



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: February 14, 2023

SUBJECT:

435 E. 3rd Avenue – New Five-Story Office/Residential Mixed-Use Building (PA-2021-081)

RECOMMENDATION:

Adopt a Resolution to approve the Site Plan and Architectural Review (SPAR) and Site Development Planning Application (SDPA) for construction of a new five-story mixed-use building with 33,529 square feet of office uses and five residential units at 435 E. 3rd Avenue, and a Special Use Permit (SUP) for construction staging at 402 S. Delaware Street; and adopt 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 in Attachment 1.

BACKGROUND:

Windy Hill Property Ventures (applicant) has submitted a Planning Application (PA-2021-081) to demolish an approximately 2,700 square-foot auto repair establishment at 435 E. 3rd Avenue to construct a new five-story mixed-use building consisting of 33,529 square-feet of office uses and five residential units, one of which would be a below market rate (BMR) unit affordable at the low-income level. The Planning Commission last reviewed this project at a study session on November 23, 2021. The Commission's discussion focused on the building design and request to satisfy all off-street parking requirements through payment of in-lieu fees as an incentive through State Density Bonus Law. The Commission was in favor of the building design but recommended the applicant make certain design revisions to improve the side elevations and corner articulation. The Commission expressed concern and questions about the lack of on-site parking but acknowledged the site's constraints in adding parking.

Since the study session, the applicant has refined the building design based on Commission input mainly to include additional brick detailing along the building's side elevations. As a result of Assembly Bill 2097, effective January 1, 2023, which eliminates parking requirements for projects within one-half mile of public transit, the applicant is no longer required to pay in-lieu fees for required parking nor can the City impose minimum parking requirements unless the City makes findings that demonstrate a substantially negative impact on the City's ability to meet its share of regional housing need for Very Low- and Low-Income households, or on existing residential or commercial parking within one-half mile of the project.

Project Site

The project site is located at 435 E. 3rd Avenue on the northwest corner of E. 3rd Avenue and S. Claremont Street. The site is 10,980 square feet (0.25 acre) in size with a General Plan Land Use Designation of Downtown Retail Core Support and a zoning designation of CBD/S (Central Business District Support). An auto-repair establishment, which was originally constructed in 1956 currently occupies the project site. The City's historic review consultant prepared a historic evaluation of the existing structures as they are over 50 years old and determined that none qualified as historic resources. Adjacent uses include residential, retail, office, and restaurant uses ranging from one-story to four stories for more recent

developments. The adjacent building west of the project site (273 S. Railroad Street) qualifies as a historic resource per the City's 1989 Historic Building Survey. The Block 21 Mixed-Use Project, which was approved by the City Council in June of 2022, is located on the opposite corner of the subject site. The San Mateo Downtown Caltrain station is located less than one-quarter of a mile northwest of the project site. A location map showing the project in its vicinity is included as [Attachment 2](#).

Project Description

The proposed five-story mixed-use building has a total floor area of 39,893 square feet, with 33,529 square feet of office uses on the first through fourth floors and five residential units on the fifth floor. The unit mix consists of one studio and four one-bedroom units, all of which would be for-rent. Of the five units, the applicant proposes to designate 20 percent (one unit) as affordable (below market rate) at the low-income category in order to qualify for State Density Bonus waivers and concessions. Given the unit mix proportions, the affordable unit would be a one-bedroom unit to comply with City's Below Market Rate Program.

The overall architectural style has both traditional and contemporary elements in its blend of materials. The project provides new landscaping along both frontages including shrubs and street trees. Open space areas are located within building step-backs along E. 3rd Avenue for office uses and in private fifth-level patios devoted to residential uses. The project does not provide any off-street parking, which the applicant initially requested through a State Density Bonus law incentive. However, the applicant has removed the incentive request related to parking in light of Assembly Bill (AB) 2097 but still requests an incentive to allow the project to exceed the 3.0 maximum floor area ratio by 0.61.

A detailed discussion of the building design and AB 2097 are discussed further in the 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 at intensities 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 Land Use policy LU 3.1 in that, for example, the project combines two compatible uses (office and residential), which complement the existing commercial uses in the vicinity and greater downtown. This furthers the downtown as the social, cultural, and economic center of the City, as encouraged in the General Plan. Lastly, Land Use policy LU 2.4 encourages ground-level commercial uses to promote pedestrian activity and a diversity of services and activities. While the project does not provide ground floor retail or similar commercial uses, the project would increase the daytime population that would patronize existing downtown businesses and adjacent retail uses.

