

Special Notice / Hearing: 10 Day
Public Notification/500-foot notice
Vote Required: Majority

To: Honorable Board of Supervisors
From: Steve Monowitz, Community Development Director
Subject: Consideration of a General Plan Map Amendment, Zoning Map Amendment, Use Permit, and Lot Merger for a new 69 room hotel located at 2567 El Camino Real in the unincorporated North Fair Oaks area.

County file number: PLN 2021-00081 (Chen)

RECOMMENDATION:

Public hearing to consider a General Plan Map Amendment, Zoning Map Amendment, Use Permit, and Lot Merger for a new 69 room hotel located at 2567 El Camino Real in the unincorporated North Fair Oaks area.

- A) Open public hearing
- B) Close public hearing
- C) Recommendation to:
 - 1. Adopt a resolution amending the San Mateo County General Plan Land Use Map to change the land use designation of APN 054-261-210 from Multi-family Residential to Commercial Mixed Use; and
 - 2. Adopt an ordinance amending Chapter 2 of Division VI of the San Mateo County Ordinance Code (Zoning Annex) to revise the zoning maps, Appendix A, to change the zoning for APN 054-261-210 from R-3/S-5 (Multiple-family Residential/S-5 Combining District) to CMU-1 (Commercial Mixed Use-1), previously introduced to the Planning Commission on July 26, 2023, and waive reading of the ordinance in its entirety; and
 - 3. Authorize the Lot Merger and approve the Use Permit, County File Number PLN 2021-00081, by making the required findings and adopting the conditions of approval listed in Attachment A; and
 - 4. Determine that no additional environmental review is required pursuant to Section 15168(c) of the California Environmental Quality Act Guidelines.

BACKGROUND:

Proposal: The applicant is seeking a Use Permit to construct a new 18,715 sq. ft. hotel with 69 guest rooms and 48 parking spaces at 2567 El Camino Real in the unincorporated community of North Fair Oaks. The proposed hotel would span across 3 parcels (APN's 054-261-220, 054-261-230, and 054-261-210). The parcel identified as APN 054-261-210, at 11 Northumberland Avenue, is currently zoned R-3/S-5 (Multiple-family Residential/S-5 Combining District) and has a General Plan Designation of "Multi-family Residential". The applicant proposes to rezone this parcel to CMU-1 (Commercial Mixed Use-1) and amend the General Plan land use designation to Commercial Mixed Use (Medium High Density) to be consistent with the two other project parcels that front El Camino Real.¹ Upon approval of the rezone and general plan map amendments, the three project parcels will be merged to create one 12,488 sq. ft. corner parcel to support the proposed hotel development. The existing commercial buildings on site with four units of housing will be demolished to accommodate the hotel. Minimal grading (79 cubic yards of cut and 172 cubic yards of fill) is necessary for the project and no tree removal is proposed.

Planning Commission: The Planning Commission considered the project on July 26, 2023. During the hearing the applicant addressed concerns about displacing current residents in the 4 units on site, the applicant committed to relocating all current tenants. The Planning Commission voted unanimously to recommend approval of the project.

Report Prepared By: Kanoa Kelley, Project Planner; Email: kkelley@smcgov.org

Owner: Commons Hotels LLC

Applicant: Dazhi Chen

Public Notification: Ten (10) day advanced notification for the hearing was mailed to property owners within 500 feet of the project parcel and a notice for the hearing was posted in a newspaper (San Mateo Times) of general public circulation.

Location: 2567, 2561 El Camino Real and 11 Northumberland Avenue, North Fair Oaks

APNs: 054-261-220 (2567 El Camino Real), 054-261-230 (2561 El Camino Real), 054-261-210 (11 Northumberland Avenue)

Size: 12,488 square feet combined

Existing Zoning: CMU-1 (Commercial Mixed Use-1) and R-3/S-5 (Multiple-family Residential/S-5 Combining District)

General Plan Designation: Commercial Mixed Use and Multi-family Residential

Sphere-of-Influence: Redwood City

¹ These zoning and General Plan amendments are included in the larger North Fair Oaks rezoning and General Plan amendments also being considered by the Board of Supervisor at its meeting of October 17, 2023. They have been included with this project to allow the project to be considered independently in the event that the larger zoning and General Plan amendments are not approved.

Existing Land Use: General commercial businesses, salon and restaurant, 4 residential units.

Water Supply: Continued water service to be provided by the California Water Service Company; upgrades may be required subject to review of construction plans.

Sewage Disposal: Continued sewer service to be provided by the Fair Oaks Sewer Maintenance District (being a function of the County Department of Public Works).

