



CITY OF SAN MATEO

City Hall
330 W. 20th Avenue
San Mateo CA 94403
www.cityofsanmateo.org

Agenda Report

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TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Community Development Department
MEETING DATE: April 6, 2020
SUBJECT:
Future Development Projects – Community Benefit

RECOMMENDATION:

Discuss and consider community benefits/public improvements substantially in excess of City requirements for future development projects

BACKGROUND:

There are various instances where an applicant or property owner may request to provide community benefit as part of the planning entitlement. It could be through a Development Agreement negotiation or as permitted through existing General Plan goals and policies.

1. Development Agreement: Government Code Section 65865 authorizes cities to enter into development agreements with developers. The purpose of development agreements is to allow developers to vest standards in effect at the time an agreement is signed – in exchange for providing benefits beyond what could be required under a city’s codified standards or through ad hoc exactions (which are allowed to address needs created by project impacts). Subsection (c) of Government Code Section 65865 requires cities to adopt procedures for the consideration of development agreements by either ordinance or resolution. The City of San Mateo has adopted development agreement procedures by resolution (Attachment 1).

2. General Plan Provisions: There are several provisions in the General Plan that allow for increased height in exchange for community benefit/public improvements (refer to Attachment 2 – Existing Goals and Policies). These provisions include:

- a. General Plan Land Use Element (refer to Attachment 2, policy LU 1.4) includes a citywide policy allowing for consideration of higher densities/intensities and heights with the provision of public benefits. The policy allows for increased heights up to 75 feet for projects that “provide substantial public benefits and amenities” in certain areas of the city. These areas include the El Camino Real corridor area and the State Route 92/Grant Street/Concar Drive/Delaware Street vicinity. [Attachment 3](#) provides a link to the height map.
- b. General Plan Land Use Element (refer to Attachment 2, policies PA 5.1, 7.6, 8.1 and 9.2) includes a requirement for the city to adopt design criteria that allow for buildings along El Camino Real to exceed the building height of 40 feet, up to a maximum of 55 feet, provided the project meets certain standards. Adopted in 2016, the “[Mid and South El Camino Real 40-55 Foot Building Height Design Guidelines](#)” contains design standards that are applied to projects seeking the additional height. The General Plan policies state:

“For lots 100 feet deep and less, maximum building height is 40 feet. For lots more than 100 feet deep, permit heights up to 55 feet for projects which meet the following criteria and are approved by the City Council:

- i. The project provides amenities, such as landscaped plazas, covered parking, setbacks from the street, stepbacks of upper stories, and public improvements substantially in excess of City requirements;
 - ii. The building has high design quality, which is enhanced by additional building height;
 - iii. Increased building heights are visually related to surrounding building heights and promote the creation of a coherent City image;
 - iv. Increased building heights are compatible with surrounding land uses, and will not create adverse shadow or visual impacts on surrounding residential uses; and
 - v. The City's infrastructure is adequate to accommodate the proposed development.”
- c. General Plan Land Use Element (refer to Attachment 2, policies PA 5.2) allows for buildings in the State Route 92/Grant Street/Concar Drive/Delaware Street vicinity to exceed the building height of 40 feet, up to a maximum of 75 feet, provided the project meets certain standards. The General Plan policy states:

“Permit densities up to 75 units per acre, and heights greater than 40 feet but up to a maximum of 75 feet for projects in the area designated in the Land Use Plan (LU-3) as Regional/Community Commercial which is bounded by South Grant Street, US 101, SR 92 and the north property line of the Dunfey Hotel, which meet the following criteria and are approved by the City Council:

- i. The project provides amenities, such as landscaped plazas, and public improvements, substantially in excess of those required by City standards;
- ii. The building has high design quality, which is enhanced by additional building height;
- iii. Increased building heights are visually related to surrounding building heights and promote the creation of a coherent City image;
- iv. Increased building heights are compatible with surrounding land uses, and will not create adverse shadow or visual impacts on surrounding residential uses; and
- v. The City's infrastructure is adequate to accommodate the proposed development.”

Although these policies allow for the City to consider “...improvements substantially in excess of City requirements” they do not address what type of improvements or community benefits are a priority for the City.

