



CITY OF SAN MATEO

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Agenda Report

Agenda Number:

Section Name:

File ID:

TO: Planning Commission
FROM: Christina Horrisberger, Director
PREPARED BY: Community Development Department
MEETING DATE: November 23, 2021

SUBJECT:

Pre-Application Review for a Proposed Five-Story Mixed-Use Building at 435 E. 3rd Avenue (PA-2021-021)

RECOMMENDATION:

Review the proposed project design on a preliminary basis, receive public comments, and provide input to the applicant and staff on the overall project as proposed, with specific focus on the following project elements:

1. Building Architectural Design – Provide input on the overall architectural style and its compatibility with surrounding buildings;
2. Floor Area Ratio – Provide input on the concession request to exceed the maximum floor area ratio (FAR);
3. Off-Street Parking – Provide input on the concession request to pay in-lieu fees for all required off-street parking; and,
4. Other project aspects to be considered for the formal planning application.

BACKGROUND:

Windy Hill Property Ventures (the applicant) has submitted a Preliminary Planning Application (PA-2021-021) to demolish the existing structures and construct a new five-story mixed-use building at 435 E. 3rd Avenue. The proposed building consists of four levels of office uses and one level of residential uses with no off-street parking. As proposed, the project would require a Site Plan and Architectural Review (SPAR) and Site Development Planning Application (SDPA) for the proposed mixed-use building, tree removal, and associated site improvements.

As a Pre-Application Study Session, the Planning Commission should focus its review on the project's building design, floor area ratio request, off-street parking request, and other aspects necessary for the Commission to make positive findings and approve the SPAR and SDPA after the formal planning application is submitted and reviewed by staff. This report will provide an overview of the project's location, building program, and applicable codes and policies, and introduce the three specific elements of the project that would benefit from Planning Commission input. Additionally, staff requests that the Commission provide input and direction on other project aspects, if any, that should be considered for the formal planning application.

PROJECT DESCRIPTION:

Project Site

The project site is located at 435 E. 3rd Avenue on the northwest corner of E. 3rd Avenue and S. Claremont Street. The site has a lot area of 10,980 square feet (0.25 acre) with a General Plan Land Use Designation of Downtown Retail Core Support and zoning designation of CBD/S (Central Business District Support).

An auto-repair establishment currently occupies the site. The City's historic review consultant prepared an historic evaluation of the existing structures and found that none qualified as historic resources. Adjacent uses include restaurant

uses, a grocery store (Takahashi Market), as well as a number of retail and restaurant uses that occupy the block of the newly proposed Block 21 application ¹, which was reviewed by the Planning Commission at a study session in September of 2021. 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 five-story mixed-use building has a total floor area of 40,152 square feet, with 33,876 square feet of office uses on the first through fourth floors and five residential units on the fifth floor. As presently designed, the unit mix consists of one studio and four one-bedroom units, all of which would be for-rent. Of the five units, the applicant proposes to designate 20 percent (one unit) as affordable (below market rate) at the Low-income category.

The project, as proposed, does not include any off-street parking and the applicant is requesting a concession through State Density Bonus law to pay in-lieu fees for all required parking. A second concession is being requested to allow the project to exceed the 3.0 maximum floor area ratio. The overall architectural style has both traditional and contemporary elements in its blend of materials. A detailed discussion of the building design, floor area ratio request, and off-street parking request are included below in the *Items for Planning Commission Discussion* section. Project plans showing the proposed site plan, floor plans, elevations and architectural renderings 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 presently conforms 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 presently conforms to Land Use Element Policy LU 3.1 *Downtown Plan* in that the project would provide office uses at a high intensity to support the Downtown as the economic center of the City. The preliminary list of General Plan policies ([Attachment 3](#)) includes other policies for the Commission's consideration in this study session.

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 to the east. The CBD/S zone is also subject to development standards in Chapter 27.39 of the Municipal Code, including floor area ratio, residential density, setbacks, and open space.

The project's proposal for five residential units, which equates to a density of 20 units per acre, is within the maximum density in the CBD/S Zone of 50 units per acre. It should be noted that the CBD/S zone does not specify a minimum residential density and does not require residential uses.

