



# CITY OF SAN MATEO

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## Agenda Report

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Agenda Number: 2

Section Name: {{section.name}}

File ID: {{item.tracking\_number}}

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**TO:** Planning Commission  
**FROM:** Christina Horrisberger  
**PREPARED BY:** Community Development Department  
**MEETING DATE:** May 24, 2022

**SUBJECT:**  
500 E. 3<sup>rd</sup> Avenue (Block 21) – New Six-Story Office/Residential Mixed-Use Building (PA-2021-063)

### RECOMMENDATION:

Recommend to City Council adoption of a Resolution to approve the Site Plan and Architectural Review (SPAR), Site Development Planning Application (SDPA), and Tentative Parcel Map for the properties located at 500 E. 3<sup>rd</sup> Avenue, 300-320 S. Delaware Street, 511-525 E. 4<sup>th</sup> Avenue, and 307-373 S. Claremont Street for construction of a six-story mixed-use building consisting of 111 residential units and 179,560 square-feet of office uses, and a Special Use Permit (SUP) for construction staging at 402 S. Delaware Street; and adoption of a Mitigated Negative Declaration to assess the environmental impacts of the project, based on the Findings for Approval and subject to the Conditions of Approval.

### BACKGROUND:

Windy Hill Property Ventures (the applicant) has submitted the subject Planning Application (PA-2021-063) to demolish all existing structures on the block bounded by E. 3<sup>rd</sup> Avenue, S. Delaware Street, E. 4<sup>th</sup> Avenue, and S. Claremont Street, also referred to as "Block 21," to construct a new six-story mixed-use building consisting of 111 residential units and 179,560 square-feet of office uses.

The Planning Commission last reviewed this project at a Study Session at its regular meeting on September 14, 2021. The project considered at the Study Session consisted of 68 residential units and approximately 180,000 square-feet of office uses within a five-story building that exceeded the 55-foot building height limit by approximately 2 feet, 8 inches. The items discussed at this Study Session were focused on the project's preliminary building design and proposal to exceed the maximum building height as a concession through State Density Bonus Law. The Commission was in favor of the concession for additional building height and was supportive of additional height increases to accommodate additional housing units. The Commission also supported the building design but recommended the applicant consider making certain design revisions.

Since the Study Session, the applicant further refined the building design and revised the project to include a sixth story consisting of 43 additional residential units, which increased the total residential unit count to 111 units. Because the project's building height exceeds 55 feet, Municipal Code Section 27.06.050(d) requires the City Council take final action on this project. Once the Planning Commission provides a recommendation, the project will be scheduled for a Public Hearing before the City Council for final action.

### Project Site

The Block 21 site consists of 11 contiguous parcels, which would be merged into one parcel occupying the full block, bounded by E. 3<sup>rd</sup> Avenue, S. Delaware Street, E. 4<sup>th</sup> Avenue, and S. Claremont Street. The combined lot area is 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 currently exist on the site, including eight residential units, an auto-repair business, a gasoline service station, a restaurant, a check-cashing business, and other retail uses. Uses adjacent to the project site include the Gateway Commons shopping center, fast-food restaurants, and auto-repair uses. The adjacent parcels immediately to the west of the project site are the 405 E. 4<sup>th</sup> Avenue and 406 E. 3<sup>rd</sup> 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 and its vicinity is included as [Attachment 2](#).

### **Project Description**

The proposed project is a six-story, mixed-use building with a total floor area of 268,938 square-feet and total building height of 74 feet, 2 inches. The building consists of 179,560 square-feet of office uses located primarily on the first through third floors with office amenity areas on portions of the fourth and fifth floors. The project also includes 111 residential units located on the fourth through sixth floors. The project proposes 53 studio units and 58 one-bedroom units, all of which would be rental apartments. Of the total 111 units, the applicant proposes to devote 12 units (15 percent of the base density of 76 units) as affordable at the very low-income level. This makes the project eligible for an up to 50 percent density bonus (38 units), up to three concessions, and additional waivers from development standards. The project is utilizing the density bonus for an additional 35 units and is requesting two concessions: an increase in the maximum building height and an increase in the maximum floor area ratio. The project's residential density and concessions are discussed further in the *Affordable Housing* section below.

