



CITY OF SAN MATEO

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Administrative Report

Agenda Number: 4., Status: Public Hearing

File ID: 2019-298

TO: Planning Commission

FROM: Ronald Munekawa, Chief of Planning

PREPARED BY: Community Development Department, Planning Division

MEETING DATE: Tuesday, May 28, 2019

SUBJECT:

406 E. 3rd Ave. Mixed-Use SPAR + SDPA + Tentative Parcel Map (PA-2018-043) and 405 E. 4th Ave. SPAR Modification (PA-2019-015)

RECOMMENDATION

That the Planning Commission approve PA-2018-043 406 E. 3rd Ave. Mixed-Use SPAR + SDPA + Tentative Parcel Map and PA-2019-015 405 E. 4th Ave. SPAR Modification by making the following motions:

- A. Adopt the Mitigated Negative Declaration as adequate to assess the environmental impacts of the project, based on the Findings for Approval in Attachment 1; and
- B. Approve the Site Plan and Architectural Review for the construction of a new mixed-use building, Site Development Planning Application for tree removal, and Tentative Parcel Map to merge four parcels into one parcel based on the Findings for Approval in Attachment 1 and subject to the Conditions of Approval in Attachment 2; and
- C. Approve the Site Plan and Architectural Review Modification for a modified exterior wall design based on the Findings for Approval in Attachment 3 and subject to the Conditions of Approval in Attachment 4.

BACKGROUND

The proposed project is located at 406 E. 3rd Avenue, which is within the Downtown's support district, two blocks from the San Mateo Downtown Caltrain Station, and is immediately adjacent to a recently approved mixed-use project currently under construction. The Planning Commission reviewed this project in July of 2018 at a Study Session and provided feedback pertaining to the building's design, site plan, and use. The Commission encouraged adding more residential units, ground-floor retail, and providing a different mix of building materials and articulation to be distinct from the adjacent mixed-use building. Meeting Minutes from the Study Session and from the formal neighborhood meeting are included as Attachment 5 and Attachment 6 respectively. The applicant filed the formal planning application in August of 2018 and incorporated two additional residential units and additional brick and wall detailing. The architectural design overall is contemporary but incorporates traditional elements such as colonnades and step backs articulated by brick and stucco that reduce the apparent mass of the building. Appropriate measures have been imposed on the project to mitigate anticipated environmental effects determined by the Initial Study/Mitigated Negative Declaration. In total, the project provides 25 residential units and 103,731 square-feet of offices with proximity to regional transportation. If approved, the project would facilitate new housing and office uses at high intensities and densities adjacent to the Downtown, which are goals found in the General Plan and Downtown Area Plan.

Site Description

The project site consists of four, existing parcels that would be merged to create a 38,516 square-foot parcel bounded by E. 3rd Avenue to the north, S. Claremont Street to the east, and S. Railroad Ave. to the west. The project site consists of an existing fast-food restaurant, industrial, and auto repair businesses. The project is immediately adjacent to a recently approved mixed-use project located at 405 E. 4th Avenue (PA-2016-049). The existing commercial buildings containing restaurant and neighborhood commercial businesses adjacent to the project site are to remain.

The project site is zoned CBD/S (Central Business District Support) and is designated Downtown Retail Core Support by the General Plan Land Use Plan. The San Mateo Downtown Caltrain station is located less than one-quarter of a mile north of the project site. A location map showing the project's vicinity is included in [Attachment 7](#).

Project Description

406 E. 3rd Ave. Mixed Use Building

The project consists of a new 119,605 square-foot, four-story mixed-use building with 25 residential units, 103,731 square-feet of offices, and a two-level below-grade parking garage. The existing on-site structures and parking lot are proposed for removal. The project also includes a density bonus request pursuant to Government Code section 65915 for a 35% density bonus by providing 11% below market-rate (BMR) units and two concession requests to allow an increased maximum floor area from 115,548 square-feet to 119,605 square-feet and to allow 16 tandem parking spaces in both levels of the parking garage to serve office uses.

Three existing street trees and 13 on-site trees greater than six-inches in diameter (three of which qualify as Heritage Trees) are proposed for removal. The existing street trees will be replaced with seven 36-inch box Shumard Red Oak street trees, which are consistent with the City Arborist's recommendations. Exterior, open-space improvements include ground-level open spaces adjacent to public sidewalks, third-floor balconies, and fourth-floor residential rooftop open space. The project plans are included as [Attachment 8](#).