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, a parking demand study is currently being prepared to determine the required number of off-street parking spaces in-lieu of defaulting to the parking ratios outlined in the Zoning Code. In accordance with San Mateo Municipal Code Section 27.64.100(a)(5), projects within the CPID and outside of the Limited Parking Zone (LPZ) must provide at least 25 percent of their required parking spaces on-site. Projects are required to provide at least 50 percent of their required parking spaces on-site if: 1) public parking occupancy exceeds 85 percent in the immediate area; or 2) if the project is adjacent to residential zones. Staff does not anticipate that the project would meet either criterion and would thus not be required 50 percent of its required parking on-site. With the expected construction of the Kiku Crossing parking garage, staff anticipates that there will be public parking availability in

¹ The design of the Block 21 project, which was recently submitted for formal review, has been revised and now consists of a six-story mixed-use building.

close proximity to this project to satisfy this finding. In addition, the project is not adjacent to any residential zones.

A project data sheet listing the applicable Zoning Code standards and the pre-application's conformance to them are included in [Attachment 4](#). A discussion of the Zoning Code standards from which the applicant has requested relief (such as floor area ratio and off-street parking) is included 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 is within the Central Claremont sub-area in the Downtown Plan. Recommended future conditions include 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 unify areas east of the railroad tracks. 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 2012 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 project's frontages. This standard recommends an overall sidewalk width ranging from 16 feet to 26 feet.

As presently designed, the project proposes an overall sidewalk width as wide as 19'-3" and as narrow as 12'-6", which is less than the recommended overall width of 16'-0" in the Pedestrian Master Plan. 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

The 2020 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 site, the Bicycle Master Plan calls for a separated bicycle lane (Class IV) along the project's E. 3rd Avenue frontage and a bicycle boulevard (Class III) along the project's S. Claremont Street frontage. A full evaluation of the project's consistency with the Bicycle Master Plan will be completed during review of the formal planning application.

State Density Bonus Law

California Government Code Section 65915 outlines density bonus standards for residential and mixed-use projects that devote a portion of residential units as below market rate (BMR) housing. The City also has an adopted BMR Inclusionary Program that requires for-rent developments to devote at least 15 percent of units to the low-income category (affordable to individuals and families who make up to 80 percent of the area's median income).

The project includes five residential units, which is the minimum number of units required to be eligible for density bonus standards in accordance with Government Code Section 65915(i). Of the five residential units, the applicant is proposing to designate one unit as a BMR at the low-income category, which equates to 20 percent of the total units.

Provision of 20 percent of the units in the low-income category makes the project eligible for a 35 percent density bonus, two incentives/concessions, reduced parking standards, and additional waivers. Because the proposed density is less than the maximum density allowed, the project is not seeking a density bonus but has requested two concessions to: 1) allow a floor area ratio of 3.66 where the CBD/S zone's maximum is 3.0; and 2) pay CPID parking in-lieu fees for all required parking instead of constructing on-site parking where the Zoning Code would require construction of at least 25% of the required parking.

Based on State Density Bonus law, the purpose of a requested incentive or concession is to provide cost reductions that support the construction of affordable housing. The applicant is currently preparing information to submit in the formal planning application that further detail the cost reduction and how the concessions support the construction of the affordable housing unit. In accordance with Government Code Section 65915, the grounds for denial of a requested incentive/concession are that the requested incentive/concession: 1) does not result in a cost reduction to support affordable housing; 2) negatively impacts an historic property; or 3) conflicts with an adopted, objective public health and safety standard. The project and its density bonus request letter will be evaluated in greater detail upon filing of the formal planning application.

ITEMS FOR PLANNING COMMISSION DISCUSSION:

Building Architectural Design

As noted previously, the overall architectural style combines both contemporary and traditional design elements. The dominant exterior material of brick veneer is incorporated along the first through third levels, which are three of the four office levels. The design also incorporates precast concrete cornice detailing atop the third level. A secondary exterior material expressing the office uses is a wood material used at the fourth level and along recesses on the first through third levels. The design incorporates mainly stucco and an architectural foam trim at the uppermost, residential level. The overall massing incorporates a series of recesses on the first through third levels, as well as step-backs on the fourth and fifth levels in conformance with the City's "Street Wall" development standards.

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. The project is adjacent to other, recently developed or approved mixed-use projects. In addition, the Planning Commission reviewed Block 21 as a study session at its September 14, 2021 meeting, which would occupy the full block immediately southeast from the subject project site. It should be noted that the Block 21 project application has been filed and revised to include a sixth level. When evaluating the design of the proposed building, staff recommends the Commission consider compatibility with both the existing context, recently approved projects, and projects currently under review.

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.

