

**DATE:** October 28, 2014

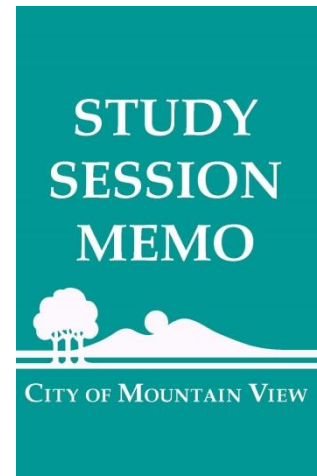
**TO:** Honorable Mayor and City Council

**FROM:** Scott Plambaeck, Senior Planner  
Gerry Beaudin, Zoning Administrator  
Terry Blount, Assistant Community  
Development Director/Planning Manager  
Randal Tsuda, Community Development  
Director

**VIA:** Daniel H. Rich, City Manager

**TITLE:** **400 San Antonio Road – Park Land  
Dedication Requirements**

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## **PURPOSE**

The purpose of this Study Session is to provide an overview and obtain Council direction regarding the public park to be dedicated by the applicant as part of the proposed project at 400 San Antonio Road. Specifically, staff is seeking Council direction on the following two questions:

1. Park Dedication—Should the land area to be dedicated as a public park (as required by the Chapter 41 Park Land Dedication or Fees In Lieu Thereof Ordinance) be included as part of the site area used to calculate the buildable square footage of the project?
2. Park Location—Does Council have a preferred location for the required public park?
3. Park Size—Does Council support a dedication of 0.5 acre for a park and the balance contributed in in-lieu fees?

## **BACKGROUND**

### **Gatekeeper**

In January 2013, the City Council authorized staff resources for the consideration of a rezoning of the project site from CRA (“Commercial/Residential-Arterial”) to P (“Planned Community”) District and an amendment to the General Plan Land Use

Designation from General Mixed-Use to Mixed-Use Corridor for a mixed-use apartment/retail project proposed by Pillar Group.

The project also includes a General Plan Amendment to change the land use designation from General Mixed-Use to Mixed-Use Corridor on 14 acres (outlined in blue in the exhibit on the following page), including the project site. The 14 acres consists primarily of commercial buildings. It should be noted the General Plan Amendment for this project will not be necessary if the San Antonio Precise Plan for the area is adopted prior to approval of the project.

### Project Site

The project site is located on the west side of San Antonio Road between Miller Avenue and Fayette Drive (referred to as “400 San Antonio Road”) and consists of six parcels totaling 5.7 acres (outlined in red on the exhibit to the right, also see Attachment 1– Location Map.) The parcels are currently developed with commercial and office buildings of approximately 75,500 square feet.

### Surrounding Land Uses

The surrounding land uses for the 5.7-acre project site include multi-family housing and commercial buildings to the west; Phase I of Merlone Geier’s San Antonio project across San Antonio Road to the east; a parking lot and commercial use east across Miller Avenue to the north; and commercial uses and single-story residential to the south. The office building property at the northwest corner of Fayette Drive and San Antonio Road is not controlled by the applicant and will remain an office building. The Hetch Hetchy right-of-way runs between the applicant’s property and the office building at the corner.



The surrounding land uses for the 14-acre General Plan Amendment include multi-family residential to the west; commercial uses across San Antonio to the east; a private school, commercial and high-density residential to the north; and commercial and residential uses to the south.

## **Project Description**

### Site Plans

The applicant, Pillar Group, is proposing to redevelop the 5.7-acre site with up to 375 apartment units in four 4-story buildings over underground parking garages and approximately 9,000 square feet of retail primarily oriented toward San Antonio Road. Consistent with the City's Park Land Dedication Ordinance, staff required the applicant to provide some of the park land on-site (as opposed to allowing the applicant to pay Park Land In-Lieu fees). To address this requirement, the applicant proposes two versions of the site plan (see Attachment 2 – Site Plan Option 1, and Attachment 3 – Site Plan Option 2). Below is an overview of the similarities and differences between the site plans.