The project includes a two-level, below-grade parking garage with 402 spaces: 346 spaces for the office uses and 56 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. The project provides a variety of open space devoted to each of the proposed office and residential uses. A total of 5,713 square-feet of open space for office uses is provided through open balconies on the third and fourth floors as well as open plazas at the ground level. In addition, a central atrium that is open to the sky is proposed at the second floor with an intermediate balcony on the third floor. To serve the residential uses, the project proposes a total of 4,615 square-feet of common open space at the fourth floor. In addition, private balconies ranging from 72 to 346 square-feet in size are provided for 57 of the units.

The overall architectural character is best categorized as contemporary in its amount of glass and use of solid building materials to express various volumes and projections. Primary building materials include neutral-colored concrete panels, glass, and stucco. A discussion of the building design is continued in the *Design Review* section of this report. Project plans showing the proposed site plan, floor plans, and elevations are included in [Attachment 3](#).

### **Applicable Code and Policy Review**

#### **General Plan and Zoning Code**

The General Plan Land Use Map designates the project site as Downtown Retail Core Support, which is meant to provide uses that complement both the downtown core and the adjacent residential neighborhoods. A list of applicable General Plan policies and a discussion of the project's conformance is included in [Attachment 1](#). The project is consistent with applicable General Plan policies in that, for example, the project combines compatible uses of office and residential at high intensities which complement existing uses in the vicinity and in the adjacent downtown core. This furthers the downtown as the social, cultural, and economic center of the City, as encouraged in the General Plan.

Consistent with its land use designation, the project site is zoned CBD/S (Central Business District Support), which permits both residential and commercial uses. The CBD/S zone is also subject to development standards in Municipal Code Chapter 27.39, including floor area ratio, residential density, setbacks, and open space. The Zoning Code also establishes a building height limit of 55 feet in this zone, which the applicant proposes to exceed via a concession in accordance with State Density Bonus Law as noted previously. A project data table listing the applicable Zoning Code standards and the project's conformance to them is included in [Attachment 4](#).

As indicated in the project data table, a total of 402 off-street parking spaces are proposed. Specific to residential uses, the project provides 56 off-street parking spaces in conformance with the reduced parking ratio of 0.5 spaces per unit allowed

through State Density Bonus Law for projects that provide at least 11 percent very low-income units and are located within one-half mile of a major transit stop. Projects within the Central Parking Improvement District (CPID), which functions as the downtown's parking district, may request preparation of a parking demand study to determine project-specific parking ratios in-lieu of utilizing the standard parking ratios provided in the Zoning Code. The applicant has requested a parking demand study to specifically determine the parking requirement for office uses. The project's parking demand study determines a combined employee and visitor parking ratio of 2.06 spaces per 1,000 square-feet of general office uses, resulting in a total parking requirement of 376 spaces for office uses. This ratio is lower than the Zoning Code's ratio of 2.6 spaces per 1,000 square-feet of general office uses, which would require a total of 474 spaces. As indicated previously, the project provides 346 off-street parking spaces for office uses. As a project within the CPID, the project may satisfy the remaining 30 parking spaces through payment of a CPID parking in-lieu fee.

The parking demand study prepared by the City's transportation consultant, Fehr & Peers, is included as Attachment 5. After reviewing the study, the applicant provided staff a response letter and occupancy data from other nearby garage facilities potentially supporting an even lower parking ratio. Staff is currently evaluating this information to determine if any revisions to the parking demand study are warranted. Staff anticipates finalizing the parking demand study and any associated conditions of approval in advance of the City Council Public Hearing. It should be noted that a revision to the parking demand study is unlikely to result in any change to project elements such as density, site planning, or the exterior design. In addition, final calculation of the deficit of off-street parking spaces (if any) and the CPID parking in-lieu fee will be conducted in the building permit phase.

