



CITY OF SAN MATEO

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Agenda Report

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TO: Planning Commission
FROM: Christina Horrisberger, Director
PREPARED BY: Community Development Department
MEETING DATE: September 14, 2021

SUBJECT:

Pre-Application Review for a Proposed Five-Story Mixed-Use Building at 500 E. 3rd Ave. (Block 21)

RECOMMENDATION:

Review the proposed project on a preliminary basis, receive public comments, and provide input to the applicant and staff pertaining to the following project elements:

1. Building Design – evaluation of the overall architectural style and its consistency with surrounding buildings.
2. Building Height – consideration of and comment on the requested density bonus concession to exceed the maximum building height.

BACKGROUND:

Windy Hill Property Ventures (the applicant) has submitted the subject pre-application (PA-2021-012) to demolish all existing structures on the block bounded by E. 3rd Avenue, S. Delaware Street, E. 4th Avenue, and S. Claremont Street to construct a new five-story mixed-use building that includes office and residential uses. This report will describe the project's location, building program, and the applicable codes and policies; and also discuss two project elements in particular on which staff is requesting Planning Commission input.

PROJECT DESCRIPTION:

Project Site

The project site consists of 11 contiguous parcels, which would be merged into one parcel occupying the full block, which is referred to as "Block 21." The site is bounded by E. 3rd Avenue to the north, S. Delaware Street to the east, E. 4th Avenue to the south, and S. Claremont Street to the west. The combined lot area would be approximately 1.51-acres, or 65,888 square-feet. The site is zoned CBD/S (Central Business District Support) and is designated Downtown Retail Core Support in the City's General Plan Land Use Plan.

A variety of uses exist on the site currently. These include residential, auto-repair, a gasoline station, restaurant, check cashing, and retail uses. Uses adjacent to the project site include the Gateway Commons shopping center, fast-food restaurants, and auto-repair uses. The City's historic review consultant prepared an historic evaluation of all existing structures and found that none of the existing structures qualified as historic resources. The adjacent parcels immediately to the west of the project site are the 405 E. 4th Avenue and 406 E. 3rd Avenue mixed-use projects approved in 2017 and 2019 respectively. 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 in its vicinity is included as Attachment 1.

Building Program and Site Plan

The proposed project on Block 21 is a five-story, mixed-use building that is approximately 237,110 square-feet in size. The building consists of approximately 183,000 square-feet of office uses spread primarily among the first through third floors.

The fourth and fifth floors consist of additional office amenities as well as 68 residential units. As presently designed, the project proposes a total of 28 studio units and 40 one-bedroom units, all of which would be rental apartments. Of the combined 68 units, the applicant proposes to designate 15 percent of the units as below market rate at the very-low income level.

The project also includes two-levels of below-grade garage parking that provides 356 off-street parking spaces for office uses and 34 off-street parking spaces for the residential units. Driveway access and on-street loading spaces are proposed along S. Claremont Street along with utility areas such as trash, transformer, and electrical rooms. As presently designed, the project provides approximately 10,300 square-feet of residential open space through a combination of private patios and shared open areas. The project incorporates ground-level open space areas through various building setbacks. Open space areas for office uses are provided through balconies on the third and fourth floors.

The overall architectural character is best categorized as contemporary in its amount of glass and use of solid building materials to express building volumes. A discussion of the building design is continued in the *Items for Planning Commission Discussion* section of this report. Project plans showing the proposed site plan, floor plans, and elevations are included in [Attachment 2](#).

APPLICABLE CODE AND POLICY REVIEW:

General Plan

The General Plan Land Use Map designates the project site as Downtown Retail Core Support, which is meant to provide uses at intensities that support both the downtown core and the adjacent residential neighborhoods. A preliminary list of General Plan policies applicable to the proposed project is included in [Attachment 3](#).

As a mixed-use building, the project would conform to Land Use Element policy LU 1.8 *Mixed Use Commercial-Residential*, which promotes housing production even in non-residential zones. Given its adjacency to the downtown core, the project would be consistent with Land Use Element policy LU 3.1 *Downtown Plan* in that the project would result in office and residential uses at high intensities that support the downtown.

Zoning Code

The project site is zoned CBD/S (Central Business District Support), which implements the goals of the General Plan in encouraging commercial uses that support both the downtown core to the west and serve adjacent residential neighborhoods. The CBD/S zone is also subject to development standards in Chapter 27.39 of the Municipal Code, including floor area, residential density, setbacks, and open space. The subject project site is also within the limits of the Central Parking Improvement District (CPID) which functions as the downtown's parking district. As a project within the CPID, the applicant intends to request a parking demand study to determine the required number of off-street parking spaces in-lieu of defaulting to the parking ratios outlined in the Zoning Code. The applicant is also able to request payment of CPID parking in-lieu fees for required off-street parking that is not provided on-site.

