



CITY OF SAN MATEO

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Administrative Report

Agenda Number: 3., Status: Public Hearing

File ID: 2018-628

TO: Planning Commission

FROM: Ron Munekawa, Chief of Planning

PREPARED BY: Community Development Department

MEETING DATE: Tuesday, August 14, 2018

SUBJECT:
1650 S. Delaware Street Apartments - New 73-unit apartment building (PA2017-066)

RECOMMENDATION

- A. Adopt a Categorical Exemption CEQA Section 15332 (In-Fill development projects) as sufficient in satisfying the requirements pursuant to California Environmental Quality Act (CEQA) regulations, based on the Findings for Approval in Attachment 1; and
- B. Approve Site Plan and Architectural Review and Site Development Planning Application for construction of a new 123,241-square-foot, five (5) story, 73-unit residential apartment building residential apartment building based on the Findings for Approval in Attachment 1 and Conditions of Approval in Attachment 2.

BACKGROUND

Site Description

The project site is a 46,464 square-foot rectangular-shaped lot approximately 132 feet wide and 352 feet long. The site currently houses AAA offices and parking lot with mature trees around the perimeter of the property and within the parking lot. The Station Park Green development abuts the south and west property lines while the post office property shares the north property line. To the east of the subject site, separated by mature trees and the existing South Delaware Street roadway, are single-family residential homes zoned R1-C. The General Plan designation and zoning of the subject site and the adjacent sites to the north, south, and west is Transit Oriented Development (TOD). A privately-owned but publicly accessible open space area is located on the Station Park Green property immediately west/rear of the subject site. Site access is provided by a driveway at of the east property, off South Delaware Street. A site location map is included in Attachment 3.

Project Description

The project is to demolish the existing office building, remove the existing trees on the site, and construct an approximately 123,241 square foot five-story structure for 73 residential apartment units including an at-grade parking garage containing 98 vehicular parking spaces and 96 long-term bicycle spaces. Eight (8) short-term bike spaces are provided at the front of the building. The proposed multi-family building consists of a combination of one and two-bedroom units, ranging from 773 square feet to 1,472 square feet and includes a fitness room, common and private opens spaces areas, and a leasing office. The 73 residential rental units includes six (6) below market rate units to be provided at the very low-income level and includes a 35% density bonus for providing affordable units at the very low-income level. In addition to providing the below market rate units, the applicant requested a concession for a reduction in the parking stall widths. Please see the density bonus section for further discussion on the density bonus and requested concession. Five (5) new

trees are proposed at the front of the property, at the South Delaware Street frontage. Five (5) new trees are also proposed at the podium level at the second floor of the structure. The project plans are included as Attachment 4.

Code and Policy Compliance

General Plan

The General Plan Land Use Diagram designates this parcel as Transit Oriented Development (TOD). The project complies with the applicable General Plan policies. The project also complies with the City's Climate Action Plan (CAP). Please see Attachment 1 for the findings of approval. The CAP checklist is included as Attachment 5.

Zoning Code

The land use designation for this parcel is TOD. The project meets the standards of the TOD zoning district. Please see Attachment 6 for the Factual Data Sheet.

The project conforms with the floor area, height, density, setbacks, and bicycle parking standards of the code. The adequacy of the parking is evaluated through a parking study, which is included in the Transportation Impact Analysis as Attachment 7. The study found that the project provides adequate parking to meet anticipated demand.

Density Bonus

The proposed project utilizes the provisions of the State Density Bonus and Other Incentives Law - State Government Code Section 65915. The city, to comply with the state density bonus law and to implement the housing element of the San Mateo General Plan, provides increased residential densities, use of statewide parking standards, and "incentives or concessions" for affordable housing projects. The maximum allowable density on the subject parcel is 50 dwelling units per acre, which equates to 54 units on the 1.067-acre site. With a density bonus of 35 percent, the project proposes a total of 73 dwelling units.

