



CITY OF SAN MATEO

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330 W. 20th Avenue
San Mateo CA 94403
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Agenda Report

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TO: Planning Commission

FROM: Zachary Dahl, Interim Director

PREPARED BY: Community Development Department

MEETING DATE: July 11, 2023

SUBJECT:

Block 21 Mixed-Use Project - Tentative Parcel Map and Associated Planning Applications Extension Request (PA-2023-015)

RECOMMENDATION:

Consider a Resolution for a two-year extension of an approved Tentative Parcel Map and associated Planning Application approvals for the Block 21 Mixed-Use Project located at 500 E. 3rd Avenue, 300-320 S. Delaware Street, 511-525 E. 4th Avenue, and 307-373 S. Claremont Street in accordance with Government Code Section 66452.6(e) and San Mateo Municipal Code Sections 26.56.087, 26.48.135(b), and 27.08.085(d).

BACKGROUND:

On June 20, 2022, the City Council adopted Resolution Number 71 (2022), approving Planning Application PA-2021-063, which included a Site Plan and Architectural Review (SPAR), Site Development Planning Application (SDPA), and Tentative Parcel Map to construct a six-story mixed-use building consisting of 111 residential units, 12 of which are designated affordable at the very low-income level, and 179,560 square feet of office space. The approved project also included adoption of a Mitigated Negative Declaration identifying the environmental impacts of the project, with appropriate mitigation measures.

The Tentative Parcel Map and associated Planning Application approvals expire on June 20, 2024, pursuant to SMMC Section 27.08.085, which requires that applicants receive building permits within two years of approval. Since approval, the applicant, Windy Hill Property Ventures, obtained demolition permits and removed all existing structures on the site but has not been issued building permits for the new building. To satisfy lender obligations, the applicant has requested a two-year extension of the approved Tentative Parcel Map and all associated Planning Application approvals for PA-2021-063 to June 20, 2026, under Government Code Section 66452.6(e) and San Mateo Municipal Code (SMMC) Sections 26.56.087, 26.148.135(b), and 27.08.085(d). The applicant has not requested any changes to either the Tentative Parcel Map or the approved project.

Because the Zoning Code authorizes the Zoning Administrator to render decisions on extension requests, staff released a Notice of Pending Zoning Administrator Decision in May of 2023. However, due to the fact that all structures on the site have been demolished, which changes the original site conditions, as well as the public input and concerns, this extension request is being referred to the Planning Commission for consideration pursuant to SMMC Section 27.06.020. A Draft Resolution that includes findings to support approval of the extension request is included as [Attachment 1](#).

Project Site

The Block 21 site consists of 11 parcels and has a combined lot area of approximately 1.51 acres, or 65,888 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 Tentative Parcel Map would merge the existing parcels into one parcel. A location map

showing the project and its vicinity is included as Attachment 2.

The previous on-site buildings that existed at the time of project approval included an auto-repair business, gasoline service station, restaurant, check-cashing business, retail uses, and residential units. The site is currently vacant as the applicant obtained demolition permits on February 3, 2023 (building permit number BD-2023-287701) to demolish all structures and remove all street trees along the project frontage. In most cases, demolition permits are issued with permits for new construction simultaneously. However, the applicant was issued the demolition permit based on the need to conduct soil testing for the new construction in accordance with SMMC Section 23.06.100(a). No permits for new construction have been issued, as the applicant has received plan check comments on January 3, 2023 and has not resubmitted at the time of publication of this report.

Project Description

The request for extension is related to the approved Block 21 mixed-use project (PA-2021-063), which is a six-story, mixed-use building with a total floor area of 268,938 square-feet and a building height of 74 feet, 2 inches. The building includes 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, and 111 residential rental units, 12 of which are designated affordable at the very low income level, located on the fourth through sixth floors. The project also includes a two-level, below-grade parking garage with a total of 402 spaces. The applicant is not requesting any changes to the approved project as part of this extension request.

Applicable Code and Policy Review

California Government Code

Government Code Section 66452.6(e) states that “Upon application of the subdivider filed before the expiration of the approved or conditionally approved tentative map, the time at which the map expires pursuant to subdivision (a) may be extended by the legislative body or by an advisory agency authorized to approve or conditionally approve tentative maps for a period or periods not exceeding a total of six years. The period of extension specified in this subdivision shall be in addition to the period of time provided by subdivision (a).”

This section goes on to say that “Before the expiration of an approved or conditionally approved tentative map, upon an application by the subdivider to extend that map, the map shall automatically be extended for 60 days or until the application for the extension is approved, conditionally approved, or denied, whichever occurs first. If the advisory agency denies a subdivider’s application for an extension, the subdivider may appeal to the legislative body within 15 days after the advisory agency has denied the extension.” The effect of this code section is to grant an automatic extension of 60 days, in this case from June 20, 2024, to August 19, 2024, or until the extension request is approved.

Subdivision Code

In accordance with SMMC Section 26.57.010, the City’s Subdivision Code requires a Tentative Parcel Map and subsequent Final Parcel Map in order to merge lots that result in four or fewer lots rather than an administrative lot merger application. SMMC Section 26.56.087 provides for the expiration of Tentative Parcel Maps, which refers to SMMC Section 26.48.135. Subsection 26.48.135(b) provides for extensions in accordance with Government Code Section 66452.6(e) for up to three two-year extensions. The applicant is eligible for the subject two-year extension request as this is the first and only request made on this project.