405 E. 4th Ave. Modification

A Site Plan and Architectural Review Modification to the approved project located at 405 E. 4th Avenue-adjacent to the subject project-is also proposed to modify an exterior wall design. The project, currently under construction, consists of a four-story mixed-use building immediately adjacent to the proposed project at 406 E. 3rd Avenue.

The Planning Commission and City Council approved the building design of 405 E. 4th Avenue to include applied brick veneer and exterior relief patterns along an interior facing wall along the northern property line of the parcel (noted as the "North Elevation" in the project plans) given that this wall would be visible from the street. The proposed project at 406 E. 3rd Avenue however would substantially conceal the approved North Elevation because the heights of the buildings are approximately the same. The applicant thus has proposed to modify the approved North Elevation design to be stucco only in place of the approved brick and relief patterns. The applicant has estimated a cost savings of approximately \$110,000 in finishing the North Elevation with stucco rather than the approved brick design. Staff has imposed a Condition of Approval requiring that the North Elevation be constructed as-approved if the proposed project at 406 E. 3rd Avenue is not constructed, constructed then demolished, or altered in any way that results in visibility of the North Elevation. The project plans showing the proposed modification is included in [Attachment 9](#).

Applicable Code and Policy Review

General Plan

The General Plan Land Use Map designates the project site as Downtown Retail Core Support. The project has been evaluated to be in conformance with applicable General Plan policies. A list of applicable General Plan policies and a discussion of the project's conformance to them are included in the Findings for Approval

in [Attachment 1](#). These policies include encouraging development at high densities in the downtown, pedestrian enhancements, and development of affordable housing. Additionally, the project's Climate Action Plan (CAP) Checklist is included in [Attachment 10](#).

Zoning Code

The project site is zoned CBD/S (Central Business District Support). The project conforms to applicable development standards such as building height, setbacks, and open space. The project is also subject to downtown-specific provisions such as the required street wall area, which the proposed design conforms to. The applicant has requested under State Density Bonus law an increased floor area of 119,605 square-feet were the Zoning Code would permit 115,548 square-feet. A Factual Data Sheet listing the applicable Zoning Code standards and the project's conformance to them are included in [Attachment 11](#).

Downtown Area Plan

The project site is located within the Downtown Plan Study Area. The Downtown Plan prioritizes eight goals in the overall vision of the downtown and establishes policies for the evaluation of projects and their consistency with the Downtown Plan. A few goals that specifically pertain to the proposed project include:

- Enhance Downtown's Role as the City Center and Maintain Its Unique Sense of Place
- Enhance the Vitality and Activity of Downtown by Incorporating an Overall Good Mix and Diversity of Uses
- Enhance the Downtown's Pedestrian Environment and Enhance the Safety and Attractiveness of Downtown

The proposed project conforms to the goals and policies of the Downtown Area Plan in that the proposed mixed-use building supports the downtown while providing a prominent, contemporary building design along a gateway street. The building design, open space, and proposed building use facilitate an improved pedestrian environment. Compliance with the applicable goals and policies of the Downtown Area Plan are found in the Findings for Approval in [Attachment 1](#).

Pedestrian Master Plan and Bicycle Master Plan

The project implements sidewalk designs that conform with the Citywide Pedestrian Master Plan, which contains Pedestrian Design Guidelines street and sidewalk design guidelines. The applicable sidewalk type given the project's setting is A.6 Sidewalk Standards - Retail/Commercial Type A Parallel Parking, which recommends an overall sidewalk width range of 11 feet to 15 feet. The project provides an overall 14-foot sidewalk width inclusive of the recommended frontage zone, through zone, and planter zone along both the E. 3rd Avenue and S. Claremont Street frontages. Furthermore, as recommended by the Pedestrian Master Plan, the applicant proposes amenities such as planters and furniture in the frontage zone, as well as bicycle parking parallel to the sidewalk length within the planter zone. Along S. Railroad Avenue, the project incorporates an overall sidewalk width consistent with that of the adjacent, approved project.

The project conforms to the City of San Mateo Bicycle Master Plan in that the project incorporates several bicycle amenities furthering the site's connection to the City's bicycle network. The Bicycle Master Plan confirms that the project site is along an existing Class III Bicycle Route with Shared Lane Markings along S. Claremont Avenue. To further encourage bicycle use, the project incorporates bicycle repair stations, showering facilities, and bicycle parking in excess of the Zoning Code's required ratios. The Bicycle Master Plan recommends placing a short-term bicycle rack along E. 3rd Avenue, which the project proposes two bicycle racks along both E. 3rd Avenue and S. Claremont Street each.

