

CITY OF SAN MATEO

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Agenda Report

Agenda Number:	Section Name:	File ID:
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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 Residential Building at 222 S. Fremont Street (Gateway Terrace Project)

RECOMMENDATION:

Review the proposed project 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 project's consistency with the Downtown Gateway Vision and Multi-Family Design Guidelines;
- 2. Building Massing and Scale provide input on the applicant's request to eliminate the building transition/step back recommendations;
- 3. Site and Landscape Plan provide input on the amount of common open space and landscaping provided; and,
- 4. Other project aspects to be considered for the formal planning application.

BACKGROUND:

The project applicant, Wall Street Properties, has submitted a Preliminary Planning Application (PA-2019-036) proposal to demolish an existing single-family residence and construct a new five-story, 40-unit multi-family residential building with one level of subterranean parking. As proposed, the project will require a Site Plan and Architectural Review (SPAR) and Site Development Planning Application (SDPA) for the proposed multi-family residential building, tree removal and associated site improvements; and a Vesting Tentative Map for condominium purposes. For this Study Session, the Planning Commission should focus its review on the project's design elements, such as the building and architectural design, site plan, and other aspects necessary for the Commission to make positive findings and approve the project when the formal planning application is submitted. This report will describe the project location, site plan, building program, and the applicable codes and policies; and outline three specific elements that would benefit from Commission input. Additionally, staff requests that the Commission provide input and direction on other project aspects, if any, that should be considered within the formal planning application.

PROJECT DESCRIPTION:

Project Site

The project site consists of two contiguous parcels that are bounded by E. 3rd Avenue on the south and S. Fremont Street on the west. One parcel contains an existing single-family dwelling unit, and the second parcel is currently vacant. The combined land area is approximately 0.58 acres, or 25,328 square feet. The project site's General Plan land use designation is High Density Multi-Family and it is zoned R4-D (Multiple Family Dwellings for Downtown, Medium High Density). The project is also located within the Downtown Specific Plan Gateway Area.

Adjacent uses include three to four-story tall multi-family buildings located east and south of the project site, and a four-story residential condominium building is currently under construction on the adjacent parcel to the north by the same

developer. There are one- and two-story tall single-family residences immediately west of the project site. The San Mateo Caltrain station is located 0.4-miles to the west of the project site. A project vicinity map is included as Attachment 1.

Building Program and Site Plan

The project proposes to construct a five-story, 40-unit residential condominium building that is approximately 53,000 square-foot in size. The proposed condominium units would consist of one, two, and three-bedroom units, ranging in size from 758 square feet to 2,729 square feet. The architectural style is a Spanish Mediterranean inspired design, which is distinguished by the proposed clay roof tiles, stucco walls and wrought iron (bronze) metal details. The building main entrance is designed as a covered pedestrian entry or "porte cochere" and is located along S. Fremont Street. The project also includes a single-level, below-grade parking garage with 59 parking spaces and a driveway ramp and access located on S. Fremont Street.

Presently, the project proposes approximately 7,290 square feet of usable open space that includes a combination of private patios and balconies, and common (shared) outdoor amenities. The shared open space amenities include a private lap swimming pool and cabana in the rear yard area. New landscaping and street trees are proposed along the project's two street frontages. The landscape plan includes seven 36-inch box trees planted along E. 3rd Avenue and four 36-inch street trees along S. Fremont Street. Additional accent trees and stormwater treatment measures such as bio-basin planters are located along the perimeter of the building and site. Currently, the proposed tree species include London Plane, Fruitless Olive, Purple Peppermint and Crape Myrtle. The project would need to remove all existing on-site trees and an arborist report will be required as part of the formal planning application submittal.

The project plans, which include the proposed site plan, floor plans, elevations, landscape plans, and other site improvements, are provided as <u>Attachment 2</u>.

APPLICABLE CODE AND POLICY REVIEW:

General Plan

The General Plan Land Use Diagram designates the project site as High Density Multi-Family. This land use category intends for high density residential projects that are three to five stories in height, and are located near transportation corridors and major commercial areas. A preliminary list of applicable General Plan policies is provided as Attachment 3.

As a multi-family residential development, the project presently conforms with the Land Use Element Policy, LU 1.6 *Residential Development,* by providing additional housing units in support of the City's Housing Element goals for housing production. The project also conforms with Land Use Element Policy, LU 1.7 *Multi-Family Areas*, in that the proposed density and building height are consistent with the multi-family densities delineated on the Land Use Plan Map (LU-3).

