



DATE: May 17, 2016

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **186 East Middlefield Road and 129 Flynn Avenue Project**

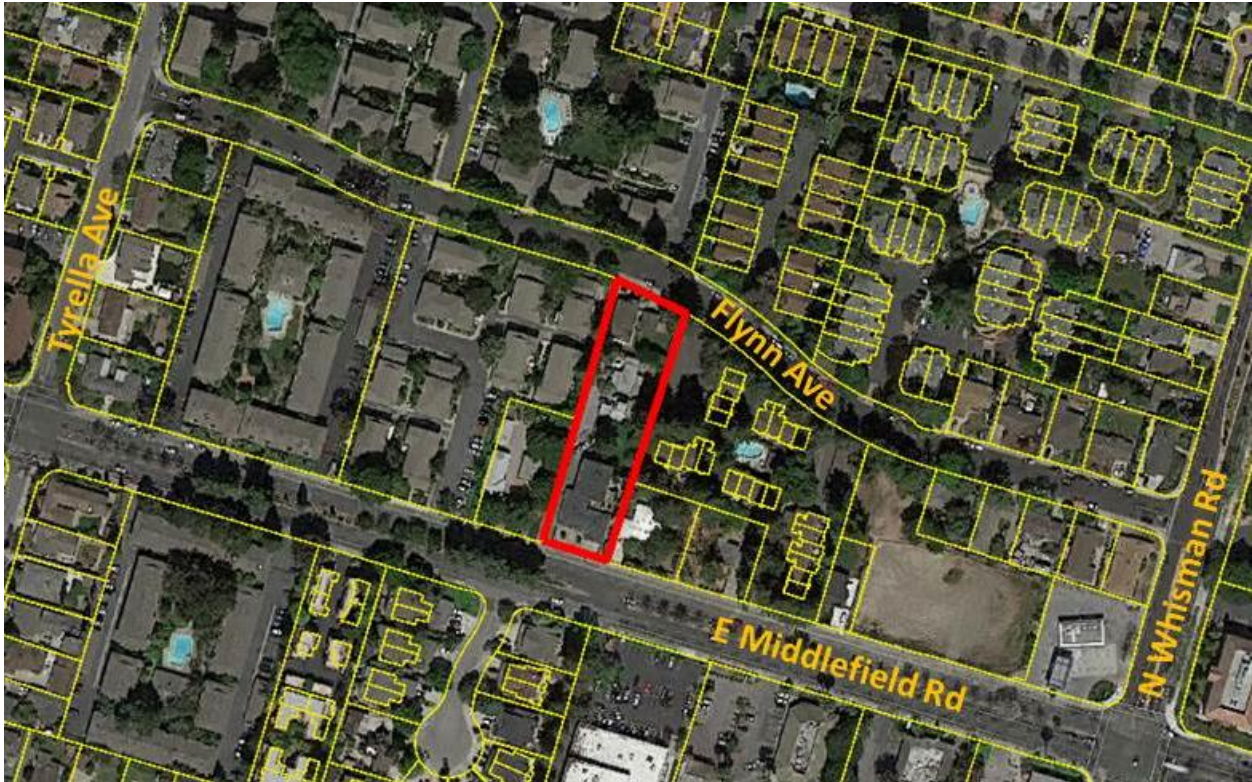
RECOMMENDATION

1. Adopt a Resolution Conditionally Approving a Development Review Permit and Planned Unit Development Permit to Construct an Eight-Unit Residential Condominium Development and Modify an Existing Three-Unit Multi-Family Building, and a Heritage Tree Removal Permit to Remove Four Heritage Trees at 186 East Middlefield Road, including a determination that the project is categorically exempt pursuant to Section 15332 ("Infill Development") of the CEQA Guidelines, 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 Two Lots and Eight Condominiums on a 0.85-Acre Lot at 186 East Middlefield Road, 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 in the Wagon Wheel neighborhood, on the north side of East Middlefield Road, between Tyrella Avenue and North Whisman Road. It has frontage on both East Middlefield Road and Flynn Avenue. The neighborhood contains a diverse mix of one- to two-story dwelling unit types, including condominiums, townhouses, single-family homes, and duplexes. Neighboring sites along Flynn Avenue are all two-story townhouses and condominiums. Neighboring sites along Middlefield Road are a one-story duplex and a one-story single-family home. An aerial of the neighborhood is shown below.



