



CITY OF SAN MATEO

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

Agenda Number: 1

Section Name: {{section.name}}

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TO: Planning Commission

FROM: Zachary Dahl, Interim Director

PREPARED BY: Community Development Department

MEETING DATE: August 8, 2023

SUBJECT:

Zoning Code Amendment for Planning Approval Extensions - Ordinance Recommendation

RECOMMENDATION:

Recommend to the City Council adoption of an Ordinance to amend San Mateo Municipal Code Section 27.08.087 (Planning Approval Extension) to allow for extensions of up to two years for approved planning application; and determine the amendment is exempt from further environmental review pursuant to California Environmental Quality Act (CEQA) Section 15061(b)(3).

BACKGROUND:

As part of the Community Development Department's ongoing effort to update the City's Zoning Code to address deficiencies, improve clarity and streamline the review process, the following amendment is proposed to provide a path to extend the term for planning approvals by up to two years. Amendments to the Zoning Code require a recommendation from the Planning Commission and approval by City Council. The proposed amendments are described in more detail below, with the Draft Ordinance included as Attachment 1. To help explain existing and proposed language, a track-changes version of the proposed amendment is included as Attachment 2.

Government Code Section 65400 provides the City's legislative body with 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, Government Code Section 65860 provides the City Council the authority to review and update the City's Zoning Code to ensure that the review processes and requirements are compatible with the objectives, policies, and programs specified in the General Plan. The City's Zoning Code (SMMC 27.060.040(c)) authorizes the Planning Commission to review amendments to the Zoning Code and make a recommendation to the City Council.

DISCUSSION:

Currently, Planning Application approvals are valid for two years and require that "a completed building permit application is filed before the expiration date and a building permit is issued prior to or within six months after the two-year expiration date." However, due to circumstances beyond a project's control, such as an economic downturn, the two and a half year period is not always insufficient, particularly when there are national or global issues that affect an applicant's ability to finance a project such as supply chain delays or changes in banking industry requirements for commercial loans.

Zoning Code provisions pertaining to Planning Approval Extensions were last updated in 2011 due to economy conditions (the Great Recession). Different options were explored and discussed; and the City Council approved an ordinance that included a provision allowing applicants the ability to apply for two-year extensions of planning approvals through July 1, 2015. This provision has since sunset. Under current Zoning Code provisions, applicants do not have an option to extend planning approvals for development projects that do not include a subdivision map. For development projects that include

a subdivision map, pursuant to the City's Subdivision Ordinance (SMMC Title 26), applicants have the option to apply for up to three two-year extensions.

City staff has received multiple extension requests from applicants, including those with subdivision maps, citing changes in commercial loan requirements and increasing construction costs that make it more difficult to secure financing. These external factors affect applicants' ability to pay architects, engineers, and other technical professionals to create detailed construction plans that are needed for building permit applications. Funding is also needed to obtain permits once they are ready for issuance, and additional funds are needed to commence and complete construction. The current two-year entitlement period may not be sufficient for applicants to secure the financing needed to move forward through the building permit and construction phases. This code amendment is intended to provide flexibility for all development projects to avoid expiration of Planning Approvals due to external factors, such as changing economic conditions. The proposed amendment would provide an option for applicants to request an extension of their planning entitlements for up to two years, beyond the initial two-year term, for a total of four years from the date of original planning application approval, which will provide flexibility and a reasonable amount of additional time when needed to give projects the ability to remain viable.

Next Steps

Following the Planning Commission public hearing, the City Council will hold a public hearing to consider the proposed Zoning Code amendment. If the Council approves the Ordinance at the public hearing, it would be brought back for adoption at a subsequent City Council meeting. The Ordinance would become effective 30 days after adoption.

PUBLIC COMMENTS:

Appropriate notification required for code amendments was completed and information about this initiative was sent out through the Department's e-newsletter. Staff has not received any public comments prior to publication of the agenda report. 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."

BUDGET IMPACT:

Updates to the City's Zoning Code are fully funded in the Community Development Department's annual budget with no additional impact to the General Fund.

ENVIRONMENTAL DETERMINATION:

In accordance with California Environmental Quality Act (CEQA) Guidelines, section 15061(b)(3), adoption of this ordinance amendment is covered by the "common sense exemption" in that CEQA applies only to projects which have the potential to cause a significant effect on the environment. Here, it can be seen with certainty that the ordinance which updates the process for considering a planning application extension, will not have a significant effect on the environment per Guidelines Section 15061(b)(3). Furthermore, this amendment is not a project subject to CEQA, because it can be seen with certainty that it will not cause a physical change in the environment.

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, the San Mateo Daily Journal, posted at three public facilities (City Hall, Main Library and King Center), and noticed to the following parties at least ten (10) days in advance of Planning Commission meeting:

- 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 Ordinance

Att 2 - Draft Ordinance (track changes)

STAFF CONTACT

Julia Klein, Principal Planner
Jklein@cityofsanmateo.org
(650) 522-7216