#### Downtown Area Plan

The project is subject to the Downtown Area Plan, which establishes goals and policies to implement the overall vision of the downtown. 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 located 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. 3<sup>rd</sup> Avenue and E. 4<sup>th</sup> 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.

In conformance with the Downtown Area Plan, the project provides office and residential uses at a high intensity that would support existing commercial uses in the downtown. While the project does not propose retail uses, the building design incorporates full-height windows and storefront systems for most of the ground floor, which encourages pedestrian activity and visibility into ground-floor activity. Lastly, the project proposes new street trees, streetlights, and sidewalk paving consistent with both the downtown core and recently constructed projects in the same vicinity. A full list of applicable Downtown Area Plan policies and a discussion of the project's conformance is included in Attachment 1.

#### Site Plan and Architectural Review

The project requires a Site Plan and Architectural Review (SPAR) approval for construction of a new mixed-use building and for locating loading facilities on-street in accordance with Municipal Code Sections 27.08.030 and 27.64.390(a) respectively. These findings are discussed in detail within Attachment 1 and are summarized below.

The project includes a mixed-use building that complements the existing architectural character of the neighborhood in its use of materials, colors, and building step-backs. While contemporary in its own architectural character, the building employs a combination of materials such as neutral-colored panels and stucco that complement existing buildings, including recently constructed mixed-use buildings in the area. The project also proposes both office and multi-family residential uses at a high density in an area well-served by public transit. The proposed combination of uses also increases the City's housing supply and furthers the downtown area as the economic center of the City. Staff also recommends approval of the request for two on-street loading berths along S. Claremont Street given that the proposed loading

activities are not anticipated to impede sidewalk use or traffic circulation and adequate space is available within the public right-of-way to accommodate these loading spaces.

#### Site Development Planning Application

The project requires a Site Development Planning Application (SDPA) approval for removal of major vegetation in conjunction with the redevelopment of a parcel, in accordance with Municipal Code Section 23.40. The Municipal Code defines “major vegetation” as live vegetation consisting of tree growth with a trunk diameter of six (6) inches or greater measured at 54 inches above natural grade. The Municipal Code also defines a protected tree as any heritage tree or street tree. Heritage trees include any oak tree with a minimum diameter of 10 inches measured at 54 inches above natural grade as well as any other species with a diameter of 15 inches measured at 54 inches above natural grade.

The project proposes removal of a total of 32 trees, of which 23 trees qualify as protected trees. The equivalent landscape unit (LU) value of the removed trees would be replaced as conditioned via planting of new trees, payment of an in-lieu fee, or a combination of both in accordance with Municipal Code Section 27.71. Staff’s evaluation of the proposed project is that the SDPA findings for approval can be made in that the project proposes planting of 27 new street trees along all four frontages and will pay an in-lieu fee toward the City’s Tree Planting Fund for any deficit in the existing LU value. These findings are discussed in greater detail within Attachment 1.

#### Special Use Permit for Construction Staging

For the duration of the project’s construction, the applicant proposes construction staging off-site at a nearby, vacant lot at 402 S. Delaware Street, which would involve a temporary construction trailer, materials storage, and construction worker parking. The proposed use at this lot requires a Special Use Permit (SUP) given that off-site construction staging is not designated as a permitted or a special use in the CBD/S zoning district. Municipal Code Chapter 27.74 authorizes the Planning Commission to grant a SUP for non-designated uses that are so similar to any specifically allowed use in the subject zoning district that are virtually identical in terms of impact and land use requirements.

The CBD/S zone permits “temporary buildings for construction purposes for a period not to exceed the duration of such construction” in Municipal Code Section 27.38.020(d). The use of this lot as construction staging to serve a nearby active construction project (for Block 21) would be similar in operation and impact to this permitted use. The applicant would still be subject to conditions of approval related to noise control, dust control, and material hauling. As such, staff’s evaluation of the proposal for construction staging at 402 S. Delaware Street is that the SUP findings for approval can be made, which are discussed in greater detail within Attachment 1.