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. A project data table listing the applicable Zoning Code standards and the project's conformance to them is included in [Attachment 4](#). As noted in the project data table, the project is within the maximum building height of 55-feet and is within the maximum allowable density of 50 units per acre. The Zoning Code's maximum density thus yields the project site a maximum of 13 units but does not establish a minimum density requirement. The applicant proposes five residential units, which are within the maximum allowable base density. Lastly, the Zoning Code provides a maximum floor area ratio of 3.0, which the project proposes to increase by 0.61 for a total floor area ratio of 3.61 through State Density Bonus law.

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. 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 unify areas east of the railroad tracks.

In conformance with the Downtown Area Plan, the project combines office and residential uses that would support existing commercial uses in the greater 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](#).

Assembly Bill 2097

As discussed previously, the project initially requested an incentive through State Density Bonus law to pay Central Parking and Improvement District (CPID) in-lieu fees for all required parking (17 spaces) instead of physically constructing any off-street parking. Based on the total number of required parking spaces, the applicant would have been required to pay approximately \$980,898 based on the City's current comprehensive fee schedule.

AB 2097, however, became effective on January 1, 2023, which eliminates parking requirements for both residential and commercial projects within one-half mile of a major public transit stop. As noted previously, the subject project site is less than one-quarter of a mile from the Downtown Caltrain Station, which is considered a "major public transit stop" as defined in Section 21155 of the Public Resources Code. AB 2097 thus prohibits the City from imposing parking requirements, including CPID in-lieu fee payment, unless the City makes findings that not imposing or enforcing minimum automobile parking requirements on the development would have a substantially negative impact, supported by a preponderance of the evidence in the record, on the public agency's ability to meet its share of specified housing needs or existing residential or commercial parking within one-half mile of the project. The law, however, disallows the City from making this finding for certain projects, including ones that dedicate a minimum of 20% of the total housing units as affordable to the Low-Income category, as this project does. In addition, because the California Building Code mandates accessible spaces and electric vehicle (EV) spaces based on the number of parking spaces physically provided (not based on the number of required spaces), the law disallows the City from requiring construction of or payment of an in-lieu fee for accessible or EV spaces.

The applicant submitted a letter to apply AB 2097 to this project, which is included as [Attachment 5](#). The applicant also provided revised application materials, primarily a revised density bonus request letter and written project description, to remove the original incentive request to pay CPID in-lieu fees for all the previously required parking (prior to AB 2097's effective date).

Site Plan and Architectural Review

The project requires a Site Plan and Architectural Review (SPAR) approval for construction of a new mixed-use building in accordance with Municipal Code Sections 27.08.030. These findings are discussed in detail within [Attachment 1](#). In summary, the project proposes a mixed-use building that complements the existing architectural character of the neighborhood through provision of traditional building elements and materials. These materials include red brick veneer, grey-painted stucco, and neutral-colored wood cladding. Brick veneer is the dominant exterior material at the first through third levels and is broken up through contemporary glazing and contrasting wood cladding in the building's recesses. The interior-facing building facades also incorporate brick veneer that provide visual interest to facades that would otherwise appear blank. The project incorporates stepbacks at the fourth and fifth levels which reduce the apparent massing and also provide areas for usable open space. Lastly, the project removes all existing trees but replaces them with new five new street trees along frontages and provides planted containers to activate ground level open spaces. In staff's evaluation of the project, staff recommends findings to approve the SPAR, which are discussed in greater detail in [Attachment 1](#).

Site Development Planning Application

Municipal Code Section 23.40 requires a Site Development Planning Application (SDPA) approval for removal of major vegetation in conjunction with the redevelopment of a parcel. 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 31 trees, four of which qualify as protected trees. Six of the trees proposed for removal are also located on the neighboring 216 S. Claremont Street site immediately north of the project site. A condition of approval has been added requiring the adjacent property owner to provide an authorization letter and to sign the required Site Development Permit to authorize removal.

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 five new street trees along both 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 consist of 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 would be similar in operation and impact to this permitted use. In addition, the City Council approved a SUP for this site related to a different construction project (Block 21). 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 guidance for sidewalk designs and types specific to a project’s land use and street parking configuration. The applicable sidewalk standard along both frontages is A.10 *Mixed Use Type B Street Parking*. This standard recommends an overall sidewalk width ranging from 16 feet to 26 feet.

