



**Planning and Transportation Commission
STAFF REPORT**

MEETING DATE: May 15, 2023

ITEM TITLE: 1383 LAUREL STREET (APN: 051-361-050): Consideration of Design Review, Conditional Use Permit (CUP), Below Market Rate (BMR) Housing Plan, Transportation Demand Management Plan (TDM), and Vesting Tentative Map approval for a 15-unit Condominium Building with a Commercial Space in the Mixed-Use South Boulevard (MU-SB) Zoning District.

DATE PREPARED May 5, 2023	APPLICATION NUMBER PLN2022-00110	APPLICANT Ron Grove	PERMIT(S) Design Review, CUP, BMR Housing Plan, TDM Plan, Vesting Tentative Map.
PREPARED BY Rucha Dande, Senior Planner, 650-802-4231, rdande@cityofsancarlos.org			
SUMMARY OF REQUEST Consideration of Design Review, Conditional Use Permit (CUP), Below Market Rate (BMR) Housing Plan, Transportation Demand Management (TDM) Plan, and a Vesting Tentative Map to allow for the construction of a new, four-story mixed-use building consisting of fifteen residential condominium units and one commercial space on the ground floor with at-grade covered parking.			
ADDRESS 1383 Laurel Street.	APN 051-361-050	LOT DESCRIPTION Rectangular, corner lot.	GENERAL PLAN Neighborhood Retail/Mixed Use, Medium Density (21-50 DUs/Ac)
LOCATION 1383 Laurel Street; corner of Laurel Street and Belmont Avenue		PREVIOUS USE Multi-tenant commercial including an auto repair shop.	ZONING DISTRICT MU-SB: Mixed Use South Boulevard
SURROUNDING LAND USES Commercial, Mixed Use, Multi-family residential		SURROUNDING ZONING MU-SB: Mixed Use South Boulevard and MU-N: Mixed Use Neighborhood.	

ENVIRONMENTAL DETERMINATION
The project has been determined to be categorically exempt from the requirements of the California Environmental Quality Act (CEQA) per Section 15332, which exempts infill development from further environmental review.
RECOMMENDATION
Staff recommends that the Planning and Transportation Commission approve the request for Design Review, Below Market Rate (BMR) Housing Program, Transportation Demand Management (TDM) Plan, Conditional Use Permit (CUP), and Vesting Tentative Map to allow for the construction of a new, four-story mixed-use building consisting of fifteen residential condominium units and one commercial space on the ground floor with at-grade covered parking.

BACKGROUND

Site Description

The project site is 8,316 square feet in area (0.2 acres), consisting of three legal lots under one Assessor's Parcel Number (APN) with an existing one-story, multi-tenant commercial building, partially occupied by an auto repair shop. The neighborhood consists of a mix of land uses including other commercial, mixed-use and multi-family buildings.

The subject site is zoned MU-SB, Mixed Use South Boulevard (allows up to 50 dwelling units per net acre) and has a corresponding General Plan land use designation of Neighborhood Retail/Mixed Use, Medium Density (21-50 DUs/Ac). The site is approximately 1.0 mile from the San Carlos Caltrain Station. Since this project was deemed complete under the Zoning Ordinance effective prior to March 15, 2023, the General Plan Land Use designation under the previous code is applicable. Please refer to photos of the existing site conditions below.



Figure 1: Showing the aerial context of the site



Figure 2: Showing the existing building on site

Project Request and Entitlements

The applicant proposes demolishing all existing on-site improvements and construct a new four-story mixed-use building with at-grade, covered parking. First floor uses include a covered 16-car parking garage, with includes the use of mechanical parking stackers and a 1,095 square foot commercial unit. The second through - fourth floors contain 15 multi-family condominium (for-

sale) residential units, two (2) of which are proposed to be Below Market Rate (BMR) units. As the project includes two (2) very low-income BMR units, the California State Density Bonus Law (SDBL), per Government Code Section 65915, applies. This allows a density bonus increase of five (5) units and up to three (3) incentives or concessions. With the density bonus, the total proposed residential unit count is increased from ten (10) to fifteen (15) units. The California State Density Bonus Law (SDBL) - Government Code sections 65915-95918 - provides developers with tools to encourage the development of affordable housing, including up to a 50% increase in project densities, depending on the percentage of affordable housing and the affordability level. The Density Bonus including concessions/incentives is a state mandate. A developer who meets the requirements of the State Law is entitled to receive the applicable density bonus and concessions/incentives as a matter of right.

