



# 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:** May 10, 2022

**SUBJECT:**

1 Hayward Avenue - New Four-Story Mixed-Use Building with Ground-floor Office and 18-unit Multi-Family Apartment Units (PA-2019-045)

**RECOMMENDATION:**

Adopt a Resolution approving the Site Plan and Architectural Review (SPAR) and Site Development Planning Application (SDPA) for the construction of a new mixed-use building with ground floor office uses and 18 multi-family residential apartment units located at 1 Hayward Avenue and determine the project qualifies for a Categorical Exemption from further environmental review under the California Environmental Quality Act (CEQA) based on the Findings for Approval and as conditioned in Attachment 1.

**BACKGROUND:**

A formal Planning Application was submitted on October 8, 2019 to demolish three existing structures that contain five residential units and approximately 1,115 square-feet of commercial space at 1 Hayward Avenue, and construct a new 25,320 square-foot four-story mixed-use building with 4,495 square-feet of office use on the ground floor and 18 residential apartment units above. The proposed development also includes below grade parking facilities, common and private open space areas, and other common area amenities.

A neighborhood meeting was held prior to submittal on September 25, 2019. A Preliminary Application and Planning Commission Study Session were not required for this project as the proposed residential development has less than 20 units and the office area is less than 10,000 square feet.

**Site Description**

The project site consists of a 0.29-acre (12,820 square-foot) parcel at the corner of Hayward Avenue and El Camino Real. The site is currently developed with five residential units and approximately 1,115 square feet of commercial space. The project site is adjacent to a four-story residential building for Sunrise Senior Living to the south across Hayward Avenue, a three-story residential building to the east, a dental office building to the north, and St. Matthews Catholic School to the west across El Camino Real. A location map showing the project site's vicinity is included in Attachment 2.

**Project Description**

The project consists of a four-story 25,320 square-foot mixed-use building with 4,495 square feet of office uses on the ground floor and 18 residential apartment units above. The proposed architectural style is best characterized as contemporary based on its use of stucco finish, horizontal cementitious lap siding, steel canopies, metal frame balconies with wood guardrails, and metal frame fencing. The proposed units are a mix of junior and standard one-bedrooms ranging from 640 to 935 square-feet in size. The project also provides 22 off-street parking spaces in a below-grade garage, of which nine would be dedicated to residential use and 13 would be dedicated to office use.

The project proposes 3,260 square-feet of open space at-grade, consisting of two Japanese Maple trees, a variety of shrubs and grasses, and various planters. The project also includes a total of 2,550 square-feet of usable open space for outdoor living or recreation purposes, of which 900 square-feet is through private balconies and 1,650 square-feet is shared common areas on the ground floor concrete pavers and includes patio furniture and community tables with seating. The seven private balconies range from 75 to 235 square-feet in size.

The project proposes 18 dwelling units, of which two would be designated as affordable at the very-low-income level and six are density bonus units as allowed through the State Density Bonus Law. The project also includes an incentive request for a reduction in landscape buffer, as well as five waiver requests related to minimum lot width requirements, increase in percentage of compact parking stalls, a reduction in parking ramp standard, a reduction in office parking ratio, and an increase in building height. The dwelling units and requested waivers and incentives are discussed in greater detail below under *State Density Bonus Law*. A full set of the project plans are included in Attachment 3.

## **Applicable Code and Policy Review**

### General Plan and Zoning Code

The General Plan Land Use designation for the project site is Executive Office/High Density Multi-Family. The Mixed-Use Incentive land use category, as defined in Appendix B of the General Plan, allows for alternative development standards, such as increased floor area, to encourage housing developments ranging from low to high densities for this property. A list of applicable General Plan policies and a discussion of the project's conformance to them is included in the Resolution in Attachment 1.

The project site is zoned E2-1/R4 (Executive Offices/Residential Overlay – Mixed Use). Office and residential uses are permitted uses in this zoning district. The R4 overlay provides development standards pertaining to density, floor area ratio (FAR), setbacks, and open space for residential projects located in commercial or office zoning districts.

The project conforms to various development standards, including the lot coverage and floor area ratio requirements of the City's Zoning Code, Title 27 of the San Mateo Municipal Code (SMMC) as well as the State Density Bonus Law. The project proposes a FAR of 1.982 where a maximum FAR of 2.0 is allowed. The project site contains approximately 3,260 square feet of open space (25.4%) where a minimum of 20% is required. The project is requesting one incentive/concession and six waivers from additional development standards. Specifically, one of the waivers being requested is to allow for a building height of 42 feet and 8 inches, which exceeds the height limit of 40 feet. With the approval of the requested incentive/concession and waivers, the project will conform to all applicable development standards. A Factual Data Sheet listing the applicable Zoning Code standards and the project's conformance to them is included in Attachment 4.