The project proposes an overall sidewalk width ranging from 12’-0” to 14’-7” along E. 3rd Avenue, and 13’-11” to 16’-1” along S. Claremont Street. It should be noted, however, that the Zoning Code requires that new developments in this zoning district be built to the property line unless building setbacks are for the provision of open space or landscaping. 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 one out of the two frontages and is compliant with the Zoning Code in both frontages. In addition, the project provides improvements in the pedestrian realm, including benches, planted containers, street trees, and pedestrian scale lighting. The project also results in wider sidewalk widths when compared to existing conditions. Requiring modifications to the site plan on the E. 3rd Avenue frontage to achieve compliance with the Pedestrian Master Plan would be at the discretion of the Planning Commission.

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 site, the Bicycle Master Plan calls for a separated bicycle lane (Class IV) along the project's E. 3rd Avenue frontage and a bicycle boulevard (Class III) along the project's S. Claremont Street frontage.

In conformance with the Bicycle Master Plan, the project will implement 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 its E. 3rd Avenue frontage outlined the Bicycle Master Plan as part of this project. Lastly, the project provides nine long-term bicycle parking for office uses within a dedicated room in the first floor of the building and for residential uses on fifth floor. As required by the City's Zoning Code, a total of four short-term bicycle parking spaces are provided through bike racks.

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 "incentives" 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 13 units. As indicated previously, the project provides a total of five residential units which are within the maximum base density and is the minimum required in order to qualify for State Density Bonus law. The applicant proposes to devote 20 percent of the five units (one unit) as affordable at the Low-Income level (80% Area Median Income). For reference, the 2022 Area Median Income (AMI) in San Mateo County for an individual is \$116,200 and a family of four is \$166,000. This would entitle the project to a density bonus of up to 35 percent, resulting in a total maximum density of up to 67.5 units per acre, or 18 units. The provision of five residential units is thus within the maximum allowable density including the maximum density bonus.

Incentive Requests

State Density Bonus Law also permits the applicant to request up to two incentives as well as an unlimited number of waivers from development standards. The applicant's density bonus request letter detailing the project's incentive and waiver requests is included as Attachment 6. The applicant has not requested waivers but has requested one incentive to increase the maximum allowable floor area ratio (FAR) from 3.0 to 3.61. The applicant removed the incentive request to pay in-lieu fees for all required parking in light of AB 2097.

In accordance with Government Code Section 65915(d)(1), the City shall grant the incentive request unless findings can be made that the incentive 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 this incentive request and has not found any evidence to support any of these findings to deny the incentive. The increased FAR results in a cost savings that is less than the applicant's estimated cost of constructing the one affordable residential unit, which is estimated to be higher than that of a larger mixed-use project given that costs that service the residential uses (including the lobby and dedicated elevator) are spread among a smaller number of units.

San Mateo Inclusionary Requirements and Commercial Linkage Fee

The City's Below Market Rate (Inclusionary) Program is applicable to development projects that include five or more residential units. The Inclusionary Program also requires rental projects of 11 or more units to provide a minimum of 15 percent of the proposed units to be devoted to the Low-Income category. For projects consisting of 5-10 units, the applicant can satisfy the City's Inclusionary Program requirements through payment of a fractional fee in lieu of physical

constructing the affordable unit. However, the applicant proposes to construct the one affordable unit (20 percent of the proposed five units) as affordable at the Low-Income level, which complies with the City's Inclusionary Program requirements. The affordable unit will also be required to:

- Have an exterior design that is compatible with, and substantially the same as, the market rate units;
- 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.

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 \$1.02 million based on the current Comprehensive Fee Schedule.

Design Review

The Planning Commission provided design input on the pre application building design on November 23, 2021, which is summarized in the Planning Commission's meeting minutes included as Attachment 7. The Commission expressed general support for the pre application design but recommended that brick veneer be incorporated to the facades along the site's interior lot lines. Procedurally, projects subject to Planning Commission and/or City Council approval are reviewed by a third-party design review consultant. However, given the general support and clear direction by the Planning Commission, staff did not engage a design review consultant. Instead, design review was conducted at the staff-level in accordance with the Planning Commissions comments from the Study Session and on the General Plan's Urban Design Element. Staff's design review comments generally included the following:

- Incorporate additional brick veneer based on Planning Commission input;
- Improve the design of the building's corner;
- Refine the articulation of the residential entry;
- Increase the contrast of the brick veneer and wood cladding

The final building design is substantially the same in its massing and its articulation of the building corner. The applicant, however, incorporated the Planning Commission's feedback by continuing the brick veneer treatment along the building's interior lot lines which reduces the blank appearance of these interior facades. The applicant also increased the contrast in color between the brick veneer and grey-toned wood cladding that expresses the recesses at the office levels. Lastly, the applicant refined the residential entry along S. Claremont Street through additional wood cladding and a window mullion design differentiated from the office entry along E. 3rd Avenue.

