



**DATE:** April 5, 2016

**CATEGORY:** Public Hearing

**DEPT.:** Community Development

**TITLE:** 2025 and 2065 San Luis Avenue Rowhouse Project

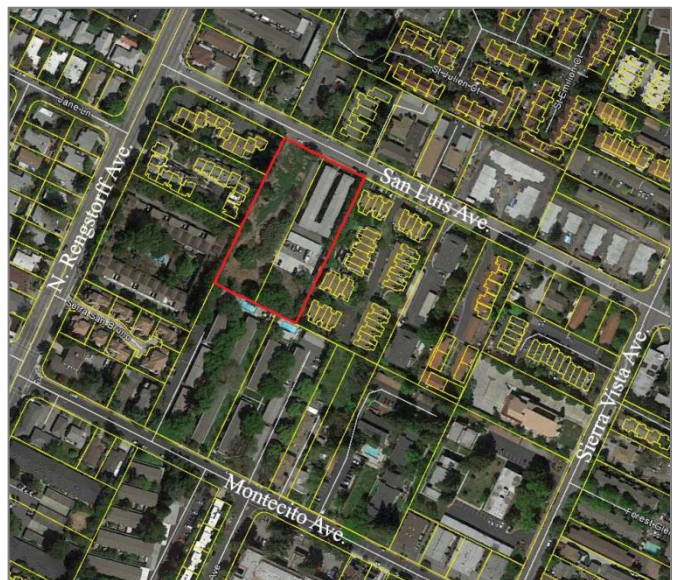
## **RECOMMENDATION**

1. Adopt a Resolution Conditionally Approving a Planned Unit Development Permit and Development Review Permit to Construct a 33-Unit Rowhouse Development Project and a Heritage Tree Removal Permit to Remove 17 Heritage Trees at 2025 and 2065 San Luis Avenue, 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 34 Lots for a Residential Rowhouse Project, Including 33 Residential Lots and One Common Lot for Internal Roads and Open Areas, on a 1.85-Acre Site at 2025 and 2065 San Luis Avenue, to be read in title only, further reading waived (Attachment 2 to the Council report).

## **BACKGROUND**

### **Site Location and Characteristics**

The project site is located on the south side of San Luis Avenue between North Rengstorff and Sierra Vista Avenues. The site consists of two existing lots, each of which is approximately 0.9 acre in area. The western lot is a vacant, undeveloped parcel. The eastern lot is developed with a 17-unit, two-story apartment building and a detached carport structure.



The surrounding neighborhood has a diverse mix of housing types, including single-family homes, duplexes, apartments, and townhouses. The adjacent properties to the east and west are occupied by two-story townhouses. Directly across the street are two single-story apartment buildings and a two-story townhouse development.

Several development projects have recently been approved in the neighborhood. A three-story rowhouse development at the corner of Sierra Vista and San Luis Avenues was approved in 2014 and is currently under construction. A three-story condominium project on Montecito Avenue between North Rengstorff and Sierra Vista Avenues was approved in April 2015 with construction expected to begin in late 2016 or early 2017. A two- to three-story rowhouse project near the corner of Hackett and Sierra Vista Avenues was approved in July 2015 with construction expected to begin in mid-2016. These project sites are within one-quarter mile of the proposed development.

#### *Area Amenities*

The project site is located one-quarter mile east of Monta Loma Elementary School and Monta Loma Park, and less than one-half mile west of Crittenden Middle School and Crittenden Park. Rengstorff Park is approximately one-half mile to the south. There is a small shopping center within one-half mile of the site to the south, at Central Expressway and North Rengstorff Avenue, and a larger shopping center approximately one-quarter mile to the north, at North Rengstorff Avenue and West Middlefield Road. The project site is about one mile from the San Antonio transit station.

