



Daly City Planning Commission Agenda Report

333 - 90th Street • Daly City • California • 94015 • 650-991-8033

<u>Meeting Date:</u>	November 7, 2023
<u>Application:</u>	General Plan Amendment GPA-10-23-16407 and Zone Change ZC-10-23-16496
<u>Project Location:</u>	Various parcels fronting Mission Street and Geneva Avenue (see attached maps)
<u>Project Description:</u>	Amendments to the General Plan, Zoning Ordinance, and Zoning Map Establishing C-MU Commercial Mixed-Use Zoning District
<u>Applicant/Owner:</u>	City of Daly City 333 90 th Street Daly City, CA 94015
<u>Environmental Assessment:</u>	Addendum to 2013 General Plan Environmental Impact Report

Background

The concept of developing a new Commercial - Mixed Use (C-MU) zone along the Mission Street and Geneva Avenue was initiated when the City Council adopted the Daly City General Plan in 2013 and subsequent RHNA5 Housing Element in 2015. The RHNA5 Housing Element committed the City to the following objectives and tasks:

Policy HE-3: Provide regulatory incentives for developers to construct higher-density mixed-use development along Mission Street, Geneva Avenue, and any other locations within close proximity to public transit.

Task HE-3.1: Within one year, of the Housing Element adoption, the City shall establish a Commercial Mixed-Use (C-MU) zone for areas targeted for mixed-use development, including, but not limited to the boundaries of the existing C-1 Light Commercial zone presently encompassing Mission Street and Geneva Avenue (approximately 65 acres), and establish development regulations in the Zoning Ordinance specifically for higher-density mixed-use development. The City shall, as a part of this task, explore increased building height within the C-MU zone, as determined sufficient to promote the construction of higher density mixed-use development within the zone.

Task HE-3.2: Review the existing design guidelines for mixed-use development to ensure the guidelines adequately address pertinent issues related to the construction of the mixed-use development both within existing neighborhoods and when higher-density development is proposed adjacent to lower-density

neighborhoods. Amend these guidelines and augment with development regulations identified in Task HE 3.1 above to incorporate methods for repositioning mixed-use building mass away from lower-density neighborhoods.

In March 2020, the State Department of Housing and Community Development (HCD) issued a grant award to the City of Daly City to help implement these labor-intensive tasks. Shortly thereafter, the City Council selected Placeworks consultants to develop the new Commercial Mixed-Use (C-MU) zoning district for the Mission Street and Geneva Avenue corridors, with the objective of promoting new multi-family housing and mixed-use development in these corridors.

Since this time, Placeworks has held a Stakeholder Workshop and Community Meetings to discuss the potential regulations in the new C-MU district. In July 2023, Placeworks presented the Commercial Mixed Use (C-MU) Zoning District Standards to the City Council, as well as “test fit” cases that detailed how the proposed regulatory concepts would work on actual properties in the Mission Street and Geneva Avenue corridors. Staff has also received input from Stephen Antonaros, who has designed several buildings that have been approved by the Planning Commission and City Council along Mission Street, and incorporated some of his suggestions.

Discussion

The new C-MU zoning district would replace the existing C-1 Light Commercial zoning for many of the properties adjacent to or in proximity of the Mission Street and Geneva Avenue corridors. In reviewing the potential parcels to which the new zone would be applicable, the Planning Division is also proposing that several parcels be redesignated to the Commercial Mixed-Use (C-MU) General Plan Land Use designation on the General Plan Future Lane Use Map. The proposed text amendments to Chapter 17 (Zoning Ordinance), together with maps of the parcels that are proposed for either zoning or land use designation changes, are described in further detail in the attached memorandum from Placeworks (see Attachment A – General Plan/Specific Plan and Zoning Code Amendments).

The largest regulatory changes associated with the new C-MU zoning district relate to land use allowance, building height, and parking. As part of the 2013 General Plan update, the City Council committed the City to streamlining development in the Mission Street and Geneva Avenue corridors, if design guidelines for mixed-use development were established and the Zoning Ordinance required a commercial component of sufficient proportion to the total building area and a residential component, in any new mixed-use building.

Task LU-4.3: Remove the use permit requirement for mixed-use projects that contain a commercial component of sufficient proportion to the total building area, as identified by the Zoning Ordinance, and a residential component.

This commitment, which at the time was part of the City’s Housing Element was in part to satisfy a requirement by the State Department of Housing and Community Development (HCD) that the City take steps to streamline its review of housing construction in the Mission Street and Geneva Avenue corridors. State law and HCD continue to promote policies throughout California that make housing development “by-right” and non-discretionary, and in fact mandate this entitlement approach for Housing Element sites in the City’s Regional Housing Need Allocation (RHNA), of which there are several in the two corridors.