A project data sheet listing the applicable Zoning Code standards and the pre-application's conformance to them are included in [Attachment 4](#). It should be noted that the applicant intends to request incentives/concessions and waivers from certain development standards pursuant to State Density Bonus Law. A discussion of the project's density bonus requests made thus far is continued in the *State Density Bonus Law* section of this report.

Downtown Area Plan

The project site is located within the Downtown Area Plan's study area. The Downtown Plan establishes goals and policies to implement the overall vision of the downtown area. Applicable goals that pertain to the 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 project site belongs to the Central Claremont sub-area in the Downtown Plan. Recommended future conditions included provision of ground floor retail and other uses that promote pedestrian activity along E. 3rd Avenue and E. 4th Avenue. In addition, the Downtown Plan encourages the use of street trees, streetlights, and pavement consistent with the downtown core to unite areas east of the railroad. Staff will conduct a more detailed review of the project's conformance to the Downtown Plan upon filing of the formal planning application.

Pedestrian Master Plan

The Citywide Pedestrian Master Plan contains recommendations to improve the pedestrian realm throughout the City. Upon filing of the formal planning application, staff will evaluate the project for consistency with the Pedestrian Master Plan, particular for sidewalk standards. Based on the configuration of street parking and mixed-use building type, the applicable sidewalk standard is A.10 *Mixed Use Type B Street Parking* along the E. 3rd Avenue, E. 4th Avenue, and S. Claremont Street frontages. This standard recommends an overall sidewalk width ranging from 16 feet to 26 feet. Along the S. Delaware Street frontage, the applicable sidewalk standard is A.9 *Mixed Use Type A Zero Setback*, which recommends an overall sidewalk width ranging from 16 feet to 20 feet.

As presently designed, the project does not provide the overall sidewalk widths recommended in the Pedestrian Master Plan along all frontages. It should be noted, however, that the Zoning Code requires that new developments in this zoning district be built to the property line unless building setbacks are for the provision of open space or landscaping. In the formal planning application review, staff expects the applicant to further develop the site plan and sidewalk designs for greater consistency with the Pedestrian Master Plan while achieving compliance with the Zoning Code's requirements for building setbacks.

Bicycle Master Plan

Adopted in April of 2020, the City's Bicycle Master Plan provides policies and recommendations to implement citywide infrastructure improvements to support bicycle use. The Bicycle Master Plan also lays out a proposed bicycle network of various bicycle lanes, paths and routes.

Specific to the subject project, the Bicycle Master Plan calls for a separated bicycle lane (Class IV) along the project's S. Delaware Street and E. 3rd Avenue frontages. The Bicycle Master Plan also calls for a bicycle boulevard (Class III) along the project's S. Claremont Street frontage.

Staff has made the applicant aware that any conflicts between the proposed bicycle facilities and Bicycle Master Plan would need to be resolved during the formal planning application, prior to project approval.

State Density Bonus Law

California Government Code Section 65915 outlines density bonus standards for residential and mixed-use projects that include certain percentages of below-market-rate housing units. Of the 68 residential units, the applicant is proposing to designate 15 percent of the 68 units to the very-low income category (affordable to individuals and families who make up to 50 percent of the area's median income), which equates to 11 units. The provision of 15 percent to the very-low income category would exceed the City's Below Market Rate (BMR) Inclusionary requirements, which requires 15 percent of rental units to be designated in the low income category. Providing 15 percent of the units in the very-low income category makes the project eligible for a 50 percent density bonus request, three incentives/concessions, reduced parking standards and additional waivers.

At this time, the applicant has requested three concessions and multiple waivers as outlined in the project's density bonus request letter, included as Attachment 5. One example request the applicant has made is a concession to exceed the project site's building height limit of 55-feet by approximately 2 feet, 8 inches. In the density bonus request letter, the applicant has noted that this concession would reduce the per-unit construction cost for the residential units. Upon filing of the formal planning application, the project and its density bonus request letter will be evaluated in greater detail. Further discussion of this request is continued in the *Items for Planning Commission Discussion* section of this report.

ITEMS FOR PLANNING COMMISSION DISCUSSION:

Building Design

As discussed previously, the overall architectural style is best categorized as contemporary in its amount of glass and use of materials to express various building volumes. Block 21 is adjacent to other recently constructed or approved mixed-use projects in this area at 405 E. 4th Avenue and 406 E. 3rd Avenue. Similar to these recent projects, the current design incorporates multi-story, framed bays; upper floor step-backs; variety in materials and colors; and layered recesses for the provision of open spaces.

