



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: December 13, 2022

SUBJECT:

Pre-Application Review for a Proposed Six-Story Office/Residential Mixed-Use Building at 500 E. 4th Ave. (Block 20)

RECOMMENDATION:

Review the proposed project on a preliminary basis, receive public comments, and provide input to the applicant and staff pertaining to the following project elements:

1. Proposed Uses – Neighborhood compatibility of the proposed office and residential uses, and consideration of on-site neighborhood commercial uses or childcare facility;
2. Building Design – Architectural design, massing, and transition with surrounding uses;
3. Other project and design aspects that should be considered for the formal planning application.

BACKGROUND:

Windy Hill Property Ventures (applicant) has submitted the subject Pre-Application (PA-2022-071) to demolish all existing structures on the block bounded by E. 4th Avenue, S. Delaware Street, E. 5th Avenue, and S. Claremont Street to construct a proposed six-story mixed-use building consisting of office and residential uses called *Block 20*. As proposed, the project will require a Site Plan and Architectural Review (SPAR), Site Development Planning Application (SDPA), and Tentative Parcel Map for the construction of a new mixed-use building, tree removal, and to merge the existing lots into one lot.

For this Study Session, the Planning Commission should focus its review on the project's proposed land uses, building design, and other aspects necessary for the Commission to make positive findings and recommend approval of the project when the application returns for a formal public hearing. Additionally, staff requests that the Commission provide input and direction on other project and design aspects, if any, that should be considered during the formal planning application.

PROJECT DESCRIPTION:

Project Site

The project site consists of five contiguous parcels, which would be merged into one parcel occupying the full block bound by E. 4th Avenue, S. Delaware Street, E. 5th Avenue, and S. Claremont Street. The combined parcel area is approximately 1.16 acres, or 50,499 square feet. The site is designated Downtown Retail Core Support in the City's General Plan Land Use Plan and is zoned CBD/S (Central Business District Support).

The existing on-site uses include a fast-food restaurant (Taco Bell), preschool (Safari Kid), a single-family residential dwelling and a vacant lot formerly occupied by a gasoline station. In addition, the San Mateo Japanese-American Community Center is located at 415 S. Claremont Street, which qualifies as a historical resource (Individually Eligible for the National Register). The City's historic review consultant is currently preparing a historical resources report that evaluates the entire block.

Adjacent uses include a variety of commercial and residential uses as follows:

- North: Block 21 Mixed Use Project, which is approved for office and residential uses. Existing uses on the Block 21 site consist of residential, auto repair, retail, and restaurant uses.
- South: Lumberyard (San Mateo Lumber Company), and residential uses zoned R4
- East: Auto-repair facility (Jiffy Lube), and a multi-family residential building zoned R3
- West: 5th Avenue City Parking Garage (under construction)

Lastly, the Downtown Caltrain Station is located approximately one-quarter of a mile north of the project site. A location map showing the project site in its vicinity and adjacent zoning designations is included as [Attachment 1](#).

Proposed Project, Building Program, and Site Plan

The proposed Block 20 project is a six-story office and residential mixed-use building with a combined floor area of approximately 216,000 square feet. The building consists of approximately 142,000 square feet of office uses occupying primarily the first through third floors, with some additional office areas on the fourth and fifth floors. A total of 86 residential units are proposed on the fourth through sixth floors. The proposed unit mix includes 41 studio units, 35 one-bedroom units, and 10 two-bedroom units, all of which would be rental apartments. Of the combined 86 units, the applicant proposes to designate nine units (15% of the base density) as below market rate (BMR) at the Very Low-income category pursuant to the City's inclusionary requirements.

Office lobby entrances are located on the building's S. Claremont Street/E. 4th Avenue corner, and S. Claremont Street/E. 4th Avenue corner. The primary residential lobby entrance is along S. Claremont Street. The project also includes two levels of below-grade parking that provides 226 off-street parking spaces for office uses and 43 off-street parking spaces for the residential units. The S. Claremont Street frontage provides garage driveway access, as well as trash, transformer, and electrical rooms. The project provides approximately 7,000 square-feet of open space for office uses on balconies on the third through fifth floors. Open spaces for residential uses include private unit balconies and approximately 3,700 square-feet of shared open space. The project proposes new street trees along all frontages with the exception of the S. Delaware Street frontage. Staff has informed the applicant that new street trees on this frontage, in accordance with the City's Street Tree Master Plan and Municipal Code, will be required.