### Similarities Between Two Site Plans

Below is an overview of the similarities between the site plans:

- **Number of Buildings and Height:** Both site plans propose four 4-story buildings with 3-story elements, and 375 residential units.
- **Ground-Floor Retail:** Buildings A and B frontages facing San Antonio Road propose approximately 9,000 square feet of retail.
- **Setbacks:** The applicant proposes a setback of 24' from face of curb along all the public streets for the residential frontages and 18' for the commercial frontages along San Antonio Road, and setbacks of 30' along the rear property lines.
- **Pedestrian/Bicycle Paths:**
  - *North-South Path:* The north-south pedestrian/bicycle path will be open to the public and will connect Miller Avenue to the proposed park.
  - *East-West Path:* The east-west bicycle/pedestrian path will be open to the public and will connect Fayette Avenue to San Antonio Road. The path is

adjacent to the Hetch Hetchy right-of-way because neither the City nor the applicant has rights to install improvements on the Hetch Hetchy right-of-way at this point in time.

### Differences Between Two Site Plans

There are two differences between Site Plan Option 1 and Option 2:

- **Building D Layout:**
  - *Option 1:* Building D is a wrap, creating a central courtyard.
  - *Option 2:* Building D is designed with frontage on Fayette Drive and courtyard that opens onto the north-south bicycle path.
- **Location of the Park:** There are two different locations for the public park, which is described later in this memorandum.

### Recent Projects Comparison (For Reference)

The proposed project is larger in acreage and unit count than other recently approved 1.85 floor area ratio (FAR) apartment projects. In order for the Council to compare the scale of the project, the recently constructed Madera project at 425 and 455 East Evelyn Avenue near the Downtown Caltrain Station contains 203 units on a 3.6-acre site (approximately 56 units/acre and FAR of 1.85) and the currently under-construction apartment project at 2650 El Camino Real West (near the project site) will have 193 units on 2.91 acres (approximately 66 units/acre and FAR of 1.79). The applicant proposes 172 more units than the Madera project and 184 more units than the project at 2650 El Camino Real, for a project of 72 units/acre.

### DISCUSSION

This memorandum discusses the following topics:

1. Park Dedication
2. Park Location

## Park Dedication

Chapter 41 of the City Code details the park land dedication requirements for new residential development projects. Section 41.3 requires a dedication of park land where a park or recreational facility has been designated in the Open Space section of the Environmental Management Chapter of the General Plan, a Precise Plan, or the Park and Open Space Plan (POSP) for single-lot developments of 50 or more residential units. The Code, however, provides flexibility for in-lieu payments, or a combination, and historically Council has not always required that the land be dedicated.

The project is in the San Antonio Area of the POSP. The POSP has adopted a standard of providing a minimum of 3.0 acres of open space per 1,000 residents. The current ratio in the San Antonio Area is 1.34 acres per 1,000 residents, well below the City's stated standard, and one of the lowest in the City. Since the project is an area that is significantly deficient in park space, staff is recommending the applicant be required to dedicate park land.

Based on the dedication formula provided in Section 41.6, the applicant would need to provide 2.25 acres for 375 units. However, if the applicant was required to dedicate 2.25 acres of the 5.7-acre site (or approximately 39 percent of the site area), the project would not be economically feasible. Working with the applicant and the existing site configuration/limitations, staff recommended that the applicant provide 0.5 acres and pay the remainder as in-lieu fees (approximately \$6,916,500 for the 1.75 acres of park land that is not dedicated).

### Gross Site Area or Net Developable Area

Chapter 41 is silent on whether park land area that is dedicated should be included as part of the overall site area used to calculate buildable square footage. Staff is seeking Council's direction on this topic. Staff completed research on past projects and found the City has not accepted park land dedication for a project in the past 15 years. Staff is currently processing two other residential projects proposing more than 50 units that will provide the park land dedication rather than paying the Park Land In-Lieu Fee. These projects are not counting the park land dedication as part of the buildable square footage.

The applicant contends the area of the park land should count towards the overall density and allowable FAR for the project. The applicant has submitted a letter stating the project may not be economically feasible because the park land dedication requirement affects the allowable density. The applicant states it may be more economical to maintain the site "as is" rather than redevelop the site with the required

park land dedication. The applicant is offering to pay the full Park Land In-Lieu Fee and dedicate the 0.5-acre park if they can count the 0.5-acre park towards the project buildable square footage. The applicant states this option may still make the project unfeasible, but feel having the flexibility is beneficial to achieving a project which meets City standards and market realities (see Attachment 4 – Applicant Letter).

