



CITY OF SAN MATEO

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Agenda Report

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TO: Planning Commission
FROM: Sailesh Mehra, Planning Manager
PREPARED BY: Community Development Department
MEETING DATE: December 08, 2020

SUBJECT:
Peninsula Heights Multi-Family Residential Project - Project Approvals (PA-2020-012)

RECOMMENDATION:

Adopt a Resolution to approve the Special Use Permit, Site Plan and Architectural Review, Site Development Planning Application, Vesting Tentative Map for property located at 2655, 2755, 2800, and 2988 Campus Drive for 290 multifamily residential units and adopt the Mitigated Negative Declaration to assess the environmental impacts of the project based on the Findings for Approval and subject to the Conditions of Approval.

BACKGROUND:

The applicant, Harvest Properties, submitted a formal Planning Application on February 7, 2020 to redevelop a portion of an existing office campus area for a new multifamily residential development called "Peninsula Heights" consisting of 290 for-sale residential units, associated parking facilities, open spaces, and other common area amenities.

The Planning Commission first reviewed this project at a Study Session at its regular meeting on October 22, 2019. The items discussed at the Study Session were the project site's suitability for residential uses, the proposed site plan, and building designs. Since the Study Session, the applicant incorporated a number of revisions to the project in response to comments made the Planning Commission, the public, and City staff in the formal planning application Those revisions include increased public park open space, a refined building design, and increased unit variety.

Site Description

The project site consists of four parcels within an existing office park along Campus Drive. This project groups the four parcels into two parcels (Northern Site and Southern Site) with a combined site area of approximately 15.45 acres. The Northern Site has an approximate site area of 7.04 acres and is adjacent to existing single-family dwellings in the Verona Ridge neighborhood to the north along Live Oak Drive. The Southern Site has an approximate site area of 8.41 acres and is adjacent to existing single-family dwellings in the Beresford neighborhood to the east.

State Route 92 is located west of the project site, and the Laurelwood Shopping Center as well as the Oak View Apartments are located south of the project site. Given their natural physical features, each parcel consists of upper and lower terrace each with driveway access along Campus Drive. The existing emergency vehicle access lane along the southern edge of the Southern Parcel connecting Campus Drive and 26th Avenue would remain inaccessible to the public and for emergency use only. A location map showing the project site's vicinity is included in Attachment 2.

Project Description

Peninsula Heights consists of 290 residential units with a unit mix of detached three to four-story single-family residences, townhomes, and stacked flats. The Northern Site consists of 134 units and a combined floor area of approximately 310,000 square-feet. The Southern Site consists of 156 units and a combined floor area of approximately 368,000 square-feet. The

proposed architectural style is best characterized as contemporary in its use of stucco, lap siding, and other materials to express various building volumes. The habitable square-footage ranges from approximately 1,300 to 2,400 square-feet and range from two to four bedrooms. Each unit is equipped with an attached two-car garage in either a tandem or side-by-side configuration. On-site visitor parking is also provided throughout both sites. The project includes a number of public infrastructure improvements including a reduction from four travel lanes to two travel lanes along Campus Drive to accommodate a Class II bicycle lane as well as widened sidewalks.

The project consists of publicly accessible, privately owned open space across both sites. The Northern and Southern Site contain approximately 3 and 3.5 acres of open space respectively, which include a series of parks, walking paths, and overlook-areas. A total of 412 trees exist between both sites, of which 85 would be preserved. The project would be constructed in two main phases with the Southern Site occurring first followed by the Northern Site.

Volumes 1 and 2 of the project plans, which show all proposed improvements and project data, are included in [Attachment 3](#) and [Attachment 4](#) respectively.

Applicable Code and Policy Review

General Plan and Zoning Code

The General Plan Land Use Plan designates the project site Executive Office. It should be noted that Appendix B of the General Plan allows residential uses ranging from low to high densities in all non-residential land uses except service commercial, manufacturing/industrial and parks/open space, and where otherwise excluded by specific area policies. A list of applicable General Plan policies and a discussion of the project's conformance to them are included in the Resolution in [Attachment 1](#).

The project site is zoned E1-1 (Executive Park), which outlines development standards pertaining to floor area ratio (FAR), setbacks, and open space. The E1 zoning district permits residential units on parcels without a residential overlay subject to the approval of a Special Use Permit (SUP) and subject to the development standards pertaining to density in the R3 zoning district.