Because the project contains below market rate units, it is eligible to utilize the Statewide Parking Standards as well as request up to two concessions or incentives. The applicant has provided a written request for the City to grant one concession related to the parking stall dimension standards. The applicant is requesting to reduce the width of the 9'-0" stalls to 8'-9" and the 10' stalls to 9'-6". The reduction in stall widths provide a cost savings to provide for affordable housing costs or allow the rents to be set at affordable levels because it allows a reduction in the overall building length and size by approximately 740 square feet. The reduction in building size allows savings in the construction cost, which therefore allows the applicant to provide affordable housing. The Public Works Department has reviewed the request for the parking stall dimension reduction and found it to be acceptable.

The parking provisions of Government Code Section 65915 (p) (2) stipulates that "*upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of handicapped and guest parking, that exceeds 0.5 spaces per bedroom.*" The applicant voluntarily provides 0.83 parking spaces per bedroom, inclusive of 14 visitor parking spaces. The applicant's density bonus and concession request letter is included as Attachment 8.

Housing Accountability Act

This project is subject to the state Housing Accountability Act (HAA), which was intended by the state Legislature to curb the capability of cities to deny, reduce the density of, or render infeasible housing development projects. For all housing projects, whether affordable or not, the key provision requires that if a

housing project complies with all "objective" general plan, zoning, and subdivision standards, the decision-making body may only deny or reduce the density of a housing development project that is consistent with the City's objective development standards if it makes the following findings:

- 1) The development would have a specific adverse impact on public health or safety unless disapproved, or approved at a lower density; and
- 2) There is no feasible method to satisfactorily mitigate or avoid the specific adverse impact, other than disapproval, or approval at a lower density.

A "specific adverse impact" is a "significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards" in effect when the application was deemed complete. Examples of "public health and safety standards" are regulations addressing traffic control and visibility, standards related exposure to hazardous wastes and vehicle emissions, and standards related to flooding or soil stability. "Public health and safety standards" do not include aesthetic concerns.

The project complies with the HAA standards, which includes all "objective" general plan and zoning code standards.

Rail Corridor Plan

A goal of the General Plan is to promote transit-oriented development in designated areas adjacent to Caltrain stations, such as the Hayward Park station. Projects located within the designated areas shall implement and comply with the policies identified in the Rail Corridor Transit-Oriented Development Plan. Policies within the plan include focusing transit-oriented development within the designated areas by locating the highest intensities of development around the station. The City of San Mateo's Rail Corridor Transit-Oriented Development Plan includes policies for development to establish pedestrian friendly streetscape improvements, circulation system that will accommodate many modes of transit and provide for multifamily uses to be developed at transit supportive densities.

The proposed project is designed to be consistent with the intent of the goals and policies of the General Plan and the Rail Corridor Transit-Oriented Development Plan by providing the maximum permitted residential density, including below market rate units, and by providing bicycle and pedestrian facilities to support multi-modal transit alternatives.

Traffic Impact Analysis and Parking Management Plan

The city's transportation consultant, Hexagon Transportation, Inc., studied anticipated trips generated by the project and compared them to trip counts from the existing office use. Hexagon also evaluated the project's anticipated traffic impacts on intersections in the immediate vicinity (the study is included as Attachment 7).

The study found that the new apartment building would generate a net *decrease* in vehicular trips compared to the existing office use. Specifically, the study found that peak hour vehicular trips in the morning would decrease by 14 trips and peak hour vehicular trips in the evening would decrease by 50 trips. Contributing to the decrease in vehicular trips is the site's proximity to the Hayward Park Caltrain Station.

The study also evaluated the parking demand and found the project has adequate parking. The study projected the demand to be 1.29 spaces per unit (95 spaces) and 0.78 spaces per bedroom (93 spaces). As the project provides 1.34 parking spaces per unit (98 spaces), the study concluded that the parking is sufficient. The project exceeds the State Density Bonus law requirement to conservatively meet anticipated demand.