## **ANALYSIS**

### Project Description

The applicant, San Luis Avenue, L.P., is requesting approval to replace 17 existing apartments and a vacant parcel with 33 new rowhouses, and to remove 17 Heritage trees. The proposed site layout consists of two 3-story buildings fronting directly on San Luis Avenue and five 3-story buildings facing a central common open space. Vehicle access to the site is provided by a single entry driveway from San Luis Avenue which leads to a private loop street encircling the development. The loop street provides access to individual garages, the unassigned parking spaces along the site perimeter, and the project's two trash enclosures. The proposed site plan and mix of unit types are provided below.

### Site Plan



**Table 1 – Proposed Unit Mix**

Unit Type	Bedrooms	Square Feet (Gross)	Count
A/Ax	2	1,885 to 1,869	10
B	3	2,209	10
C1/C2/C3	3	2,432 to 2,533	8
D/Dx	4	2,333 to 2,379	5

### General Plan and Zoning

#### *General Plan*

The 1.85-acre project site has a General Plan land use designation of Medium-Density Residential (13 to 25 dwelling units per acre), allowing a maximum of 46 units on this site.

The following General Plan policies are advanced by the project:

- *LUD 3.9: Parcel Assembly. Support the assembly of smaller parcels to encourage infill development that meets City standards and spurs neighborhood reinvestment.*

The project assembles two existing parcels into a larger site for development. One of the parcels is currently vacant and detracts from neighborhood character.

- *LUD 6.1: Neighborhood Character. Ensure that new development in or near residential neighborhoods is compatible with neighborhood character.*

The surrounding neighborhood has a broad mix of housing types of various ages and architectural styles ranging from one to three stories in height. The proposed multiple-family development project is compatible with the character of these developments. The project's attractive streetscape design will complement and enhance the neighborhood's existing residential character. The proposed architecture is compatible with the varied styles present in the neighborhood.

- *LUD 6.3: Street Presence. Encourage building facades and frontages that create a presence at the street and along interior pedestrian paseos and pathways.*

The proposed design creates a strong presence along San Luis Avenue and along the linear common open space (or paseo) at the center of the site. Articulated building facades and features of varying heights create visual interest. Unit fronts have projecting entry features at a pedestrian scale along public streets and the interior paseo.

### *Zoning*

The project site has a zoning designation of Residential—Multiple-Family (R3-2.2). Under the existing R3-2.2 zoning, up to 34 units are permitted on the project site. The current proposal for 33 units results in a density of approximately 17.8 dwelling units per acre. This is similar to the density of the existing developed portion of the site, which has 17 apartment units on a 0.94-acre parcel resulting in a density of approximately 18.1 dwelling units per acre.

The R3 Zoning District allows a variety of development types. Rowhouses are generally developed at a higher density than townhouses or small-lot, single-family homes, but a somewhat lower density than stacked condominiums or apartments. Rowhouse developments are subject to a separate set of development standards and design guidelines. The project's compliance with these standards is summarized in

Table 2. The project generally complies with the Rowhouse Guidelines, with several minor exceptions discussed later in this report.

**Table 2 – Rowhouse Development Standards**

Standard	Requirement	Proposed
Maximum Units	34 max.	33
Floor Area Ratio	0.90 max.	0.89
Front Setback	15' min. (excludes porches)	15'
Side Setbacks	10' min. for 1st and 2nd floor 15' min. for 3rd floor	15' at Buildings 1 through 2 35'-45' at Buildings 3 through 7
Rear Setback	15' min.	29'
Building Coverage	35% max.	31%
Height	45' max.	37'-11" – 38'-10"
Open Area	35% min. 100 s.f. per unit private 100 s.f. per unit common	36% 176 s.f. per unit (avg.) private 161 s.f. per unit common
Minimum Parking	2-car garages + 11 additional	2-car garages + 11 additional

## Project Design

### *Building Layout*

The project consists of seven residential buildings with attached rowhouse units. Buildings 1 and 2 each have three units fronting on San Luis Avenue. These buildings flank the entry driveway. The remaining buildings are organized around a central common open space. Buildings 3 through 6 contain five units each, while Building 7 has seven units. Garages for the individual units take access from the private loop street, with unassigned guest parking spaces located in a parallel configuration along the private street. Two trash and recycling enclosures are located along side property lines (see Attachment 3 – Project Plans).

