



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 2

Section Name: {{section.name}}

Account Number:

File ID: {{item.tracking_number}}

TO: Planning Commission
FROM: Christina Horrisberger, Director
PREPARED BY: Community Development Department
MEETING DATE: July 26, 2022

SUBJECT:
31-57 South B Street – Zoning Reclassification Request – C1-2/R5 to CBD (PA-2022-002)

RECOMMENDATION:

Recommend to the City Council adoption of an Ordinance to approve a Zoning Reclassification for the property at 31-57 South B Street from C1-2/R5 to CBD and determine the project qualifies for a Categorical Exemption from further environmental review under the California Environmental Quality Act (CEQA).

BACKGROUND:

The applicant, DTSM Donut Delite Ventures, LLC, submitted a Planning Application (PA-2022-002) on May 11, 2022, to reclassify the zoning designation of the property at 31-57 South B Street (APN 034-154-030) from its current designation of C1-2/R5 (Neighborhood Commercial/Residential Overlay – Mixed Use) to CBD (Central Business District).

The applicant is requesting the reclassification of the project site to CBD to match adjacent properties to the south and the west, that have the same land use designation (Downtown Retail Core) as the subject property. The site is also located within the Downtown Retail Core Sub-Area of the Downtown Area Plan, the majority of which is zoned CBD.

The Planning Commission held a duly noticed study session meeting, on May 10, 2022, to review the zoning reclassification request and conceptual plans for a future office and retail development project at this site. Commission comments on the reclassification were generally in support of the request given its adjacency to the existing CBD zone and potential for train noise impacts on residential uses. The Municipal Code allows for the processing of a Zoning Reclassification as part of a formal Planning Application (PA) that includes a development project or as a stand-alone PA without a development proposal. The zoning reclassification requires a recommendation from the Planning Commission, with final decision and adoption of the Ordinance by the City Council. The Draft Ordinance is included as Attachment 1.

DISCUSSION:

California State law (Government Code Section 65400) provides the city's legislative body the authority to implement the City's adopted General Plan, so that it will serve as an effective guide for orderly growth and development. To implement the General Plan, state law provides the City Council the authority to review and update the City's Zoning Ordinance and zoning map to ensure that the various land uses authorized by the zoning ordinance are compatible with the objectives, policies, general land uses, and programs specified in the general plan (Government Code Section 65860).

Site Description

The project site is 16,413 square feet (0.37 acres) in size and is generally bounded by South B Street to the west, commercial buildings to the north, the Downtown Caltrain Station to the east, and First Avenue to the south. The project site has a current General Plan land use designation of Downtown Retail Core and is zoned C1-2/R5 (Neighborhood

Commercial/ Residential Overlay – Mixed Use).

As part of the Planning Application, the applicant included a justification letter ([Attachment 2](#)) that cites several reasons as a basis for the City to approve the reclassification of the subject property to CBD. The two primary reasons include that the reclassification would match adjacent properties to the south and the west that have the same land use designation (Downtown Retail Core) as the subject property, and that the reclassification would link the CBD zoning requirements with the General Plan and Downtown Area Plan goals and policies to foster a thriving retail core area.

General Plan and Zoning Code

The General Plan Land Use Map designates the project site as Downtown Retail Core. The Downtown Retail Core land use designation was established to provide for development of land pursuant to the General Plan and Downtown Plan goals and policies to create an emphasis on a strong retail shopping core in downtown. The Land Use, Zoning, and Required Frontage Maps are included as [Attachment 3](#). The Applicable Policies for the Downtown retail core area include ensuring that new developments “optimize the development potential of property in major commercial areas such as the Downtown Retail Core” (GP, LU 2.10) and “preserve the downtown’s core shopping area” (DAP, II.1). A list of applicable policies are included as [Attachment 4](#).

The site has a current zoning designation of C1-2/R5 (Neighborhood Commercial/Residential Overlay – Mixed Use) which is intended to create and maintain neighborhood shopping areas with standards that provide for compatibility with surrounding residential areas, and allows for retail uses serving the immediate neighborhood, limited office space and personal service uses (SMMC 27.30.005 Purpose). In addition to different use allowances, the San Mateo Municipal Code development standards also differ for the two zones. The current zoning designation of C1-2/R5 (SMMC 27.30) has development standards pertaining to floor area ratio (FAR), setbacks, parcel coverage, and refers to R3 zoning (SMMC 27.22) for development standards for residential uses which limits density to a maximum of 50 units per acre. Under C1-2/R5, the site has a maximum of 2.0 floor area ratio (FAR) for non-residential projects, and up to 3.0 FAR for projects with residential use as part the project.

The proposed CBD (Central Business District) zoning designation was established to implement the General Plan and Downtown Plan goals and policies to encourage and foster a thriving retail core area in downtown (SMMC 27.38.010 Purpose). The Municipal Code requirements for CBD include development standards pertaining to floor area ratio, ground floor open space, building line and setbacks for open space, required retail frontage requirement, and limits density to a maximum of 50 dwelling units per acre. Under the proposed CBD zoning reclassification, the site would have a maximum FAR of 3.0, with or without any residential component. The reclassification would enable the subject property’s zoning designation to align with its General Plan land use designation of Downtown Retail Core. A summary data sheet showing the different zoning standards for the two zones is included as [Attachment 5](#).

