



**DATE:** October 16, 2018

**CATEGORY:** Public Hearing

**DEPT.:** Community Development

**TITLE:** **Rowhouse Development at 828 to 836 Sierra Vista Avenue and 1975 and 1979 Colony Street**

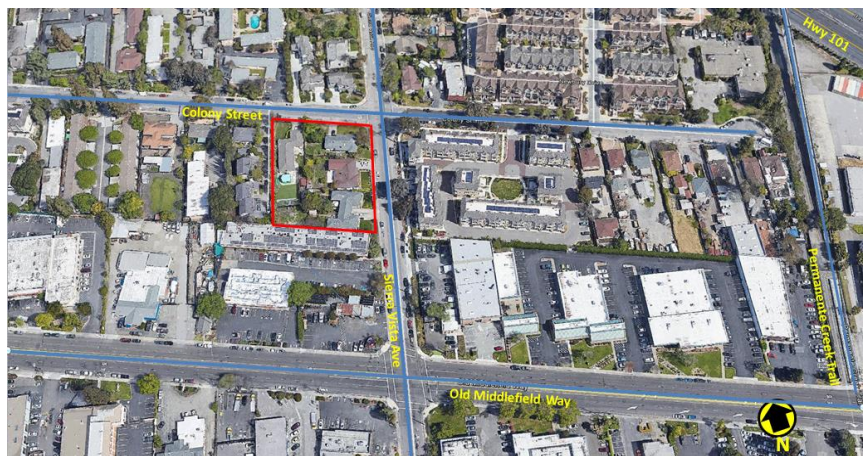
## RECOMMENDATION

1. Adopt a Resolution Conditionally Approving a Planned Unit Development and Development Review Permit to Construct a 20-unit Rowhouse Development, Including a 20 Percent State Density Bonus, at 828 to 836 Sierra Vista Avenue and 1975 and 1979 Colony Street, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution Conditionally Approving a Vesting Tentative Map to Create 20 Lots and Two Common Lots at 828 to 836 Sierra Vista Avenue and 1975 and 1979 Colony Street, to be read in title only, further reading waived (Attachment 2 to the Council report).

## BACKGROUND

### Project Site

The 0.99-acre project site is located on the northwest corner of Colony Street and Sierra Vista Avenue, between Old Middlefield Way and Colony Street, in the R3-2.2 (Multiple-Family Residential) District. Surrounding uses include: two-story single-family residential developments to the west and north; and recently completed three-story rowhouse developments to the east across Sierra Vista Avenue.



**Location Map**

To the south is a one-story, multiple-tenant commercial development, and industrial and commercial along Old Middlefield Way. The site consists of four existing properties totaling 0.99 acre in area and is currently occupied by three single-family homes and one duplex, constructed in the late 1950s.

### **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, Theuerkauf Elementary School and Park (approximately one mile to the west and to the east, respectively), Crittenden Middle School and Whisman Sports Center (one-half mile away), and Sierra Vista Park (across the street). It is also in close proximity to recreation and jobs in the North Bayshore Area. North Rengstorff Avenue has a Class III bike path, and access to the Permanente Creek Trail is close by. North Rengstorff Avenue is considered a transit corridor, connecting to U.S. Highway 101, Central Expressway, and public transit.

The nearest full-service grocery store is located at North Rengstorff Avenue and Middlefield Road, approximately one mile to the southwest, which provides a supermarket, retail stores and services, restaurants, and a gas station as well as other retail and services along North Rengstorff Avenue.

### **Previous Public Meetings and Hearings**

#### *Development Review Committee*

The project was reviewed by the Development Review Committee (DRC) on March 16, 2018, when the DRC recommended approval. The corner elevations, highly visible from Sierra Vista Avenue and Colony Street, were substantially revised with the addition of architectural details and pop-out elements to create