### Site Plan and Architectural Review (SPAR)

The project requires SPAR approval for the proposed site and building design, as required by the City's Zoning Code (SMMC 27.08.030). Per the City's Zoning Code, the Planning Commission shall approve the application if all of the following are found to exist:

- The structures, site plan, and landscaping are in scale and harmonious with the character of the neighborhood;
- The development will not be detrimental to the harmonious and orderly growth of the City;
- The development will not impair the desirability of investment or occupation in the vicinity, and otherwise is in the best interests of the public health, safety, or welfare;
- The development meets all applicable standards as adopted by the Planning Commission and City Council, conforms with the General Plan, and will correct any violations of the zoning ordinance, building code, or other municipal codes that exist on the site; and,
- The development will not adversely affect matters regarding police protection, crime prevention, and security.

The proposed site plan and building design are discussed in greater detail below under *Design Review*. The SPAR findings for approval are discussed in detail in the Resolution in Attachment 1. Overall, the project design is harmonious with the character of the neighborhood, will not be detrimental to the harmonious and orderly growth of the City, is consistent with all applicable development standards and sections of the General Plan, and will not create adverse impacts.

Therefore, there is sufficient basis to approve the proposed project with the recommended conditions.

#### Site Development Planning Application (SDPA)

The Site Development Code (SMMC 23.40) requires approval of a SDPA when major vegetation, consisting of trees with a trunk diameter of six inches or greater measured at forty-eight (48) inches above natural grade, is removed from a parcel of land in conjunction with the redevelopment of the parcel. The project proposes to remove all of the six existing trees on-site. All six trees have a diameter greater than six inches at 48 inches above grade, including five Protected Trees, which requires the processing of a SDPA and tree replacements or in-lieu fee payments.

Per the Site Development Code, the Planning Commission shall approve the application if all concerns regarding surface grading, structure foundations, drainage, subsurface conditions, erosion, landscaping and tree removal are found to be addressed. The SDPA findings for approval are discussed in detail in Attachment 1. Overall, the removal of the trees is necessary to accommodate the development of the proposed project, and the tree removals will be replaced with tree replants and/or payment of a fee to the City's tree planting fund. Therefore, there is sufficient basis to approve the proposed project with the recommended conditions.

#### State Density Bonus Law

The project is utilizing 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 is required to 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, Low, or Moderate-income households.

The applicant has requested a waiver to allow a minimum parcel width of 70 feet instead of 80 feet for parcels over 10,000 square feet, which would allow for a base density of 12 units, or 43.56 dwelling units per acre. The applicant proposes to designate 16.67% of the base density (two of the 12 units) as affordable at the Very Low-income category, which entitles the project to a 50% density bonus. This results in an allowable density of 65.34 units per acre, which permits a maximum of 19 units to be developed. The project is proposing a total of 18 units.

The State Density Bonus Law also allows the applicant to request three incentives/concessions, reduced parking standards, and unlimited waivers from development standards. Cities must approve requested incentives/concessions unless the requested incentive/concession:

- 1) Does not result in identifiable and actual cost reduction to provide for affordable housing costs; or
- 2) Creates a specific, adverse impact upon public health or safety or a historical structure; or
- 3) Is contrary to state or federal law, per Government Code Section 65915.

Applicants may also request waivers from City development standards if application of a City development standard would have the effect of physically precluding the construction of a project at the densities or with the incentives/concessions permitted, per Gov. Code Section 65915.

The applicant is requesting a reduced parking ratio of 0.5 spaces per residential unit, as well as the following waivers:

- Increase in height from 40 feet to 42 feet and 8 inches
- Increase the allowable percentage of compact parking stalls from 30% to 59%;
- Increase the maximum slope of the driveway ramp from 18% to 20%;
- Reduce office parking requirements from one space per 335 square feet of office floor area to one space per 360 square feet of office floor area; and
- Reduce the minimum required ground floor height from 15 feet to 14 feet.

The applicant is also requesting an incentive to reduce the landscape buffer requirements to 10 feet along the street and interior side lot lines, and eight feet on the 2<sup>nd</sup> through 4<sup>th</sup> levels, rather than providing a buffer equal to one-half the height of the building, which would be 21 feet and 4 inches. The applicant's Density Bonus Request Letter (Attachment 5) provides additional details about how the cost savings from the requested incentive/concession offsets the cost of

providing the two affordable units and how the City's development standards for which waivers are sought would preclude the proposed project at its permitted density.