ANALYSIS

The City currently has three projects along El Camino Real that are requesting the height increase consistent with Policies PA 5.1, 7.6, 8.1 and 9.2 and another development project, Passages, requesting a Development Agreement. Below is a brief description of the currently applicable projects:

- [PA 18-052](#) Concar Passage – The project includes 961 dwelling units, 32,000 SF of commercial/retail space, a daycare facility, and over 3 acres of open space and recreational amenity areas.
- [PA 18-038](#) Jasmine St/El Camino Real – The project includes 44 dwelling units and 9,809 SF of office.
- [PA 19-021](#) 2850 S. El Camino Real – The project includes 18 residential units, 7,500 SF of retail, and 1,340 SF of office
- [PA 19-045](#) 1 Hayward Ave – The project includes 17 dwelling units and 5,353 SF of office.

There are several options to proceed with a community benefit or public improvement plan for the projects listed above and other projects as they are proposed. It is important for staff to receive City Council direction on priorities for community benefit and/or public improvements in order to help guide and facilitate developer and property owner discussions.

1. What types of public improvements or community benefits should be prioritized in the City?

There are many different community benefits or public improvements that can be included in projects. Many projects may already incorporate these items into the proposed project and as such, it is important to have a comprehensive list of prioritized measures that can be utilized when determining those benefits that are substantially in excess of City requirements. We have heard from property owners and developers that the uncertainty of the community benefits priorities has created hesitation in proposing projects to achieve increased heights and meeting the goals and policies as listed in the General Plan. Through various public workshops and community meetings, including the General Plan and the Home for All Community Conversations, the top two priorities for the community to date are housing and circulation. Below is a list of possible community benefits/public improvements the Council may use to prioritize public benefit. **Staff requests Council direction for which type of public improvements and community benefits should be prioritized in San Mateo.**

Transportation
Implementation of improvements identified in Traffic Action Plans (TAPs)
Infrastructure – curb, gutter, drainage, green infrastructure, trash capture, roadway, traffic signal upgrades, traffic signal interconnect/communication network improvements nearby the project site (beyond those normally provided via project nexus)
Nearby bike and pedestrian improvements
Nearby pedestrian-scale lighting improvements
Nearby ADA right-of-way improvements
Contribution for last-mile transportation services (i.e. shuttles)
Payment toward traffic improvements above the required Transportation Impact Fee (TIF)
Contribution to public parking fund (currently only available for projects within Central Parking Improvement District area, potential to collect funds to provide help provide public parking near train stations)
Housing
Additional affordable housing units above the inclusionary or density bonus requirement
Acquisition of existing market rate housing units to convert into affordable
Contribution towards City housing funds
Contribution of land for affordable housing
Parks/Open Space
Contribution for park improvements
Contribution for recreation center improvements/construction
Contribution of land for public parks
Provide additional privately owned public open spaces (POPOs) within project (i.e. Linear Park at Bay Meadows I)
Other
Provide day care within project
Monetary contribution to the City

2. What method of evaluation should be used to determine “public improvements substantially in excess of City requirements”?

Staff recommends that prior to beginning a discussion on community benefits, an independent third-party economic feasibility analysis (reimbursed by the applicant) be prepared by a consultant hired by the City for each project to determine the value of the increased height or other development provisions. This could help establish the value for preparation of a community benefits plan. Without an economic feasibility analysis, public improvements could be requested that would in return make projects financially infeasible. Once the analysis is complete, staff will work with the applicant using the prioritization provided by Council to identify community

improvements that would be most appropriate for each project based on community input received on the project. The entitlements, including the list of community benefits and public improvements, will then be brought forward to the Planning Commission and City Council for final review and consideration.

Next Steps

These will be interim priority guidelines to assist staff in these developer discussions. A more formalized approach to community benefits and public improvements plan will be incorporated in the General Plan Update process.

BUDGET IMPACT:

There is no budgetary impact related to this report.

ENVIRONMENTAL DETERMINATION:

In accordance with CEQA Guidelines Section 15061 (b)(3), providing feedback to staff regarding prioritized community benefits is not a project covered by CEQA, because the City Council is providing guidance and future development projects and amendments will be analyzed independently under CEQA.

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 – Resolution No. 120 (1990) Establishing Procedures and Requirements for the Consideration of Development Agreements

Att 2 – Existing Goals and Policies

Att 3 – [City of San Mateo General Plan Height Plan](#)

Att 4 – [Mid and South El Camino Real 40-55 Foot Building Height Design](#) – Map on Page 5

STAFF CONTACT

Kohar Kojayan

Director Community Development

kkojayan@cityofsanmateo.org

(650) 522-7207