

**CITY OF SAN MATEO  
RESOLUTION NO. \_\_\_\_ (2022)**

**RESOLUTION RECOMMENDING CITY COUNCIL APPROVAL OF A SITE PLAN AND ARCHITECTURAL REVIEW AND  
SITE DEVELOPMENT PLANNING APPLICATION FOR A PROPERTY LOCATED AT 222 E. 4<sup>TH</sup> AVENUE FOR  
CONSTRUCTION OF FIVE-STORY MIXED-USE BUILDING CONSISTING OF 10 RESIDENTIAL UNITS, 17,658  
SQUARE-FEET OF RETAIL USE, AND 104,554 SQUARE-FEET OF OFFICE USES; CONDITIONAL APPROVAL OF AN  
AFFORDABLE HOUSING PLAN; AND RECOMMENDING CITY COUNCIL ADOPTION OF AN ADDENDUM TO THE  
GENERAL PLAN ENVIRONMENTAL IMPACT REPORT (EIR) PREVIOUSLY CERTIFIED BY THE CITY COUNCIL AND  
DOWNTOWN AREA SPECIFIC PLAN INITIAL STUDY/MITIGATED NEGATIVE DECLARATION (IS/MND)  
PREVIOUSLY ADOPTED BY THE CITY COUNCIL.  
(PA-2021-071, 222 E. 4<sup>TH</sup> AVE. MIXED-USE PROJECT)**

WHEREAS, Lane SM LLC (herein referred to as the “Applicant”) submitted a planning application PA-2021-071 with the Planning Division for a property located at 222 E. 4<sup>th</sup> Avenue in the City of San Mateo (“City”) for a Site Plan and Architectural Review (SPAR) for construction of a five-story mixed-use building consisting of 10 residential units, 17,658 square-feet of retail uses, and 104,554 square-feet of office uses, (collectively referred to as “Project”), and Site Development Planning Application (SDPA) for the removal of substantial vegetation; and

WHEREAS, the proposed Project is designated as Downtown Retail Core in the General Plan Land Use Plan, zoned CBD/R (Central Business District/Residential Mixed-use Overlay), located within the Downtown Area Plan study area, and predominantly located within the Central Parking Improvement District (CPID) Limited Parking Zone (LPZ); and

WHEREAS, the San Mateo City Charter and Municipal Code Section 27.06.050 authorizes the City Council to take final action on Site Plan and Architectural Review for buildings exceeding 55 feet in height; and

WHEREAS, the Planning Commission considered the application on November 17, 2022; and,

WHEREAS, the applicant is proposing 122,212 square feet of commercial space and is required to comply with Municipal Code Section 23.61.030 to mitigate the impacts of its project on the need for affordable housing and pay an Affordable Housing Commercial Linkage Fee, or provide an alternative method of compliance through Municipal Code Section 23.61.050; and

WHEREAS, the applicant is proposing ten (10) residential units at the low-income level in lieu of providing the Affordable Housing Commercial Linkage Fee, in accordance with Municipal Code Section 23.61 and per the requirement to develop eight low-income units per 100,000 square feet of office development and one low-income unit per 100,000 square feet of retail development, adopted by City Council through Resolution 84 (2016) on August 15, 2016; and,

WHEREAS, the City has prepared an Addendum to the General Plan Environmental Impact Report (EIR), which was previously certified by the City Council on October 18, 2010, and the Downtown Area Specific Plan Initial Study/Mitigated Negative Declaration (IS/MND) which was previously adopted by the City Council on May 1, 2009; and,

WHEREAS, the City finds the Project consistent with the applicable policies of the General Plan and other applicable policies;

WHEREAS, all applicable Conditions of Approval have been attached as Exhibit A; and

Whereas, the Mitigation Monitoring and Reporting Program (MMRP) has been attached as Exhibit B;

NOW, THEREFORE BE IT RESOLVED, BY THE PLANNING COMMISSION OF THE CITY OF SAN MATEO, CALIFORNIA AS FOLLOWS:

1. The Planning Commission finds on the basis of the whole record before it that there is no substantial evidence that the project will have a significant effect on the environment under the California Environmental Quality Act (CEQA) and the EIR Addendum reflects the lead agency's independent judgment and analysis.
2. The custodian of the documents or other material which constitute the record of the proceeding upon which this decision is based is the Community Development Department, located at City Hall, 330 West 20th Avenue, San Mateo, California.
3. The EIR Addendum and the Mitigation Monitoring and Reporting Program are recommended for adoption.