The proposed project requires Planning and Transportation Commission approval of the following:

1. Design Review (required for new construction).
2. Below Market Rate Housing Plan (for the 2 proposed BMR housing units).
3. Transportation Demand Management Plan (required trip reduction measures).
4. Conditional Use Permit (to allow parking within 40 feet of street facing property line).
5. Vesting Tentative Map (for the condominiums).

Project Description

The applicant is proposing to demolish the existing, one-story commercial building and construct a new four-story mixed-use building with ground-level, covered parking. The building is proposed with fifteen (15) residential units and one commercial unit. The residential composition includes eight (8) one-bedroom/one-bathroom units, six (6) 2-bedroom/2-bathroom units, and one (1) three-bedroom/three-bathroom unit. All residential units will be for sale. The applicant proposes to provide two (2) below-market rate units including one (1) 1-bedroom unit and one (1) 2-bedroom unit. With the provision of affordable on-site units, the project qualifies for a density bonus provision and associated incentives/concessions. The applicant requests the State Density Bonus for two additional units and a concession for a reduction in front setback and interior side window setback to facilitate this development.

Covered, ground level parking of sixteen (16) parking spaces is proposed to be accessed from the rear off Cowgill Alley with the use of nine (9) standard parking spaces and seven (7) parking spaces through a three-stack mechanical parking lift system. A trash room is provided at the rear of the building, also accessed from the alley. Within the parking garage, there is also bicycle parking, mechanical and electrical storage areas, and long-term bicycle storage areas for the residential units. The main residential lobby provides primary elevator and stair access to the residential units with the entrance on Laurel Street. One retail space at 1,095 square feet is provided on the first (1st) floor. The residential units are proposed on the second through fourth floors with individual balconies and an internal lobby/hallway design to access individual units, as well as independent storage closets located next to the elevator on each residential story.

Architectural Design and Landscaping

The design of the building is contemporary architecture which features simple, clean lines. The building exterior uses a combined finish including both cement plaster with integral colors 'Heron Plume' (a mid-toned taupe shade) and 'Ethereal Mood' (a darker taupe/gray shade), the smooth brick veneer of a 'Brown' shade and smooth horizontal siding painted 'Dormer Brown' (a mid-

toned brown/gray shade). The ground floor is wrapped with a cement plaster wainscot painted 'Backdrop' (a darker brown/gray color), while windows, balcony railings, and ground floor awning be anodized aluminum of a 'Dark Bronze' color. The exterior brick cladding is proposed to be McNear brand in *Townseries Newcastle* in brown color. Please see Attachment 3, Sheet 8 of the plans for a color and materials board/rendering.

Landscaping: The applicant is proposing new street trees along both street frontages of the new building; two (2) along Belmont Avenue and three (3) along Laurel Street, all of which are proposed to be 24-inch boxes in size. The remainder of all other proposed landscaping is to be accommodated at each of the residential units' private, open space balconies facing both Belmont Avenue and Laurel Street. All residential balcony landscaping is proposed to be situated in landscape planters that include permanent irrigation and drainage, which has been added as a condition of approval. The selected plantings at the residential units are a variety of shrubs and groundcover of 5- and 1-gallon sizes.

ANALYSIS AND FINDINGS

The Mixed-use South boulevard (MU-SB) zoning district is intended to facilitate the transformation of the southern portion of El Camino Real into a multi-modal, mixed-use corridor, with the physical form varied to reflect the urban character of the El Camino Real corridor and to transition surrounding, lower-density districts. This district allows a mix of residential development and retail and commercial uses, as well as hotels and other commercial uses oriented toward a regional market.

1. Design Review

The scope of Design Review involves the review of the project's overall site design, architectural design of the building, including massing and proportions, as well as materials and colors, and landscaping. To approve the Design Review Permit, the Planning and Transportation Commission must make the following five findings, pursuant to Section 18.29.070 of the Municipal Code.