Zoning Code

SMMC Section 27.08.085 provides for planning approval expiration, which is two years from the date of the approval, or June 20, 2024. SMMC Section 27.08.085(a) also states that the applicant is eligible for an additional six-month extension (to December 20, 2024), provided the applicant files a complete building permit prior to the original expiration date of June 20, 2024, and is issued a building permit prior to or on December 20, 2024.

SMMC Section 27.08.85(d) also states that “Projects with associated subdivision maps that remain in effect or have been extended by mandate of the state Subdivision Map Act or SMMC Section 26.48.135, 26.48.140, or 26.56.087” are exceptions to the two-year expiration from the date of final approval, and “those planning approvals remain effective for

the term of the subdivision map approval, if required by State law.”

SMMC Section 27.08.087(2) requires that all the following findings are made to approve planning application extensions:

- A. The approved project is still consistent with the City’s General Plan;
- B. The approved project is still consistent with the City’s Zoning Ordinance; and,
- C. The project site and its environs are in substantially the same condition as when the project was originally approved.

Because no changes to the approved project or Tentative Parcel Map are proposed, staff recommends that findings (A) and (B) could be made. The site’s General Plan Land Use designation and Zoning designation also remain unchanged since project approval. However, staff is requesting that the Planning Commission review and consider finding (C) given that the project site is not in the same condition as when the project was originally approved. When the project was originally approved in 2022, the site was occupied by the existing buildings and uses. As noted previously, the applicant was permitted to remove all buildings and street trees to conduct soil testing for the new building in accordance with SMMC Section 23.06.100(a). Demolition activities commenced in February of 2023 and concluded in April of 2023. As mentioned previously, the applicant was issued the demolition permit based on the need to conduct soil testing, which the applicant completed in May of 2023 following demolition. At the time of publication of this report, the soil testing results have not been submitted to the City as the applicant is currently compiling the soil testing data into a required Phase II report.

Granting this extension request would afford the applicant an additional two years to obtain building permits to begin construction and could thus result in a vacant lot for an extended period of time until construction commences. To address the vacant appearance of the site, the City’s Vacant Lot Maintenance Code (SMMC Chapter 7.48) would require improvements such as perimeter landscaping and fencing should the site remain vacant for a period of more than 180 consecutive days. The term “vacant lot” is defined in SMMC Section 7.48.020 as “...any property, with the exception of those properties located in R1 or R2 zoning districts, that is undeveloped; or property that is developed with a building or structure and is abandoned, vacant, or unoccupied by the property owner, tenant, or subtenant for more than 180 consecutive days.” Should the applicant continue site investigations and other preparatory work for construction, it would not be considered a vacant lot for purposes of SMMC Chapter 7.48.

Purpose of Extension Request

After release of a Notice of Pending Zoning Administrator Decision in May of 2023, staff received approximately 15 public comment letters citing concerns over the possible the delay in construction, the vacant appearance of the site, and suggestions to improve the use and appearance of the site. In response to public comments, the applicant provided the City an explanation for the extension request in a letter dated May 19, 2023 (included as [Attachment 3](#)). In this letter, the applicant states that the extension request does not impact the overall construction timeline of the project. Rather, the extension request is being made to satisfy the applicant’s lender requirements to ensure that the Planning Application approvals do not expire during the term of their loan.

The letter also summarizes the applicant’s efforts to continue permitting and construction. The building permit for new construction was submitted in September of 2022 (building permit number BD-2023-286329) and is pending a resubmittal by the applicant. In addition, the applicant submitted the Final Parcel Map in December of 2022 to finalize the merging of the lots. The applicant received a comment letter on January 3, 2023 and is also pending a resubmittal. Lastly, the applicant’s letter indicates efforts to manage the appearance of the site through weeding, dust control, and trash removal.

FISCAL IMPACT:

There are no direct fiscal implications to the City’s General Fund associated with this request. The applicant would still be subject to payment of impact fees and in-lieu fees that are assessed and collected prior to the issuance of building permits for the new structure, or prior to occupancy, even if the Tentative Parcel Map associated Planning Application approvals are extended. These fees include, but are not limited to, the Commercial Linkage Fee, Child Care Development Fee, Park Impact Fee, and Transportation Improvement Fee.

ENVIRONMENTAL DETERMINATION:

As part of the June 20, 2022 approvals, the City Council adopted a Mitigated Negative Declaration to assess environmental impacts in accordance with the California Environmental Quality Act (CEQA). Staff has determined that, pursuant to CEQA Guidelines Section 15162 *Subsequent EIRs and Negative Declarations*, this extension request requires no further environmental review, as there are no substantial changes to the approved project, environmental character of the project site, or the surrounding areas since the project (PA-2021-063) was originally approved by City Council on June 20, 2022.

PUBLIC COMMENTS:

All public comments pertaining to this extension request are included in [Attachment 4](#). Approximately 15 public comment letters were submitted after staff released a Notice of Pending Zoning Administrator Decision in May of 2023. The public comments generally expressed concerns regarding the delay in construction, the vacant appearance of the site, and suggestions to improve the use and appearance of the site. This included suggestion to create a parking lot, temporary park, or dog park. Public comments also made suggestion to financially contribute to the City's South B Street Pedestrian Mall improvements.

Public comments submitted 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."

NOTICE PROVIDED:

In accordance with Government Code Section 65091 and the City's Municipal Code public noticing requirements, this public hearing was noticed to the following parties at least ten (10) days in advance of the 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

Att 2 – Location Map

Att 3 – Applicant Letter - May 19, 2023

Att 4 – Public Comments

STAFF CONTACT

Rendell Bustos, Senior Planner

rbustos@cityofsanmateo.org

(650) 522-7211