Zoning Code

The property is zoned R4-D (Multiple Family Dwellings for Downtown, Medium High Density), which implements the goals of the General Plan by encouraging multi-family residential uses that support the Downtown core and are compatible with adjacent residential densities. The project is also subject to the development standards identified in Chapter 27.28 of the Municipal Code, including parcel coverage, floor area, residential density, setbacks, and open space. A project data sheet listing the applicable Zoning Code standards are included in Attachment 4.

The project proposes a height of 55 feet as measured from existing grade to the building's top plate line, which is consistent with the Zoning Code requirements for building height. The building complies with minimum setbacks by providing 20 feet along E. 3rd Avenue, 15 feet along S. Fremont Street, 15 feet interior side yard (west), and a rear yard up to 40 feet but not less than 25 percent of the parcel depth. Given the parcel's irregular shape and varying lot depth, the project requires a minimum rear yard setback of 37.6 feet and 40 feet from the northwest property line. The Zoning Code also requires an additional eight-foot step back along the S. Fremont Street property frontage for portions of the building above 25 feet in height to create a more pedestrian-oriented environment as outlined in the Gateway Vision design goals.

The project proposes a residential density of 69 dwelling units per acre and a parcel coverage of 45.23 percent, which exceeds the maximum base density of 50 units per acre and maximum parcel coverage of 45 percent. Pursuant to the

State Density Bonus Law, an increased density is allowed with the provision of affordable units. An increased parcel coverage is included as an incentive as long as the project remains consistent with the City's General Plan and other local policy documents. The project's affordable housing component, including increased density, is further discussed in the State Density Bonus Law section of this report.

The project is also utilizing reduced parking standards pursuant to Government Code Section 65915 (p)(2) of one-half stall per unit. This results in a total off-street parking requirement of 20 vehicle stalls. As proposed, the project will provide up to 59 stalls, which exceeds the minimum required, but is less than the Zoning Code requirements for a multi-family residential project of this size (79 stalls). For bicycle parking, the project is required to provide four short-term bicycle parking spaces and 48 long-term bicycle parking spaces. Although the current plans do not show the location of all long-term bicycle parking facilities, the project will be required to show all required bicycle parking facilities as part of its formal planning application submittal.

Downtown Specific Plan Gateway Area

The project site is located in the Gateway sub-area of the Downtown Area Plan. The Downtown Area Plan provides a Vision of the Gateway design guidelines that encourages enhanced visual and pedestrian connections to link the Gateway and the Downtown Retail Core. The proposed site plan appears consistent with the Plan's guidelines and requirements with the incorporation of new street trees, building setbacks, and additional building step backs on the upper floors along S. Fremont Street and E. 3rd Avenue. A full review for conformance with the Downtown Area Plan will be completed when the project's formal planning application is under review.

Pedestrian Master Plan

The 2012 Citywide Pedestrian Master Plan contains recommendations to improve the pedestrian realm in San Mateo. This project is subject to the Pedestrian Master Plan's A.5 Sidewalk Standards – Residential Type C New Development, which requires an overall sidewalk width between 9.5 feet to 12 feet along E. 3rd Avenue and S. Fremont Street. This sidewalk standard includes the following components and minimum width requirements:

- 6-inch curb
- 4 feet to 6 feet planter/furniture zone for stormwater treatment features and street trees with tree grates
- 5.5 feet through zone
- Minimum building setback of 10 feet to 15 feet from the proposed sidewalk

Presently, the project's street frontages are consistent with the Pedestrian Master Plan's sidewalk guidelines for overall sidewalk widths, planter/furniture zone, pedestrian through zone, and building setbacks. It is recommended that the project incorporate a sidewalk transition that would be consistent with the adjacent residential development at 210 S. Fremont Street. The Planning Commission should provide input on this topic to allow for further development of the site plan, street tree plantings and sidewalk designs for greater consistency with the Pedestrian Master Plan prior to formal application submittal.