It is for this reason that the new C-MU zoning district now identifies residential land use as permissible without the requirement for a use permit. This essentially removes the use permit requirement that currently exists for mixed-use buildings containing residential uses above the ground floor and instead requires compliance with Objective Design Standards (ODS) which have been developed specifically for the Mission Street and Geneva Avenue corridors (see Attachment B – Objective Design Standards). The Objective Design Standards contain what are essentially regulatory mandates for site design, building design, context sensitivity (making sure new buildings interface with existing homes adjacent to the corridors), and landscaping. All new buildings would be subject to the Objective Design Standards, including additions that add floors to an existing building. The Objective Design Standards would be referenced in Chapter 17 (Zoning Ordinance) and would be adopted by City Council resolution to allow for flexibility in administration.

Regarding building height, the proposed new C-MU zoning district regulations would mandate minimum and maximum heights of 30 feet and 120 feet, respectively, effectively allowing three- to 10-story buildings. The current C-1 Light Commercial District allows a 36-foot maximum height limit, although additional height is permitted by the Zoning Ordinance allowance of tapering the building inward at 45-degree agree angle after the 36th foot. This allowance has resulted in an unintended “wedding cake” affect to building design that the Planning Division has attempted in the past to reconcile by allowing a shift in bulk away from the building center and toward the Mission Street or Geneva Avenue right-of-way. Past Planning Commission and City Council approvals have also allowed increased building height by approving concessions as provided by State Density Bonus Law, adopting Planning Development (PD) zoning for sites greater than one-acre, and approving Variances. Several buildings in the corridors have been constructed using these methods, including 2665 Geneva Avenue, 6098 Mission Street, and 88 Hillside, which are six, six, and eight stories maximum, respectively.

The City’s ability to regulate parking in both the Mission Street and Geneva Avenue corridors has been recently restricted by the passage of Assembly Bill (AB) 2097. As the Planning Commission may recall in the consideration of a reduced parking allowance for the building at 1784 Sullivan Avenue in March 2023, this law prohibits public agencies from imposing minimum parking requirements for residential, commercial, or other development projects if the project is one-half mile walking distance of a “high-quality transit corridor” or a “major transit stop.” A high-quality transit corridor is a corridor with fixed-route bus service with service intervals no longer than 15 minutes during peak commute hours. A major transit stop is a site containing an existing rail or bus rapid transit station, a ferry terminal served by bus or rail, or the intersection of two or more major bus routes with a frequency of 15 minutes or less during peak commute periods. For this reason, the proposed C-MU zoning district explicitly recognizes that new uses and buildings along the corridors may be completely exempt from the City’s regular parking requirement and allows for an analysis of the proposed and potential paring waiver under AB2097.

To provide the Planning Commission and City Council with concepts about how the proposed C-MU zoning district regulations and design standards could be implemented, Placeworks has prepared a series of “test-fits” how building design and massing would be achieved for specific properties on the Mission Street and Geneva Avenue corridors (see Attachment C – C-MU Zoning Regulation Test Fit Package). These test-fit sites include properties at the Mission/Bepler intersection, Mission/East Market intersection, and at 2840 Mission Street (presently a Dollar Tree store).

Environmental Assessment

In accordance with the CEQA Guidelines, the City has determined that an Addendum to the General Plan's Certified EIR is the appropriate environmental review for proposed changes to the Zoning Ordinance, Zoning Map, and General Plan. None of the conditions analyzed under the Certified General Plan EIR have changed, nor do the proposed Zoning and General Plan changes, as an implementing tool of the General Plan, meet any of the criteria for preparing a subsequent or supplemental EIR. After an extensive analysis, the Addendum has determined that the amendments do not create substantially more severe significant effects than those previously examined in the Certified General Plan EIR (see Attachment D – Addendum No. 1 to the Daly City General Plan Update EIR).

