



DATE: February 27, 2018

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **Rowhouse Development at 333 North Rengstorff Avenue**

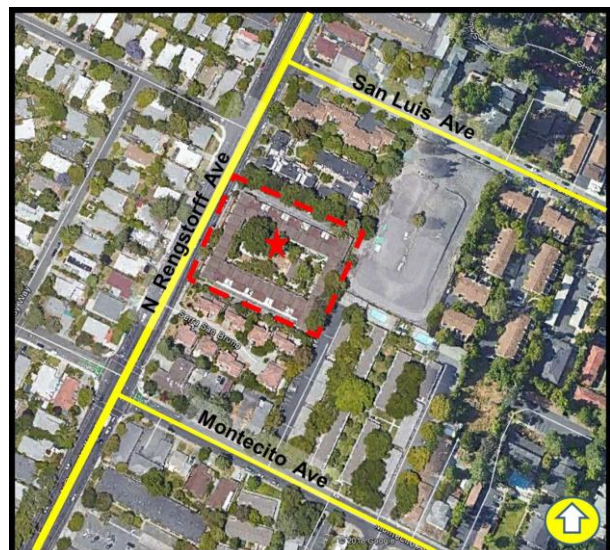
RECOMMENDATION

1. Adopt a Resolution Conditionally Approving a Planned Unit Development and Development Review Permit to construct a 31-unit Rowhouse Development to Replace a 32-unit Apartment Project and Heritage Tree Removal Permit to Remove 22 Heritage trees at 333 North Rengstorff Avenue, to be read in title only, further reading waived (Attachment 1 to the Council report) including a determination that this project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Section 15332 (“Infill Development Projects”) of the CEQA Guidelines.
2. Adopt a Resolution Conditionally Approving a Vesting Tentative Map to Create Seven Lots and Eight Common Lots on a 1.8- Acre Project Site at 333 North Rengstorff Avenue, to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

Project Site

The 1.72-acre project site is located on the east side of Rengstorff Avenue, between Montecito Avenue and San Luis Avenue. The project site is surrounded on all sides by residential land uses. The site is currently developed with a 32-unit, two-story apartment complex which was constructed in the 1960s.



Location Map

There are two approved projects directly adjacent to the project site to the northeast (2025 and 2065 San Luis Avenue) and to the east of the project site at 2044 and 2054 Montecito which was recently approved by Council in November 2017 (both are three story rowhouse projects).

Proximity to Services

The Monta Loma/Farley/Rock neighborhood offers a wide range of amenities for residents. It has several schools and parks, including Monta Loma Elementary School and Park approximately one-quarter mile to the west and Crittenden Middle School and Whisman Sports Center less than one mile to the northeast. The site is also near Sierra Vista Park and the Permanente Creek overpass crossing U.S. 101, which leads to jobs and recreation in the North Bayshore Area.

A small shopping center is located at the corner of North Rengstorff Avenue and Central Expressway approximately one-quarter mile to the south and the Monta Loma Plaza is the same distance to the north which provides a grocery store, commercial services, restaurants, and a gas station. Fire Station No. 3 is on the corner of Montecito and Rengstorff Avenues.

Previous Entitlements

In March 2015, the City Council approved a 29-unit rowhouse development. The project was never built and the land use entitlements have since expired.

ANALYSIS

Project Description

The project, submitted by Summerhill Homes, proposes to develop the site with 31 ownership rowhome units. The proposal includes seven buildings (two to seven units each) located around a large common open space area at the center of the site. The unit mix includes 23 three-bedroom units and eight four-bedroom units, which range



Site Plan

in size from approximately 2,000 to 2,300 square feet.

The units along Rengstorff Avenue have front doors facing the street and pedestrian routes include a sidewalk along the entry driveway and the center paseo which leads to the units and common space within the interior of the site, which connects all the units to each other, the public sidewalks, and the common open area. Most of the rear units not along the street open onto the central common open space.

The architectural style of the development is traditional with Craftsman elements, such as porches and balconies, wood shingles, railings and porch columns with stone bases, corbels, and gable and shed roof forms. Units are differentiated through massing, varied roof forms, projections and offsets, porch elements, exterior materials, and colors.



Street View

General Plan Designation

The site's General Plan designation is Medium-Density Residential (13 to 25 du/acre) and is located in the Monta Loma/Farley/Rock Planning Area, which is composed of a mix of different land uses, including single-family and multiple-family residential, industrial, office, public facilities, and parks.

In general, the proposed project is consistent with the General Plan's vision for the area, including a residential project at 18 units per acre and complies with the following General Plan Policies:

- ***LUD 6.1: Neighborhood character.*** Ensure that new development in or near residential neighborhoods is compatible with neighborhood character.
- ***LUD 6.3: Street presence.*** Encourage building facades and frontages that create a presence at the street and along interior pedestrian paseos and pathways.
- ***LUD 9.1: Height and setback transitions.*** Ensure that new development includes sensitive height and setback transitions to adjacent structures and surrounding neighborhoods.