Flood Zone: Zone X (areas of minimal flood), pursuant to Federal Emergency Management Agency, Flood Insurance Rate Map, Community Panel 06081C0302E, effective October 16, 2012.

Environmental Evaluation: The 2011 Program Environmental Impact Report (Program EIR) for the North Fair Oaks Community Plan evaluated the environmental impacts of development in the North Fair Oaks area, including the project site. As documented in the North Fair Oaks EIR consistency analysis included as Attachment H, the project was evaluated in the context of the Program EIR and determined that no new environmental impacts will occur, and no new mitigation measures are required. Therefore, pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15168(c), no additional environmental review is required as the project is within the scope of the Program EIR. In addition to the conditions of approval proposed for this project, the project will implement all applicable mitigation measures adopted in the Program EIR.

Setting: The project location is in the existing urban community of North Fair Oaks at 2567 El Camino Real. The parcels have been developed with commercial buildings with restaurant and beauty services tenants. In addition, the two El Camino Real parcels have a combined four units of existing rental housing. The parcel at 11 Northumberland Avenue is a parking lot that serves the two commercial buildings on site.

Chronology:

<u>Date</u>	<u>Action</u>
February 25, 2021 -	Major Development Pre-application Public Workshop (PRE 2020-00054) held for a 69 unit hotel.
March 10, 2021 -	Subject application submitted.
October 19, 2022 -	Application deemed complete.
November 17, 2022 -	North Fair Oaks Community Council. (<u>Recommendation</u>)

July 26, 2023 - Planning Commission public hearing. (Recommendation)

October 17, 2023 - Board of Supervisors public hearing.

DISCUSSION

A. KEY ISSUES

1. Compliance with the General Plan/North Fair Oaks Community Plan

Staff has reviewed the project for compliance with all applicable General Plan/North Fair Oaks Community Plan policies, including the following:

a. Soil Resources

Policy 2.17 (*Regulate Development to Minimize Soil Erosion and Sedimentation*) seeks to minimize soil erosion and sedimentation. The project would include 251 cubic yards (c.y.) of grading. Specifically, the grading activities necessary to prepare the site for the hotel will require 79 c.y. of cut and 172 c.y. of fill to accommodate the building's foundation. The required implementation of erosion control measures will ensure that soil erosion is minimized.

b. Visual Quality Policies

Policies 4.15 (*Appearance of New Development*) and 4.36 (*Urban Design Area Concept*) seek to improve on the appearance and visual character of development in urban areas. The project will be subject to the design and performance standards for the CMU-1 zone. See Section 2.b for a discussion on design and performance standards compliance.

c. Urban Land Uses Policies

General Plan Policies 8.12 (*General Plan Land Use Designations for Urban Areas*), 8.30 (*Infilling*), and 8.36 (*Uses*) seek to adopt the land use designations of the North Fair Oaks Community Plan, encourage infilling of urban areas where infrastructure and services are available, and allow uses in zoning districts that are consistent with the overall land use designation.

According to the North Fair Oaks (NFO) Community Plan, the two project parcels along El Camino Real are designated Commercial Mixed-Use (medium-high density) and the parcel at 11 Northumberland Avenue is designated as Multiple-Family Residential. The primary objective of the Commercial Mixed- Use land use category is to promote a mix of multi-family and regionally oriented

commercial uses. The Multiple-Family designation is a high density use appropriately located adjacent to commercial uses and buffers single-family homes from traffic and noise generated by commercial uses. The rezoning of the 11 Northumberland Avenue parcel to Commercial Mixed Use will be compatible with adjacent multi-family land use designations and will preserve an appropriate buffer between commercial and lower density single and multiple family residential uses.

North Fair Oaks Community Plan Goal 2.2: *Promote revitalization through redevelopment of underutilized and vacant land in North Fair Oaks.* The redevelopment of the three parcels will further this goal by utilizing the site for the intended regional serving use and supporting redevelopment of the El Camino commercial corridor, thereby enhancing the North Fair Oaks community.

General Plan Policy 8.40 (*Parking Requirements*) seeks to ensure minimum on-site parking requirements and standards are met in order to, among other things, accommodate the parking needs of the development, provide convenient and safe access, and prevent congestion of public streets. The project will meet all parking requirements of the CMU-1 zoning district, calculated at 1 parking space per 250 sq. ft., which exceeds the North Fair Oaks Community Plan parking standards of 1 space per 400 sq. ft. for commercial uses.

d. Transportation Policies

General Plan Policy 12.21 (*Local Circulation Policies*) encourages minimal through traffic in residential areas and adequate access for emergency vehicles. The project has been reviewed and conditionally approved by the Menlo Park Fire Protection District with regard to emergency vehicle access. Traffic will primarily be from El Camino Real, a regional connector street.