The project confirms to all applicable development standards such as maximum density, building height, and lot coverage. The Northern Site and Southern Site contain densities of 19.03 units per acre and 18.55 units per acre respectively where 34.84 units per acre is the maximum for each site. The maximum building height proposed is 43-feet, which is in conformance with the height limit of 55-feet. The Northern Site and Southern Site contain 43% and 41% at-grade open space respectively where a minimum of 35% at-grade open space is required at each site. The applicant has requested waivers to certain development standards in accordance with State Density Bonus Law (Government Code Section 65915), which is described in greater detail below. A Factual Data Sheet listing the applicable Zoning Code standards and the project's conformance to them are included in [Attachment 5](#).

State Density Bonus Law

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 may provide increased residential density, reduced parking standards, as well as "incentives or concessions" and "waivers or reductions from development standards" for residential projects that provide senior housing units, child care facilities, or set aside a portion of units to be affordable to very-low, lower, or moderate-income households.

The applicant proposes to devote 10% of the total 290 residential units to the lower-income category, which affords the applicant a 20% density bonus and one incentive or concession. Because the project is within the maximum density permitted by the Zoning Code, the project does not propose a density bonus on top of the Zoning Code's base density. State Density Bonus Law nonetheless allows the applicant to request waivers or reductions from development standards that would physically preclude construction of the development.

The applicant has requested waivers from Municipal Code requirements related to minimum lot sizes, grading, floor area ratio, and setbacks. State Density Bonus Law also provides reduced parking ratios and standards. The applicant has applied

the City's parking ratios, which exceed the State's reduced parking ratios, and has utilized tandem parking spaces in accordance with State Density Bonus Law.

The applicant's Density Bonus request letter is included as Attachment 6.

Senate Bill (SB) 330 Preliminary Application

The applicant has submitted a Preliminary Application under SB330 in accordance with Government Code Section 65589.5 on February 7, 2020. As a project consisting of only multifamily residential uses, the project is eligible for a Preliminary Application under SB330 which prohibits the City from imposing ordinances, policies, and standards adopted after the Preliminary Application was submitted unless certain circumstances exist, including lessening impacts of the project under the California Environmental Quality Act (CEQA), or if the applicant revises the project such that the number of units or square-footage changes by 20% or more.

Housing Accountability Act

Government Code Section 65589.5 outlines application review limitations for projects subject to the Housing Accountability Act (HAA). As a development project that is at least 2/3 housing, the project is subject to the HAA, which is intended to limit a local agency's ability to deny, reduce the density of, or render housing development projects infeasible if objective standards are met. As proposed, this project meets all applicable objective standards in the General Plan, Zoning Code, and other local policy documents. The HAA outlines that if a housing development project, whether affordable or market-rate, is consistent with the City's objective development standards, the local agency may deny or reduce the density only if certain findings pertaining to adverse impacts to codified, objective public health or safety standards are made.

Pedestrian Master Plan and Bicycle Master Plan

The project proposes to implement sidewalk designs along its project frontages that would conform to the Citywide Pedestrian Master Plan, which contains sidewalk design guidelines to improve the pedestrian network citywide. The applicant proposes to implement the Guideline A.5 "Residential Type C New Development" standard along Campus Drive with the following sidewalk components:

- 6'-0" Sidewalk through-zone
- 6'-0" Landscape strip
- 0'-6" Curb
- 15'-0" Building setback

The City's Bicycle Master Plan provides policies and recommendations to implement citywide infrastructure improvements to support bicycle and micromobility use. As mentioned previously, the applicant has submitted a Preliminary Application under SB330, which prohibits the City from imposing ordinances, policies, and standards adopted after the Preliminary Application was submitted. The 2020 Bicycle Master Plan was adopted by the City Council in April of 2020 after the project's Preliminary Application was submitted; however, the applicant voluntarily proposes to construct the recommended bicycle lane improvements of the 2020 Bicycle Master Plan.

As recommended in the 2020 Bicycle Master Plan, the project converts the existing Class III bicycle route to a dedicated Class II bicycle lane. The new bicycle lane is accompanied by other public infrastructure improvements including a reduction from four travel lanes to two travel lanes along Campus Drive. This new bicycle lane is proposed along both directions of Campus Drive from the Laurelwood Shopping Center to the eastern end of the Southern Site. As a Class II bicycle lane, the lane provides a restricted six-foot width designated for use by bicyclists. Lastly, the project also provides short-term and long-term bicycle parking facilities on-site in excess of the required ratios outlined in the City's Municipal Code.