The project site is located across Middlefield Road from the Middlefield/Whisman Village Center, as identified in the 2030 General Plan. This area includes a retail center with several locally serving businesses. The East Whisman Change Area, containing large office campuses and industrial buildings, is located on the other side of North Whisman Road less than 1,000' away. The nearest open space is at Whisman School, about one-third mile away.

The existing residences on the site are three detached units and a three-unit multi-family building. The detached units are on the half of the site closest to Flynn Avenue, though two of them are served by a driveway off Middlefield Road. These three detached units are proposed for removal for the new condominium development. Because less than four rental units are being vacated, the City's Tenant Relocation Ordinance does not apply. The three-unit multi-family building faces Middlefield Road. This structure is two stories and includes an at-grade parking area beneath one of the units. These units will be preserved, but will include modifications to comply with the development standards for the zoning district. An aerial of existing conditions is below.



The project site includes five Heritage trees, including four redwoods and a yucca. One redwood tree (75" trunk circumference) is located between the 3-unit building and Unit 186A, and is proposed for preservation. The other three redwood trees, including two along the Flynn Avenue frontage (56" and 16" trunk circumference), and one next to Unit 186B (120" trunk circumference), are proposed for removal. The yucca, which is also located next to Unit 186B, is also proposed for removal. These trees would be removed to construct the proposed driveway and subterranean garage.

Project Description

The applicant, DeNardi Homes, is proposing to demolish the three dwelling units on the north side of the site and remove four Heritage trees to construct a two-story, eight-unit condominium development over one level of underground parking. Driveway access will be off of Flynn Avenue, directly into the subterranean garage. The eight units are organized into three buildings, around a combination of common and private open areas.

The existing property owner wishes to retain the three-unit building facing East Middlefield Road. Therefore, the existing 0.85-acre lot would be subdivided into a 0.34-acre lot containing that building, and a 0.51-acre lot containing the new development. Some minor modifications to the three-unit building are necessary to bring it into zoning conformance, specifically reducing the paving coverage and increasing the open area.

General Plan and Zoning

General Plan

The site's General Plan land use designation is Medium-Density Residential (up to 25 dwelling units per acre), allowing up to 21 dwelling units across the whole site. In addition, the following General Plan policies are consistent with the project:

- **LUD 3.5: Diversity.** *Encourage residential developments serving a range of diverse households and incomes.*

This project preserves rental housing in the building facing East Middlefield Road, while providing new ownership housing in the new development.

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

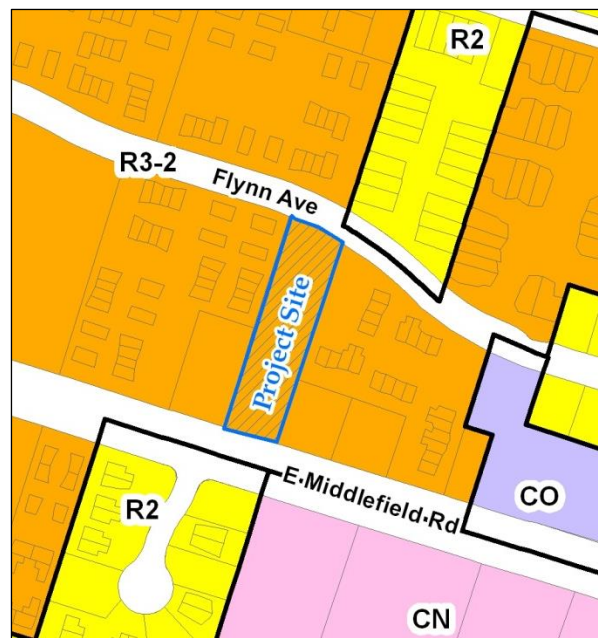
The site is laid out with visible front doors and substantial porches facing the street. In addition, front doors and porches inside the project face a common open area. More information about the project design is provided later in the report.