- A. That the proposal is consistent with the applicable standards and requirements of this title [Title 18, Zoning Ordinance].*

Basis for Finding: The proposed project is consistent with the applicable standards and requirements of Chapter 18.05, Mixed-Use Districts, specifically pertaining to the development standards and supplemental regulations for projects within the Mixed-Use Districts, and parking requirements pursuant to Chapter 18.20 as follows:

Applicable Standards*	Code Requirement	Proposed	Notes
Maximum Density (50 units/ acre)	10 units	15 units	Allowed with State Density Bonus Law
Maximum Height (ft)	50'	54' to top of parapet	Parapet wall allowed to project up to 4' above height limit pursuant to

Applicable Standards*	Code Requirement	Proposed	Notes
			SCMC section 18.15.060
Maximum Stories	4	4	Complies
Minimum Setbacks (ft)			
Front (Laurel Street)	Property line or 15' from curb (the greater)	10'-5" from the curb, 0' to property line	Allowed as concession** per application of State Density Bonus Law
Interior Side	0' minimum	0'	Complies
Rear	0' minimum	0'	Complies
All Other Streets (Belmont Ave)	0 min, 5 max	0'	Complies
Parking, distance from street facing property line	40'	0'	Allowed with consideration of a CUP
Required Side and Rear Yards for Residential Uses (ft) for walls with windows	15 ft (living and family rooms), 10 ft (bedrooms), 5 ft other rooms	0'	Allowed as concession per application of State Density Bonus Law
Maximum Floor Area Ratio (FAR)	2.5	2.6	10% increase allowed for provision of electric car facilities & solar panels measures SCMC 18.05.030 (A) (1)

Applicable Standards*	Code Requirement	Proposed	Notes
Minimum Private Open Space	150 sq ft per unit.	minimum 150 sq.ft.	Provided as private residential unit balconies
Minimum Amount of Landscaping (% of site)	15%	15.3%	Provided at residential unit private open space balconies
Parking	0.5 space per 1BR & 2BR unit = 6 spaces 0.5 spaces per 1 or 2-BD BMR Unit = 1 space 0.5 space per 3BD unit = 0.5 space TOTAL = 7.5	9 standard parking spaces (includes 3 ADA spaces) 7 lift spaces TOTAL = 16	Complies with State Law requirements. Gov't Code Section 65915P(2)(A)
Required Bike Parking	4 short term 3 long term	4 short term 3 long term	Complies

* The project was deemed complete under the Zoning Ordinance effective prior to March 15, 2023, the General Plan Land Use designation under the previous code is applicable.

** Pursuant to Gov. Code §65915(d)(1) and §65915(k) - Concessions and incentives, as defined under State law, allows a developer to deviate from those design standards and/ or development regulations when such regulations potentially make the project economically infeasible for the developer to build. Incentives/concessions include “[a] reduction in site development standards or a modification of zoning code requirements or architectural design requirements ... that result in identifiable and actual cost reductions, to provide for affordable housing costs.”

Supplemental Regulations

The project complies with most of the applicable development standards in the MU-SB Zoning District. The project is also consistent with the supplemental regulations of the MU Districts covering street frontage improvements, building orientation, building transparency, building design and articulation, exterior building materials and colors, building details, and pedestrian access. The building is oriented to face the public street with primary building access for the commercial unit as well as the residential lobby facing Laurel Street. The residential entrance is physically separated from the commercial entrance into the development. The commercial space

also has transparent windows along the primary Laurel Street frontage and wraps along towards the Belmont Avenue frontage. The remaining ground floor frontage along Belmont Avenue is occupied by the parking garage, which includes vented garage door windows. The goal of the design is to screen the garage as much as feasible in a decorative manner and break up the mass of a large blank wall. The street-facing wall is well-articulated with windows and change of materials in an attempt to create visual interest for pedestrians.

The applicant is improving the street frontage with new street trees. The project complies with building transparency requirements along the first floor with the commercial storefront. The building is also well designed with architectural articulation and finish details and color and materials consistent with the architectural style of the building. The proposed windows meet the one-inch recess requirement. The exterior materials are integrated and have a similar level of detailing and quality on all elevations, including perforated metal panels along the rear elevation at the garage level.

The applicant has applied for the State Density Bonus concession provision for residential setback requirements. The San Carlos Municipal Code requires additional setbacks which are dependent on the use of the room within each unit. Side and rear setbacks for living rooms with windows are required to be 15' from the property line, bedrooms with windows are required to be 10' and other rooms with windows at 5'. This additional setback is intended to provide light and air to residential units. To accommodate the additional units allowed by right per implementation of State Density Bonus Law (SDBL), the applicant has designed wall sections to the internal side property line to have a zero setback, however, has subsequently designed the residential unit floor plans to have bedroom windows facing alternative property lines. The location of the building adjacent to one public alley and two streets provides the ability for light and air into the building which is not restricted by the zero-setback proposed at the interior side property line.