Since the project requests density bonus, waivers, and concessions, the State Density Bonus Law requires replacement units for any units being demolished that were either designated as affordable units or occupied at the time of application submittal by households in the low or very low-income categories (Gov. Code Section 65915(c)(3)). If tenant income information is not available, the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database may be utilized to determine the number of replacement units, which could amount up to three below market rate units for this project. A condition of approval requiring the applicant to comply with this requirement has been added.

#### San Mateo Inclusionary Housing and Commercial Linkage Fee Requirements

At the time of the planning application submittal, the City's Inclusionary Housing Program required rental projects to provide 15% of the proposed units to be dedicated to the lower-income level, or alternatively to provide 10% of the proposed units to be dedicated to the very-low income level. The proposed project will be dedicating 16% of the base density (two units) as affordable at the very-low income level, so it will be exceeding the City's minimum requirements. The project could potentially be required to dedicate an additional replacement unit in order to meet the State's replacement unit requirements (Government Code Section 65915(c)(3), as described above. These affordable units, which will be one-bedroom units, will be distributed throughout the development project as approved by the City, generally be of comparable size to similar market rate units, and have an exterior design and appearance compatible with similar market rate units.

The project will not provide an Affordable Housing Commercial Linkage Fee. The linkage fee applies to non-residential construction, including offices, of over 5,000 square feet that are anticipated to increase the number of employees, which creates a demand for housing. The project proposes 4,495 square feet of office and would not trigger the requirement to provide an Affordable Housing Commercial Linkage Fee.

#### Housing Accountability Act

The Housing Accountability Act (HAA), as implemented under Government Code Section 65589.5, establishes application review limitations for new development projects that are at least two-thirds housing. This project exceeds this threshold and 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. As proposed, this project meets all applicable objective standards in the General Plan, Zoning Code, and other local policy documents, and, therefore, 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.

#### Citywide Pedestrian Master Plan

The City Pedestrian Master Plan contains sidewalk design guidelines to improve the pedestrian network citywide. Based on the project's proposed use and street parking configuration, the applicable sidewalk standard is "A.10 Mixed Use Type B Street Parking", which consists of the following components:

- Sidewalk through zone width of 8-10 feet
- Planter/furniture zone width of 4-6 feet
- Curb width of 6 inches

Along El Camino Real, the sidewalk through zone would range from 8.7 to 13.4 feet wide and the planter/furniture zone would range from 4 to 4.5 feet wide. Along Hayward Avenue, the sidewalk through zone would be 12 feet wide and the planter/furniture zone would be 8 feet wide. The project conforms to the applicable sidewalk standards.

#### Bicycle Master Plan

The City's Bicycle Master Plan provides policies and recommendations to implement citywide infrastructure improvements to support bicycle and micromobility use (e.g., bikeshare and electric scooters). In conformance with the Zoning Code and Bicycle Master Plan, the project provides 4 short-term and 19 long-term bicycle parking facilities on-site, which exceeds

the minimum requirement of 1 short-term and 18 long-term bicycle parking spaces as required by SMMC .

### **Design Review**

Larry Cannon of Cannon Design Group, the City's design review consultant, reviewed the project's site and building design. Overall, the design review letter found that the structure is well designed with a contemporary architectural style, but did include several design recommendations:

- Use a lighter color palette that is appropriate for the site context;
- Use colors to unify various facades;
- Use an alternate material for the ground floor columns (e.g., smooth stone); and
- Use open railings for balconies.

In response, the applicant refined the building design and site plan which has been subsequently reviewed by City staff. Revisions to the project design include using a lighter color palette and redesigning the overhang at the top of the corner to help unite the design across three sides. In addition, the balconies have been changed to a metal frame with horizontal wood guardrails. The ground floor columns remain the same. Cannon Design Group's design review letter is included as [Attachment 6](#).

### **Technical Studies**

#### Transportation Impact Assessment and Transportation Demand Management Plan

The City's transportation consultant, AECOM, 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, which is included as [Attachment 7](#). Overall, the TIA concluded that the project would generate a net increase in the number of vehicle trips during the weekday AM peak and PM peak hours and a net increase in the Vehicle Miles Traveled (VMT) when compared to the existing uses, but would be reduced to a less than significant level through project design and incorporated conditions of approval which includes a Transportation Demand Management Plan (TDM Plan). The TDM Plan, prepared by the City's TDM consultant, Steer, can be found in the TIA as Appendix F.