The site design allows for direct views into the common open space from the public street, enhancing the appearance of the streetscape. Unit entries and porches face the central common open space or the public street. Pedestrian pathways connect units to internal amenities and public streets around the site. Decorative paving is used to highlight the entry driveway and key pedestrian connections. These features are illustrated in the site plan provided on Page 3 and the bird's eye rendering of the project shown below.

### Bird's Eye View



#### *Parking*

Each unit is provided with a two-car garage, resulting in a total of 66 covered parking spaces on the site. Ten (10) of the 33 units (approximately 30 percent) have garages with a tandem parking configuration. The remaining garages have side-by-side parking. The Rowhouse Guidelines recommend limiting tandem parking to 50 percent of the units in a development. Staff has typically encouraged applicants to keep tandem garages at or below 25 percent of the units, although several rowhouse developments having more than 25 percent tandem spaces have been approved in recent years. In this case, the number of units in the project would need to be reduced in order to limit the percentage of tandem garages to 25 percent. Staff is supportive of the proposed tandem parking in order to increase the number of housing units provided.

Along the side property lines, 11 parallel spaces are proposed for guest parking and for temporary parking while maneuvering vehicles into tandem garages. The number, location, and design of these spaces are consistent with the Rowhouse Guidelines.

#### *Open Area*

A 5,323 square foot common open space is located at the center of the site. This provides an average of 161 square feet of open space per unit, exceeding the recommended minimum of 100 square feet. The common open space consists of a mix of landscaped areas and pedestrian pavers and is furnished with a barbecue grill, tables

and chairs, benches, and seat walls. Trees are proposed along the sides of the common open space, including an existing mature palm tree to be retained as a focal feature.

Private open space in the development consists of ground-floor entry porches and second-floor balconies. An average of 176 square feet of private open space is provided per unit, exceeding the recommended minimum of 100 square feet. Most units are provided with substantially more than 100 square feet of porch and balcony area, but several units have fewer than 100 square feet available. This is a requested exception from the Rowhouse Guidelines which is discussed in detail later in this report.

### *Architecture*

The proposed rowhouses are designed in a mix of Spanish and Mediterranean styles. Most building areas are three stories in height, with several corner and end units having lower two-story elements on one side. Wall offsets, projecting elements, and decorative details are provided to add visual interest and break up building massing. Each unit has a prominent entry feature combining a ground-floor porch with a second-story balcony.

Exterior wall materials consist of stucco and stone with smaller paneled wood areas on side elevations. Details include decorative tile accents, wrought-iron pot shelves, wood trellises, and deck railings constructed of wood and wrought iron. Concrete tile roofs use a mix of hip and open gable forms. A sample elevation is provided below.

### **Sample Elevation (Building A)**



The proposed architectural style and level of detailing are compatible with the character of the surrounding neighborhood, which has a broad mix of housing types, generally in traditional architectural styles, and heights varying from one to three stories. The Development Review Committee's (DRC) review of the project architecture is discussed later in this report.

### *Exceptions*

The project was reviewed for compliance with the development standards in the City Code and with the design guidelines and development standards in the Rowhouse Guidelines. The project complies with all applicable development standards, including building height, setbacks, floor area ratio, and parking. The applicant requests three minor exceptions from the design guidelines in the Rowhouse Guidelines:

