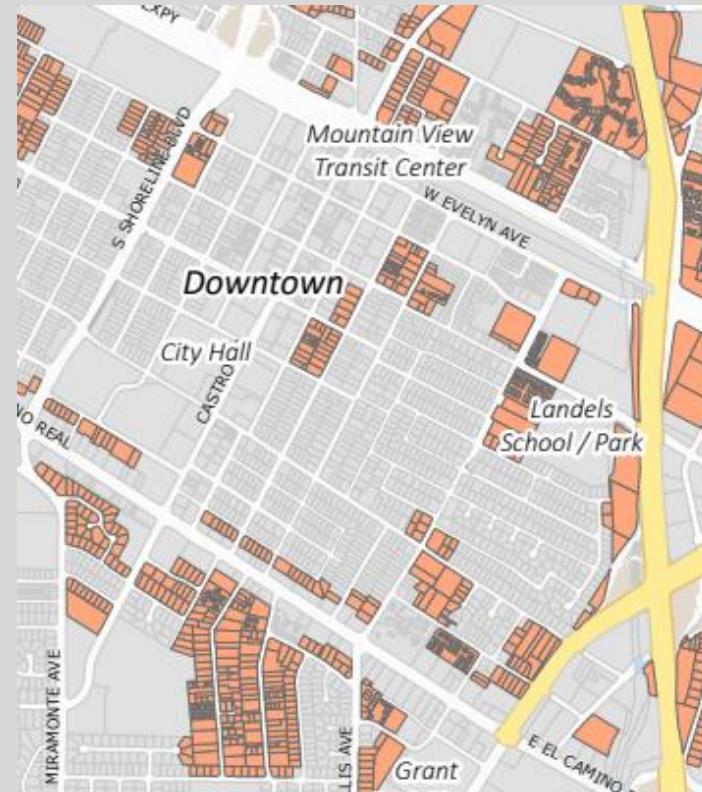
- R2 (14 DU/ac)
- R3-A (20 DU/ac)
- R3-B (25 DU/ac)
- R3-C (35 DU/ac)
- R3-D1 (50-75 DU/ac)
- R3-D2 (75-110 DU/ac)
- P-38 (Medium Intensity Corridor)
- PF (Public Facilities)

*Includes Precise Plans that reference the given district.

LOCAL LEGISLATION

New Gatekeeper Process

- Gatekeeper proposals: Developer proposals that do NOT conform to existing zoning.
- City will hold 2 gatekeeper proposal meetings per year
- Some parcels are eligible for streamlined process
 - No initial council screening
 - Must propose an additional benefit
 - More affordable housing
 - Park land dedication



Streamlined Process Parcels

LONG-TERM LOCAL PLANNING PROJECTS

- Downtown Precise Plan
 - Will revisit zoning and commercial uses
- Moffett Precise Plan
 - Higher densities required by the 2023-2031 Housing Element
 - Residents concerned about loss of local businesses
- Historic Ordinance and Local Register Update
 - Will the city approve a downtown commercial preservation district?



LOCAL PUBLIC WORKS PROJECTS

New Public Safety Building

- Will replace the current public safety (police & fire) building at 1000 Villa St
 - Will accommodate 248 police & fire department personnel
- Replaces an existing historic building designed by famous architect Goodwin Steinberg
- Will provide amenities
 - 2500 square foot auditorium
 - 15-lane firing range



NEW DEVELOPMENT PROJECTS

GPR Castro Commons

- 801-819 West El Camino Real
- Now an 8-story state density bonus project
- 20% affordable housing
- Project approval delayed, while developer negotiates with city for reduced park fees
- Approval expected in 2026



NEW DEVELOPMENT PROJECTS

Greystar Chase Bank Redevelopment

- 749 West El Camino Real
 - Just outside of OMV
- 6 story state density bonus project
- 299 new apartments
- Will demolish the current Chase Bank
 - Historic building with art work by Millard Sheets
 - 4 key pieces of art will be preserved and repurposed on site
- Developer wanted an 8-year time window to start construction
 - Was denied this by the city



NEW DEVELOPMENT PROJECTS

Prometheus Moffett Plaza Redevelopment

- 400 Moffet Blvd.
 - Across the railroad tracks from OMV
- 6 story state density bonus project
- 175 new apartments
- Located in the SB79 Caltrain Tier 1 transit-oriented development zone
- Adjacent to the Moffett Mobile Home Park



NEW DEVELOPMENT PROJECTS

Market Conditions

- 20% of commercial office space remains vacant
 - Many downtown office projects on hold
- Residential vacancy rate
 - 10.6% of units built since 2016 are vacant
 - 3.5% of rent-controlled units are vacant
- Big differences in rents between rent controlled and market-rate apartments
 - \$4461/month for units built since 2016
 - \$2896/month for rent-controlled units
 - 54% higher rents for “new” units



NEW DEVELOPMENT PROJECTS

We Live In Bizarre Times

- We are in a “housing crisis” but over 10% of the apartments built in Mountain View since 2016 lie vacant.
- Developers get approval for many huge apartment projects, but want to wait as long as 8 years to get started.
- Condos are supposed to be an affordable entry-level ownership option, but are selling near the post office for \$2.7-\$3.6 million.



WHAT TO LOOK FOR IN 2026

- SB79 becomes law on July 1
 - Will the city submit an SB79 local alternative plan?
 - What areas will be protected by it?
- Will development rebound?
 - Will office vacancies decrease?
 - Will new projects start construction?
- City Council Elections
 - 2030-2050 General Plan Update
 - Housing Element and RHNA Progress
 - SB79's Impact