The TDM measures the project proposes include programmatic strategies aimed at encouraging the use of sustainable forms of transportation. These measures include:

- Unbundled Parking;
- New Resident and Employee Packets;
- On-site TDM Coordinator;
- Bike Share;
- TDM Communications through a webpage, resident and employee bulletin boards, and social media channels;
- Institutionalization of the TDM Program through the apartment lease; and
- Multimodal Wayfinding Signage.

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 offering a daily or monthly carpooling subsidy as well as bike education and workshops. Other specific trip reduction measures and strategies are indicated in the project's Climate Action Plan (CAP) Checklist, included in [Attachment 8](#).

For the purposes of CEQA, the TIA evaluated the project utilizing the metric of VMT. This analysis method is required under Senate Bill 743 to aim at reducing single vehicle occupancy trips rather than increase roadway capacity. The TIA and TDM Plan concluded that the recommended measures, which are incorporated as required conditions of approval, could lead to a daily VMT reduction that ranges from 366 (low) to 712 (high), which is greater than the required reduction of 353 in order for the project to result in a Less Than Significant Impact for CEQA. The reports also note that the VMT reduction would be even higher if the "Optional TDM Program" is also implemented.

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

1. South El Camino Real and Hayward Avenue/Aragon Boulevard
2. Hayward Avenue mid-block between South El Camino Real and Palm Avenue

Traffic conditions at these intersections were analyzed for the weekday AM and PM peak hours when demand on the roadway system are greatest. The TIA concludes that increased traffic levels in the future would result in increased delays at the Intersection #1, with LOS degrading to LOS E during the weekday AM peak hour. However, the performance of Intersection #2 would remain largely unchanged from the Background Conditions scenario, and both intersections are expected to operate at acceptable conditions (LOS E or better) with the exception of Intersection #1 during the weekday PM peak hour. This intersection would satisfy the peak hour signal warrant during the weekday PM peak hour.

#### Noise & Vibration

Edward L. Pack Associates, Inc. (Pack Associates) prepared a Noise Assessment Study for the project. Pack Associates identified potential noise impacts including temporary noise increases in excess of established standards and exposure to excessive groundborne vibration due to construction, resulting in a potentially significant temporary impact. The project includes conditions of approval integrating Pack Associates' recommendations, which includes reducing the excess noise and vibration levels to less-than-significant levels. The Noise Assessment Study is included as Attachment 9.

#### Air Quality & Greenhouse Gas Emission

Illingworth & Rodkin, Inc. (Illingworth) prepared an Air Quality & Greenhouse Gas (GHG) Report for the project. Illingworth identified air quality impacts and GHG emissions from this project would be associated with the demolition of the existing buildings, construction of the new building and infrastructure, and operation of the project. The project includes conditions of approval integrating Illingworth's recommendations, which will reduce the air quality impact to less-than-significant levels. The Air Quality & GHG Report is included as Attachment 10.

#### **PUBLIC COMMENTS:**

City Staff received two public comments at the time this report was published. The public comments are included as Attachment 11. Any additional public comments received after publication of this report will be forwarded to the Planning Commission for consideration at the public hearing and posted to this item on the [City's Agendas & Minutes Public Meeting Portal](#) as "Post Packet Public Comments."

#### **ENVIRONMENTAL DETERMINATION:**

A Categorical Exemption, Class 32 Section 15332 (In-Fill Development Projects), is recommended for the project pursuant to the California Environmental Quality Act (CEQA) Guidelines. Qualification for the exemption requires that the project is consistent with all applicable General Plan policies and Zoning Code regulations; the site is located within an urban setting on a site less than five acres in size; it has no value as habitat for endangered, rare, or threatened species; and, would continue to be served by all utilities and public services. In addition, as evaluated in the technical studies outlined above and as conditioned, approval of the project would not result in any significant impacts relating to traffic, noise, air quality, or water quality. The proposed project meets the above criteria and qualifies for the exemption.

#### **NOTICE PROVIDED:**

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 – Proposed Resolution  
Exhibit A - Conditions of Approval  
Att 2 – Location Map  
Att 3 – Project Plans  
Att 4 – Factual Data Sheet  
Att 5 – Density Bonus Letter  
Att 6 – Design Review Letter  
Att 7 – Transportation Impact Assessment  
Appendix F – Transportation Demand Management Plan  
Att 8 – Climate Action Plan Checklist  
Att 9 – Noise and Vibration Assessment  
Att 10 – Air Quality & Greenhouse Gas Emission Report  
Att 11 – Public Comments

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