#### Citywide Pedestrian Master Plan

The Citywide Pedestrian Master Plan contains recommendations to improve the pedestrian realm throughout the City. Appendix A of the Pedestrian Master Plan provides guidelines for sidewalk designs and types specific to a project’s land use and street parking configuration. Along the project’s E. 3<sup>rd</sup> Avenue, E. 4<sup>th</sup> Avenue, and S. Claremont Street frontages, the applicable sidewalk standard is A.10 *Mixed Use Type B Street Parking*. 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.

Along the project’s E. 3<sup>rd</sup> Avenue and E. 4<sup>th</sup> Avenue frontages, the project provides an overall sidewalk width of 17’-6” and 25’-0” respectively, which is in conformance with the Pedestrian Master Plan. The project does not meet the minimum overall sidewalk widths for its S. Delaware Street and S. Claremont Street frontages as it proposes overall sidewalk widths of up to 13’-6” and 14’-6” respectively. It should be noted, however, that the Municipal Code requires that new developments in the CBD/S zone be built to the property line unless building setbacks are for the provision of open space or landscaping.

As noted above, the applicant has proposed setbacks along the E. 3<sup>rd</sup> Avenue and E. 4<sup>th</sup> Avenue frontages that meet the Pedestrian Master Plan’s guidelines but not along S. Delaware Street or S. Claremont Street. Staff’s evaluation of the plans conclude that the project is in substantial conformance with the Pedestrian Master Plan in that the project meets the sidewalk guidelines along two out of the four frontages and is compliant with the Zoning Code in all frontages. Requiring

modifications to the site plan on the S. Delaware Street and S. Claremont Street frontages to achieve compliance with the Pedestrian Master Plan would be at the discretion of the Planning Commission and ultimately the City Council as the final approval body.

#### **Bicycle Master Plan**

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. 3<sup>rd</sup> Avenue frontages and a bicycle boulevard (Class III) along the project's S. Claremont Street frontage.

In conformance with the Bicycle Master Plan, the project will construct the Class III bicycle boulevard along its S. Claremont Street frontage, which consists of pavement markings that increase motorists' awareness of bicyclists and aid bicyclists with navigation. It should be noted that the applicant is not required to physically construct or design the bike facilities along S. Delaware Street and E. 3<sup>rd</sup> Avenue outlined the Bicycle Master Plan as part of this project. Lastly, in conformance with the Municipal Code, the project meets the minimum number of long-term bicycle parking spaces required (129 spaces) and exceeds the minimum number of short-term bicycle parking (22 spaces provided, and 15 spaces required).

#### **Affordable Housing**

##### **State Density Bonus Law**

The project utilizes the provisions of State Density Bonus Law found in Government Code Section 65915. To comply with State Density Bonus Law and to implement the Housing Element of the City's General Plan, the City must allow for provision of increased residential density, reduced parking standards, as well as "concessions" and "waivers" or reductions from development standards for residential projects that provide senior housing units, childcare facilities, or set aside a certain percentage of units as affordable to very low, low, or moderate-income households.

The project site's zoning designation of CBD/S permits a maximum base density of 50 units per acre, which yields the project site a base density of 76 units. The applicant proposes to devote 15 percent of the base 76 units to the very low-income category (12 units), which are affordable to individuals and families who make up to 50 percent of the area's median income. This entitles the project to a density bonus of up to 50 percent, resulting in a total maximum density of up to 75 units per acre, or 114 units. The project is proposing a total of 111 residential units, which is within the maximum allowable density including the maximum density bonus.

##### **Concession and Waiver Requests**

State Density Bonus Law also permits the applicant to request up to three concessions as well as an unlimited number of waivers from development standards. The applicant's density bonus request letter detailing the project's concession and waiver requests is included as Attachment 6. As listed in the density bonus letter, the applicant has requested a total of five waivers:

1. Increase in the number of permissible compact parking spaces;
2. Increase in the maximum parking ramp slope from 18% to 20%;
3. Reduction in private open space;
4. Increase in maximum bulk; and
5. Reduction in maximum street wall area.

