

DATE: September 24, 2013

TO: Honorable Mayor and City Council

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Director

VIA: Daniel H. Rich, City Manager

TITLE: 801 El Camino Real West



PURPOSE

The purpose of this Study Session is to provide the City Council with an update on the proposed mixed-use project located at 801 El Camino Real West, summarize the Environmental Planning Commission's (EPC) comments from their Study Session on September 11, 2013, and receive Council feedback on the project prior to the formal application.

BACKGROUND

This report contains a summary of the EPC's comments from their Study Session, and the attached EPC report provides a comprehensive project description and analysis of the informal project (see Attachment 1 – EPC Staff Report, September 11, 2013).

Process

In April 2013, the City Council considered a Gatekeeper application from Greystar and authorized staff resources for the consideration of a rezoning of the project site to the P (Planned Community) District for a new mixed-use retail/apartment project. Council authorized staff to begin work on the project starting in August 2013.

The informal project plans were submitted to the City on August 1, 2013, and brought to an EPC Study Session on September 11, 2013. A summary of the EPC's comments are provided later in this report. Following feedback from the City Council at this Study Session, the applicant will revise the project and submit a formal application which will begin the development review and Environmental Impact Report (EIR) processes.

After the project goes through a couple rounds of the development review process, staff anticipates a second Council Study Session in early 2014. Following completion of the

project review, the EPC will hold a public hearing to make a final recommendation to the City Council in early 2015 (see Attachment 2 – Process Flow Chart).

Project Site

The project site is referred to as “801 El Camino Real West” and consists of nine parcels totaling 2.38 acres on the southwest corner of El Camino Real and Castro Street. The project site is currently developed with 22,380 square feet of commercial buildings and private parking spaces. The project includes the City’s 38-space public parking lot adjacent to the alleyway. On May 14, 2013, the City Council authorized execution of a Purchase and Sale Agreement with Greystar for the sale of the parking lot should Council ultimately approve a development permit for the proposed project. Under the terms of the Agreement, this Study Session starts a 90-day “early termination” period during which the Council may terminate the Purchase and Sale Agreement. A Council Closed Session will be scheduled in October to discuss if Council wishes to exercise its early termination right. The Agreement in no way obligates the Council to approve the project, even if the early termination right is not exercised.



Project Description

The applicant, Greystar, is proposing to rezone the 2.38-acre project site from the CRA (Commercial/Residential-Arterial) District to the P (Planned Community) District and redevelop the site with up to 175 apartment units in three- and four-story buildings over underground parking garages, approximately 10,400 square feet of commercial retail space along El Camino Real and a portion of Castro Street, and a public plaza on the corner of El Camino Real and Castro Street.

The applicant is working to retain the existing tenants on-site and has committed to providing long-term leases to Rose’s International Market, Tanya’s Hair Design, Le’s Alterations, Peet’s Coffee & Tea, and Sufi Coffee Shop and Cultural Center. The applicant is also working on providing temporary facilities for some tenants in the vicinity during construction.

EPC Study Session Summary

The EPC reviewed the proposed project at a Study Session on September 11, 2013. The EPC was generally supportive of the redevelopment of the project site with a new

mixed-use project; however, they raised issues with the scale of the project and recommended changes or more studies to ensure circulation and building massing are appropriately addressed. The webcast is on the City's web page.

The following is a summary of the EPC's comments from the Study Session:

- Supports the efforts to retain the existing tenants.
- Acknowledged that the project site is a key location along El Camino Real and a gateway to the downtown, and that the project design should be modified to be iconic and representative of its gateway status.
- Building heights should transition from taller heights closer to El Camino Real to lower heights along Castro Street as you get closer to the residential neighborhood.
- Significant building step-downs should be provided so that the heights of the new buildings are no more than one story taller than the adjacent residential buildings.
- The design of the plaza on the corner of El Camino Real and Castro Street should create an active and pleasant environment for people, which has not been provided on the other three corners of this intersection.
- The setback along El Camino Real should be increased to at least 18' from the curb line.
- There should be a comprehensive study of vehicular circulation into and around the site to reduce the potential for cut-through traffic on Sonia Way and Harpster Drive, including modified medians along Castro Street and consideration of alternative vehicular entrances/exits on Castro Street and possibly El Camino Real.
- Traditional architecture should be considered to help better transition and relate the project to the adjacent residential neighborhood.
- The determination of parking supply should account for the existing usage of the City parking lot by nearby businesses.