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 includes a proposed bicycle network that improves and expands upon the City's existing bicycle route, lanes, and paths. It also calls for a separated bicycle lane (Class IV) along the project site frontage on E. 3rd Avenue. Staff has made the applicant aware that the proposed site plan shall not preclude the future improvements identified in the Bicycle Master Plan for E. 3rd Avenue. 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 projects that provide certain percentages of below market rate (BMR) housing units. The City also has an adopted BMR Inclusionary Program that sets minimum affordability requirements for residential projects proposing 11 or more units. A revision to the City's BMR Program was adopted by City Council on February 3, 2020 and increased the minimum BMR inclusionary requirement from

10 percent to 15 percent. However, planning applications and pre-applications submitted prior to the revision date are exempt, provided that the project does not change significantly in the number of units or square footage by 20 percent or more. Since this pre-application was filed on August 6, 2019, with no significant changes to date, it is subject to the prior BMR Program that requires condominium projects to designate at least 10 percent of the base density units at the Moderate income category for ownership units, or 20 percent at the Low or Very Low income category for rental units.

The R4-D Zoning District allows for a maximum base density of 50 units per acre, which permits up to 29.1 base units (rounded up to 30) on the 0.58-acre project site. In order to comply with the City's Inclusionary Housing Program in effect in 2019 (when this application was submitted) and to qualify for a density bonus to achieve 40 total units under State Law, the project is required to provide at least 11 percent of the base density as affordable at the Very Low income level, which results in four BMR units. However, per the City's Inclusionary Program, Very Low income units should be offered for rent rather than as ownership units. If the project remains as a condominium project with Very Low income for-sale units, the project is recommended to establish a reserve for those owners to cover any future costs related to increased homeownership association dues or assessments. Alternatively, the project may designate the BMR units as affordable at the Moderate or Low income level. In order to achieve the necessary density bonus for 40 total units, the project would need to provide 20 percent of the base density or six BMR units at the Low income level. In addition, the project will qualify for concessions, waivers, and reduced on-site parking standards since the project is within a half-mile proximity to a major transit stop. The project and its density bonus request will be evaluated in greater detail upon filing of the formal planning application.

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 two-thirds housing, this project is subject to the HAA, which limits a local agency's ability to deny, reduce the density of, or render housing development projects infeasible if objective standards are met. Additionally, the local agency may only deny or reduce the density if certain findings pertaining to adverse impacts to codified, objective public health or safety standards are made. A full review of the project's conformance with all applicable objective standards will occur with the formal planning application.

ITEMS FOR PLANNING COMMISSION INPUT:

Building Architectural Design

This project is subject to the Multi-Family Design Guidelines and Vision of the Gateway, which provide objective design standards for new multi-family development projects located in the Downtown Gateway area. It is important to note that for projects requesting a density bonus and are subject to the Housing Accountability Act (HAA) under State Law, staff may provide design recommendations but the project is subject to the objective design standards in the General Plan, Zoning Code, and other local policy documents.

An initial design review was conducted by the City's design review consultant, Larry Cannon of Cannon Design Group. The design review letter (<u>Attachment 5</u>) includes numerous design treatments to improve the building's compatibility with other multifamily developments along the E. 3rd Avenue corridor, as follows:

- Increase landscaping along the street frontages and enhance the ground floor patios;
- Setbacks at building corners to reduce "boxiness" and improve building form;
- Enhance building corners with trellis treatments;
- Provide wider roof overhangs and consider a similar roofing material to other multifamily buildings;
- Strengthen the building base, body and top floor through changes in wall materials and substantiate the balconies; and
- Provide a stronger building entrance.

Following the design review comments, the applicant revised the project to include increased landscaping along the street frontages and ground floor patios. A prominent building entrance, or porte cochere, has been added along S. Fremont Street to improve the building at a pedestrian scale. The current design also incorporates changes in wall colors along the building base, body and top to effectively break up the mass. Although efforts were made to step back the building along

E. 3rd Avenue and S. Fremont Street, it should be noted that the building continues to read as a large plane due to the repetition of balcony placements. The Design Guidelines recommend use of recessed balconies, variation in roof height or setbacks to further break up the building mass. The recommendation is to step back the balconies or vary their placement to further articulate the building. This includes stepping back the building corners to reduce the overall bulk of the building.

Staff continues to recommend the above design treatments to further improve the proposed building design and scale in relation to the surrounding neighborhood. At this time, staff is seeking input from the Planning Commission regarding the overall building architectural design and its compatibility with other multifamily structures in the neighborhood.

Building Massing and Scale

The Multi-Family Design Guidelines provides additional guidance for new multi-family development projects to consider the existing neighborhood character in relation to building mass and scale. The surrounding neighborhood contains a variety of existing building heights and densities that include three to four story tall multi-family buildings located north, east and south of the project site. There are also one and two-story tall residential buildings immediately west of the project site. The Design Guidelines recommend providing a transition when the proposed building height exceeds adjacent properties by more than one-story. Currently, the proposed five-story building is significantly taller than the adjacent two-story residences to the west and would be inconsistent with the Design Guideline. However, a transition may be achieved by lowering the proposed height along the building's west façade.