### Recommendation

Staff believes the park land dedication should not count in the calculation for density and FAR because the remaining (net developable, excluding the park land) project site would be overbuilt. By allowing the developer to transfer the development potential from the park, the project on the remaining site area will have a FAR (2.03) which exceeds what is being proposed in the Draft San Antonio Precise Plan and a density (72-units to the acre) that is higher than recently approved and built apartment projects. This is because more development will be forced onto the remaining site area.

Table 1 shows the difference in development intensity between including and excluding the park land dedication in the project buildable area.

**Table 1**

	<b>Acres</b>	<b>Units</b>	<b>Density</b>	<b>Building Sq. Ft.</b>	<b>FAR</b>
Include Park Land	5.7	375	66	463,000	1.85
Exclude Park Land	5.2	375	72	463,000	2.03

The applicant proposes 375 units on 5.7 acres resulting in a FAR of 1.85 and density of 66 units to the acre. When the 0.5-acre park is removed from the project calculation, the remaining parcel would have 375 units on 5.2 acres with a FAR of 2.03 and a density of 72 units to the acre. The Draft San Antonio Precise Plan proposes a maximum FAR of 1.85 for the project site. The remainder site would then have a FAR that is higher than what is proposed in the Draft San Antonio Precise Plan. The 5.2-acre parcel would be about 40,000 square feet over allowable FAR. Excluding the 0.5-acre park land dedication from the project calculation would result in the loss of approximately 30 to 40 units in order to reduce the FAR to 1.85.

Staff believes excluding the park land dedication as part of the project square footage would result in the appropriate density and FAR, resulting in an improved project layout. Excluding the park land would eliminate the wrap design of the Buildings B and D proposed in Site Plan Option 1 and allow for a more open courtyard design for the buildings.

## **Park Location**

The park is proposed to wrap around the Hetch Hetchy right-of-way. The applicant and the City do not have the rights to construct pedestrian or bicycle improvements on the Hetch Hetchy right-of-way at this time. However, if the applicant or the City obtains the rights to construct improvements in the Hetch Hetchy right-of-way consistent with the San Francisco Public Utilities Commission guidelines, the future improvements could be integrated with the adjacent park to create a larger usable park for the neighborhood. Combining the 0.37-acre Hetch Hetchy right-of-way with the smaller 0.16-acre piece owned by the applicant would add about 0.53 acre of park land to the existing 0.5-acre proposed park.

## Recommendation

As described above, Site Plan Options 1 and 2 locate the park in different locations. **Staff supports the park layout shown in Site Plan Option 1**, which allows more of the proposed public park to front Fayette Drive, resulting in a more inviting and open feel than the narrower park frontage shown in Site Plan Option 2. In Option 2, more of the park wraps around the Hetch Hetchy right-of-way, which is less visible from public streets, and promotes a sense of private open space. The applicant prefers Site Plan Option 2 because a section of Building D fronts onto Fayette Drive and the applicant believes it is a superior layout. Staff believes that Building D can be designed to interface well with both Fayette Drive and the proposed public park based on Site Plan Option 1.

## RECOMMENDATION

Staff recommends Council provide direction on the following topics discussed in this memorandum:

1. Park Dedication—Should the 0.5-acre park land dedication be included as part of the site area used to calculate the buildable square footage of the project?
2. Park Location—Does Council support the location of the park proposed in Site Plan Option 1 or Site Plan Option 2?
3. Park Size—Does Council support a dedication of 0.5 acre for a park and the balance contributed in in-lieu fees?

## **NEXT STEPS**

Based on City Council input, the applicant will revise the project as necessary and continue the development and environmental review process for the project. The project, including any necessary legislative changes and environmental review, will be presented to the City Council in spring 2015 for a final decision.

## **PUBLIC NOTICING**

The meeting agenda and Council Study Session memorandum were posted on the City website and announced on cable television Channel 26. All property owners within a 300' radius of the project site and other interested stakeholders were notified for this meeting.

SP-GB-TB-RT/7/CAM

804-10-28-14SS-E

- Attachments:
1. Location Map
  2. Site Plan Option 1
  3. Site Plan Option 2
  4. Applicant Letter