Several of the EPC recommendations mirrored the staff recommendations from the EPC report.

Twenty-six (26) people from the public spoke at the Study Session regarding the project. Most of the speakers were not in support of the project, citing that it was too tall, had

too many units, that there was not enough parking for both the retail uses as well as the residential units, and are concerned with potential cut-through traffic on Sonia Way and Harpster Drive. Some of the speakers were supportive of the redevelopment of the site but requested that it be modified to address the above concerns.

DISCUSSION

Staff requests City Council feedback on the EPC recommendations, as well as the following questions staff prepared in response to the EPC Study Session discussion:

1. The EPC expressed a concern about the possibility of having a pleasant environment along El Camino Real, citing the lack of success of the plazas and open spaces on the other three corners of this intersection. EPC suggested that the applicant modify the El Camino Real building to rotate the Peet's Coffee & Tea tenant space to shield the plaza from El Camino Real.

Staff believes that with thoughtful design, an active and comfortable plaza could be provided based on the applicant's original design. Staff recommends that Council provide staff and the Development Review Committee (DRC) with the flexibility to study the applicant's design before pursuing a design change.

Question 1: Should the proposed plaza be required to be moved off of El Camino Real, or should the concept of the corner plaza be studied further?



Current Plaza Design



Modified Plaza Design

2. The EPC recommends that the building heights transition from taller heights closer to El Camino Real to lower heights along Castro Street and that significant building step-downs be provided so that the heights of the new buildings are no more than one story taller than the adjacent residential buildings.

Typically, the City addresses building massing issues with a combination of extra setbacks for the upper level and step-downs in height adjacent to shorter buildings in the neighborhood. However, another approach could be to place a maximum three-story height on the buildings closer to the neighborhood. These buildings may still step down to two stories, but would have no fourth-story elements.

Since the project is in the preliminary stages of City review and has not started the DRC review process, staff believes that it may be possible to create a design that appropriately transitions in height without placing a mandatory three-story limit on the buildings adjacent to the residential neighborhood.

Question 2: Should a mandatory three-story height limit be placed on the buildings adjacent to the residential neighborhood, can the concept of greater fourth-story setbacks and building step-downs be studied further, or does the Council have other direction related to neighborhood compatibility?

3. The EPC recommended a comprehensive study of vehicular circulation into and around the site to reduce the potential for cut-through traffic on Sonia Way and Harpster Drive, including modified medians along Castro Street and consideration of alternative vehicular entrances/exits on Castro Street and possibly El Camino Real.

Question 3: Does the Council have additional direction on site design and circulation?

Neighborhood Meeting

The applicant held a second neighborhood meeting on September 18, 2013 to present modified plans to the neighborhood and gather additional feedback. Since the last neighborhood meeting and the EPC Study Session, the applicant made revisions to the informal plans to address City direction as well as neighborhood concerns including: providing an increased building setback along El Camino Real; moving the residential building driveway ramp and entrance from the southern property boundary to align with Victor Way; replacing the driveway ramp along the southern property boundary with open-landscaped open space area; and starting work on the design of the corner plaza. The applicant also indicated that they are working on reducing the size of the fourth floors and providing greater building step-downs as requested.

Approximately 25 people attended the meeting, and they continued to have concerns expressed at the first neighborhood meeting regarding heights, number of units, parking, plaza design, and potential cut-through traffic.

NEXT STEPS

Following feedback from the City Council at this Study Session, the applicant will prepare a formal application and begin the development review and environmental review processes as noted in Attachment 2.