Traffic and Vehicle Miles Traveled (VMT) analyses were conducted by Hexagon Transportation Consultants (October 12, 2021). The analyses concluded that the project meets all screening criteria that exempt development from further CEQA analyses. The project is within a high-quality transit corridor/transit priority area, does not provide more parking than required by regulation, and would not displace affordable housing. Additionally, project trip generation is estimated to be approximately 277 daily trips, which is less than the 500 daily trips threshold for a traffic analysis. Based on the estimated daily trip volume, no traffic congestion or traffic spillover into residential areas is anticipated.

e. Water Supply and Wastewater

Water Supply Policies 10.10 (*Water Suppliers in Urban Areas*) and 10.12 (*Coordination of Water Suppliers*) consider water systems as the appropriate water supply for urban areas and seek to ensure water providers have capacity commensurate with the level of development permitted by adopted land use plans. The project property is currently served by California Water Service-Bear Gulch (Cal-Water). The proposed project has been preliminarily reviewed and Cal-Water did not raise any concerns about its ability to continue providing service for the proposed commercial project. However, an upgrade to the water mains on Northumberland Avenue and El Camino Real may be required at the discretion of Cal-Water upon review of full construction drawings at the building permit stage.

Wastewater Policies 11.4 (*Adequate Capacity for Unincorporated Areas*) and 11.5 (*Wastewater Management in Urban Areas*) consider sewerage systems as the appropriate method of wastewater management in urban areas and seek to ensure adequate capacity is available for unincorporated areas. The subject parcels are currently served by Fair Oaks Sewer Maintenance District (District). The District has conducted a sewer capacity analysis and indicated that there is sufficient sewer capacity to serve the proposed project. To offset additional flows, the applicant will be required to replace approximately 400-1,000 linear feet of pipes within the District.

2. Compliance with the Zoning Regulations

One of the project parcels (APN 054-261-210) is currently zoned R-3/S-5 (Multiple-family Residential). The proposal to rezone this parcel to CMU-1 (Commercial Mixed Use-1) will provide consistent zoning across the three project parcels and allow the project to utilize this parcel to support the hotel development. Staff has reviewed and determined that the project is in compliance with all of the applicable Zoning Regulations, including the following:

	CMU-1 Development Standards	Proposed
Building Site Area	5,000 sq. ft.	12,488 sq. ft.
Max. Floor Area	150% = 18,732 sq. ft.	18,715 sq. ft.
Min. Front Setback (El Camino Real)	0 to 10 ft.	12 ft.
Min. Rear Setback	15 ft. (first 40 ft. of building height), then 22 ft. (above 40 ft. of building height)	15 ft. (22 ft. for the portion of building above 25 ft.)

Min. Side Setbacks	0	0
Max. Building Height	60 feet (<i>minimum</i> building height is 3 stories)	48 feet (4 stories)
Min. Parking Spaces	48 (1 per 250 net square feet of guest rooms)	48

a. Permitted Land Uses

The applicant is seeking a Use Permit to locate the proposed development in the CMU-1 Zoning District, as the CMU-1 Zoning District allows hotel uses subject to the issuance of a Use Permit. See below for staff's discussion on the finding required to approve the Use Permit.

b. CMU-1 Performance Standards

Section 6567.6 of the CMU-1 Zoning Regulations states that no ongoing or new use may be conducted in a manner that does not meet the performance standards of the Zoning District with regard to limiting noise levels to the stipulated limits of the County Noise Ordinance; prohibiting dust and odor emissions beyond the boundaries of the CMU-1 District; prohibiting vibration perceptible without instruments on adjoining property, except for temporary construction operations; keeping glare and rays from exterior lighting to the confines of the premises; providing screening for trash and debris areas; and keeping all activities associated with the use entirely on-site.

Aside from temporary dust or odor emissions that would be generated by construction activities, the long-term hotel operation will not generate any detectable levels of dust or odor, or vibration. All exterior lighting shall be dark-sky compliant and designed and located so that direct rays and glare are confined to the premises, with the exception of lighting on the front building façade which may light the public sidewalk (as permitted by the zoning standards).

Signs

The project proposes only 2 signs, 1 building sign per street side, in compliance with the sign standards for the CMU-1 zoning district. The signs will be integrated into the architecture of the building and do not exceed the height of the building.