- **LUD 9.1: Height and setback transitions.** *Ensure that new development includes sensitive height and setback transitions to adjacent structures and surrounding neighborhoods.*

The buildings include upper-floor step-backs to all property lines. Privacy and transitions are further supported with screening trees proposed along the property lines. More information about the project design is provided later in the report.

Zoning

This site and most surrounding properties are zoned R3-2 (some properties across Flynn Avenue and Middlefield Road are zoned R2), as shown in the map at right. The total number of units allowed on the whole project site is 15. However, the



applicant is proposing to subdivide the project site so the existing property owner can retain the portion along Middlefield Road. Since the allowed density is lower on smaller sites, the proposed subdivision reduces the total number of allowed units to four on the Middlefield Road parcel and eight on the Flynn Avenue parcel.

As seen in Table 1, the Flynn Avenue project complies with all R3 development standards. The only noncompliant standard on the project site is the existing legal nonconforming setback on the west side of the three-unit building facing Middlefield Road. This nonconformance is not modified, increased, or prolonged by the proposed project, and is allowed to remain as is per the Zoning Ordinance.

Table 1 – R3 Development Standards

Standard	Requirement	Proposed on Middlefield Lot	Proposed on Flynn Lot
Maximum Units	Middlefield Lot: 4 Flynn Lot: 8	3	8
Floor Area Ratio	1.05	0.34	0.618
Setbacks	15' minimum, not less than the height of the building wall	12'1" to 27'9.75", not less than the height of the building wall	15' to 23', not less than the height of the building wall
Building Coverage	35%	32.8%	35%
Pavement Coverage	20%	17.2%	6.4%
Height	45'	23'	32'6.5"
Open Area	55%; 40 square feet per unit (private)	55%; 123 to 550 square feet per unit (private)	60%; 259 to 1,430 square feet per unit (private)
Minimum Parking	Middlefield Lot: 7 Flynn Lot: 18	7 stalls	18 stalls
Bicycle Parking	Middlefield: 3 Flynn: 8 + 1 guest	3 secure	8 secure + 4 guest

Previous Meetings

The applicant originally requested a rowhouse project, but the site's dimensions are not conducive to a project with individual garages and internal driveways. Instead, the applicant is proposing a parking podium and condominium project while including some design features of a rowhouse project. Earlier versions of the project also included three stories. However, in response to neighborhood input, the applicant has reduced the building height to two stories.

Neighborhood Meetings

The applicant has held multiple meetings with the Wagon Wheel neighborhood about the project. Most comments at the meetings were regarding the proposed third story, which has since been eliminated. Other comments about the project included:

- Building massing should be reduced to better fit the neighborhood character.
- An eight-unit project is too dense for the site and the neighborhood.
- The prevailing neighborhood character includes small buildings with lots of large trees; this character should be reflected in the project.
- The project would generate new vehicle trips on Flynn Avenue.
- Concern over small setbacks and tall buildings and landscaping which will block sun and reduce privacy on neighboring properties.

Written comments from project neighbors are included in Attachment 3.

Development Review Committee (DRC)

The project received a design recommendation of approval from the DRC on March 16, 2016. Comments from the DRC integrated into the project included the following:

- The DRC recommended removing the third floor to be consistent with neighborhood character.
- The project should follow the building design section in the Rowhouse Guidelines to differentiate the units and reduce the project's architectural scale.
- Use changes in roof plane to make the buildings look like individual units rather than one large unit.
- Provide more windows.
- Simplify the color scheme.

Zoning Administrator/Subdivision Committee

The Zoning Administrator and Subdivision Committee recommended approval of the project on April 27, 2016. Seven members of the public spoke at the meeting expressing the following concerns:

- The project's density is too high.
- The buildings will be higher than surrounding development, which will have privacy and character impacts.
- Construction of subterranean parking might damage surrounding buildings.
- The two units facing Flynn Avenue should be separated.
- Vehicle access to the new development should be off of East Middlefield Road instead of Flynn Avenue.
- The proposed development will generate too much traffic and parking on Flynn Avenue.
- Heritage trees should not be removed.

