

# Mountain View's latest redevelopment project wins praise for keeping low-income tenants housed

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Housing redevelopment has been a thorny issue in Mountain View for years as the city faces carving away its naturally affordable apartments to make way for pricy homes. But a newly approved project on Tuesday proved that bulldozing older homes doesn't have to force low-income tenants out of town.

The Mountain View City Council unanimously approved a proposal that will raze 29 rent-controlled apartments and replace them with for-sale condos on Gamel Way. Though typically the kind of project that [generates outcry](#) and sharp disapproval by tenant advocacy groups, the project received heaping praise at the Sept. 28 meeting for going out of its way to allow the current residents -- mostly low-income families -- to stay in Mountain View.

The proposal by the DeNardi Group calls for revamping the Gamel Way cul-de-sac across the street from Castro Elementary School, demolishing the existing apartments and replacing them with a four-story, 121-unit condominium complex. The project will stick out above the neighboring one- and two-story housing with building heights exceeding 54 feet tall.

On its face, the project mirrors the painful decisions made by the City Council in recent years to [axe affordable homes](#) for expensive ownership units. Similar redevelopment plans typically involve code-compliant projects that leave the city [little discretion](#) to block the project.

And like past projects, the Gamel Way proposal is not subject to [SB 330](#), a key state housing law aimed at preventing displacement. The developer's application was deemed complete prior to the law's effective date on Jan. 1, 2020, according to city officials.

But there are key differences that made the Gamel Way project a slam dunk, winning 7-0 approval from the City Council and support from housing advocates. The first is that the project will replace all 29 of the rent-controlled apartments with highly subsidized, low-cost condominium units at the redeveloped property. The developer is seeking to crank up the density beyond what's allowed on the property using California's State Density Bonus Law, which requires that affordable units be replaced at around the same price range.

Under the state law, nine of the future condos must be affordable to those making up to 50% of the area's median income (AMI), while 20 more units must be available to those making up to 80% of the AMI.

The proposal also differs from past redevelopment projects in that tenants who are ousted during construction will have the first opportunity to come back, and will have the rare chance to purchase a low-cost home in Mountain View. Adding to the benefits, those who take advantage of the right to return will also be given a temporary place to live at comparable rents while construction is underway.

For those who don't want to come back and end up moving into a higher-cost apartment, the developer is offering to pay the difference in monthly rent for 42 months.

The city was able to negotiate the generous relocation assistance and first right to return in exchange for the sale of a public street. The DeNardi Group has been working quietly with the city -- including numerous closed-session meetings with the council -- to purchase Gamel Way in order to make the project work. The two parties ultimately agreed on a \$4.8 million sale price as well as the tenant relocation benefits.

Councilman Lucas Ramirez said the project is an example of what the city can do, using incentives and zoning changes, in order to steer redevelopment in the right direction. For years, council members grappled with how to handle a string of [unpalatable projects](#) that push out middle-class families, and the Gamel Way project could very well mark a turning point.

"This particular project serves as an answer to that question, and hopefully a model or a template that we can emulate with future redevelopment proposals where naturally affordable rent-controlled apartments are demolished and tenants are displaced," Ramirez said.

The price for these lower-cost condos depends on family income, but a one-bedroom condo for a very low-income household could cost around \$264,000, according to city staff. For a low-income family, a two-bedroom condo might cost closer to \$513,000.

Members of Community Legal Services in East Palo Alto (CLSEPA), who are representing the existing tenants on Gamel Way, told council members in a letter that condo ownership is an exciting opportunity and would be a "dream come true," but that there are some serious hurdles that need to be addressed. Homeownership means having enough cash for a down payment, which some tenants may not have, as well as the financial security to deal with homeowners association (HOA) fees.

The vast majority of tenants are low-income, working-class families or retired seniors on fixed incomes, all of whom will run into trouble trying to purchase a subsidized condo.

"The unfortunate reality is that most, if not all, residents do not have such a large reserve of funds to allocate for a down payment," according to the letter. "Even those residents who did manage to save some money had to deplete their savings during the pandemic."

To that end, council members agreed to consider using some of the proceeds from the sale of Gamel Way to help with those costs, whether it be down payment assistance or an HOA reserve fund.

Though the project won plenty of love, council members raised concerns that the project would chop down a total of 35 trees, including 12 heritage trees, and pressured the developer to do what it can to replant trees as much as possible. Councilwoman Pat Showalter pointed out that the property owner, Tod Spieker, owns numerous residential properties in Mountain View and could offset the loss of greenery on Gamel Way by planting more trees elsewhere in the city.

Developer Kevin DeNardi, speaking on behalf of Spieker, said there wasn't really an appetite for planting more trees, but that he would be willing to chip in money in order to help the city restore its canopy. He estimated that it would cost between \$10,000 to \$15,000 to plant trees on Spieker's properties, and that he would be willing to contribute a yet-to-be-determined amount to reach the city's goals.

Residents have already received a notice to vacate the Gamel Way homes on June 30, 2022, in order to kick off construction.

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