Floor Area Ratio

A project's "floor area ratio" (FAR) is its ratio between the site's lot area and building's floor area. "Floor area" is the sum of the gross horizontal areas of the proposed building and covered parking facilities. The Municipal Code imposes a maximum FAR of 3.0 for sites zoned CBD/S. All above-ground floor levels are counted as floor area. As such, floor area measurement has a direct correlation to a building's bulk and scale along with other regulations such as maximum building height, minimum setbacks, and the City's "Street Wall" standards.

As indicated previously, the applicant is seeking to exceed the zoning district's maximum FAR of 3.0, with a FAR of 3.66, as a concession request through State Density Bonus law. Based on the project site's lot area of 10,980 square feet, the maximum FAR yields a maximum floor area of 32,940 square feet. The project currently proposes a total floor area of 40,152 square-feet, which is 7,212 square-feet above the maximum floor area. With 33,876 square feet of office floor area and 6,276 square feet of residential floor area, the concession for additional FAR is functionally being requested to accommodate the residential component of the project.

At this time, staff is requesting that the Commission consider this request and comment on whether the additional floor

area is appropriate for the building's design and surrounding neighborhood context. Staff will review this request in the context of the required findings in State Density Bonus law as part of the formal application review. It should be noted that Municipal Code section 27.15.040 provides that increased maximum FAR is a concession request that has been deemed to not have an adverse impact upon public health and safety.

Off-Street Parking

As a project within the Central Parking and Improvement District (CPID), the applicant may satisfy the project's parking requirements by providing on-site parking, payment of in-lieu fees, or a combination of both. In accordance with the Municipal Code, projects within the CPID must provide at least 25% of their required parking on-site unless certain conditions are met that then requires the project provide at least 50% on-site. The applicant has requested a concession under State Density Bonus law to not provide any physical on-site parking, either at-grade or in an underground parking garage, and instead pay CPID parking in-lieu fees for all required parking.

As a project within the CPID, a parking demand study is currently being prepared to determine the required number of off-street parking spaces in-lieu of defaulting to the parking ratios outlined in the Zoning Code. Because the parking demand study informs the number of required parking spaces, the study also informs the total CPID in-lieu fee required, which currently is \$52,550 per space as provided in the City's Comprehensive Fee Schedule. If the project opted to conform to the Zoning Code's adopted parking ratios, the project would require 88 spaces for office uses and 8 spaces for the residential use for a total of 96 off-street parking spaces.

At this time, staff is requesting that the Commission consider this request and comment on whether the lack of any on-site parking is appropriate for a project with this mix of office and residential uses and in this location. With respect to the residential component, Housing Element Policy H2.12 *Mixed Use* encourages allowing residential uses in commercial areas where projects provide adequate on-site parking and usable open space. With respect to open space, the project exceeds the minimum private residential open space required by the Zoning Code, which is 80 square-feet per unit. Staff would like the Commission to consider whether payment of the CPID in-lieu fee for 100 percent of the required on-site parking is consistent with City policies and appropriate for a project in this location, which is in proximity to the Downtown Caltrain station and the downtown core. The Commission should also consider the feasibility of constructing parking at this site considering the project's site's size and shape. Access to on-site parking would also result in at least one driveway and curb cut that may be seen as disrupting the pedestrian environment. Staff will review this request in the context of the required findings in State Density Bonus law as part of the formal application review.

PUBLIC COMMENTS:

The applicant held a formal pre-application neighborhood meeting on October 7, 2021 in which 11 members of the public attended. Questions and comments including the following were expressed:

- Why doesn't the project propose on-site parking?
- The building design looks attractive
- What are the sizes of the units?
- The design looks too similar to other nearby projects

The applicant's summary of the neighborhood meeting is included in [Attachment 5](#). Public comments submitted to City staff during the pre-application review are included in [Attachment 6](#). 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. Based on the size and scope of the proposed project, staff anticipates that the preparation of an Initial Study and Mitigated Negative Declaration will be necessary. However, a final determination on CEQA compliance will not be made until the formal planning application has been submitted and reviewed by staff.

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 currently proposed, the project is anticipated to require the following planning applications, which would be subject to approval by the Planning Commission:

1. Site Plan and Architectural Review (SPAR) for the construction of a new mixed-use building; and,
2. Site Development Planning Application (SDPA) for the removal of trees greater than six-inches in diameter.

Sample Findings of Approval for the above planning application types are included as Attachment 7.

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 – Neighborhood Meeting Minutes

Att 6 – Public Comments

Att 7 – Sample Findings of Approval

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