Discussion

Density Bonus

The project utilizes the provisions of State Density Bonus and Other Incentives (Government Code Section 65915). To comply with State Density Bonus law and to implement the General Plan Housing Element, the City provides increased residential density, statewide parking standards, and “incentives or concessions” for residential projects that provide senior housing units, child care facilities, or set aside a portion of units to be affordable to very-low, low, or moderate-income households.

The project proposes to devote 11 percent of the residential units to the very-low income category. The project proposes a total of 27 units, three of which will be in the very-low income category. Pursuant to Government Code Section 65915(d)(2)(B), the project is eligible for two incentives or concessions as it devotes at least 10 percent of units to very-low income households. The two incentives or concessions the project has requested are 1) to exceed the maximum floor area and 2) provide 16 tandem parking spaces to serve offices uses. The Zoning Code prohibits tandem parking spaces because all required parking spaces must be designed to be equally maneuverable, however State Density Bonus Law allows applicants to request incentives or concessions that deviate from Municipal Code requirements. The City is able to deny a request if an adverse impact upon public health and safety is identified.

Pursuant to Government Code Section 65915(p), the project qualifies for a reduced parking ratio of one-half of a parking space per bedroom as a Density Bonus project located within one-half mile of a major transit stop (San Mateo Downtown Caltrain Station). The project proposes a total of 25 units (18 studio units and seven one-bedroom units), which would demand a minimum of 13 residential parking spaces. Of the total on-site parking spaces, the project devotes 13 residential parking spaces on the first level of the garage.

The applicant's Density Bonus request letter is included in Attachment 12.

Traffic Impact Analysis and Parking

Hexagon Transportation Consultants conducted a Traffic Impact Analysis (TIA), dated April 25, 2019. The proposed project is expected to generate 492 net new daily vehicle trips with 99 net new trips occurring during the AM peak hour and 21 net new trips occurring during the PM peak hour. The TIA concludes that the project would not create significant impacts to the intersections studied neither as an individual project nor in addition to the approved projects pending construction. The TIA determined the traffic impacts of the proposed project on 15 signalized study intersections during the AM and PM peak hours of traffic. All studied intersections are expected to continue to operate at an acceptable level of service (LOS) during both the AM and PM peak hours of traffic at mid-LOS D or better as designated in the General Plan Circulation Element.

The TIA is included as Appendix F to the Initial Study/Mitigated Negative Declaration, which was distributed to the Planning Commission on May 1, 2019. Therefore, a hardcopy is not included with this Administrative Report. A copy is available online at <https://www.cityofsanmateo.org/3875/PA18-043-406-E-3rd-Avenue>.

The project includes two levels of below-grade parking to accommodate a total of 176 parking spaces. The first level of the garage consists of 74 office parking spaces and 13 residential parking spaces secured behind a mechanical sliding gate. The second level of the garage consists of 89 office parking spaces. As previously mentioned, the applicant has requested a Density Bonus concession request for 16 tandem parking spaces. The primary entrance to the garage is located toward the middle of the block along E. 3rd Avenue. Given the project's adjacency to the approved project at 405 E. 4th Avenue, an interior connection between the proposed garage and the 405 E. 4th Avenue garage is proposed. The project does not propose changes to the number or configuration of the parking facilities approved at 405 E. 4th Avenue. The on-site parking spaces, with exception of the residential parking spaces, are expected to be made available to the public after 7 p.m. on weekdays, and between 10 a.m. and 8 p.m. on weekends.

The project is required to provide a total of 283 parking spaces. The project site is located in the Central Parking and Improvement District (CPID), which permits applicants to satisfy parking requirements by providing parking on-site or through payment of CPID parking in-lieu fees. The applicant has requested to pay CPID parking in-lieu fees for the remaining 105 parking spaces.

Transportation Demand Management

Nelson\Nygaard Consulting Associates, Inc. prepared a Transportation Demand Management (TDM) plan, dated April 2019. The project's TDM plan lists measures involving programs and services that the project will provide to promote sustainable modes of transportation, which would result in vehicle trip reduction. These measures include:

- Bicycle User Amenities (showers, lockers, repair stations)
- Caltrain Go Pass
- Transportation Information Kiosk/Board
- Transportation Management Associated (TMA) Membership
- Unbundled Residential Parking
- On-Site Evening and Weekend Public Parking
- Carshare Membership

In addition to the TDM plan measures, the site's setting (location, density, and proximity to public transit) are expected to result vehicle trip reduction. The TDM plan estimates that the site's setting and TDM measures are expected to result in a total vehicle trip reduction of 36.6%.