Design Standards for Private Development

Section 6566.16 of the San Mateo County Zoning Regulations outlines basic design standards for projects along El Camino Real. The project complies with the following design standards.

6566.16.1.a. - Orient buildings, entries and primary façades toward the primary adjoining street. Primary streets include Middlefield Road, El Camino Real, 5th Avenue, Edison Way, Bay Road, and Fair Oaks Avenue.

The design of the hotel orients the building and the minimal proposed signage towards the corner of the parcel facing El Camino Real.

6566.16.1.b. and c. - Along block faces, vary facade articulation, roof heights, and step-backs. Vary fenestration, color, architectural elements, and other elements between multiple adjoining structures or units.

As shown in the project renderings, the project utilizes varying roof heights, window sizes (fenestration), colors and natural material choices to articulate the façade and break up parts of the building to appear less linear. The project utilizes vertical elements with differing heights and materials to break up the massing of buildings.

6566.16.1.e. - Locate ground-level parking and parking access in the side or rear of the project, or in cases where front parking access is necessary due to site constraints, include pedestrian-friendly design treatments and amenities such as paths, screening and landscaping to mitigate impacts on the pedestrian environment and overall streetscape.

The project locates all parking at ground level, below the first floor of the building and in the rear of the property so that it is not visible from El Camino Real. The area along El Camino Real will utilize landscaping and outdoor space to create a pedestrian-friendly environment.

6566.16.2.a,b,c – Articulate ground floor faces using vertical elements. Use multiple varied vertical or horizontal elements and provide floor to floor heights of 12 feet for commercial uses.

The proposed ground floor ceiling height is 15 feet. The ground floor employs columns with lighting that divides up the façade with green walls added for an additional texture and color. The front of the building facing El Camino and the Northumberland elevation have

vertical elements that extend higher than the main body of the building with a different vertical wood treatment that serves to emphasize the vertical elements.

6566.16.3.a,b,c,d – Visibly anchor buildings base to base, have no continuous blank walls along street fronting facades, limit garage entrances to 22 feet. Fenestrate ground floor commercial with non-reflective glass windows fronting onto sidewalks.

The first-floor corner reaches out to engage the sidewalk. The ground floor lobby and bar have an overhang and glass balcony to provide varied elements. The façades on El Camino and Northumberland do not have any continuous blank elements.

6566.16.4- Utilize durable high quality building materials.

The project will use high quality brick veneer on the first floor and a durable simulated wood board for the corner and rear vertical elements. Stucco will be used in sufficient thickness to prevent cracking and will be treated with an anti-graffiti coating.

6566.16.5- Minimize impermeable surfaces, manage storm water runoff from impervious surfaces including roofs, use plants in landscape infiltration features that withstand pollutants.

The project site is in an urban location with very little open or landscape areas. The project has been reviewed and conditionally approved by the County Drainage Section and the project is required to comply with all requirements of the Municipal Regional Stormwater NPDES Permit Provision C.3 which requires robust plant species for bio retention areas. The project will result in a net increase in pervious surfaces by adding landscaping and bio retention areas.

6566.16.6- Install all new distribution lines underground.

Existing distribution lines run continuously down El Camino and Northumberland on existing power poles in the public right of way. All overhead lines adjacent to the project will be undergrounded as shown in the project plans.

6566.16.8- Provide transportation demand management measures, consistent with the City/County Association of Governments (“CCAG”) Land Use Component of the Congestion Management Program for San Mateo County, such as transit passes or other programs as needed to address project traffic or public transit impacts, consistent with the County Transportation Plan.

The proposed project is projected to generate more than 100 Average Daily Trips (ADT) and therefore must comply with the Transportation Demand Management Policy. The applicant has submitted a preliminary TDM Checklist in accordance with the C/CAG policy, which has been reviewed by staff. Conditions 9 and 10 have been added to ensure compliance with the C/CAG requirements for medical and lodging land use which requires the project to reduce trips by 25% through the implementation of required measures.

c. Parking Regulations

Section 6567.8 (*Parking*) outlines the parking requirement for “Specialized Neighborhood Trades and Services” that includes hotels.

The parking ratio for this category is 1 parking space per 250 sq. ft. (of net square footage of guest rooms). The project complies with this requirement and proposes 48 parking spaces.

Screening and Landscaping

Parking areas for more than ten (10) vehicles shall be screened on each side that adjoins or faces residentially zoned parcels.

All parking will be hidden from direct view under the footprint of the hotel and in the rear of the hotel. A 6-foot-high masonry wall will screen the project from the adjacent multi-family residential parcels.