- **LUD 10.1: Sustainable design and materials.** Encourage high-quality and sustainable design and materials.

Zoning Designation

The proposed project is in the R3-2.2 (Multiple-Family Residential) District. The R3 zoning designation allows rowhouse developments consistent with the Rowhouse Guidelines. The project complies with all of the Rowhouse Guidelines and no exceptions are requested. The following table shows the project’s compliance with the Rowhouse Guidelines:

Standard	Requirement or Maximum Allowed	Proposed
Maximum Units	Per R3-2.2 Zoning: 31	31
Floor Area Ratio	1.05	0.9
Front Setback	15’ (not including porches)	15’
Side Setbacks	10’ for 1st and 2nd floors 15’ for 3rd floor	12’ 17’4”+
Rear setbacks	10’ 1 st & 2 nd floor 15’f 3 rd floor	30’5”
Building Coverage	35%	34.8%
Height	45’ 36’ to wall plate	36’1” 38’1” 30’5” to 32.5”
Open Area	35% 100 s.f. per unit private 100 s.f. per unit common	35% 149 s.f. per unit (avg.) private 315 s.f. per unit common
Private Storage	164 c.f./unit	164 c.f./unit
Minimum Parking	2 covered spaces per unit + 0.3 guest spaces	2 car garages + 9 guest spaces

Parking and Circulation

The site’s driveway access to Rengstorff Avenue is on the northern side of the property and is designed as an internal loop street. Each unit has a two-car garage and nine guest parking spaces located in the rear. Bicycle parking spaces are provided in each garage, plus four guest bike racks in the common area.

Paseos and pathways within the development provide pedestrian connectivity within the development and to Rengstorff Avenue. The City is requiring an access easement between the project site and the adjacent development project at 2044 and 2054 Montecito Avenue, should this project be approved. The two projects are both under contract by SummerHill Homes and the access easement would allow residents of the

two developments to walk or bike through the two developments either to Montecito Avenue or Rengstorff Avenue.

Open Space and Trees

The project contains approximately 9,772 square feet (85'x124') of common open space in the middle of the site, and a total site open space area of 26,460 square feet (35%), which meets the minimum requirement of 35%. The common open space includes amenities such as tables and seating, grills, fire pit, and a children's play area in addition to passive landscaped open space.

A tree survey was completed for the project site by HortScience, and reviewed by the City Arborist. The tree survey identified, measured, mapped, and rated the trees for preservation, which took into consideration the trees' age, health, structural condition, and proximity to the proposed structures and site development. The project proposes to retain two healthy Redwood trees (No.18 and No.19) and remove 22 Heritage trees. A third 44" Redwood (#17) was considered a poor candidate for preservation as it has been topped and has a thin canopy. The typical replacement ratio for the removal of Heritage trees is 2:1 and the applicant is proposing 101, 24-inch box replacement trees, which represents a replacement ratio of approximately 4:1. Additionally, the planting plan includes 36, 15-gallon trees for a total of 137 new on-site trees.

The proposed tree removal is necessary for the buildout of the project with the maximum number of units permitted under the zoning designation and achieve the site planning design requirements of the Rowhouse Guidelines. These organizing principles include maximizing the number of units facing the public street, centralized common open space, and a connected internal development circulation network with a loop circulation wherever possible rather than dead-end cul-de-sacs. The existing trees were planted in the landscape areas surrounding the existing buildings proposed to be demolished and are located in the proposed project's building footprints, loop circulation street, and guest parking spaces. Trees in the center of the site not within a building footprint, where the common area would be located, are rated by the Arborist as low suitability for preservation.

The following table shows the existing and proposed tree canopy coverage.

Tree Canopy Coverage

	Canopy Coverage
Existing Trees	30.8 %
Retained + New After 5 Years	4%
Retained + New After 10 Years	11%
Retained + New at Maturity	31%

Tenant Relocation

The existing apartments on-site are covered under the Community Stabilization and Fair Rent Act (CSFRA). The Project has begun implementing the provisions required under the City's Tenant Relocation Assistance Ordinance (TRAO). Thus far, the following has taken place per the TRAO requirements:

- Notice of Intent went out to tenants on April 14, 2017 via first-class and certified mail.
- An on-site community meeting was held on May 22, 2017. Thirteen (13) of 33 households attended this meeting.
- All tenants received an application and information detailing the City's Tenant Relocation Ordinance (TRAO), eligibility requirements, and benefits. These were hand delivered or mailed.
- To date, nine (9) households have applied for a TRAO payment. Eight (8) have been determined eligible, and one application was incomplete.