Design Review

The Planning Commission reviewed the building design in the project's July 10, 2018 Study Session. The comments from the Study Session included:

- Not distinctive enough from the adjacent 405 E. 4th Avenue mixed-use building.
- Too much glass and metal finishes.
- Use more brick or other traditional materials.
- Enhance the E. 3rd Avenue and S. Railroad Avenue elevations.
- Consider relocating the primary entrance and garage entrance.

After the Study Session, the applicant made several changes in response to the Planning Commission's comments, including the following:

- Additional brick applied to the first through third floors along S. Claremont Avenue and S. Railroad Avenue.
- Different material and color selection at the fourth-floor to reduce the apparent height.
- Additional brick and canopies, and a refined public art design at the north wall facing East 3rd Avenue.
- Shifted brick and stucco colonnade along S. Railroad Avenue to lessen the prominence of the glass corner.

The project was also reviewed by the City's design review consultant, Larry Cannon of Cannon Design Group. The project's final design review letter dated April 5, 2019 is included in Attachment 13. During the review process, Larry Cannon had concern that the design utilized too much glass at E. 3rd Avenue and S. Railroad Avenue corner. In working with staff and Larry Cannon, the applicant incorporated more brick and stucco wall materials toward the corner thereby reducing the apparent amount of glass at the corner. Larry Cannon's evaluation concludes that the proposed design provides a variety of massing, materials, and colors to break

up the size of the building while relating to the overall massing of the adjacent building.

PUBLIC COMMENTS

Public comment letters submitted to staff during the pre-application, Planning Commission Study Session, formal planning application, and public review period of the Initial Study/Mitigated Negative Declaration are included in Attachment 14. The response to a public comment pertaining to the the Initial Study/Mitigated Negative Declaration is included in Attachment 15.

ENVIRONMENTAL DETERMINATION

The project requires the preparation of an environmental impact assessment under the provisions of the California Environmental Quality Act (CEQA). An Initial Study/Mitigated Negative Declaration (IS/MND) has been prepared for the project, which identifies and discusses the potential environmental impacts caused by the proposed project. The public review period and comment period of the IS/MND occurred between May 2, 2019 and May 22, 2019. The IS/MND concludes that the project would not have significant effects to the environment with implementation of mitigation measures. The IS/MND was distributed to the Planning Commission on May 1, 2019. Therefore, a hardcopy is not included with this Administrative Report. A copy is available online at <https://www.cityofsanmateo.org/3875/PA18-043-406-E-3rd-Avenue>. The project's Mitigation Monitoring or Reporting Program (MMRP) is included in Attachment 16, which is in place to ensure compliance with the mitigation measures required by the IS/MND.

As noted above, one comment pertaining to the IS/MND has been received since the public review period of the IS/MND, which is included in Attachment 14. The response to this comment is included in Attachment 15. Public comments submitted after the public review period shall be forwarded to the Planning Commission for review and consideration during the Public Hearing.

NOTICE PROVIDED

In accordance with Government Code section 65090, notice of this meeting was published in the Examiner newspaper at least 10 days before this Study Session. In accordance with Government Code section 65091 and the City's Municipal Code noticing requirements, this hearing was noticed to the following parties ten days in advance of the Planning Commission meeting:

- Property owners, residential tenants and business tenants within 1,000 feet of the project site;
- The City's "900 List" which contains nearly 100 Homeowner Associations, Neighborhood Associations, local utilities, media, and other organizations interested in citywide planning projects;
- The City's Planning "Notify Me" email list; and,
- The interested parties list which includes interested individuals who contacted the City and requested to be added to the project notification list.

ATTACHMENTS

- Att 1 - Findings for Approval (PA-2018-043)
- Att 2 - Conditions of Approval (PA-2018-043)
- Att 3 - Findings for Approval (PA-2019-015)
- Att 4 - Conditions of Approval (PA-2019-015)
- Att 5 - Planning Commission Study Session Minutes July 10, 2018
- Att 6 - Neighborhood Meeting Notes
- Att 7 - Location Map
- Att 8 - Project Plans (PA-2018-043)
- Att 9 - Project Plans (PA-2019-015)
- Att 10 - CAP Consistency Checklist
- Att 11 - Factual Data Sheet
- Att 12 - Density Bonus Request Letter
- Att 13 - Cannon Design Group Review Letter April 5, 2019

Att 14 - Public Comments

Att 15 - Responses to Public Comments

Att 16 - Mitigation Monitoring or Reporting Program

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