Surface of Parking Area

Parking areas for more than ten (10) vehicles shall be surfaced with a durable and dust-free material. Off-street parking will be provided within a new area paved with asphalt.

d. Compliance with the Use Permit Findings

The applicant is seeking a Use Permit to establish a hotel in the CMU-1 Zoning District. The granting of a Use Permit is subject to the following finding:

That the establishment, maintenance, and/or conducting of the use will not, under the circumstances of the particular case, result in a significant adverse impact to coastal resources, or be detrimental to the public welfare or injurious to property or improvements in said neighborhood.

The establishment of a hotel is consistent with the San Mateo County General Plan and North Fair Oaks Community Plan with regard to compatible land uses. The project will further the area goals by revitalizing an existing developed site, providing better utilization of the property, and creating a commercial use in a planned commercial corridor. The project was analyzed in the context of the 2011 Program EIR for the North Fair Oaks Community Plan and it was determined that the project would not result in any new impacts or require new mitigation. Therefore, the project would not be detrimental to the public welfare.

3. Findings for Rezoning and General Plan Map Amendment

In order to change the General Plan land use designation and the zoning designation for APN 054-261-210, the Board of Supervisors is required to make the following specific findings.

- a. **That the proposed Zoning Map Amendment for the subject parcel meets the public necessity, convenience, and the general welfare of the community.**

The project would revitalize the area by providing jobs and new amenities for visitors to the community, and renewed investment in the parcel through redevelopment. The rezoning would support the proposed hotel and is compatible with adjacent multi-family zoning, which will act as a buffer from lower density single-family development in the area. Therefore, the rezoning of the parcel will serve to enhance the convenience and general welfare of the community.

- b. **That the General Plan Land Use Map Amendment is compatible with adjacent land uses and will not be in conflict with the policies of the General Plan.**

The General Plan Land Use Map Amendment would change the land use designation of one parcel from Multi-family Residential to Commercial Mixed Use. According to the General Plan land use maps, Commercial Mixed Use is a compatible use adjacent to Multi-family Residential. The General Plan Amendment would therefore not create any adjacent incompatible uses or conflict with the intent of the General Plan land use policies.

4. Findings for the Lot Merger

Pursuant to Section 7123 of the County Subdivision Regulations, the applicant has requested a lot merger to consolidate the three parcels into one. The criteria for review and action on a voluntary merger is as follows:

The Community Development Director shall approve the application for merger if the merger of parcels will not result in a greater density of development than that which is currently allowed by the County Zoning Regulations.

The merger will result in one 12,488 sq. ft. parcel. The development density of the project will not exceed County Zoning Regulations for commercial properties in the CMU-1 zone.

B. NORTH FAIR OAKS COMMUNITY COUNCIL

The North Fair Oaks Community Council (NFOCC) considered the project on November 17, 2022. Proponents of the project cited positive economic impacts and revitalization of the area. The opponents of the project spoke about a need for more affordable housing in the area that this project will not satisfy. The NFOCC voiced concerns that the demolition of four residential units on site would displace families. The applicant stated they would assist in the relocation of the families living on site. The NFOCC voted 3 to 2, with 2 council members absent, to recommend that the Board of Supervisors approve the hotel project.

C. ENVIRONMENTAL REVIEW

The proposed project was analyzed in the context of the 2011 Program Environmental Impact Report (Program EIR) for the North Fair Oaks Community Plan, which evaluated planned development in the North Fair Oaks area, including the project site. Staff determined that no new environmental impacts will occur and no new mitigation measures are required, as documented in the North Fair Oaks EIR consistency analysis provided as Attachment H. Therefore, pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15168(c), no additional environmental review is required as the project is within the scope of the Program EIR. In addition to the conditions of approval proposed for this project, the project will implement all applicable mitigation measures adopted in the Program EIR.

D. REVIEWING AGENCIES

Building Inspection Section
Drainage Section
Geotechnical Section
Department of Public Works
Menlo Park Fire Protection District
Fair Oaks Sewer Maintenance District (DPW Sewers)
Redwood City Department of Public Works
North Fair Oaks Community Council

FISCAL IMPACT

Approval of the requested project permits and modifying the land use designation and zoning for one project parcel would result in no fiscal impact to Net County Cost.

ATTACHMENTS

- A. Recommended Findings and Conditions of Approval
- B. Resolution for the General Plan Land Use Map Amendment
- C. Ordinance for the Zoning Map Amendment
- D. Project Site Location Map
- E. Project Plans
- F. VMT Analysis prepared by Hexagon Transportation Consultants
- G. Pre-application approval letter
- H. North Fair Oaks EIR consistency analysis