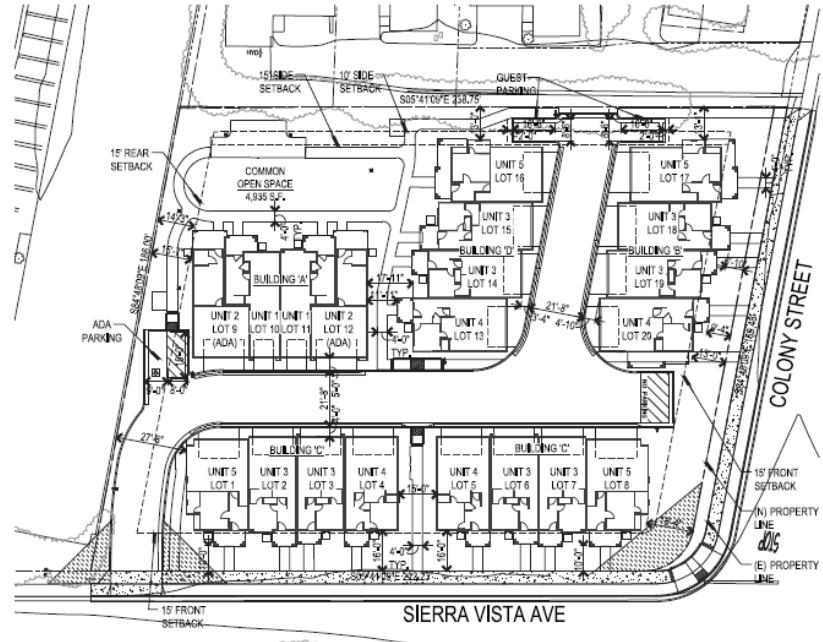
visual interest and the appearance of third-story step-backs. Transitions to adjacent lower-scale, one- and two-story structures were improved. The project design features a traditional style with gable, hip and shed roof forms, raised front porches, brackets, and corbels; stucco and horizontal siding, board and bat siding, and stone veneer bases.

Units are differentiated through massing; varied roof forms, projections, and offsets; porch elements; and exterior materials and colors (see Attachment 3 – Project Plans).

## ANALYSIS

### Project Description

The applicant, D & C Development, Inc., proposes to redevelop the site with 20 three-story rowhouse units in five buildings. The proposed site design includes a two-way driveway accessed off Sierra Vista Avenue, with pedestrian paths along the entry driveway and from Colony Street leading to the common open-space area in the southwest corner. Three four-unit buildings face the street, and two buildings face the interior common area. The units range in size from 2,095 to 2,414 square feet, with 6 four-bedroom units and 14 three-bedroom units, each with 3.5 bathrooms and two with a ground-floor office. The units have two-car garages (including two tandem garages).



**Conceptual Site Plan**

The developer, D & C Development Inc., has requested a State Density Bonus for two bonus units and to provide one of the two as an on-site, very-low income unit (5 percent of the total units). The City Code requires percent (10%) Below-Market-Rate (BMR) by either providing the affordable units or by payment of an in-lieu fee. Since 50 percent of the BMR requirement is met by providing one on-site very-low income unit, the applicant will meet the remaining 50 percent of the BMR requirement by payment of the in-lieu fee for 10 units (50 percent of the units) to meet the affordable housing obligation. As allowed by the State Density Bonus regulations, the developer has also requested a reduction of development standards, which the City must grant if it is necessary to physically construct the development. A reduced development standard is requested for an increase in building coverage for the front porches from the maximum

35 percent allowed to 38.71 percent. The Zoning Code Density Bonus section also provides for a parking standard not to exceed 2 parking spaces for two- to three-bedroom units and 2.5 parking spaces for four-bedroom units, inclusive of handicap and guest parking. The project complies with this parking provision with 43 parking spaces.

#### *Administrative Zoning/Subdivision Committee Public Hearing*

The project was reviewed by the Joint Zoning Administrator and Subdivision Committee on September 26, 2018, where it was recommended for approval. Two public comments concerned the height of the proposed retaining wall with the fence on top at the northwest corner along the property line where Excell Court is located and the Building "B" height. The proposed pedestrian path to access Colony Street will be at a higher grade than the grade at Excell Court. A wall or fence is not allowed to exceed 3' height in the front yard setback or the driveway vision triangle, and a condition of approval will be included to clarify the requirements.

#### **General Plan Designation**

The site's General Plan designation is Medium-Density Residential (13 to 25 dwelling units per acre), and it is located in the Monta Loma/Farley/Rock neighborhood. This area contains primarily residential land uses, with commercial, industrial, and public facilities uses.

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 site’s zoning designation is R3-2 (Multiple-Family Residential). The R3 Zoning District allows rowhouse developments consistent with the Rowhouse Guidelines. The project complies with the Rowhouse Guidelines, and no exceptions are requested. The following table shows the project’s compliance with the Rowhouse Guidelines Development Standards:

<b>Standard</b>	<b>Requirement or Maximum Allowed</b>	<b>Proposed</b>
Maximum Units	Per R3-2 Zoning: 18 units	20 units with 20% Density Bonus
Floor Area Ratio	1.05 maximum	1.05 (with proposed density 20 units/acre)
Front Setback	15’ minimum	15’ to 16’
Side Setbacks	10’ minimum for the first and second stories; 15’ minimum for the third story	First story north side 13’ and third story, north side 16’
Rear setbacks	10’ minimum, for the first two stories; 15’ minimum for the third story	First and second story, west side 14’3” and third story, west side 15’3”
Building Coverage	35% maximum	38.71% with increase allowed by Density Bonus
Height	45’ maximum 36’ maximum to wall plate	39’ to 42’
Open Area	35% minimum 100 sq. ft. minimum per unit private open space	38% 112 sq. ft. to 327 sq. ft. per unit (131 sq. ft. average)
Private Storage	164 cubic ft./unit minimum	164 cubic ft./unit
Parking	2 spaces for two- to three-bedroom units and 2.5 spaces for four-bedroom units with Density Bonus Bicycle spaces 1 per unit + 1 space per 10 units	40 in car garages + 3 guest spaces (1 van ADA)  20 in garages + 4 guest bicycle spaces

**Parking**

The project proposes two garage spaces for each unit and three guest parking spaces. The Density Bonus provision also allows for a parking standard not to exceed 2 parking spaces for two- to three-bedroom units and 2.5 parking spaces for four-bedroom units, inclusive of handicap and guest parking. The project complies with this parking

provision with 43 parking spaces. Bicycle parking will be provided in private garages, and 2 bike racks (4 secure spaces) are located in the common area. Parking meets the minimum requirements.

### **Open Space and Trees**

The project contains approximately 38 percent square feet of common open space, including a 5,250 square foot common open-space courtyard area in between the center and rear buildings, which meets the minimum 35 percent open-space requirement. A landscaped pedestrian path is located along the entry driveway and the western property line leading to the common area and Colony Street. The common area includes site amenities such as tables, benches with a shade trellis, and stone walls.

A tree survey was completed for the project site by Keilty Arborist Services 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. There are no Heritage trees on the site. The proposed tree removal is necessary for the buildout of the project with the maximum number of units permitted under the zoning as the existing trees are located in the proposed project's building or necessary site improvement footprints. The flowering pear trees along the western perimeter (Excell Court) will remain. The street trees on Sierra Vista Avenue will be replaced as they are in poor condition and one is dead.

The tree canopy after 10 years' growth is estimated to exceed the existing canopy coverage. The following table shows the existing and estimated future tree canopy coverage for the site:

#### **Tree Canopy Coverage**

	<b>Canopy Coverage</b>
Existing	18.5%
Retained + New After 5 Years	8.1%
Retained + New After 10 Years	21.6%

### **Tenant Relocation**

Three existing single-family homes and one duplex on four separate parcels will be replaced by this development project. The Community Stabilization and Fair Rent Act

is not applicable since single-family homes as specified in Civil Code Section 1954.52(a)(3)(A) as well as the duplex are exempt (CSFRA Section 1704). The Tenant Relocation Assistance Ordinance is not applicable since this does not concern three or more units on a parcel (Section 36.38.15 of the Municipal Code).

If the proposed project is approved, D & C Development, Inc. estimates that demolition of the existing apartment buildings would begin in the spring of 2019.

**Public Comment** – None.

### **Vesting Tentative Map**

The proposed Vesting Tentative Map would create 20 residential units and two common lots. 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).

### **ENVIRONMENTAL REVIEW**

The project qualifies as categorically exempt under the California Environmental Quality Act (CEQA), Section 15332 (“In-Fill Development Projects”), because it is characterized as an infill development which is consistent with the applicable General Plan and zoning designation; 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 current total assessed value of approximately \$9.4 million (Fiscal Year 2018-19), and the current annual property taxes paid to the City are \$15,100. If the site were developed with 20 residential units with an average sales price of \$1.6 million, the City would receive approximately \$51,000 in additional property taxes per year.

The project is subject to the City’s Below-Market-Rate (BMR) Ordinance, which requires 10 percent affordable units. The City Council’s standard practice 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, which is currently approximately \$727,218. In this case, the provision of one inclusionary affordable unit meets half the affordable housing obligation, so the in-lieu fee is charged on the remaining half of the project (10

units). Therefore, the estimated BMR In-Lieu payment to the City for this project is approximately \$48,000 per unit or \$480,000 total.

The project proposes fifteen net new units from what exists on the site today and will be required to pay the Park Land Dedication In-Lieu fees for the net new units in accordance with Chapter 41 (Park Land Dedication or Fees In-Lieu Thereof) of the City Code. This In-Lieu fee payment is currently estimated at \$765,000.

## **CONCLUSION**

The Zoning Administrator recommends approval of the proposed 20 rowhouse units, and the Subdivision Committee recommends approval of the Vesting Tentative Map at 828 to 836 Sierra Vista Avenue and 1975 and 1979 Colony Street. 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-Density Residential, the R3-2 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 500' radius were notified of this meeting.

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815-10-16-18CR

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