Findings

Staff has found that the proposed General Plan Amendment GPA-10-23-16407 and Zone Change ZC-10-23-16496 - Establishment of C-MU Commercial Mixed-Use Zoning District is in accordance with Titles 5 and 17 of the Daly City Municipal Code and the City of Daly City General Plan. Approval of the proposed amendments to the General Plan and Zoning Ordinance will not be detrimental to the health, safety, morals, comfort and general welfare of persons residing or working in Daly City. The proposed project would not be injurious or detrimental to property and improvements in any neighborhood or result in substantial environmental damage or disturbance. Staff is recommending that the Planning Commission adopt the following findings of fact:

1. In accordance with Title 17 of the Daly City Municipal Code, as well as applicable State zoning enabling legislation, the Planning Commission conducted a public hearing on November 7, 2023; notice of said hearing was by newspaper publication, and posting and first class mailing to property owners within 300 feet of any property proposed for redesignation to the Commercial - Mixed Use (C-MU) General Plan land use designation and/or rezoning to the Commercial - Mixed Use (C-MU) Zoning District, on October 29, 2023;
2. The proposed changes to the Zoning Ordinance, Zoning Map, and General Plan Future Land Use Map are consistent with and implement the Daly City General Plan (2013) and the RHNA5 Housing Element (2015), specifically the following objectives and tasks:

Policy HE-3: Provide regulatory incentives for developers to construct higher-density mixed-use development along Mission Street, Geneva Avenue, and any other locations within close proximity to public transit.

Task HE-3.1: Within one year, of the Housing Element adoption, the City shall establish a Commercial Mixed-Use (C-MU) zone for areas targeted for mixed-use development, including, but not limited to the boundaries of the existing C-1 Light Commercial zone presently encompassing Mission Street and Geneva Avenue (approximately 65 acres), and establish development regulations in the Zoning Ordinance specifically for higher-density mixed-use development. The City shall, as a part of this task, explore increased building height within the C-MU zone, as determined sufficient to promote the construction of higher density mixed-use development within the zone.

Task HE-3.2: Review the existing design guidelines for mixed-use development to ensure the guidelines adequately address pertinent issues related to the construction of the mixed-use development both within existing neighborhoods and when higher-density development is proposed adjacent to lower-density neighborhoods. Amend these guidelines and augment with development regulations identified in Task HE 3.1 above to incorporate methods for repositioning mixed-use building mass away from lower-density neighborhoods.

Policy LU-1. Increase minimum property sizes in all commercial zones and restrict the ability of existing sites to subdivide;

Policy LU-1. Incorporate a lot merger incentive allowance to incentivize property owners to merge two or more adjacent lots for the purpose of new development;

Policy LU-4. Explore increased building height within the new C-MU zone along Mission Street and Geneva Avenue;

Policy LU-4. Review, amend, and augment existing design guidelines for mixed-use development to incorporate methods for repositioning mixed-use building mass away from lower-density neighborhoods;

Policy LU-4. Amend parking regulations to allow for a 30 percent parking reduction for all mixed-use development projects and clarify that the mixed-use parking reduction is allowed for buildings containing residential and retail components and parking available to both uses; and

Policy LU-6. Establish parking regulations for the C-MU zone to require that any new restaurant provide the same number of parking spaces as that of a retail business (one space per each 300 square feet).

3. In accordance with the CEQA Guidelines, the City has determined that an Addendum to the General Plan's Certified EIR is the appropriate environmental review for proposed changes to the Zoning Ordinance, Zoning Map, and General Plan. None of the conditions analyzed under the Certified General Plan EIR have changed, nor do the proposed Zoning and General Plan changes, as an implementing tool of the General Plan, meet any of the criteria for preparing a subsequent or supplemental EIR. After an extensive analysis, the Addendum has determined that the amendments do not create substantially more severe significant effects than those previously examined in the Certified General Plan EIR.

Recommendations

Based on the findings enumerated above, staff recommends that the Planning Commission recommend that the City Council:

1. Adopt the Findings as outlined herein;
2. Find that the proposed regulations have been evaluated under the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section

15164 and that an addendum to 2013 General Plan Environmental Impact Report is appropriate; and

3. Recommend that the City Council approve General Plan Amendment GPA-10-23-16407 and Zone Change ZC-10-23-16496, amending the General Plan designations of certain parcels to Commercial – Mixed Use, establishing the Commercial Mixed-Use (C_MU) Zoning District in Chapter 17 of the Daly City Municipal Code, and amending the Daly City Zoning Map to rezone certain parcel to Commercial- Mixed Use, as described in attachments.

Staff is available to provide any additional information desired by the Planning Commissioners.

Respectfully submitted,



Michael Van Lonkhuyzen
Planning Manager



Tatum Mothershead
Director of Economic and Community
Development

Attachments

Attachment A – General Plan/Specific Plan and Zoning Code Amendments

Attachment B – Objective Design Standards

Attachment C – C-MU Zoning Regulation Test Fit Package

Attachment D – Addendum No. 1 to the Daly City General Plan Update EIR