SCMC 18.05.040 (F), requires a determination that through a variety of projections, extensive use of balconies, and recesses, the design of the structure is such that the stories are broken up into distinct pieces. Staff supports this determination as it is demonstrated with a variety of exterior materials, strong vertical and horizontal elements to break up the mass and use of clear balconies to lighten the apparent building mass. The landscaping proposed for the project at the private balconies along the street frontages will enhance and add to the natural landscape patterns and plantings found in the vicinity.

Of the sixteen (16) total on-site parking spaces provided, seven (7) are proposed through a parking lift system/parking stacker. The applicant has provided specifications sheets on the proposed parking lift system to verify that the parking layout and circulation is reasonable and operational. The proposed stacked parking is a puzzle system that allows each car within the parking stacker to be independently accessible via kiosk or a remote fob. Additionally, pursuant to SCMC section 18.20.030 D, it is required that an attendant be present or to have an automated system in place to move vehicles. If stacked parking managed by an attendant is used for required parking spaces, an acceptable form of guarantee must be filed with the Director ensuring that an attendant will always be present when the lot is in operation. A condition of approval has been added to ensure compliance with the requirements of the SCMC chapter 18.20.

B. That the proposal is consistent with the General Plan and any applicable specific plans the City Council has adopted.

Basis for Finding: The City does not have any adopted Specific Plans for this area at present time. The new four-story mixed-use building is consistent with the following policies and goals contained within the adopted General Plan, including the Housing Element:

- GOAL HOU-2: Higher density, multi-family housing located close to transit, in Downtown, and along San Carlos Avenue and El Camino Real.
- GOAL HOU-3: Assist in the development of new housing that is affordable at all income levels.
- POLICY LU-1.2: Encourage development of higher density housing and support additional job growth within the TOD corridor [Planning Areas 1, 2, and 3] while being sensitive to surrounding uses.
- POLICY LU-8.1: Require all development to feature high quality design that enhances the visual character of San Carlos.
- POLICY LU-8.3 Encourage design features and amenities in new development and redevelopment, including, but not limited to:
 - a. Interconnected Street layout.
 - b. Clustering of buildings.
 - c. Landscaping on each lot.
 - d. Visual buffers.
 - e. Facilitation of pedestrian activity.
 - f. Distinctiveness and variety in architectural design.
- POLICY LU-8.5: Optimize architectural quality by encouraging the use of quality materials, particularly as accents and authentic detailing, such as balconies and window trims.
- POLICY LU-8.7: Require new residential development to provide outdoor areas and landscaping or native vegetation, or tree canopy to enhance the surroundings.
- POLICY LU-8.10: On all sides of buildings, require the incorporation of quality architectural design elements for all building façades and stepping back upper floors in order to reduce bulk and mass and to break up monotonous wall lines.
- POLICY LU-8.12: Require residential building entrances to be related to the street.

C. That the proposal is consistent with any applicable design guidelines adopted by the City Council.

Basis for Finding: The applicant has proposed a design which is consistent with the design-related General Plan policies, as detailed above, and as required by Chapter 18.29 of the Zoning

Ordinance. The design responds to the Zoning Ordinance's form-based development standards and supplemental regulations that focus on enhancing the appearance of the project site and surrounding built environment. The project provides a fully integrated and consistent architectural design, providing the minimum landscaping for buildings with zero lot lines, enhancing the tree-lined sidewalks, and adhering to the provisions of adequate lighting without producing spillover or glare.

D. That the proposal is consistent with any approved tentative map, use permit, variance, or other planning or zoning approval that the project required.

Basis for Finding: The proposal also requires approval of a Conditional Use Permit request to allow parking within 40 feet of a street-facing property line, a TDM plan, BMR Plan and a Vesting Tentative Map. All the required findings can be made for each requested entitlement and are discussed in the forthcoming sections of the Staff Report. It is noted by the Department of Public Works that the subject site consists of three legal lots, currently under one Assessor's Parcel Number (APN). As such, a condition of approval has been added requiring the merger of the three lots prior to Building Permit issuance.

E. That the proposal is consistent with the applicable design review criteria in Section 18.29.060, Design review criteria.

