



DATE: June 17, 2014

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **Residential Project at 827 Rengstorff Avenue**

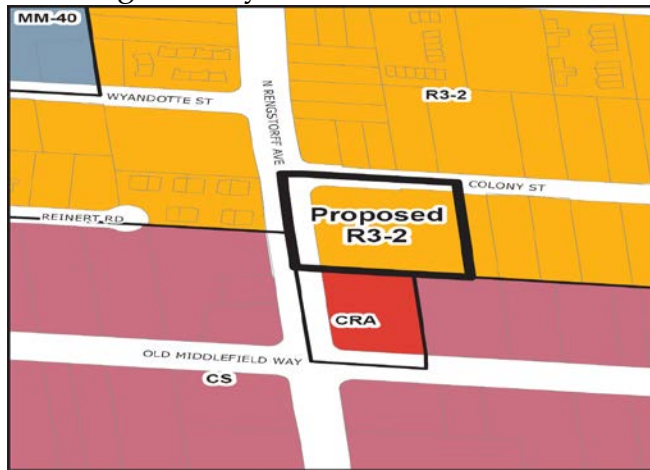
RECOMMENDATION

1. Adopt a Mitigated Negative Declaration for the 827 Rengstorff Avenue Project in Accordance with the California Environmental Quality Act (Attachment 1 to the Council report).
2. Adopt a Resolution Approving a General Plan Land Use Map Amendment to Change the Property at 827 Rengstorff Avenue from Limited Industrial to Medium-Density Residential (13 to 25 Units per Acre), to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Introduce an Ordinance Amending the Zoning Map for the Property at 827 Rengstorff Avenue from the ML (Limited Industrial) District to the R3-2 (Multiple-Family Residential) District, to be read in title only, further reading waived, and set a second reading for June 24, 2014 (Attachment 3 to the Council report).
4. Adopt a Resolution Approving a Planned Unit Development Permit, Development Review Permit, and Heritage Tree Removal Permit for a 24-Unit Rowhouse Project and the Removal of Seven Heritage Trees on the Property Located at 827 Rengstorff Avenue, to be read in title only, further reading waived (Attachment 4 to the Council report).
5. Adopt a Resolution Approving a Tentative Map for the 24-Unit Rowhouse Development at 827 Rengstorff Avenue, to be read in title only, further reading waived (Attachment 5 to the Council report).

BACKGROUND

The 1.4-acre project site is located at the southeast corner of North Rengstorff Avenue and Colony Street. The property is currently developed with an industrial building and associated asphalt paving and landscaping.

The surrounding land uses include a mix of commercial, single-family residential, and multi-family residential. To the north, east, and west of the site there are multi-family and single-family homes. To the south of the site is multi-family and commercial development. The parcels to the south of the site are under construction for a recently approved development of a three-story, mixed-use commercial and affordable housing apartment project.



Zoning Map

The surrounding zoning districts include R3-2 (Multiple-Family Residential) to the north, east, and west, and CS (Commercial–Service) and CRA (Commercial/Residential–Arterial) to the south.

ANALYSIS

The applicant, City Ventures, is proposing to demolish the existing industrial building and redevelop the site with 24 three-story, attached rowhomes (see Attachment 6–Project Plans). As part of the project, the applicant is requesting a General Plan Land Use Designation/Map Amendment from General Industrial to Medium-Density Residential (13 to 25 units per acre) (see Attachment 2–General Plan Land Use Map Exhibit) and a rezone (see Attachment 3–Zoning Map Amendment Exhibit) from the Limited Industrial (ML) District to the Multiple-Family Residential (R3-2) District.

The proposed site plan shows two rows of buildings fronting on Colony Street, one row of buildings on Rengstorff Avenue, and two interior buildings in an “L” shape with the internal common open space courtyard adjacent to the entrance. The internal street entrance is proposed from Colony Street. Each home will have a two-car private garage off of an internal street, a small private yard, and will feature porches/stoops that connect to the street and the surrounding neighborhood, activating the street. The internal driveway loops around the common open space and internal units. The site



Site Plan

has been designed to allow pedestrian connections and circulation throughout with decorative street paving and paths. The open space could be used both passively and actively. Each unit would also be provided with more than the required 100 square feet of private open space consisting of a private patio in addition to a porch and second-story balcony.



Neighborhood Context Plan

The proposed units are three stories tall with traditional siding, and the applicant is proposing variations of color, style, and articulation to create identity for the individual units. There is a combination of raised, enclosed porches and at-grade, open porches.

Previous Meetings

On April 16, 2013, Council authorized a Gatekeeper request for the subject project at 827 Rengstorff Avenue, but deferred the start to September 2013 due to limited staff resources at that time.

On November 6, 2013, the Environmental Planning Commission (EPC) held a Study Session to review preliminary plans for the project and provide input on the proposed project. The EPC was generally supportive of the project and discussed providing a connection to Permanente Creek. Staff noted the Colony Street to Permanente Creek east/west connection is not part of the capital improvement projects (CIP), but the City is aware of the need and there will eventually be a connection. Most of the right-of-way exists for a future trail connection except further east toward the Colony Street cul-de-sac.

The development project was reviewed by the Development Review Committee (DRC) at the January 15, 2014 meeting and again on March 19, 2014. At that time, the DRC recommended approval.

On April 30, 2014, the applicant held a neighborhood meeting to share the project with interested parties. Three residents attended the meeting and expressed general support of the project (Attachment 7 – Comment Letter).