State Density Bonus Law provides that waivers are reductions from standards that would otherwise physically preclude the development of the proposed density. The City shall grant the waiver requests unless findings can be made that granting the waivers would have an adverse impact on any historical resource or would be contrary to state or federal law. Staff has evaluated the five waiver requests and has not found any evidence to support either of these findings. In addition to the waiver requests, the applicant has made two concession requests:

1. Increase in the maximum building height of 55 feet by 19 feet, 2 inches for a total building height of 74 feet, 2 inches; and,
2. Increase in the maximum floor area ratio (FAR) of 3.0 by 1.1, for a total floor area ratio of 4.1.

In accordance with Government Code Section 65915(d)(1), the City shall grant concession requests unless findings can be made that the concession 1) would not result in identifiable and actual cost reductions to provide the affordable housing units, 2) would have a specific adverse impact upon public health and safety, or 3) would be contrary to state or federal law. Staff has evaluated both concession requests and has not found any evidence to support any of these findings to deny the concession requests.

When staff evaluated the concession for increased building height, staff identified a potential conflict with the City's General Plan and voter-approved initiative, Measure Y. After reviewing the applicant's request letter further, staff has determined that the State Density Bonus Law's allowance for additional height through a concession preempts any General Plan limit, including those enacted by a voter initiative such as Measure Y. State Density Bonus Law provides that no development standard (including a height limit) can be applied that will have the effect of "physically precluding" the construction of a project with the density and concessions allowed by the statute. The applicant has also demonstrated that the height increase and floor area ratio increase result in an identifiable and actual cost reduction to provide the affordable units.

As discussed in the applicant's density bonus request letter, the increased height and floor area ratio allow for the provision of units on the fifth and sixth floors, which are partly or entirely above the 55-foot building height limit. The additional units would allow fixed costs, such as land price, construction, and design fees, to be spread across the additional units. The two concession requests are estimated to result in an approximate 15 percent savings on each of the units on the fifth and sixth floors, which helps make the inclusion of the 12 very low-income units feasible.

#### Replacement of Existing Units

As noted above, existing uses on the site include residential units that would be removed as a result of this project. Because the project requests a density bonus, waivers, and concessions, 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 (HUD) Comprehensive Housing Affordability Strategy database may be utilized to determine the number of replacement units, which could amount up to six affordable units for this project. The project is expected to comply with this provision given that the project includes 12 very low-income units.

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

The City's Below Market Rate (Inclusionary) Program requires rental projects to provide a minimum of 15 percent of the proposed units to be devoted to the lower-income level. Because the applicant will be designating 12 units (15 percent of the base density) as affordable at the very low-income level, the project meets the City's Inclusionary Program requirements. The affordable units will also be required to:

- Have an exterior design that is compatible with, and substantially the same as, the market rate units;
- Be distributed throughout the development including units with private balconies;
- Have similar access from the exterior as market rate units;
- Contain proportionately the same number of bedrooms as market rate units;
- Be comparable in size to similar market rate units; and,
- Have access to all on-site amenities including on-site parking.

The project is also subject to an Affordable Housing Commercial Linkage Fee. This fee applies to non-residential construction, including office uses, of over 5,000 square-feet to offset the commercial uses' impact to housing. The Commercial Linkage Fee for this project, which will be assessed and collected at the time of building permit issuance, is estimated to be approximately \$4.9 million based on the current Comprehensive Fee Schedule.

## Design Review

As previously noted, the Planning Commission last reviewed the project at the September 14, 2021 Study Session based on preliminary plans showing a five-story mixed-use building. The Commission expressed general support for the initial design, but recommended and commented on the following:

- The project should include two- and three-bedroom units to accommodate families;
- Improve the design of the building's corners and sight lines for pedestrian and bicyclist safety;
- Consider the character of the existing neighborhood;
- Discouraged over-articulation of the building;
- Concern about the large expanse of glass; and,
- Consider a larger concession for height to provide additional housing units.