Transportation Demand Management (TDM)

The purpose of the TDM Plan is to identify trip reduction strategies with the goal of reducing overall vehicular trip making activity in the area. For projects within the San Mateo Rail Corridor Plan, the Plan has established a minimum 25% corridor-wide trip reduction target. Individual projects are also required to achieve project-specific short-term and long-term trip caps. This project is conditioned to achieve a 25% short-term trip reduction target and a 40% long-term trip reduction target. The TDM plan is included as Attachment 9.

Design Review

A Planning Commission study session was held on April 25, 2017 to solicit community and Planning Commission feedback. During the study session, the commission had the following comments:

- Trash disposal pick up would require a second curb cut with trucks backing out onto South Delaware Street across the bike lane.
- Limited on-site parking might result in parking spill over into the nearby residential neighborhood.
- The provision of a gate located at the entry to the ground floor parking seems undesirable.
- The building design was not as interesting or aesthetically pleasing as was expected.
- Colors were rather muted and uninspiring.
- Living Room area at the South Delaware Street frontage was interesting, but the remainder of the structure was somewhat boxy and plain.

After the Planning Commission study session in 2017, the applicant addressed the Commission's comments by redesigning the building from a modern/contemporary design to a mission revival style. This style is unlike the style of Station Park Green adjacent to the project site and the proposed Passages project nearby which utilizes more modern/contemporary architectural design features; however, the mission revival style is not uncommon in the city as the San Mateo Marriott Hotel on South Amphlett Boulevard (1/2 mile from the project site) is designed in a similar style.

Design Review Consultant

The redesign was reviewed by the city's design review consultant, Larry Cannon of Cannon Design Group. Larry Cannon's review included consistency with the city's design guidelines as well as comments from the Planning Commission study session. The applicant made changes to the design incorporating Larry's comments. The changes include:

- Adding second floor balconies to the front and rear elevations to break up the four-story walls over the garage entry and the entire rear facade.
- Enhancing the second-floor roof over the entry lobby with special paving to improve the outlook from units on that level and above.
- Adding awnings to enhance the exterior elevations and provide sunshade.
- Increasing the size of the decks.
- Increasing the depths of the windows.
- Recessing the stair tower at the rear of the building.
- Refining the window openings on the rear façade and stairs.
- Adding awnings to the north side of the building to enhance the appearance of the long facade.
- Increasing window recesses with special attention to those at the Juliet balconies and 5th floor.

Further, the San Mateo Rail Corridor Transit-Oriented Development Plan states that "*all building façades that are visible from a public street or area, or residential neighborhood should include three-dimensional detailing*

such as belt courses, window moldings, balconies, and reveals to cast shadows and create visual interest. Additional elements that may be used to provide visual relief include awnings and projections, trellises, detailed parapets or arcades.” (p. 6-25)

Larry Cannon acknowledged the improvements made to the design in his letter dated July 26, 2018 ([Attachment 10](#)). The design review letter also offers two recommendations: (1) increase the inset to the Juliette balconies and (2) consider recessed windows on the side elevations - especially those that are closest to the South Delaware Street frontage since they will be seen in the context of the front elevation from the public right-of-way. The applicant has responded to the comments by including window recess on side elevations at both the front and rear of the building. The applicant also explored providing additional window recess (total 12-inch recess) to the Juliette balconies without significantly impacting the floor plan of the units. After an evaluation of the project, two (2) Juliette balconies on the top floor facing South Delaware Street were recessed a total of 12 inches ([Attachment 11](#)). Staff finds the project to be in substantial conformance with the San Mateo Rail Corridor Transit-Oriented Development Plan as it provides three-dimensional detailing such as balconies, awnings, and trellises to provide visual interest.