The applicant proposes a traditional, Mediterranean architectural style and incorporates arched windows, neutral colors, tiled roofing, and traditional detailing consistent with this architectural style. The proposed design consists of several building stepbacks and breaks the overall massing into smaller elements, which is an approach employed at other, adjacent mixed-use projects. A discussion of the building design is continued in the *Items for Planning Commission Discussion* section of this report. Project plans showing the proposed site plan, floor plans, and building elevations are included in [Attachment 2](#).

APPLICABLE CODE AND POLICY REVIEW:

General Plan

The General Plan Land Use Map designates the project site as Downtown Retail Core Support, which is meant to provide uses at intensities that complement both the downtown core and the adjacent residential neighborhoods. A preliminary list of General Plan policies applicable to the proposed project is included in [Attachment 3](#).

As a mixed-use building, the project would conform to Land Use Element policy LU 1.8 *Mixed Use Commercial-Residential*, which promotes housing production even in non-residential zones. Given its adjacency to the downtown core, the project would be consistent with Land Use Element policy LU 3.1 *Downtown Plan* in that the project would result in office and residential uses at high intensities that complement the downtown. Consistency with this policy could be furthered if the project were revised to include neighborhood-serving retail uses or a childcare facility, for example, to offset the loss of these uses at this site and to contribute to a wider range of commercial uses in the downtown. Additional discussion on the project's consistency with certain General Plan policies is included in the *Items for Planning Commission Discussion* section of this report.

Zoning Code

The project site is zoned CBD/S (Central Business District Support), which implements the goals of the General Plan in encouraging commercial uses that support both the downtown core to the west and serve adjacent residential neighborhoods. The CBD/S zone is also subject to development standards in Chapter 27.39 of the Municipal Code, including floor area, residential density, setbacks, and open space. In addition, the Municipal Code requires two on-site loading zones, which the applicant may request to modify in the formal planning application stage. The project site is also within the limits of the Central Parking Improvement District (CPID) which functions as the downtown's parking district. The CPID allows projects to request parking demand studies to determine applicable parking ratios and allows projects to request payment of in-lieu fees to satisfy off-street parking requirements. However, it should be noted that pending State legislation (Assembly Bill 2097), which becomes effective in January of 2023 and generally prevents the City from imposing off-street parking requirements on projects within one-half mile of a major public transit stop, would be applicable to this project.

A project data sheet listing the applicable Zoning Code standards and the pre-application's conformance to them are included in [Attachment 4](#). It should be noted that the applicant intends to request concessions and waivers from specific development standards pursuant to State Density Bonus Law. A discussion of the project's density bonus requests made thus far is continued in the *State Density Bonus Law* section below.

Downtown Area Plan

The project site is located within the Downtown Area Plan's study area. The Downtown Plan establishes goals and policies to implement the overall vision of the downtown area. Applicable goals that pertain to the project include:

- Enhance Downtown's Role as the City Center and Maintain Its Unique Sense of Place
- Enhance the Vitality and Activity of Downtown by Incorporating an Overall Good Mix and Diversity of Uses
- Enhance the Downtown's Pedestrian Environment and Enhance the Safety and Attractiveness of Downtown

The project site belongs to the Central Claremont sub-area in the Downtown Plan. Recommended future conditions include provision of ground floor retail and other uses that promote pedestrian activity along E. 3rd Avenue and E. 4th Avenue. In addition, the Downtown Plan encourages the use of street trees, streetlights, and pavement consistent with the downtown core to unite areas east of the railroad. Additional discussion on the project's consistency with certain Downtown Plan policies is included in the *Items for Planning Commission Discussion* section of this report.