A summary of the Commission's comments at the September 14, 2021 Study Session are included in the meeting minutes included as [Attachment 7](#). Since the Study Session, the applicant refined the building design and revised the project to include a sixth story with additional 43 housing units. The applicant did not, however, incorporate any two- or three-bedroom units into the final design. The revised design was reviewed by staff and by the City's design review consultant, Larry Cannon of Cannon Design Group. In his design review letter, Larry Cannon notes that the project is well-designed with elements intended to relate to recently approved developments and to the smaller-scale commercial and residential uses to the east. Larry Cannon's review letter does list recommendations related to massing and other design concerns. In response to Larry Cannon's recommendations, the applicant included the following revisions into the final design:

- Deeper, horizontal mullions at the expanse of glass along E. 3<sup>rd</sup> Avenue;
- Addition of projecting canopies above the first floor;
- Refinement of private and shared open space areas;
- Enlarged planters at the E. 4<sup>th</sup> Avenue/S. Delaware Street open ground-level plaza; and,
- Addition of louvers at the residential entry at S. Claremont Street.

In addition to the recommendations above, the letter lists other recommendations that the applicant considered but ultimately did not incorporate into the final design. These included the following:

- Replace the large expanse of glass along E. 3<sup>rd</sup> Avenue with a solid wall and deep window recesses;
- Add a projecting cornice to emphasize the two-story massing along street frontages;
- Consider relocation of the residential lobby away from the garage and service entrances on S. Claremont Street;
- Reversal of color tones in certain areas, and extend darker-toned façade treatment at upper floors; and,
- Reduce the depth of the projecting, private residential balconies.

The applicant elaborated that certain recommendations would affect the building program and design intent. For example, the applicant explained that the expanse of glass along E. 3<sup>rd</sup> Avenue is at an appropriate scale for the overall building. The applicant also explained that reducing the depth of the private residential balconies would reduce the project's overall residential open space. Larry Cannon's review letter dated November 10, 2021 with a full list of design recommendations from him as well as those made by the Planning Commission at the Study Session is included as [Attachment 8](#). The applicant's response to the recommendations, including ones not integrated into the final design, is included as [Attachment 9](#).

## Transportation Analysis

### Vehicle Miles Traveled Impact Analysis

The City's transportation consultant, Fehr & Peers, prepared a Transportation Impact Analysis (TIA), included as [Attachment 10](#), to analyze the project's transportation impacts in accordance with the standards of the California Environmental Quality Act (CEQA) and the City's General Plan. Vehicle Miles Traveled (VMT) is the metric established by CEQA for determining the significance of transportation impacts.

Based on the City's adopted TIA Guidelines, the TIA concludes that the project will not cause a significant VMT impact as it meets screening criteria to exempt from the project from further VMT analysis. Specifically, the project is within a one-half mile of a high quality transit area, has a floor area ratio greater than 0.75, includes no more than the minimum parking required by the City, and does not replace existing affordable residential units with fewer moderate or market-rate income units.

#### Level of Service Impact Analysis

In addition to analyzing the project's VMT impact, Fehr & Peers conducted a Level of Service (LOS) analysis at various study-intersections. In accordance with the City's General Plan criteria, the City shall maintain a LOS no worse than mid LOS D all signalized intersections within the City, and no worse than LOS E for all unsignalized intersections. The five study intersections selected for analysis were:

1. E. 3rd Avenue and S. Delaware Street (signalized)
2. E. 3rd Avenue and S. Claremont Street (signalized)
3. E. 4th Avenue and S. Claremont Street (signalized)
4. E. 4th Avenue and S. Delaware Street (signalized)
5. E. 5th Avenue and S. Claremont Street (all-way stop-controlled)

Overall, the TIA estimates that the project would generate a total of 134 net-new vehicle trips in the AM peak hour and 31 net-new vehicle trips in the PM peak hour. The project would, however, generate 276 less average daily vehicle trips compared to the existing uses. The TIA concluded that the project would not result in any adverse LOS effects but recommends, based on cumulative conditions (even without consideration of the project's trips), a future signalization of the E. 5<sup>th</sup> Avenue and S. Claremont Street intersection. It should be noted that the project is estimated to add trips through this intersection but does not worsen the LOS at this intersection to unacceptable levels and does not individually cause this signal warrant. The project nonetheless is subject to a condition of approval requirement payment of a Transportation Improvement Fee (TIF) requiring developers to contribute to the cost of future transportation improvements.