Basis for Finding: The proposal is consistent with the applicable design review criteria in Section 18.29.060 for the reasons as previously outlined within the Supplemental Regulations section above and discussion below. The building is designed in a contemporary architectural style with the use of traditional exterior building materials including cement plaster, brick veneer and horizontal siding of a complementary, neutral color scheme. All elevations include the use of windows and balconies as well and building reveals to break up the mass and provide architectural articulation. On the primary street facing the front façade, the building entry is emphasized with large storefront windows, prominent corner entryway and awning which wraps the perimeter of the building. The parking area for the development is accessed from the rear public alleyway with roll-up metal garage doors. The secondary street frontage along Laurel Street includes similar complementary architectural treatments. The project provides a fully integrated and consistent architectural design, providing landscaping along each of the private residential balcony open spaces along both street frontages, as well as new tree-lined sidewalks, and provision of adequate lighting without producing spillover or glare. The design and planting plan will contribute to the streetscape and pedestrian oriented character of the district. The addition of new street trees will soften the building and introduce a greener environment to the existing commercial district.

State Density Bonus and Incentives/Concessions

The California State Density Bonus Law (SDBL) - Government Code sections 65915-95918 - provides developers with tools to encourage the development of affordable housing, including up to a 50% (*previously 35%*) increase in project densities, depending on the percentage of affordable housing and the affordability level. The Density Bonus is a state mandate. A developer who meets the requirements of the State Law is entitled to receive the density bonus and other benefits as a matter of right. The amount of the density bonus is set on a sliding scale, based upon the percentage of affordable units at each income level. The bonus units are in addition to

the base proposed project. The law also requests the City to grant incentives or concessions to each project that qualifies for a density bonus to accommodate the additional units. The City is not permitted to apply a development standard which physically precludes the construction of the project at its permitted density.

The project site has a zoning designation of MU-SB, Mixed Use South Boulevard. This designation allows densities of up to 50 dwelling units per acre. With a lot size of 8,316 square feet, the density for this development would be limited to ten (10) dwelling units. Ownership developments are required to provide 15% of the units at affordable income levels. This would require two (2) affordable units, one (1) of which shall be affordable to moderate income households and one (1) affordable to low-income households.

In applying the SDBL, the application has a proposed Below Market Rate (BMR) Housing Plan, that includes two (2) very-low (VL) income units. Based on the State Density Bonus law and in exchange for the project providing two (2) VL BMR units, the project is entitled to a 50% density increase over the base project, or an additional five (5) units resulting in an allowable total of up to 15 residential units, and up to three (3) incentives/concessions by right with no further review authority by the City. To accommodate the additional units allowed, the applicant is requesting an incentive or concession from the otherwise required development standards; specifically:

- i. a concession from the front yard setback along Laurel Street. and;
- ii. a concession from setback distances for windows along the interior side and rear property lines.

The front yard setback concession allows the building to be built to a 0' setback along Laurel Street where otherwise 15 feet from the curb would be required. The proposed project is also requesting a setback concession to allow living room, sleeping room, and other room windows at a 0' setback along northern facade, facing the interior side and reduced setbacks, ranging between 0'-10'-0, along Belmont Street side facade and the rear facade. As noted, cities are required to grant density bonus and incentives/concessions to facilitate the development of affordable housing.

2. Conditional Use Permit (CUP)

Above-ground surface parking may be located within 40 feet of a street-facing property line with the approval of a Conditional Use Permit. Most of the surface parking is wrapped around the building and situated towards the rear of the commercial space. The only portion that is 40'-0 within the property line, is the edge of the parking stacker stalls placed within the fully enclosed, covered parking garage closest to Belmont Avenue. Three parking lift stalls are approximately 0'-0 from the street property line. Pursuant to Section 18.05.050(G)(2), the Planning and Transportation Commission shall make all the following findings specific to this issue to permit surface parking within 40 feet of a street facing property line:

- a. Buildings are built close to the public sidewalk to the maximum extent feasible.*

Basis for Finding: The building is proposed with a 0' setback from the Belmont Avenue property line, which directly abuts the public sidewalk.

b. The parking area is screened along the public right-of-way with a wall, hedge, trellis, and/or landscaping.