State Density Bonus Law and Local Inclusionary Requirements

California Government Code Section 65915 outlines density bonus standards for residential and mixed-use projects that designate a portion of residential units as affordable, or below market rate (BMR). The City also has an adopted BMR Inclusionary Program that requires residential developments to designate at least 15 percent of their base density units as affordable at the Low-Income or Very Low-Income level for rental projects, or 15 percent of units at the Low-Income or Moderate-income level for ownership projects. For reference, a Very Low-Income unit is affordable for families or individuals who make up to 50% of AMI, Low-Income is affordable up to 80% of AMI and Moderate is affordable up to 120% of AMI. For 2022, the AMI in San Mateo County for an individual is \$116,200 and a family of four is \$166,000.

The project's zoning designation of CBD/S permits a maximum base density of 50 units per acre, which yields this site a base density of 58 units. The applicant proposes to devote 15 percent of the base 58 units as affordable at the Very Low-Income level, which equates to nine affordable (or BMR) units. This entitles the project to a density bonus of up to 50 percent, resulting in a combined maximum density of 87 units. As currently designed, the project proposes a total of 86 units, which is within the maximum allowable density, inclusive of the maximum density bonus.

Concession and Waiver Requests

Designating 15 percent of the units as affordable at the Very Low-Income level also makes the project eligible for three concessions, reduced parking standards, and additional waivers. At this time, the applicant has requested two concessions and four waivers as outlined in the project's density bonus request letter, included as [Attachment 5](#). The two concession requests made in the letter are to:

1. Increase in the maximum building height of 55 feet by 20 feet for a total building height of 75 feet; and
2. Increase in the maximum floor area ratio (FAR) of 3.0 by 1.28, for a total floor area ratio of 4.28.

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

In addition to the two concession requests, the density bonus request letter requests a total of four waivers:

1. Increase the maximum parking ramp slope from 18% to 19.8%, which reduces the overall length of the ramp;
2. Reduce the residential private open space requirement from a minimum of 80 square-feet per unit to 70.5 square-feet per unit to accommodate open space on site;
3. Increase in maximum bulk requirements, which would otherwise result in the loss of approximately 28 units; and,
4. Reduction in the required Street Wall Area, which would otherwise result in the loss of approximately 36 units.

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 request unless findings can be made that granting the waiver would have an adverse impact on any historical resource or would be contrary to state or federal law. The applicant has made the waiver and concession requests above on a preliminary basis. The applicant may revise these requests in the formal planning application stage. Staff will conduct a more detailed evaluation of all waiver and concession requests at the planning application stage.

Commercial Linkage Fee

The City's Affordable Housing Commercial Linkage Fee Ordinance is assessed to non-residential construction, including offices, that add over 5,000 square-feet of net new floor area. The Commercial Linkage Fee is meant to help offset the number of new employees and demand for affordable housing in the City. Since the project is proposing approximately 142,000 square-feet of new office floor area, the project would be subject to a Commercial Linkage Fee of approximately \$4.4 million prior to credit of existing uses, which will be assessed and collected at the time of building permit issuance based on the Comprehensive Fee Schedule in effect at that time.

Pedestrian Master Plan

The City's 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. 4th Avenue, E. 5th 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. It should also be noted 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.

Based on staff's review of the preliminary project plans, the site plan appears to provide narrower overall sidewalk widths than the recommended overall widths in the Pedestrian Master Plan. Prior to or during the formal planning application stage, staff will request additional information in the project plans to conduct a more detailed evaluation of the sidewalk designs including for wider overall sidewalk widths for greater consistency with the Pedestrian Master Plan.

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 this project site, the Bicycle Master Plan calls for a bicycle lane (Class II) along the project's E. 5th Avenue frontage, and a bicycle boulevard (Class III) along the project's S. Claremont Street frontage. A full evaluation of the project's consistency with the Bicycle Master Plan will be completed during the formal planning application phase.

ITEMS FOR PLANNING COMMISSION DISCUSSION:

Proposed Uses

As discussed above, the applicant proposes a mixed-use building consisting of approximately 142,000 square-feet of office uses and 86 residential units. Municipal Code Section 27.39.020 governs the land uses permitted at this site, which permits both office uses and residential uses. In addition to these uses, the CBD/S zone permits other commercial uses including health studios, restaurants, retail uses, personal services, and schools/daycare facilities. It should be noted that residential uses in this zone are permitted but must be part of a mixed-use development. While this project would satisfy this requirement, the project proposes the same combination of uses (office and residential) as other nearby mixed-use developments that have been recently approved or constructed. However, at a policy level, this project, as well as recent mixed-use projects in the area, have resulted in the displacement of neighborhood commercial uses such as small-scale retail and local restaurants, which has raised community concerns about the vitality of these areas surrounding the downtown core and that too much new office space is being built.