Transportation Analysis

Vehicle Miles Traveled Impact Analysis

The City's transportation consultant, Fehr & Peers, prepared a Transportation Impact Analysis (TIA), included as Attachment 8, 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 the project from further VMT analysis. Specifically, the project is within a one-half mile of a high-quality transit stop, has a floor area ratio greater than 0.75, constructs no on-site parking (and thus, less than the minimum parking required by the City), and does not result in the reduction of affordable residential 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 three study intersections selected for analysis were:

1. E. 2nd Avenue and S. Claremont Street
2. E. 3rd Avenue and S. Claremont street
3. E. 3rd Avenue and S. Railroad Avenue

Traffic conditions at these study intersections were evaluated for the weekday AM and PM peak hours (when demands on the roadway are greatest) and were evaluated in three scenarios:

1. Existing Conditions: Existing traffic volumes
2. Opening Year Conditions: Existing traffic volumes plus traffic generated by nearby approved projects that are not yet completed or occupied
3. Opening Year Plus Project Conditions: Opening year traffic volumes (cumulative) plus traffic generated by the project

The projects incorporated in the Opening Year Conditions included projects that were approved at the time the subject project's analysis was prepared, which are:

1. 405 E. 4th Ave. Mixed-Use Project
2. 406 E. 3rd Ave. Mixed-Use Project
3. 303 Baldwin Ave. Mixed-Use Project (Formerly Trag's Market)
4. Kiku Crossing Project (480 E. 4th Ave.)

More recently approved projects, including the Block 21 Mixed-Use Project and the 222 E. 4th Ave. Mixed-Use Project (currently Draeger's) were not included in the Opening Year Conditions as these projects were not approved at the time the analysis for this subject project was prepared.

Overall, the TIA estimates that the project would generate a total of 309 net-new average daily vehicle trips, 49 net-new vehicle trips in the AM peak hour, and 51 net-new vehicle trips in the PM peak hour. All study intersections listed above also operate acceptably at LOS B or better in Existing and Opening Year Conditions inclusive of the nearby projects listed above. The project is estimated to increase delay at these intersections by up to one second, supporting the conclusion that the project would not cause traffic operational impacts. Given the increase in average daily trips, however, the project is required to implement a trip reduction measures, which are discussed in the *Transportation Demand Management Plan* section below.

While preparing the project's transportation analysis, staff and Fehr & Peers determined that an assessment for Cumulative Conditions (reflecting estimated, future traffic volumes in the year 2040) was determined unnecessary given the lack of on-site parking, small size of the project, and negligible changes to traffic conditions in the Opening Year Plus Project Conditions. The City's TIA Guidelines provide that the analysis must include a LOS analysis of intersections that fall into at least one of the following categories:

1. Project driveways
2. Intersections at either end of the block on which the project is located, or up to 500 feet from the primary project driveways, whichever is farther
3. Intersection of collector or higher classified streets where the project adds 100 or more peak hour trips

Because the project does not include on-site parking, the site would not include any project driveways. For residents and employees that drive, their trips would be distributed throughout the roadway network more than for a project with on-site parking. In addition, the analysis assumes that the project's vehicle trips would go to either the City's Main Street Garage or the upcoming Fifth Avenue Garage. This results in a reduced number of project vehicle trips that go through the

project's three study intersections listed above. Lastly, the project would not generate 100 or more peak hour trips at any individual collector or arterial intersections since the project would generate a total of 100 peak hour trips that would be dispersed among various intersections and not at an individual intersection.

Transportation Demand Management Plan

The project will implement a Transportation Demand Management (TDM) Plan, which was prepared by the City's TDM Consultant, Steer, which is included as Attachment 9. While the project does not cause a VMT impact in accordance with CEQA, the City/County Association of Governments (C/CAG) of San Mateo County requires projects that generate more than 100 average daily trips to implement trip reduction measures. Based on C/CAG's guidelines, this project is required to reach a minimum 25% trip reduction through TDM measures.