BE IT FURTHER RESOLVED, BY THE PLANNING COMMISSION OF THE CITY OF SAN MATEO, CALIFORNIA AS FOLLOWS:

1. The Project conforms to applicable policies of the Land Use, Circulation, Urban Design, Housing, Conservation and Open Space, and Noise Elements of the City's General Plan.
  - a. The Project conforms to Policy LU 1.8 of the Land Use Element, which encourages allowance of mixed-use developments that include multi-family dwellings in non-residential land use categories. The Project combines retail, office uses, and multi-family residential uses which also complement the existing commercial uses in the vicinity and in the adjacent downtown core. In conformance with Policies LU 2.4 and 3.1, the Project proposes these uses at high intensities and densities that enhance the downtown area as the social, cultural, and economic center of the City.
  - b. In conformance with Policies C2.5 and C2.10 of the Circulation Element, a Transportation Impact Analysis and Transportation Demand Management Plan have been prepared for the Project. The Transportation Impact Analysis concludes that the Project will not result in a significant impact caused by increased Vehicle Miles Traveled (VMT). The Applicant will also implement a Transportation Demand Management Plan that includes specific trip-reduction measures for the life of the Project.
  - c. The Project conforms to Policy UD2.3 in the Urban Design Element in that the materials complement the style of the Project and incorporate common materials of the area, including brick, metal, and concrete.

- d. The Project conforms to Policies H2.4, H2.6, and H2.12 of the Housing Element in that the Project includes 10 below-market rate rental housing units in a commercial neighborhood.
  - e. Policy C/OS 6.6 of the Conservation and Open Space Element requires that new developments provide street trees, which this Project conforms to in that a total of 33 new street trees are proposed.
  - f. The Project conforms to Policies N1.1 and N1.2 of the Noise Element in that an acoustical analysis will be required for the Project at the building permit stage of the process ensuring that interior noise levels will not exceed noise limits. In addition, the Project shall conform to Policy N2.1 in that noise measures and monitoring during construction have been included as conditions of approval.
2. The Project conforms to applicable policies of the City's Downtown Area Plan.
- a. While the Project does not meet the minimum required retail frontage requirements via the State Density Bonus Law, the Project integrates a significant amount of retail on the ground floor and includes retail frontages in substantial conformance to Policies II.1 and II.2 which encourages preserving the downtown core shopping area and supports retail frontages to enhance the pedestrian scale and allow for a compact walking environment.
  - b. The Project conforms to Policies II.5, II.6, II.8, and II.10 in that the Project integrates retail, office, and residential uses in the CBD/R zoning district that complements the downtown CBD zone.
  - c. The Project conforms to Policy II.9 in that the Project provides 10 residential units that will support downtown businesses and are located in close proximity to the transit station to help reduce vehicle trips and vehicle ownership.
  - d. While the Project exceeds the maximum bulk and building height provisions of the Zoning Code via State Density Bonus Law, the Project integrates building stepbacks and open spaces on several upper floors in substantial conformance with Policy III.3.
  - e. A Parking Demand Study has been prepared for the project, which conforms to Policy V.8 in that the Project, which is within one-half mile of the Downtown Transit Center, includes a reduced parking ratio for office uses.

NOW, THEREFORE, BE IT RESOLVED THAT PLANNING COMMISSION OF THE CITY OF SAN MATEO, DOES HEREBY RECOMMEND APPROVAL OF THE 222 E. 4<sup>TH</sup> AVENUE MIXED-USE PROJECT, PA-2021-071 AT 222 E. 4<sup>TH</sup> AVENUE BASED UPON THE FOLLOWING FINDINGS FOR APPROVAL, THE CONDITIONS OF APPROVAL INCLUDED IN EXHIBIT A TO THIS RESOLUTION, AND THE MITIGATION MONITORING AND REPORTING PROGRAM INCLUDED IN EXHIBIT B TO THIS RESOLUTION:

1. The Site Plan and Architectural Review (Municipal Code Section 27.08.030) application for construction of a multi-family residential building and associated Conditions of Approval are recommended for approval based on the following findings:
  - a. The structures, site plan, and landscaping are in scale and harmonious with the character of the neighborhood in that:

- i. The Project employs a high-quality building design with strong angular forms and materials including brick, metal, glass, wood, and vegetated living or aluminum paneled walls that enhance the existing architectural character of the surrounding area;
    - ii. The Project provides a cohesive transition between the downtown to the north, east, and west which consist of commercial uses including restaurants and stores, as well as to the existing multi-family residences to the south;
    - iii. The pedestrian improvements including the street trees along all four building frontages, outdoor plaza, and sidewalks ranging from 15 feet 6 inches up to 16 feet wide create a walkable and inviting pedestrian realm that substantially conform with the City's guidelines relating to sidewalks; and,
    - iv. The Project incorporates new landscaping throughout the project's open space areas to further enhance the pedestrian realm.
  - b. The development will not be detrimental to the harmonious and orderly growth of the City in that:
    - i. The Project provides retail, office, and residential uses at intensities that would complement existing commercial uses in the vicinity and in the downtown core;
    - ii. The Project is consistent with the General Plan and Zoning Code excepting standards modified via State Density Bonus Law;
    - iii. The Project is in substantial conformance with the Downtown Area Plan, Bicycle Master Plan, and Pedestrian Master Plan.
  - c. The development will not impair the desirability of investment or occupation in the vicinity, and otherwise is in the best interests of the public health, safety, or welfare in that:
    - i. The Project consists of a new mixed-use building with office uses at a high intensity and retail and residential uses in an area well-served by public transit;
    - ii. The Project provides new, well-designed housing units, particularly rental housing that provides opportunities for those unable to manage the expense of ownership housing; and
    - iii. The Project optimizes the project vicinity's development potential for commercial uses furthering the downtown as the economic center of the City.
  - d. The development meets all applicable standards as adopted by the Planning Commission and City Council, substantially conforms with the General Plan and Downtown Retail Core Design Guidelines, and will correct any violations of the zoning ordinance, building code, or other municipal codes that exist on the site.
  - e. The development will not adversely affect matters regarding police protection, crime prevention, and security in that the buildings, paths of travel, and parking facilities will be required to conform to the City's current Security Ordinance through conditions of approval.
2. The Site Development Planning Application (Municipal Code Section 23.40.040(a)(4)) for the removal of major vegetation and associated Conditions of Approval are recommended for approval based on the finding that all concerns relating to landscaping and tree removal have been addressed as follows:
  - a. The Project will result in the removal of 39 existing trees, of which 38 are Protected Trees. The removal of these trees is necessary to accommodate the development of the proposed Project.

- All trees will be removed and replaced with appropriate landscaping to enhance the site and pedestrian realm including planting of new street trees along all four frontages of the Project.
- b. All concerns regarding tree removal on the site have been addressed as conditions of approval requiring conformance to the City's landscape regulations, through the provision of extensive landscaping, including planting of 37 new trees (33 street trees and 4 on site), as shown on the project plans, and/or through the payment of a fee to the City's tree planting fund.
3. The Affordable Housing Plan and on-site construction of ten (10) low-income units to satisfy the Affordable Housing Commercial Linkage Fees, subject to the following findings as specified in Municipal Code Section 23.61.050(c):
- a. "The proposed affordable units comply with the City's below market rate standards adopted by City Council resolution, including that the affordable units be made available for occupancy concurrently with the market-rate units." The project proposes 10 low-income units when eight units (rounded up from 7.58) are required. Similar to other inclusionary housing projects, the project has been conditioned to enter into an agreement with the City, including to ensure the 10 BMR rental units remain affordable in perpetuity and have access to similar indoor and outdoor amenities enjoyed by the other uses (including open space and parking). Although the project does not provide market-rate units, the residential units are located on the rooftop of the building and will be constructed and provided occupancy at the same time as the office and retail spaces as there is only one building proposed.
  - b. The affordable units will mitigate the impact of the project on the need for affordable housing as adopted by City Council resolution. The on-site construction of ten low-income units in lieu of a Commercial Linkage Fee payment will meet the requirements under Resolution 84 (2016), which utilized a September 2015 report entitled "Commercial Linkage Fee Nexus Study" when determining that eight slow-income units are appropriate for each 100,000 square feet of office space and one residential unit is appropriate for each 100,000 square feet of retail space in order to ensure that nonresidential development projects will mitigate their impact on their need for affordable housing.