1. Private Open Space: Four of the project's 33 units have 90 square feet of private open space where a minimum of 100 square feet is recommended in the Rowhouse Guidelines. This condition occurs in the C3 floor plan, for which patios and balconies are smaller than others in the development in order to accommodate upper-story setbacks at the ends of these units. Staff is supportive of a minor exception to allow these architectural features which provide visual interest and reduce building massing.
2. Roof Eaves: To increase building articulation, the Rowhouse Guidelines recommend roof eaves should project at least 2' beyond the main facade. The lengths of roof eaves in the project vary from 6" to 18". Staff is supportive of the requested exception to allow reduced roof eave depths. This level of eave projection is consistent with the proposed architectural style, there is substantial building articulation provided by wall offsets and roofline variation, and roofs incorporate decorative details such as wood corbels and shaped fascia boards beneath eaves to add visual interest.
3. Driveway Aprons: The Rowhouse Guidelines recommend individual driveway aprons should not be more than 4' long to discourage residents from parking in front of garages and blocking the drive aisle. The applicant requests an exception to allow longer aprons for 16 of the 33 units. This design allows for articulation on rear building facades while maintaining sufficient depth to place water meters in driveways. The curvature of the private street also increases apron lengths for units located near corners and the entry driveway. The development will be subject to Conditions, Covenants, and Restrictions (CC&Rs) which will prohibit residents from parking on driveway aprons regardless of length. Staff supports



this minor exception to facilitate increased building articulation and water meter placement.

### *Heritage Tree Removal Permit*

The project site has 30 existing Heritage trees. Another 16 Heritage trees are located on adjacent properties near the property lines of the project site. The applicant proposes to remove 17 of the site's 30 Heritage trees due to poor condition or conflicts with proposed construction. The other 13 on-site Heritage trees will be preserved, along with all 16 of the adjacent off-site Heritage trees. The proposed landscaping plan includes a total of 49 replacement trees of medium- to large-sized species and 82 new trees of small-sized species.

The following table shows the existing and proposed tree canopy coverage. In the short term, the project will reduce the tree canopy from 15.6 percent to 6.9 percent. Within five years of planting, the canopy is expected to surpass its current state, and at maturity the tree canopy is expected to cover more than 33 percent of the site.

**Table 3 – Tree Canopy Coverage**

	<b>Canopy Coverage</b>
Existing Trees	15.6 Percent
Retained + New At Planting	6.9 Percent
Retained + New After 5 Years	17.1 Percent
Retained + New After 10 Years	33.2 Percent

Based on the proposed replacement trees and the evaluation of existing trees provided in the arborist reports, staff supports the Heritage Tree Removal Permit.

### *Vesting Tentative Map*

This project contains ownership (for sale) units; therefore, a Vesting Tentative Map must be approved to subdivide the existing lots into individual ownership parcels. The subdivision would result in 33 individual residential lots and one common lot for internal roadways and open spaces. Attachment 2 – Resolution Approving the Vesting Tentative Map includes the proposed map and conditions of approval for the subdivision.

## **Tenant Relocation**

This project is subject to the City's Tenant Relocation Assistance Ordinance. The property owner is required to provide special notices to all households residing in the 17 existing apartment units and will be required to provide financial assistance to qualifying households. The applicant is committed to complying with the City's requirements for relocation assistance to existing tenants.

The City is working with an independent third-party housing consultant to gather information on the existing tenants and determine the required assistance, if any, for each unit. The consultant will also oversee payments to tenants to ensure the required assistance is provided. At the time of writing this report, 16 of the 17 units are occupied. The housing consultant has evaluated most of the existing tenants and has identified 11 tenants who will qualify for relocation assistance under the City's ordinance. Evaluation of the remaining tenants is continuing, and staff will provide an update at the City Council meeting.

## **Public Comment**

### *Development Review Committee*

The project was reviewed by the DRC on November 4, 2015, and January 20, 2016. There were no public comments given at these meetings. Key design elements discussed by the DRC were the common open space area, the level of detailing on side and rear facades, and the need to give the project its own identity to differentiate it from the similarly-styled "Oro Loma" development under construction across the street.

The DRC recommended approval of the site plan and architecture with several minor modifications, including continuing to work with staff to refine the color palette. The DRC's recommended modifications are included as Condition of Approval No. 1 in the Findings Report in Attachment 1 – Resolution Approving the Project.