The following conditions of approval were added at the meeting:

- Additional bicycle parking shall be added at the three-unit building proposed for preservation.
- The applicant shall work with the neighbors to determine the final fence heights.
- Deciduous trees shall be used along the side property lines to help preserve light in winter months.

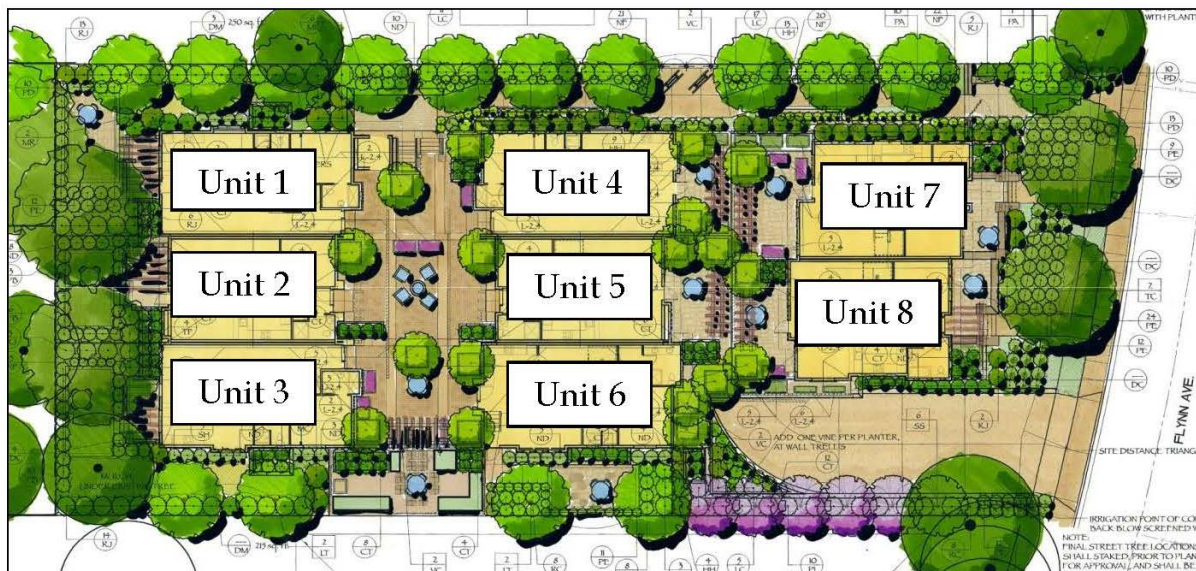
In addition, the applicant was instructed to explore ways to further reduce the project's overall height. Based on that direction, the applicant has proposed increasing the depth of the garage by 1' and reducing roof slopes throughout the project. The overall height reduction resulting from these changes is 2'7". This report reflects that change and, while the plan set included in Attachment 4 does not reflect the change, revised elevations are provided in Attachment 5.

ANALYSIS

Project Design

Site Plan

The proposed site plan includes some characteristics of multi-family developments and some characteristics of rowhouses (see Site Plan). Like multi-family developments, the project contains a shared podium garage and utilizes the R3 (Multi-Family) development standards, including setbacks and open area. Like rowhouses, the units are not stacked; they have individual entrances on paseos or the street; they are differentiated by colors and materials; and they have individual small, private yards. However, because the parking, vehicle circulation, and trash enclosure are underground, the site has significantly more open area than a normal rowhouse project (60 percent compared to 35 percent). Complete project plans are available as Attachments 4 and 5 to the Council report.



Two units face Flynn Avenue (Unit Nos. 7 and 8 on the Site Plan, above). Also facing Flynn Avenue are the driveway to the garage and a gate clearly denoting pedestrian access to the units in the back of the site.

In the middle of the site, six of the units' front doors (Unit Nos. 1 through 6) face a common open area with seating and landscaping. In addition to the common open area, each unit has access to a minimum 250 square foot private area at the back of the unit.

Building Elevations

The project will use high-quality and durable materials, including fiber-cement lap siding, smooth sand finish stucco, stone veneer, wooden doors, porch elements, fences, and arbors. Individual units are differentiated by color schemes, offset roof planes, and porch design (see Flynn Elevation, at right).