Once implemented, the TDM Plan is estimated to result in an overall trip reduction of 26.5%. The core TDM measures the applicant proposes to integrate into the project include various measures to encourage the use of sustainable forms of transportation. These measures include:

- On-site TDM Coordinator;
- Informational packets for new hires and new residents;
- Bicycle parking and support facilities, such as showers and lockers; and,
- Sustainable transportation incentive, which are monthly \$100 vouchers provided to tenants (both employees and residents) who cycle, walk, and/or carpool.

In addition to the project's core TDM measures, the TDM Plan outlines additional, optional measures that would further support trip reductions. These measures include multimodal wayfinding, subsidized transit passes, and bike workshops that, if implemented altogether and with core measures, would result in a trip reduction of 40.8%.

FISCAL IMPACT:

As a new mixed-use project, the applicant would be subject to payment of the following impact fees and in-lieu fees, which are assessed and collected prior to the issuance of building permits or prior to occupancy:

- Commercial Linkage Fee of approximately \$1,020,000, assessed on new office floor area in excess of 5,000 square-feet to offset the impact of development projects on the need for affordable housing.
- Child Care Development Fee of \$3,182.51 per residential unit and \$0.63 per square-foot of office uses, to offset the impact on the need for future childcare space needs by new development.
- Park Impact Fee of \$20,476 per residential unit, to offset the increased demands on park and recreation facilities serving new developments.
- Sanitary Sewer Connection Charge, for net increase of wastewater generation based on new dwelling units and increase in plumbing fixtures for commercial uses.
- Transportation Improvement Fee, to offset the cost of transportation improvements to serve new development based on each dwelling unit and per 1,000 square-feet of office floor area.
- Wastewater Treatment Plant Phase II Impact Fee, for net increase of wastewater generation based on net increase of average daily flow for all uses.
- School Impact Fees, to offset the increased demands on school facilities caused by new development based on new residential and commercial floor area.
- Landscape Unit In-Lieu Fee, assessed for each Landscape Unit value not physically planted on-site or along street frontages.

PUBLIC COMMENTS:

Public comments submitted to staff during the formal planning application review are included in Attachment 10. Public comments generally pertained to the 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. In addition, because the project site is listed as a Closed Leaking Underground Storage Tank (LUST) Case on the Cortese List, project construction must adhere to Mitigation Measures that reduce the risk of contaminated soil and soil vapor exposure to the environment. Given the project's proximity to the historic resource at 273 S. Railroad Street, project construction must adhere to Mitigation Measures that limit and document vibration impacts. The project's Mitigation Monitoring and Reporting Program (MMRP) is included as Exhibit B in Attachment 1, which is in place to ensure compliance with the Mitigation Measures analyzed and required by the IS/MND.

In compliance with AB 52, which requires the City provide written notification to Native American tribes that are traditionally and culturally affiliated with the geographic area, staff received correspondence from a representative of the Indian Canyon Mutsun Band of Costanoan People recommending the presence of a Native American Monitor and Archaeologist during all ground-disturbing activities. The City provided written response via email and certified mailing on a total of three occasions and did not receive a response for consultation on the impact analysis and mitigation measures in compliance with AB 52. Mitigation Measures nonetheless have been incorporated into the IS/MND and conditions of approval that require the presence of a Native American Monitor and Archaeologist during all ground-disturbing activities.

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 the City's website at <https://www.cityofsanmateo.org/4528/435-E-3rd-Ave>. The 20-day public review period of the IS/MND began on October 7, 2022 and concluded on October 27, 2022. Staff received three public comment letters pertaining to the IS/MND. Staff prepared a memo responding to the three public comment letters that was made available online on February 2, 2023, which is included as Attachment 11. No comment, however, required further analysis or resulted in the identification of new or worse impacts. Since completion of the public review period and responding to public comments, staff prepared a text-edit to the IS/MND to remove references to in-lieu fee payment for required parking in light of the project's availing of AB 2097. The version of the IS/MND inclusive of the text-edit was posted online at <https://www.cityofsanmateo.org/4528/435-E-3rd-Ave> on February 2, 2023.

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

A. Conditions of Approval

B. Mitigation Monitoring and Reporting Program

Att 2 – Location Map

Att 3 – Project Plans

Att 4 – Project Data Table

Att 5 – Applicant AB 2097 Letter
Att 6 – Density Bonus Request Letter
Att 7 – Planning Commission Meeting Minutes – November 23, 2021
Att 8 – Transportation Impact Analysis
Att 9 – Transportation Demand Management Plan
Att 10 – Public Comments
Att 11 – Response to Public Comments Memo – February 2, 2023

STAFF CONTACT

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