While retail and other neighborhood commercial uses are not identified as required uses in this zone, the General Plan Land Use Element include policies that encourage provision of neighborhood commercial uses. For example, Land Use Policy LU 2.8 encourages convenience retail uses adjacent to residential neighborhoods. In addition, Land Use Policy LU 2.4 encourages that the Downtown be established as an economic center of the City with a wide range of office, residential, entertainment, and retail uses while encouraging pedestrian activity to adjacent neighborhoods. In support of this Policy, the Downtown Area Plan establishes a goal of enhancing the activity of the Downtown by incorporating a mix and diversity of uses. As discussed previously, the project is within the Central Claremont sub-area of the Downtown Plan, which encourages ground floor retail uses on E. 4th Avenue to link this area to the downtown core. Uses that promote pedestrian activity are also encouraged.

At the project's pre-application neighborhood meeting held on November 3, 2022, members of the public raised concerns about the project lacking neighborhood commercial uses, primarily retail or restaurant uses. Other members of the public suggested incorporating a childcare facility on the site, which exists currently on the site's E. 5th Avenue/S. Delaware Street corner. Integrating ground-level commercial uses in particular would promote pedestrian activity and provide a diversity of services and activities as discussed in General Plan Land Use Policy LU 2.4. Providing a childcare facility would also meet the needs of the several commercial and residential mixed-use projects that have recently been constructed or approved in the immediate vicinity. These uses could also serve as a better transition between the lower density residential uses to the south and east, to the higher intensity of office and multi-family residential uses at this site and to the north; which would strengthen consistency with General Plan Land Use Policy 2.8.

At this time, staff is seeking Planning Commission input on the project's proposed land uses (office and residential), and if other uses should be included on the ground-floor, such as neighborhood serving commercial uses, childcare facilities and/or other uses. When evaluating the proposed land use mix, staff recommends the Planning Commission use City adopted plans and policies to support their recommendations and consider the following questions:

1. Should ground floor neighborhood serving commercial uses be incorporated into the project? Neighborhood commercial uses include, but are not limited to, retail, restaurants, childcare facilities, and personal services.
2. If these uses should be incorporated, along what frontage(s) should the applicant consider incorporating these uses?

Building Design

The overall architectural style is best categorized as Mediterranean in its use of character defining features such as arched openings, neutral color palette, tiled roofing, and bronze detailing. The dominant exterior wall material is stucco painted in a range of medium to light browns. Exterior wall treatments also include scoring and precast molding, which break the stucco walls into smaller sections. The design incorporates a hipped roof design and utilizes roof tiles as well as dark bronze corbels and brackets, which contribute to the overall Mediterranean character. Additional defining features that contribute to the Mediterranean style are arched windows at the lower office levels, bronze-colored railings at residential balconies, and a tower element with an arched window design. At the corner office lobby entrances, the design

incorporates larger expanses of glass that are broken up into smaller sections with bronze window mullions. At the residential levels (fourth through sixth floors), the design incorporates smaller framed windows but continues the use of bronze window mullions.

The project's approach to the overall massing of the building is similar to that of other recently constructed or approved mixed-use projects in the area. The design incorporates several setbacks that break the overall massing into smaller volumes. The lower two commercial levels are continuous in height and color and thus function as the building's base. The design also incorporates arched windows on the building's base section and an arcade along the S. Claremont Street frontage. The third commercial level is stepped back from the two lower levels by approximately seven feet along three of the four frontages. The fourth through sixth levels, which include the residential uses, are stepped back as much as approximately 14 feet from the lower floors and are continuous in height, which appear to create a stacked building appearance. The design distinguishes the S. Delaware Street by orienting the fourth through sixth floors at an angle, which breaks the orthogonal orientation of the remainder of the building.