Based on input from the neighborhood, the applicant has designed the project without a third story. However, at approximately 30', the middle units in each of the rear buildings are slightly taller than other existing townhouses in the neighborhood, which range from approximately 25' to 27' tall. The DRC supported these units' additional height since the proposed height of the middle buildings will have minimal visual impact from the street or neighboring properties. Specifically, the maximum height of the front building is approximately 28.5' tall, while the heights of units closer to the side property lines are approximately 25.75' tall (see Side and Rear Elevations, below).

Side Elevation



Rear Elevation



Trees and Landscaping

There are many benefits of underground parking, including the provision of more open space, more guest parking, resident storage, less vehicle pavement coverage, larger private open areas, and more units facing paseos and common open areas. However, all Heritage trees in the middle of the site must be removed to accommodate the parking garage, and it is difficult to plant large replacement trees over the garage. These Heritage trees will be replaced at a ratio of over five to one. In addition, the tree canopy at the site is expected to increase with the project from approximately 18 percent today to 40 percent in 15 years.

To address privacy issues, the site edges and building sides will be planted with more than 30 trees. A number of planters on the podium provide landscaping in the common and private open areas. Planters around the driveway will also help soften the vertical subterranean walls and adjacent building.

East Middlefield Property

The existing property owner intends to retain the three-unit building facing East Middlefield Road. The new 0.34-acre lot containing the existing building must comply with R3 development standards for paving coverage and open area. To bring the building into compliance with these standards, new landscaping must be provided and a new balcony must be constructed on the west side of the building. The proposed balcony is shown at right.



In addition to the balcony, the garage will be structurally upgraded to current seismic codes. This will correct the existing garage's "soft-story" condition, which may be hazardous in an earthquake.

Vesting Tentative Map

Since the existing property owner intends to maintain ownership of the East Middlefield Road side of the property, the 0.85-acre lot would be subdivided into a 0.34-acre lot containing that building, and a 0.51-acre lot containing the new eight-unit development. The new development contains ownership (for sale) units subdivided with condominium lots for each of the eight units and a common lot containing the

garage and common areas of the project. The mechanism for both subdivisions is a vesting tentative map, which must be approved in addition to the project (see Attachment 6 – Vesting Tentative Map).

ENVIRONMENTAL REVIEW

Staff has determined that this project is categorically exempt from CEQA, under the “infill” exemption. This exemption applies to projects consistent with the General Plan and Zoning Ordinance; within the City limits on project sites smaller than five acres surrounded by urban uses; has no value as habitat; without significant effects related to traffic, noise, air quality, or water quality; and adequately served by public utilities and services.

FISCAL IMPACT

The subject site has a current assessed value of approximately \$250,000. The City’s share is approximately \$400 per year. If the site were developed, the City would receive approximately \$17,000 per year, based on an expected sales price of \$1.35 million per unit. This future estimate may be low since it does not include the value of the Middlefield property, whose structures would be preserved.

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. The current threshold is approximately \$670,000, which is less than the expected sale price of \$1.35 million. Therefore, the estimated BMR in-lieu payment to the City for this project is \$324,000.

The estimated Park Land Dedication In-Lieu Fee will be approximately \$130,500 (or \$26,100 per net new unit) in accordance with Chapter 41 of the City Code, to be paid prior to the issuance of building permits. Because the project is less than 50 units, park land dedication cannot be required.

CONCLUSION

The Zoning Administrator recommends approval of the proposed eight-unit project at 186 East Middlefield Road and 129 Flynn Avenue, and the Subdivision Committee recommend approval of the proposed tentative map. The project supports General Plan policies for diversity, street presence, and building transitions, and the project is consistent with the Zoning Ordinance. The project is well-designed with large amounts of open space, and will create an environment of sustained value.

ALTERNATIVES

1. Approve the project with modified conditions.
2. Refer the project back to the DRC 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 within a 300' radius and other interested stakeholders were notified of this meeting.

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EA-MMD/7/CAM
899-05-17-16CR-E

- Attachments:
1. Resolution – Project
 2. Resolution – Vesting Tentative Map
 3. Neighbor Comments
 4. Project Plans
 5. Revised Elevations
 6. Vesting Tentative Map