Downtown Area Plan

The project site is also located within the City’s Downtown Area Plan (Plan). The 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 Downtown Area Plan is comprised of seven sub-areas including the Downtown Retail Core Sub-Area. The subject site is located in the Downtown Retail Core Sub-Area as shown in [Figure 2 of the Downtown Area Plan](#). The goals and policies for the Downtown Retail Core Sub-Area generally encourage a concentration of retail shopping and active commercial uses on the ground floor level, with office or residential uses on upper levels to support ground-level businesses. The Plan envisions a future Downtown Retail Core that includes a good mix of ground floor retail uses that will contribute to fostering retail vitality and downtown’s pedestrian-oriented environment; and providing an entry feature at the entryways to downtown in the vicinity of South B Street/First Avenue intersection ([Attachment 4 – Applicable Policies](#)). To implement the goals and policies of the General Plan and Downtown Area Plan for the retail core, the city has two tools: CDB development standards and Downtown Retail Core Design Guidelines. Both the CDB and the design guidelines were

established to work together to implement the goals and policies for the retail core area. Overall, the proposed reclassification to CBD would align subject project's zoning designation with its current Downtown Retail Core land use designation, and align the city's goals and policies with the tools to implement.

Housing Crisis Act

Senate Bill 330 (Housing Crisis Act, Government Code Section 66300(b)(1)(A)) requires the City to review and evaluate zoning reclassifications to ensure the change does not constitute a downzoning for residential development purposes under the state law. The proposed zoning reclassification does not involve a change in the allowable building height, maximum allowable density, or floor area ratio (FAR); nor would it increase requirements for lot size, setbacks, or other development requirements or standards that would lessen the intensity of housing. The proposed CBD zoning designation also allows for a maximum residential density of 50 dwelling units per acre, which is the same maximum residential density allowed for properties in the C1-3/R5 zoning district. Therefore, there would be no net loss in residential capacity as a result of this zoning reclassification.

Zoning Reclassification Findings

The zoning reclassification to CBD would better align the site with its Downtown Retail Core land use designation, which is consistent with the General Plan because one of the main intents of the CBD is to maintain downtown's commercial vitality and continuity within the retail core. The reclassification is consistent with the Downtown Area Plan because the zoning code provisions for the CBD includes development standards that were established to provide a good mix of ground floor retail uses that will contribute to foster retail vitality and downtown's pedestrian-oriented environment in the Downtown Retail Core sub-area.

The reclassification to CBD conforms with the purpose of Municipal Code Section 27.38.010(c) in that the reclassification ensures that the zoning code provisions for the CBD District would regulate and guide future development of the subject site. The reclassification is also consistent with state law (SB 330 Housing Crisis Act) in that it would not change the land use or the maximum allowable residential density, and future development projects at the site would be subject to the requirements of CBD district with zoning code provisions that are intended to better implement the General Plan goals and policies for properties in the Downtown Retail Core land use area, than the zoning code requirements for applicable to properties in the C1 district.

Once the Planning Commission makes a recommendation, the City Council will hold a public hearing to consider the zoning reclassification request. If the Council approves the request, the Ordinance will be introduced, and will be brought back for adoption at a subsequent meeting.

PUBLIC COMMENTS:

The applicant held a formal pre-application neighborhood meeting, on April 11, 2022, in which six members of the public attended. Questions and comments were focused primarily on the development project and proposed uses. The applicant's neighborhood meeting summary and presentation are available on the city's [What's Happening](#) webpage. Public comments submitted to City staff during the pre-application phase are available on City's [Agendas & Minutes Public Meeting Portal](#).

Staff has not received any public comments since the Planning Commission study session. Any public comments received after publication of this agenda report will be forwarded to the Planning Commission for consideration at the public hearing and will be posted to this item online as "Post Packet Public Comments."

ENVIRONMENTAL DETERMINATION:

In accordance with California Environmental Quality Act (CEQA) Guidelines Class 5, Section 15305 (Minor Alterations in Land Use Limitations), the zoning reclassification from C1-2/R5 to CBD is categorically exempt from further environmental review because the site has an average slope of less than 20 percent and the reclassification would not result in changes in land use or density. The subject property's General Plan land use designation of Downtown Retail Core would remain unchanged, the maximum 3.0 FAR intensity would not change and the maximum density of 50 units per acre would remain the same. Additionally, the zoning reclassification would be consistent with the City's adopted General Plan and

Downtown Area Plan. The project is also separately and independently exempt under the “common sense” exemption, CEQA Section 15061(b)(3), because it can be seen with certainty that the adoption of the zoning reclassification does not involve the construction or alteration of facilities that will have a significant effect on the environment. The reclassification to CBD is consistent with the General Plan land use designation for the property. Furthermore, any future development of the site would be subject to a project specific environmental assessment consistent with the CEQA statutes and guidelines in effect at that time.

NOTICE PROVIDED:

In accordance with Government Code sections 65090 and 65091 and the City’s Municipal Code public noticing requirements, the notice for this public hearing was published in a local newspaper of general circulation, posted in three public facilities, and noticed to the following parties at least ten (10) days in advance of 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 accordance.

ATTACHMENTS

Att 1 – Draft Ordinance

Att 2 – Applicant’s Letter

Att 3 – Zoning, Land Use and Required Frontage Maps

Att 4 – Applicable Policies

Att 5 – Summary Data Sheet

STAFF CONTACT

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