Discussion Items

Design Review

As previously noted, the Planning Commission reviewed the project's building design at the October 22, 2019 Study

Session based on preliminary plans. Planning Commissioner comments and recommendations on this initial design included:

- Increase open park areas
- Provide more variety in unit types and sizes
- Building design is favorable
- Addition of housing is favorable

Since then, the applicant has refined the building design and site plan which have been reviewed thoroughly by City staff and the City's design review consultant, Larry Cannon of Cannon Design Group. Revisions to the project design since the Study Session include an increase in the size of park areas, incorporation of detached single-family residences and stacked flat units, and additional resident parking. In his design review comment letters, Larry Cannon notes that the project is overall well planned and designed. To further refine the building design, Larry Cannon's recommendations for improvements on the initial design included:

- Improve design of walking paths with more width and visual variety
- Consider more decorative retaining walls
- Refine building designs of detached single-family and multifamily residences through greater variety of designs
- Increase wall plane offsets

In the current design, the applicant incorporated various modifications in consideration of Larry Cannon's comments. These refinements include integration of natural landscaping within retaining wall systems, add visual plane breaks where possible to avoid blank wall conditions, and improved variety of designs for various unit types. In his final comment letter, Larry Cannon notes no further recommendations for changes and that the applicant has responded in ways adequate to address staff's concerns. Larry Cannon's final design review comment letter is included in [Attachment 7](#).

Transportation Impact Analysis

The City's transportation consultant, Kittelson & Associates (Kittelson), conducted a Transportation Impact Analysis (TIA) to analyze the proposed project's transportation impacts in accordance with the standards of CEQA and the City's General Plan. Overall, the TIA concludes that the project will generate a net decrease in the number of vehicle trips during the weekday AM peak and PM peak hours and a net decrease in the Vehicle Miles Traveled (VMT) when compared to the existing office uses.

For the purposes of CEQA, the TIA evaluates the project utilizing the metric of VMT. This analysis method is required under Senate Bill 743, effective July 1, 2020, to aim at reducing single vehicle occupancy trips rather than increase roadway capacity. At the time the project's formal application and Preliminary Application under SB330 were filed, the City had not adopted its current TIA Guidelines. Instead, provisions of the Office of Planning and Research's (OPR) Technical Advisory on Analyzing Transportation Impact in CEQA were followed in effect at the time the project's Preliminary Application under SB330 was filed. The TIA concludes that the project would result in a net reduction of 4,805 VMT (approximately a 15% reduction) on a daily basis, which results in a Less Than Significant Impact for CEQA.

Kittelson also conducted a Level of Service (LOS) of various study intersections in accordance with the City's General Plan criteria. The four study intersections selected for analysis were:

1. Campus Drive at Hillsdale Boulevard
2. SR-92 Westbound Ramps at Hillsdale Boulevard
3. SR-92 Eastbound Ramps at Hillsdale Boulevard
4. Alameda de las Pulgas at Hillsdale Boulevard

Traffic conditions at these intersections were analyzed for the weekday AM and PM peak hours when demand on the roadway system are greatest. Transportation conditions were evaluated in five different scenarios:

1. Existing Conditions
2. Baseline LOS Conditions
3. Baseline Plus Project Conditions
4. Cumulative Conditions
5. Cumulative Plus Project Conditions

It should be noted that traffic volumes for the Existing Conditions scenario are normally collected through real-time traffic volumes. However, traffic volumes instead were estimated given that the TIA was conducted during the Countywide Shelter In Place Order during the COVID-19 Pandemic. The TIA concludes that the project would not cause any of the studied intersections to exceed the LOS standard as specified in the Circulation Element of the General Plan, and no intersection modifications would be required.

Kittelson's TIA is included as [Attachment 8](#).

Transportation Demand Management Plan

The project will implement a Transportation Demand Management (TDM) Plan prepared by the City's TDM consultant, Steer. The TDM Plan includes trip reduction strategies with the goal of further reducing overall single-occupancy vehicle trips. The project site is not within a specific plan area such as the Rail Corridor Plan Area which requires a minimum trip reduction target; as such, the project does not have a specific minimum trip reduction goal. Further, the project is not required to implement trip reduction measures as a CEQA mitigation measure given that the project results in a net reduction in VMT.