#### Transportation Demand Management Plan

While the project does not cause a VMT impact in accordance with CEQA, the project will implement a Transportation Demand Management (TDM) Plan, prepared by the City's TDM consultant, Steer. The TDM Plan will formalize trip reduction strategies with the goal of further reducing overall single-occupancy vehicle trips. It should be noted that the project site is not within a specific plan area such as the Rail Corridor Plan Area which requires a minimum trip reduction target; as such, the project is not subject to a specific minimum trip reduction goal.

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

- Subsidized transit passes (Go Pass) for office users
- Unbundled residential parking
- On-site TDM Coordinator
- Informational packets for new hires and new residents

The applicant's list of TDM measures is included in the project's Climate Action Plan (CAP) Checklist, included as Attachment 11. At the time of publishing this report, a final version of the project's TDM Plan was not available given that the applicant is considering additional TDM measures to further increase trip reduction including a potential subsidy for transit passes for residents (in addition to the subsidy for office users). Staff anticipates finalizing the TDM Plan in advance of the City Council Public Hearing. Finalization of the TDM Plan is unlikely to result in any changes to project elements such as density, site planning, or exterior design. In the event the applicant incorporates additional TDM Plan measures, the project will, as a result, further reduce trip generation.



**PUBLIC COMMENTS:**

Public comments submitted to staff during the formal planning application review are included in [Attachment 12](#). Public comments generally pertained to the additional story of housing (both in-favor and in-opposition), lack of parking, and recommendation for larger units. Public comments after publication of this report will be forwarded to the Planning Commission for review and 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:**

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

Required Mitigation Measures include heightened monitoring of construction activities for biological resources, hazardous materials, and noise. The project's Mitigation, Monitoring, or Reporting Program (MMRP) is included as [Attachment 13](#), which is in place to ensure compliance with the Mitigation Measures analyzed and required by the IS/MND.

Distribution of the IS/MND consisted of a paper copy available at the City's Permit Center and at the Main Library, a paper copy to the Planning Commission, and online posting at [www.cityofsanmateo.org/Block21](http://www.cityofsanmateo.org/Block21). The 20-day public review period of the IS/MND began on May 18, 2022 and is scheduled to end on June 7, 2022. At the time of publication of this report, staff did not any comments pertaining to the IS/MND that required further analysis or resulted in the identification of new or worse impacts. All public comments pertaining to the IS/MND received during the public review period will be forwarded and considered by the City Council at the project's Public Hearing, which is tentatively scheduled for June 20, 2022.

**NEXT STEPS:**

Once the Planning Commission has made a recommendation, this project will be forwarded to the City Council for final action, which is tentatively scheduled for the June 20, 2022 regular City Council meeting. This project requires City Council action in accordance with Municipal Code Section 27.06.050(d) since the proposed building is greater than 55 feet in height.

**NOTICE PROVIDED:**

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

- Property owners, residential tenants and business tenants within 1,000 feet of the project site.
- The City's "900 List" which contains nearly 100 Homeowner Associations, Neighborhood Associations, local utilities, media, and other organizations interested in citywide planning projects;
- The City's Planning "Notify Me" email list; and,
- The interested parties list, which includes interested individuals who contacted the City and requested to be added to the project notification list.

**ATTACHMENTS:**

Att 1 – Draft Resolution with Findings and Conditions of Approval  
Att 2 – Location Map  
Att 3 – Project Plans  
Att 4 – Project Data Table  
Att 5 – Parking Demand Study – April 25, 2022  
Att 6 – Density Bonus Request Letter  
Att 7 – Planning Commission Meeting Minutes – September 14, 2021  
Att 8 – Cannon Design Group Review Letter – November 10, 2021

Att 9 – Applicant Response to Design Review Recommendations  
Att 10 – Transportation Impact Analysis  
Att 11 – Climate Action Plan Checklist  
Att 12 – Public Comments  
Att 13 – Mitigation Monitoring and Reporting Program

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