While the project employs a similar approach to building massing to surrounding mixed-use projects, the project site is adjacent to a lower density neighborhood immediately south and east of the site that are lower in scale and simpler in form. The surrounding uses include one- and two- story, single- and multi-family residential uses across S. Delaware Street and E. 5th Avenue that have varying architectural character, including bungalows, Spanish revival, and Postwar traditional styles. The proposed project is six-stories in height and would appear much taller than the existing lower density uses that are adjacent. The Urban Design Element of the General Plan recommends that new multi-family developments respect the existing scale of surrounding uses by stepping down the building height to more closely match the height of surrounding uses (Urban Design Policies UD 2.2 and UD 2.7). In addition to the abrupt transition to adjacent buildings, staff has received public comments noting that the overall character of recently approved projects in the Downtown area appear similar and could benefit from more diversity and additional attention to styles that have a stronger connection to the City's historical architectural character. While this project's overall architectural style differs from that of other Contemporary projects, the project shares a massing approach of other recently approved mixed-use projects.

To guide revisions of the project's design before the formal application submittal, staff is seeking the Planning Commission's input on the overall style, massing, and transition to adjacent buildings, as well as identification of other design revisions that could improve the overall project and how it fits into the larger Downtown context. When evaluating the proposed building design, staff recommends the Planning Commission consider the following questions:

1. Should the applicant consider removing or adding any design treatments to improve the overall, Mediterranean architectural style? Should a different architectural style or mix of exterior materials be considered?
2. What modifications should be made to improve the project's transition to adjacent, lower density uses to the south and east? This could include, but is not limited to, changes in building height, setbacks, and/or massing.
3. Are there other design changes or revisions that should be considered to improve the project's architectural design, its overall form and function, and how it fits into and relates to the larger downtown context?

PUBLIC COMMENTS:

The applicant held a formal pre-application neighborhood meeting on November 3, 2022 in which approximately eight members of the public attended. Participants provided comments on the following items:

- Traffic impacts;
- Amount of office floor area;
- In favor of the building design;
- Should have more open gathering space;
- Jobs/housing balance;
- Should increase setbacks and provide more street trees;
- Should provide retail uses

The applicant's summary of the neighborhood meeting is included in [Attachment 6](#). Public comments submitted to City

staff during the pre-application review are included in [Attachment 7](#). Any public comments received after publication of this report will be forwarded to the Planning Commission for consideration at the study session and posted to this item on the [City's Agendas & Minutes Public Meeting Portal](#) as "Post Packet Public Comments."

ENVIRONMENTAL DETERMINATION:

In accordance with Public Resources Code Section 21065, the review of a pre-application is not a project under the California Environmental Quality Act (CEQA) because the Planning Commission is not taking any action at this time. An environmental review will be conducted as part of the formal planning application in conformance with CEQA. Staff anticipates preparation of a Focused Environmental Impact Report (EIR) given that the project proposes full demolition of an existing historical resource located at 415 S. Claremont Street.

NEXT STEPS:

Following this Study Session, the applicant will have an opportunity to revise the project based on feedback provided by staff, the public, and the Planning Commission. As currently proposed, the project is anticipated to require the following planning applications, which would be subject to recommendation by the Planning Commission for final action by the City Council in accordance with Municipal Code Section 27.06.050(d):

1. Site Plan and Architectural Review (SPAR) for the construction of a mixed-use building consisting of commercial uses and 86 residential units;
2. Site Development Planning Application (SDPA) for the removal of trees greater than six-inches in diameter; and,
3. Tentative Parcel Map to merge five parcels into one parcel.

Sample Findings of Approval for the above planning application types are included within [Attachment 8](#).

NOTICE PROVIDED

In accordance with Government Code section 65091 and the City's Municipal Code public noticing requirements, this Study Session was noticed to the following parties at least ten (10) days in advance of the neighborhood meeting and Planning Commission meeting:

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

ATTACHMENTS

Att 1 – Location Map
Att 2 – Project Plans
Att 3 – Applicable General Plan Elements and Policies
Att 4 – Preliminary Data Sheet
Att 5 – Density Bonus Request Letter
Att 6 – Neighborhood Meeting Summary
Att 7 – Public Comments
Att 8 – Sample Findings of Approval

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