The TDM measures the project proposes include design measures related to the physical attributes of the site as well as programmatic measures to encourage the use of sustainable forms of transportation. These measures include:

- Upgrading the existing bicycle lane to a Class II bicycle lane along Campus Drive
- Sidewalk improvements in accordance with the Citywide Pedestrian Design Guidelines
- Homeowner's Association TDM Coordinator
- Onsite bike repair stations
- \$10,000 Electric bike "E-Bike" subsidy

In addition, the TDM Plan will include other measures that are optional to the developer; while not being implemented immediately, these measures have been recommended by the consultant team for the project and are available as options for the future. These include implementation of an annual vendor expo, a "Walking School Bus", and subsidy for a shared shuttle service with other office campuses. Other specific trip reduction measures and strategies are indicated in the project's Climate Action Plan (CAP) Checklist, included in [Attachment 9](#).

Emergency Vehicle Access Lane

As mentioned in the Site Description above, an existing emergency vehicle access (EVA) lane immediately east of the Southern Site connects Campus Drive to 26th Avenue. At the October 22, 2019 Planning Commission Study Session, several community members commented that the existing EVA lane should remain an EVA lane and closed to the public. Opening the EVA lane to all motorists would result in a direct corridor to SR-92 causing cut-through traffic and a negative impact to residents.

In recognizing this concern, the applicant worked closely with the San Mateo Consolidated (SMC) Fire Department to avoid having to open the EVA lane to the public to meet all applicable California Fire Codes. SMC Fire also imposed Condition of Approval #57 which indicates that the lane will remain an EVA under this project and that the applicant will install a new curb, sidewalk, and gate to improve the EVA. Furthermore, as mentioned previously, the TIA concludes that the project would not require intersection modifications and would not cause any of the studied intersections to exceed the LOS standard as specified in the Circulation Element of the General Plan.

PUBLIC COMMENTS:

Public comments submitted to staff during the formal planning application review are included in Attachment 10. Public comments on the project generally pertained to:

- Noise impacts
- View impacts
- Lack of parking
- Support for the project
- Keep the EVA lane closed to the public

Public comments after publishing of this report will be forwarded to the Planning Commission for review and consideration at the Public Hearing.

ENVIRONMENTAL DETERMINATION:

In accordance with CEQA an Initial Study/Mitigated Negative Declaration (IS/MND) has been prepared to assess the project's environmental impact. The IS/MND concludes that this project would not have significant effects to the environment with implementation of Mitigation Measures.

Required Mitigation Measures include heightened monitoring of construction activities for biological resources, hazardous materials, noise, and vibration. The project's Mitigation, Monitoring, or Reporting Program (MMRP) is included as Attachment 11, which is in place to ensure compliance with the Mitigation Measures analyzed and required by the IS/MND.

Distribution of the IS/MND consisted of a paper copy available at the City's Permit Center, a paper copy to the Planning Commission, and online posting at www.cityofsanmateo.org/peninsulaheights. The public review and comment period of the IS/MND occurred between November 12, 2020 and December 2, 2020. Staff did not receive comments pertaining directly to the IS/MND that required further analysis or resulted in the identification of new or worse impacts. Public comments after the public review period will be forwarded to the Planning Commission for review and consideration at the Public Hearing.

NOTICE PROVIDED:

In accordance with Government Code Section 65090, notice of this public hearing was published in the San Mateo Daily Journal newspaper more than ten days in advance of this Planning Commission meeting. In accordance with Government Code Section 65091 and the City's Municipal Code noticing requirements, this public hearing was noticed to the following parties more than ten days in advance of this 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 – Resolution

Att 2 – Location Map

Att 3 – Project Plans Volume 1

Att 4 – Project Plans Volume 2

Att 5 – Factual Data Sheet

Att 6 – Density Bonus Request Letter

Att 7 – Cannon Design Group Review Letter

Att 8 – Transportation Impact Analysis

Att 9 – CAP Checklist
Att 10 – Public Comments
Att 11 – Mitigation Monitoring or Reporting Program
Att 12 – Public Comments received after packet

STAFF CONTACT

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