Basis for Finding: The parking garage is screened from public view as it is completely enclosed within the building and screened with an articulated and designed wall, as well as a metal roll-up garage door. The ground floor elevation is well articulated with windows at the commercial space and change in exterior building materials. The new street trees along this frontage will further assist in buffering against any visual impacts.

c. The site is small and constrained such that underground, partially submerged, or surface parking located more than 40 feet from the street frontage is not feasible.

Basis for Finding: The subject 8,316 square foot project site has a lot width of approximately 68 feet and length of approximately 110 feet, area of 7,150 square feet. This does not make the lot substandard in size in accordance with the SCMC but to accommodate the additional residential units as allowed by SDBL, meet associated parking demands, and to avoid significant grading and dirt hauling impacts, the granting of the Conditional Use Permit is requested. The entire garage is enclosed, and the interior of the garage will not be visible from the public right-of-way.

Finally, the Planning and Transportation Commission must consider the Conditional Use Permit request in light of the general Use Permit findings, per Section 18.30.060 of the Zoning Ordinance:

A. The proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of this Ordinance and all other titles of the Municipal Code.

Basis for Finding: The proposed mixed use development is allowed within the MU-SB Zoning District by right. The Conditional Use Permit request is to allow enclosed surface parking within 40 feet of the street-facing property line along Belmont Avenue. It would be prohibitive to require a 40-foot parking setback.

B. The proposed use is consistent with the General Plan and any applicable specific plan.

Basis for Finding: There are no applicable specific plans in San Carlos. The project is consistent with the Mixed Use, Medium High-Density designation, which permits a density of up to 50 dwelling units per acre, in addition to the following use-related policies contained within the General Plan:

- POLICY LU-1.14: Support creative, innovative and flexible approaches to parking standards and the provision of parking facilities.
- POLICY LU-8.13: Require parking areas associated with development to be located and designed to minimize visual impact to the greatest extent feasible. This may include locating parking behind buildings street frontage, below grade, or screening using natural landscaping.

C. The proposed use will not be adverse to the public health, safety, or general welfare of the community, nor detrimental to surrounding properties or improvements.

Basis for Finding: The proposed use is an outright permitted use at the proposed location. Implementation of the conditions contained within the Conditional Use Permit/Code Compliance Certificate ensures that the new development will not be detrimental to persons, property, or improvements in the vicinity.

D. The proposed use complies with any design or development standards applicable to the zoning district or the use in question unless waived or modified pursuant to the provisions of this Ordinance.

Basis for Finding: The proposal is consistent with the development standards for the MU-SC Zoning District (as detailed previously) and with the applicable design review criteria in Section 18.29.060, specifically Criteria A, B, C, D, E, F, I, J, and L.

E. The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and reasonably foreseeable future land uses in the vicinity.

Basis for Finding: The design, location, size, and operating characteristics of the proposed activity are compatible with similar uses in the area and reasonably foreseeable future land uses. Other blocks of Laurel Street in the project vicinity include a mix of mixed use, residential developments and small commercial spaces.

F. The site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints.

Basis for Finding: The Zoning and General Plan designations allow for a density of up to 50 dwelling units per acre. The maximum allowable density for a 8,316 square-foot site, not taking into account required parking, open space requirements, etc., is 10 units. The development is proposed with 15 residential units, through application of the SDBL, and thus complies with the maximum allowable density for the site.

3. Below Market Rate (BMR) Housing Plan

The applicant submitted a Below Market Rate (BMR) Housing Plan (Attachment 6), as required by San Carlos Municipal Code Section 18.16.060 (B), which the City's Housing Manager reviewed to ensure compliance with the City's Ordinance. The City's Ordinance requires 15% of units (or 2 units for this development) to be set aside at affordable incomes, with 10% at moderate-income level and 5% at the low-income level. The applicant is proposing two (2) BMR units, however at a BMR mix that provides for deeper levels of affordability than the Ordinance requires; specifically, that both units are restricted to very-low (VL) income households. The identified two (2) BMR units are:

- i. Unit #2: a 2-bedroom, 2-bath unit located on the second floor. and;
- ii. Unit #11: a 1-bedroom, 1-bath unit located on the third floor.

The BMR units are representative of the units proposed on site. The applicant has selected to utilize the State Density Bonus and concession/incentive provision as discussed in the previous section. The Planning and Transportation Commission is required to approve, conditionally approve, or reject the BMR Housing Plan. Staff is supportive of the BMR Housing Plan as submitted. As a condition of approval, the applicant will be required to provide a BMR Housing

Agreement in compliance with Sections 18.16.060 (C) and Section 18.16.060 (D), deeds of trust, options to purchase, and other required documentation, and shall be approved by the City Attorney prior to being executed, prior to issuance of a Building Permit and/or recordation of any final or parcel map.