The project returned to EPC on May 6, 2014 for a formal recommendation to Council. The EPC expressed support of the project and acknowledged the applicant's responsiveness to the previous EPC and staff comments. The EPC voted unanimously to recommend that Council approve the project.

Land Use Conversion – Industrial to Residential

The applicant is requesting a General Plan Land Use Map Amendment from General Industrial to Medium-Density Residential. The project site is located within an area that is transitioning from an industrial area into a residential neighborhood. The most recent examples of the shift in this area are the 28-unit 1951 Colony Street rowhouse project (approved November 2013), the 49-unit apartment/mixed-use project at 819 Rengstorff Avenue (approved January 2013), the 108-unit Gables End project at 1950 Colony Street (approved June 2006), and the creation of Sierra Vista Park in 2006. Additionally, many of the existing MM-zoned properties along the south side of Colony Street consist of single- and multiple-family residential homes.

Despite the existing industrial land use designation and zoning, the site offers a wide range of benefits for residents. It is within one mile from Monta Loma Elementary and one-half mile from Crittenden Middle School. It is near Sierra Vista Park and the Permanente Creek overpass crossing Highway 101, which leads to jobs and recreation in the North Bayshore Area. There is also a variety of shopping destinations, including the neighborhood shopping center Monta Loma Plaza and the larger, regional shopping centers of Rengstorff Center and the Charleston Plaza.

Open Space and Heritage Trees

The project would include the construction of an approximately 3,404 square foot central, common open space, which exceeds the 3,300 square foot minimum requirement for the project. In addition to the common open space, there is a generous perimeter planning plan and other landscaped areas, i.e., a circular walkway enclosing a lawn area. Finally, each unit would also be provided with more than 100 square feet of private open space consisting of a private patio in addition to a porch and second-story balcony.

The applicant is proposing to remove 7 of 16 Heritage trees. The EPC recommends approval of all 7 of the trees proposed for removal because the trees are within the limits of grading and site improvements and suitability for preservation is low. To replace the Heritage trees, the applicant will plant fourteen (14) 24" box-size trees throughout the site.

The existing canopy coverage on the site is 18 percent. When construction is completed, this will be reduced to 12 percent. After 5 years of growth, the new trees on-site will cover about 18 percent of the site, and at 10 years, 26 percent of the site will be covered by canopies.

Parking

The project proposes two-car garage spaces per unit and seven guest-parking spaces, which meets the Rowhouse Design Guidelines' parking requirements. There are a total of four tandem units. Tandem spaces can introduce inconveniences due to the front car being blocked by the rear car; however, surface parking spaces are located near the tandem units to enable a future resident to temporarily park one car while removing the other from the garage, as required by the Rowhouse Guidelines.

ENVIRONMENTAL REVIEW

An Initial Study and Mitigated Negative Declaration were prepared for the proposed project in conformance with California Environmental Quality Act (CEQA) Guidelines, and the analysis determined the project would not result in significant unavoidable impacts with implementation of proposed mitigation measures. Potential impacts were related to the following CEQA sections: Cultural Resources, Hazards and Hazardous Materials, Noise, and Traffic and Transportation. All impacts of the proposed project would be mitigated to a less-than-significant level with the Negative Declaration. The public review period for the Initial Study/Mitigated Negative Declaration was from

April 7, 2014 to April 28, 2014. One letter was received from Valley Transportation Authority (VTA) stating they had no comments (Attachment 8 – VTA Letter).

FISCAL IMPACT

The City's share of the property taxes for Fiscal Year 2013-14 is approximately \$670. If the site were redeveloped, based on the estimated value of the project, the City would receive approximately \$39,600 additional property tax revenue.

The project is subject to the City's Below-Market-Rate (BMR) Ordinance. Payment of the required BMR In-Lieu fees would result in an estimated BMR payment to the City of approximately \$756,000, based on the applicant's projected average sales price of \$950,000 to \$1,150,000 per unit.

The estimated Park Land Dedication In-Lieu Fee for the 24 residential units is \$432,000.

CONCLUSION

The requested General Plan and Zoning Ordinance Map Amendments will allow for the continuation of the transition from industrial to residential land uses in this area. The project site is an ML island surrounded by R3-2 and CRA zoning. The remaining MM (Industrial) zoned properties are primarily existing single-family and multiple-family homes. The proposed rowhome project is consistent with the Rowhouse Guidelines and has many desirable features.

ALTERNATIVES

1. Refer the project back to the DRC and/or EPC for further review or project modifications.
2. Deny the General Plan Land Use and Zoning Map Amendment applications, finding that a residential use is not appropriate for this site.
3. Provide other direction.

PUBLIC NOTICING

The meeting agenda and staff report were posted on the City Internet home page and announced on cable television Channel 26. All property owners within a 300' radius and other interested stakeholders were notified of this meeting. Additional meetings

will be held regarding this project and property owners and other interested parties will be notified.

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MN-GB/7/CAM
802-06-17-14CR-E

- Attachments:
1. Initial Study, Draft Mitigated Negative Declaration, and Mitigation Monitoring Program
 2. Resolution for a General Plan Land Use Amendment and Exhibit
 3. Ordinance for a Zoning Map Amendment and Exhibit
 4. Resolution for a Planned Unit Development Permit, Development Review Permit, and a Heritage Tree Removal Permit
 5. Resolution for a Tentative Map
 6. Project Plans
 7. Comment Letter
 8. VTA letter