Tree Removal

The site contains 27 trees of which 25 are 6" or larger and are subject to a Site Development Permit. All trees on the site including two (2) heritage trees are proposed to be removed. Based on the Landscape Unit (LU) value determined by the total landscape area, an applicant can choose to plant new trees on-site or pay an "in-lieu" fee to the city's street tree planting fund. The total in-lieu fees are determined by the LU value and the fee in the city's comprehensive fee schedule. This project is proposing to replace the removed trees with five (5) 24-inch box trees along the front of the property. The remainder of the required planting will be satisfied by paying the in-lieu fee. As conditioned, the trees along the roadway shall be consistent with the city's street tree master plan. The arborist report is included as [Attachment 12](#).

DISCUSSION

Visitor Parking Stall Overnight Access Restriction

The visitor parking spaces are located within the parking garage. According to San Mateo municipal code section 23.54.030, the visitor parking stalls must be unrestricted at all hours of the day. The applicant currently shows a gate at the entrance to the visitor parking stalls, which is not permitted by the municipal code; condition of approval #68 ([Attachment 2](#)) is included to stipulate that the gate restricting access to the visitor parking stalls shall be removed prior to the issuance of building permits. However, in the event there are changes in policy to allow access restrictions to the visitor stalls, the applicant would like the commission to consider the gate design in the context of the Site Plan and Architectural Review (SPAR) findings. The proposed gate would be made of brushed aluminum. An image of a similar gate is on sheet A8.00 of the project plans.

NEIGHBORHOOD INPUT & PUBLIC COMMENTS

During the pre-application, staff received several letters in regard to the project. The comments that were received prior to the study session on April 25, 2017 were presented to the Commission at the study session. Since the study session, staff received additional correspondence. All public comments are included as [Attachment 13](#).

PLANNING COMMISSION STUDY SESSION

As part of the formal pre-application/study session process, the applicant held a formal pre-application neighborhood meeting on March 23, 2017 after which a Planning Commission study session was held on April 25, 2017. The formal planning application was submitted on December 4, 2017. Meeting minutes from the

Study Session are included as Attachment 14.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

A Categorical Exemption has been recommended for the project, pursuant to the California Environmental Quality Act Guidelines, Section 15332 (In-Fill Development Projects). Section 15332 is applicable because (a) the project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations, (b) the proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses, (c) The project site has no value as habitat for endangered, rare or threatened species, (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality, and (e) the site can be adequately served by all required utilities and public services.

The CEQA findings are documented in the findings for approval in Attachment 1. The air quality technical report and noise report are included at Attachments 15 and 16 respectively. The phase 1 environmental assessment has been posted to the project's What's Happening webpage to provide further information about the project.

NOTICE PROVIDED

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

- Property owners, residential tenants and business tenants within 500 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 E-Notify 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
- Att 2 - Conditions of Approval
- Att 3 - Location Map
- Att 4 - Project Plans
- Att 5 - Climate Action Plan (CAP) Checklist
- Att 6 - Multi-Family Residential Data Form
- Att 7 - Hexagon Traffic Impact Analysis dated June 18, 2018
- Att 8 - Density Bonus Request Letter and exhibit from FCP South Delaware, LLC
- Att 9 - Transportation Demand Management Plan by Hexagon dated July 11, 2018
- Att 10 - Design Review Consultant Letter dated July 26, 2018
- Att 11 - Recessed Windows Exhibit by BDE Architecture dated July 31, 2018
- Att 12 - Arborist Report by HortScience Inc., dated April 18, 2018
- Att 13 - Public Comments
- Att 14 - Planning Commission Study Session Meeting Minutes of April 25, 2018
- Att 15 - Air Quality Technical Report by Ramboll US Corporation dated June 2018
- Att 16 - Noise Report by Illingworth & Rodkin Inc., dated November 18, 2017

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CC:

(AR and attachments (hardcopy) via USPS First Class Mail)

Property Owners

Applicant

(AR only (hardcopy) via USPS First Class Mail)

(Website link to AR and attachments via Email)

Interested Parties (if email address was provided)