4. Transportation Demand Management (TDM) Plan

The applicant submitted a Transportation Demand Management (TDM) Plan in compliance with San Carlos Municipal Code Chapter 18.25. TDMs are required for new multi-unit developments of ten units or more to reduce the vehicle trip generation rate by 20% of the standard rates. The applicant's TDM Plan, prepared by RKH Civil and Transportation Engineering, anticipates a 20% reduction in trips based on the following measures: Long- and Short-Term Bicycle Parking and Information Boards/Kiosks. The TDM Plan can be found as Attachment 5.

To grant approval of the proposed TDM Plan, the Planning and Transportation Commission must make the following two findings when considering the application, pursuant to Section 18.25.060 of the Zoning Ordinance.

- A. The proposed trip reduction measures are feasible and appropriate for the project, considering the proposed use or mix of uses and the project's location, size, and hours of operation.*

Basis for Finding: The downtown location, proximity to rail, on-site bicycle storage, welcome packets to be provided to tenants, transportation information provided in the lobby for the residents and an additional information board provided in the commercial space, and the requirement for a designated TDM contact are all provided in conjunction with this project. The TDM measures will work together to promote the overall goals of the TDM program. Additionally, the project triggers C/CAG TDM compliance as well, which requires a 25% trip reduction since the site is located 0.5 mile from a high-quality transit stop (El Camino Real bus stop). A condition of approval has been added requiring the project to submit a revised TDM plan including a completed checklist to demonstrate compliance with C/CAG's TDM measures before issuance of the building permit. This revised report will be reviewed by the Public Works department once submitted.

- B. The proposed performance guarantees will ensure that the target alternative mode use established for the project by this chapter will be achieved and maintained.*

Basis for Finding: Required monitoring, detailed implementation plan, including a designated TDM contact, will be required as conditioned within Attachment 1. Additional TDM measures may be required if the city determines that the trip reduction goal of 20% is not being achieved.

5. Tentative Map for Condominiums

The applicant has applied for a Vesting Tentative Subdivision Map to subdivide the property into one commercial unit and fifteen (15) for-sale residential and one (1) commercial condominium unit. In considering whether to approve a Tentative Map, the Planning and Transportation Commission must consider the following findings, per SCMC Sec. 17.24.110:

1. The proposed subdivision is in conformity with law and Title 17 of the San Carlos Municipal Code.

Basis for Finding: The purpose of Title 17 is to regulate and control the design and improvement of subdivisions and to ensure their compliance with applicable policies and regulations of the City of San Carlos. The proposed subdivision is subject to all conditions of Title 17 of the San Carlos Municipal Code and would, therefore, be in conformity with law as noted above and as reviewed by the Public Works Department subject to conditions of approval and review comments.

2. The size and shape of the proposed lots are in general conformance to City requirements and the general pattern of the neighborhood and will not cause traffic, health or safety hazards.

Basis for Finding: These fifteen (15) new condominiums will have direct street frontage by means of a common driveway off of the rear yard public alley (Cowgill) providing access to a shared parking garage, while pedestrian entry is proposed from Laurel Street. As other mixed use developments exist currently within the neighborhood, the proposed lots conform to the general pattern of the neighborhood. The increase in traffic is negligible as it was already anticipated in the General Plan Environmental Impact Report (EIR) under the full build-out scenario and is exempt from the California Environmental Quality Act under the infill development exemption.

3. The proposed lots will have proper and sufficient access to a public street.

Basis for Finding: Direct vehicular access to all fifteen (15) units would be available from Cowgill Alley, while direct pedestrian access would be available from Laurel Street. Conditions of approval are added requiring the applicant meet the respective requirements of the San Carlos Fire Department and the Public Works Department in preparing the Final Map and as stated in the Conditions of Approvals.

4. The proposed map and the design or improvement of the proposed subdivision are consistent with applicable general and specific plans.