Status of 8 eligible households, as of 1/24/18:

- Four (4) have received their first 50% of the eligible TRAO payment.
- One (1) has vacated and received 100% of their eligible TRAO payment.
- Two (2) households have been determined eligible, and TRAO payment is expected soon.
- Application was received as of 1/24/18, appears to be eligible and TRAO payment is in process.

If the proposed project is approved, SummerHill Homes estimates demolition of the existing apartment buildings in late 2018.

Tentative Subdivision Map

The proposed Tentative Subdivision Map (Map) for the project includes seven residential condominium lots and eight common lots for private streets and open space. Staff finds that the project is consistent with the requirements of the Subdivision Map Act and the General Plan with incorporation of the draft Conditions of Approval (see Attachment 2 – Resolution for Vesting Tentative Subdivision Map).

Public Meetings and Comments

Community Meeting

The applicant held two community meetings, on July 26, 2017 and December 7, 2017. Approximately four people attended the first meeting and one person attended the second meeting. They asked questions to get familiar with the project; at the second meeting the participant commented on the bicycle lane and parking design along North Rengstorff Boulevard. No issues were raised concerning the project.

Development Review Committee

The project was reviewed by the Development Review Committee (DRC) on July 5, 2017 and September 20, 2017, when they recommended approval of the project.

Zoning Administrator/Subdivision Committee

The project was reviewed by the Zoning Administrator and Subdivision Committee on February 14, 2018, where it was recommended for approval. No one spoke at the meeting regarding the project. No letters from the public have been received. Two Public Works conditions of approval were added that if the project site and the adjacent 2044 & 2054 Montecito Avenue parcels are to be covered by a single homeowners association with a common set of conditions, covenants, and restrictions (CC&Rs) and the applicant elects to have the Montecito Avenue parcel sewer connect through the project site, the subdivider shall provide a private sanitary sewer easement over the project site. The joint homeowners association would be responsible for maintaining, repairing and replacing the private sewer lines over both individual parcels.

ENVIRONMENTAL REVIEW

The project qualifies as categorically exempt under the California Environmental Quality Act (CEQA), Section 15332 (“Infill Development Projects”) because it is characterized as an infill development which is consistent with the applicable General Plan and zoning designation and regulations; is on a project site that is less than five acres; contains no value as habitat for endangered, rare, or threatened species; would not result in any significant effects relating to traffic, noise, air quality, or water quality; and the site can adequately be served by all required utilities and public services.

FISCAL IMPACT

The subject site has a total assessed value of approximately \$19,354,398 (Fiscal Year 2017-18) and the property taxes received by the City are \$31,000. If the site were developed with 31 residential units with an average sales price of approximately \$1.6 million, the City would receive approximately \$48,000 in additional property taxes per year.

The project is subject to the City’s Below-Market-Rate (BMR) Ordinance, which currently requires 10 percent affordable units. The City Council’s standard practice to date has been to accept in-lieu payment (3 percent of sale price) when units are priced above a threshold set by the BMR Program Administrative Guidelines. This threshold is currently approximately \$727,218. Therefore, the estimated BMR In-Lieu payment to the City for this project is approximately \$48,000 per unit or \$1,488,000 total.

Since the project does not propose any net new units from what exists on the site today, the project is not required to pay additional Park Land Dedication In-Lieu fees, in accordance with Chapter 41 (Park Land Dedication or Fees In Lieu Thereof) of the City Code.

CONCLUSION

The Zoning Administrator recommends approval of the proposed 31 rowhouses and the Subdivision Committee recommends approval of the Vesting Tentative Map at 333 North Rengstorff Avenue. The project supports General Plan policies for neighborhood character and street presence and is consistent with the land use and development direction in the General Plan and is in compliance with the Zoning Code and the Rowhouse Guidelines. The proposal promotes a well-designed development that is compatible with and harmonious with surrounding uses and developments and is consistent with other existing, under construction, and proposed projects in the area. The project adds ownership housing but does displace tenants in rent-controlled units.

The proposed subdivision, together with the provisions for its design and improvements, is consistent with the General Plan Land Use Designation of Medium-High Density Residential, the R3-2.2 Zoning District, including all the requirements applicable to the property, and with the Subdivision Map Act.

ALTERNATIVES

1. Approve the project with modified conditions.
2. Refer the project back to the DRC and/or Zoning Administrator for additional consideration.
3. Deny the project and/or deny the map.
4. Provide other direction.

PUBLIC NOTICING

The Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. All property owners and tenants within a 300' radius, the Monta Loma Neighborhood Association, and other interested stakeholders were notified of this meeting.

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PB/4/CAM
815-02-27-18CR-E

- Attachments:
1. Resolution for a Planned Unit Development Permit, a Development Review Permit, and a Heritage Tree Removal Permit with Conditions of Approval
 2. Resolution for a Vesting Tentative Map with Conditions of Approval and Vesting Tentative Map
 3. Project Plans