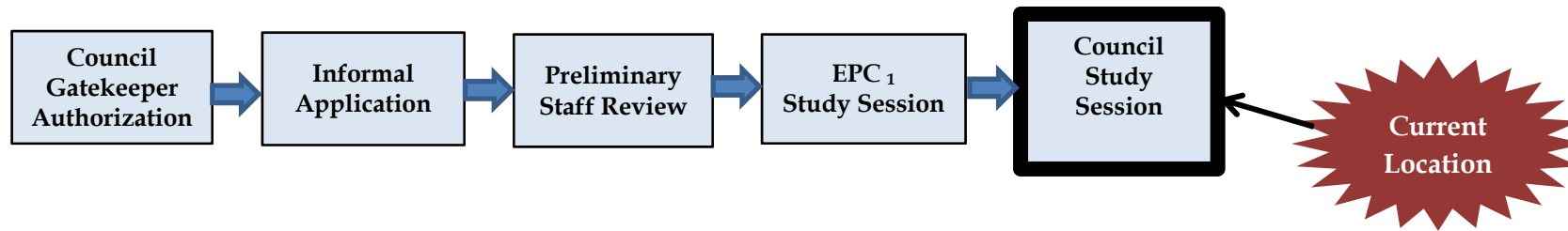
PUBLIC NOTICING

Agenda posting and mailing to interested parties on file with the Community Development Department.

SW-PG-RT/7/CAM
818-09-24-13SS-E

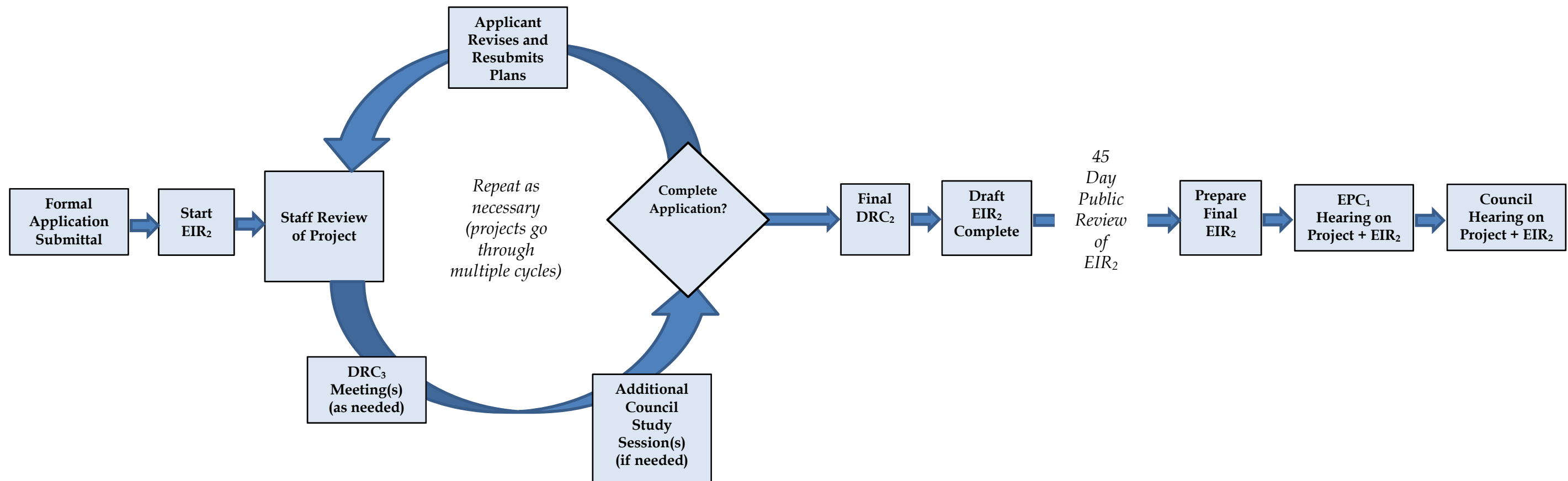
- Attachments: 1. [Environmental Planning Commission Staff Report, September 11, 2013](#)
2. Process Flow Chart

Major Gatekeeper Project Review Process



INFORMAL REVIEW PROCESS

FORMAL DEVELOPMENT REVIEW PROCESS



1 - EPC = Environmental Planning Commission
 2 - EIR = Environmental Impact Report
 3 - DRC = Development Review Committee