Basis for Finding: There are no specific plans within the City of San Carlos. The site was listed as an underutilized site in the General Plan Housing Element. The following General Plan policies apply to the subdivision aspect of the proposal:

- POLICY LU-5.11: Continue to require developers to pay their fair share of the capital cost of public facilities through appropriate development impact and utility connection fees.
- POLICY LU-9.16: Require a contribution of parkland and/or fees in-lieu of land dedication as a condition of approval of all new residential subdivisions.
- GOAL HOU-2: Higher density, multi-family housing located close to transit, in Downtown, and along San Carlos Avenue and El Camino Real.
- GOAL HOU-3: Assist in the development of new housing that is affordable at all income levels.

5. The site is physically suitable for the type of development.

Basis for Finding: The subject site is located within the MU-SB zoning district, where mixed use of multi-family residential and certain commercial uses is outright permitted. Building, Public Works, Police, and the San Carlos Fire Department have all reviewed the proposed plans and provided conditions of approval for implementation. Upon submittal for building permits, the soils report will be sent out for review of soil and geologic conditions.

6. The site is physically suitable for the proposed density of development.

Basis for Finding: The Zoning and General Plan designations allow for a density of up to 50 dwelling units per acre. The maximum allowable density for a 8,311 square-foot site, not taking into account required parking, open space requirements, etc., is ten (10) units. However, through application of the SDBL with the two very-low BMR units proposed, the development is granted five (5) additional units, thus allowing up to fifteen (15) units.

7. The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish, wildlife, or their habitat.

Basis for Finding: The project has been determined to be categorically exempt from the requirements of CEQA, specifically Section 15332, which exempts infill development from further environmental review. There are no bodies of water within proximity to the site, nor are there any significant wildlife or endangered species existing on the property.

8. The design of the subdivision or the type of improvements are not likely to cause serious public health problems.

Basis for Finding: Staff have determined that neither the design of the subdivision nor the type of improvements will cause public health problems. City Departments have added conditions of approval that will ensure the public health and safety are maintained.

9. The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision, or that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to those previously acquired by the public.

Basis for Finding: The San Carlos Municipal Code requires that the Tentative Map include detail on the locations, width, and purposes of all existing and proposed easements contiguous to the proposed subdivision. The subject site has been under private ownership for decades and there is no publicly owned access or use easements that cross the property.

10. The discharge of waste from the proposed subdivision will not result in violation of existing water quality requirements prescribed by the Regional Water Quality Control Board.

Basis for Finding: Conditions of approval for the new development related to stormwater pollution prevention have been included within the approval documents such that stormwater is collected and treated on-site to the extent practicable and pollutants entering the stormwater system are mitigated to the maximum extent feasible.

PUBLIC NOTICE

The public notice was mailed to all property owners within 300' of the subject properties on May 3, 2023, and published in the newspaper on May 2, 2023 (Attachment 7).

PUBLIC COMMENTS

To date, no public comments have been received. The applicant also conducted a community meeting near the project site as part of their own public outreach efforts - see Attachment 6.

ENVIRONMENTAL DETERMINATION

This project has been determined to be exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Section 15332, which exempts infill development meeting applicable General Plan policies and applicable zoning regulations from further environmental review.

FORMAL MOTION

I move that the Planning and Transportation Commission approve the request for Design Review, Below Market Rate (BMR) Housing Program, Transportation Demand Management Plan, Conditional Use Permit, and Vesting Tentative Map to allow for the construction of a new, four-story mixed use building consisting of fifteen residential condominium units and one commercial space on the ground floor with at-grade covered parking 1383 Laurel Street (APN: 051-361-050) based on the findings and for the reasons incorporated in the staff report.

FURTHER ACTION

The Planning and Transportation Commission's action will be final unless appealed to the City Council within 10 days of the date of action. The deadline to file an appeal is 5:00 p.m. on **Thursday, May 25, 2023.**

Respectfully submitted by:

Rucha Dande, AICP

Senior Planner

ATTACHMENT(S):

1. DRAFT Code Compliance Design Review, CUP, BMR and TDM Certificate
2. DRAFT Vesting Tentative Map Certificate
3. 1383 Laurel Street, Proposed Plans, May 4, 2023
4. 1383 Laurel Street, Proposed BMR Plan, June 13, 2022
5. 1383 Laurel Street, Proposed TDM Plan, February 5, 2022
6. Applicant's Public Outreach Materials dated February 7, 2022
7. Public Notice Sent to Property Owners within a 300-foot radius on May 2, 2023, and Published May 3, 2023