### *Zoning Administrator/Subdivision Committee*

The project was considered at a joint Administrative Zoning and Subdivision Committee hearing on February 24, 2016. The Zoning Administrator recommended approval of the Planned Unit Development Permit, Development Review Permit, and Heritage Tree Removal Permit with the requested exceptions from the Rowhouse Guidelines and with the conditions in Attachment 1 – Resolution Approving the Project. The Subdivision Committee unanimously recommended approval of the

Vesting Tentative Map with the subdivision conditions in Attachment 2—Resolution Approving the Vesting Tentative Map.

Written comments from two neighborhood residents were received prior to the hearing and are included in Attachment 4—Public Comment Letters. In addition, four members of the public asked questions and provided comments during the public hearing. Public comment focused on street parking, traffic safety at the intersection of Sierra Vista and San Luis Avenues, construction impacts, tree removals, and displacement of tenants.

## **ENVIRONMENTAL REVIEW**

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

## **FISCAL IMPACT**

The project site has a total assessed value of approximately \$1,881,750. The City’s share of the County of Santa Clara’s annual property taxes is approximately \$3,010. If the site were redeveloped as proposed and units sold at estimated sales prices ranging from \$825,000 to \$1.1 million per unit, the City’s share of property taxes would increase to approximately \$48,720 per year.

The project is subject to the City’s Affordable Housing Ordinance, which requires 10 percent of units in ownership developments to be offered at prices Below Market Rate (BMR). When the estimated sales price of the units is above a threshold set by the Council-adopted BMR Program Administrative Guidelines (currently approximately \$670,000), the ordinance permits a developer to either provide the required BMR units within the development or pay an in-lieu fee equal to 3 percent of the sales prices of all units. The average expected sales price is \$922,726 per unit, which exceeds the City’s adopted price threshold. The applicant proposes to pay the BMR in-lieu fees for this project, which are estimated at approximately \$913,500.

The Park Land Dedication Ordinance requires residential developments to provide on-site area for development of a public park, or to pay Park Land Dedication In-Lieu fees, based on the number of net new units on the property. For projects with fewer than 50

units, the dedicated land area would generally be too small to be usable, and payment of in-lieu fees is preferred in these cases. Given the size of the project, the developer proposes to pay the in-lieu fees, which are estimated at approximately \$417,600 (\$26,100 per net new unit) in accordance with Chapter 41 of the City Code.

## **CONCLUSION**

The Zoning Administrator recommends approval of the proposed Planned Unit Development Permit, Development Review Permit, and Heritage Tree Removal Permit for the construction of 33 rowhouses at 2025 and 2065 San Luis Avenue. The Subdivision Committee recommends approval of the Vesting Tentative Map. This project supports General Plan policies for parcel assembly and neighborhood reinvestment, neighborhood character, and street presence, as well as the City's objective of increasing housing supply. The project is consistent with the applicable land use designation in the General Plan, the R3 Zoning District and Planned Unit Development process, and the Rowhouse Guidelines. The project's high-quality design, including site layout, architecture, open space, materials, and details will contribute positively to the surrounding neighborhood and will not result in significant environmental impacts.

## **ALTERNATIVES**

1. Approve the project with modified conditions.
2. Refer the project back to the DRC and/or Zoning Administrator for further review and modification.
3. Deny the project application and Vesting Tentative Map, finding the site is not physically suitable for the proposed type of development.
4. Provide other direction.

## **PUBLIC NOTICING**

The meeting agenda is advertised on Channel 26, and the agenda and Council report are posted on the City's website. A notice was placed in the local newspaper, and notices were mailed to all property owners within a 300' radius of the project, to all existing tenants on the property, and to other stakeholders on the interested parties list.

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- Attachments:
1. Resolution Approving the Project
  2. Resolution Approving the Vesting Tentative Map
  3. Project Plans
  4. Public Comment Letters