After subsequent reviews and recommendations made by the staff, the applicant has requested to eliminate the transition and step back recommendations in the Multi-Family Design Guidelines with concerns that it would reduce the proposed number of residential units. Although the project does not meet the Design Guideline recommendations, it complies with all objective standards and setbacks outlined in the Zoning Code and Vision of the Gateway design guidelines. At this time, staff is requesting that the Planning Commission provide input on the proposed building mass and consider the effect of the proposed building in relation to the surrounding neighborhood.

Site and Landscape Plan

The Vision of the Gateway sets forth design goals to enhance the Gateway as a prominent entry feature to the City and Downtown core through various site plan and landscape treatments. The document contains additional setback requirements for E. 3rd Avenue (North - "Parkway Frontage") and S. Fremont Street ("Neighborhood Street") to ensure a consistent building rhythm and attractive pedestrian environment. Currently, the project meets all setback requirements indicated by the Gateway Vision design guidelines for the two street frontages. The project also provides the recommended streetscape improvements including large street tree plantings and planters along the E. 3rd Avenue frontage, as shown in the landscape plans (Attachment 2).

In addition to the Gateway streetscape standards, the City's Zoning Code requires usable open space and overall site landscaping to compliment new multi-family residential developments. This may be met through a proportion of private and common (shared) open space area that is subject to the Zoning Code's usable open space standards for minimum dimensions and area. Although the project proposes a large area of private patios and balconies, and common outdoor space, the amount of creditable usable open space is provided for approximately 35 units. Additional open space is required for five units, as indicated in the project data sheet (Attachment 4). Recommendations to meet the remaining open space requirement include relocating the trash enclosure from the rear yard area and converting the private ground floor patios to common (shared) open space. Relocating the trash enclosure indoors within the building, potentially as an internal trash room or receptacle at each floor, would improve the overall function and experience for residents. Lastly, the project may utilize the State Density Bonus Law to request a concession to reduce development standards that include open space requirements.

At this time, staff request that the Planning Commission review the proposed site plan and landscape improvements, and discuss its overall consistency in meeting the design goals of the Vision of the Gateway.

PUBLIC COMMENTS:

The applicant held a formal pre-application neighborhood meeting on October 28, 2021, that was attended by 16 members of the public. Participants expressed the following comments and questions:

- Support for Spanish architectural style and developing the existing vacant parcel
- Concerns of traffic safety and increased congestion on S. Fremont Street
- Reduced off-street parking requirements may lead to residents or visitors parking on the street
- Consider reducing the building height to three or four stories and implement screening, such as taller trees, to respect privacy and scale of adjacent two-story buildings on the west
- Concerns of shadow impacts on adjacent buildings, trees and landscape
- Consider adding more affordable units and amenities such as a community room or fitness center
- Overall planning entitlement and appeals process

A summary of the neighborhood meeting is included in <u>Attachment 6</u>. Public comments submitted to City Staff are included in <u>Attachment 7</u>. Additional public comments received following the publishing of this agenda report will be provided under separate cover 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 subject to California Environmental Quality Act (CEQA) because no formal action is being taken by the Planning Commission at this time. Based on the size and scope of this project, staff anticipates that this project could qualify for a Categorical Exemption. 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 will have an opportunity to revise the project based on the input provided 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 review and decision by the Planning Commission:

- 1. Site Plan and Architectural Review (SPAR) for the construction of a new residential building proposing six or more dwelling units;
- 2. Site Development Planning Application (SDPA) for grading over 5,000 cubic yards and the removal of trees greater than six-inches in diameter; and
- 3. Vesting Tentative Map to merge two parcels into one parcel for condominium purposes.

Sample Findings of Approval for the above planning application types are included within Attachment 3.

NOTICE PROVIDED

All meeting noticing requirements were met in accordance with the Government Code Section 65091 and the City's Municipal Code noticing requirements. This Study Session was noticed to the following parties at least ten days in advance of the neighborhood and Planning Commission meetings:

- 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 – Vicinity Map

Att 2 – Project Plans

Att 3 – Applicable General Plan Elements, Policies and Sample Findings

Att 4 – Factual Data Sheet

Att 5 – Design Review Letter

Att 6 – Neighborhood Meeting Summary

Att 7 – Public Comments

STAFF CONTACT

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