However, unlike these recent projects, Block 21 occupies a full block and thus encompasses full frontages providing an opportunity to achieve a cohesive design for an entire city block. The color palette and materials proposed in Block 21 also differ from the those of the adjacent, recent projects, which are brown or red brick veneer and neutral stucco. The color and materials proposed for Block 21 include stucco and concrete panels in a grey tone. In addition, the design incorporates cement fiberboard rain screen panels in a brown tone at the fourth and fifth levels to distinguish the residential uses.

At this time, staff is requesting that the Planning Commission provide input on the overall approach to the building design in terms of massing, materials, and whether the project provides enough distinction from recent projects in the area. Upon filing of the formal planning application, staff will engage a City design review consultant for consistency with the General Plan Urban Design element and to address any comments/concerns expressed by the Planning Commission.

Building Height

As discussed previously, the applicant has requested a concession under State Density Bonus Law to exceed the building height limit of 55 feet. This request arose during the plan-review stage of the pre-application after staff noted that the project exceeded the building height limit of 55 feet. After reviewing staff's comment and considering possible solutions, the applicant made a request for a concession under State Density Bonus law to exceed the overall building height by approximately 2 feet, 8 inches. In accordance with Government Code Section 65915(d)(1), the City shall grant the request unless the City finds that the concession or incentive:

- Does not result in identifiable and actual cost reductions to provide for affordable housing costs;
- Would have a specific adverse impact upon public health and safety; or,
- Would be contrary to state or federal law.

The initial concern from staff was the potential conflict with the City's General Plan. After reviewing the request letter further, staff does interpret the State Density Bonus law to supersede the City's General Plan and to allow the applicant to seek the concession provided it results in a cost reduction.

At this time, staff is requesting that the Planning Commission consider this particular concession request to exceed the building height limits under State Density Bonus law and provide comments and/or feedback on the request. While considering the request, the Planning Commission should also consider the effect of the request on the building design and specifically, the design of the residential units. The overarching basis for granting concessions is to make construction of affordable housing more feasible. In addition, it should be noted that the ceiling heights of the residential units (approximately eight feet) are significantly lower than that of the office uses below, which are approximately 12 feet. The Planning Commission may comment on this distribution of ceiling heights and whether a different distribution is recommended to achieve an improved design.

As discussed in the *State Density Bonus Law* section of this report, staff will continue to review this concession request during the formal planning application review.

PUBLIC COMMENTS:

The applicant held a formal pre-application neighborhood meeting on August 26, 2021 in which approximately 11 members of the public attended. Questions and comments including the following were expressed:

- What is the fate of the existing businesses?
- Is there adequate on-site parking?

- Concern for traffic
- A cumulative traffic analysis should be prepared to address traffic
- Traffic impact fees should be spent in the surrounding neighborhood
- The project should provide two- and three-bedroom units
- The project should provide more housing
- More affordable, for-sale units are needed in the City and in this project
- The design looks too similar to other nearby projects

The applicant's summary of the neighborhood meeting is included in [Attachment 6](#). Public comments submitted to City staff during the pre-application review are included in [Attachment 7](#). Any additional public comments received following the publishing of this report will be provided separately to the Planning Commission on the date of the Study Session.

ENVIRONMENTAL DETERMINATION:

In accordance with Public Resources Code Section 21065, the review of a pre-application is not a project under the California Environmental Quality Act (CEQA) because the Planning Commission is not taking action at this time. An environmental review will be conducted as part of the formal planning application in conformance with CEQA.

NEXT STEPS:

Following this Study Session, the applicant and project architect will have the opportunity to revise the design based on feedback given by the public and the Planning Commission. As proposed, the project is anticipated to require the following planning applications, which would be subject to a recommendation by the Planning Commission and a decision by the City Council:

1. Site Plan and Architectural Review (SPAR) for the construction of a new mixed-use building over 55-feet and on-street loading zones;
2. Site Development Planning Application (SDPA) for the removal of trees greater than six-inches in diameter; and,
3. Tentative Parcel Map to merge 11 parcels into one parcel.

Sample Findings of Approval for the above planning application types are included as [Attachment 8](#). In addition, staff will conduct any necessary environmental analysis in accordance with CEQA upon submittal of the formal planning application.

NOTICE PROVIDED:

In accordance with Government Code section 65091 and the City's Municipal Code public noticing requirements, this Study Session was noticed to the following parties at least 10 days in advance of the neighborhood meeting and 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 – Location Map
 Att 2 – Project Plans
 Att 3 – Applicable General Plan Elements and Policies
 Att 4 – Project Data Sheet
 Att 5 – Density Bonus Request Letter
 Att 6 – Neighborhood Meeting Minutes
 Att 7 – Public Comments
 Att 8 – Sample Findings for Approval

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