

**BUSINESS OF THE PLANNING COMMISSION
OF THE CITY OF HALF MOON BAY**

AGENDA REPORT

For meeting of: March 8, 2022

TO: Honorable Chair and Planning Commissioners

FROM: Jill Ekas, Community Development Director
Douglas Garrison, Senior Planner

TITLE: New Mixed-Use Project located at Main Street and Kelly Avenue

RECOMMENDATION

By resolution, approve PDP-20-051 which includes a Vesting Tentative Parcel Map, Coastal Development Permit, and Architectural Review based on the findings and evidence contained in Exhibit A of the Draft Resolution, and subject to Conditions of Approval in Exhibit B.

PROJECT BACKGROUND

The proposed development includes two new three-story buildings with 1,860 gross square feet of ground floor commercial space and six apartment units. The existing building at 433 / 435 Main Street would be retained. Originally this L-shaped lot was three separate rectangular lots, consistent with the prevailing pattern in downtown. Under a previous owner the three lots were merged, creating the current configuration. The property is the former site of a gas station. It closed in 2008, and the site has remained vacant and secured behind solid fencing for many years. Remediation of the property has been completed. In 2006, the City approved a mixed-use project for this site that included more commercial space and fewer residential units than the proposed project. The zoning at that time required 42 parking spaces, and the project included 12 spaces. That former project was not constructed.

The currently proposed project consists of re-subdividing the property into the original three lot configuration and constructing two new three story buildings on the northeast corner of Main Street and Kelly Avenue. Beginning in early 2019, City staff worked with the current applicant in developing this proposed design. The project has been reviewed by the Architectural Advisory Committee over a series of public design review sessions from December 2019 through December 2021, over which time the project design has been revised according to the Committee's recommendations. In May 2021, the Planning Commission provided input on the project and its design at a noticed and televised public study session. The current proposal incorporates significant changes in scale and design in response to input throughout this process. Additionally, the applicant has submitted a summary of design changes in response to AAC and Planning Commission input (Attachment 4).

The developer originally proposed a much larger project consisting of 12 apartments with more commercial space. Subsequent designs incrementally reduced the number of units. Most of the apartments would have been built on top of an elevated concrete slab with parking, located under the slab at existing grade. All of the proposals, including the most current, would share parking and access with the existing historic building located at 433 / 435 Main Street. Providing parking for the larger project that could meet City zoning standards would have been difficult to achieve even with recently updated parking standards. Additionally, the larger elevated structures would have loomed over the adjacent low profile residential properties on Johnston Street. Consequently, the developer chose to reduce the size of the project to 6 apartments and eliminated the need for a raised concrete slab support for the buildings.

Summary of Project	
File Number	PDP-20-051
Requested Permits/Approvals	Coastal Development Permit, Vesting Tentative Parcel Map, Architectural and Site Design Review and potentially a Parking Exception
Site Location	Corner of Main and Kelly/ APN: 056-166-110
Applicant/Property Owner	Tony Uccelli / Ozella Cardoni
Project Planner	Douglas Garrison; (650) 712-5836; dgarrison@hmbcity.com
Zoning District	C-D Commercial Downtown
LCP Land Use Plan Designation	Commercial-General
Water Service	CCWD has confirmed service availability
Sewer Service	Adequate capacity available
Environmental Determination	Categorically Exempt pursuant to California Environmental Quality Act Guidelines, 15332 Infill Development
Heritage Trees	No heritage trees on site
Story Poles	Installed on February 26, 2022
Right of Appeal	Any aggrieved person may appeal the Planning Commission decision to the City Council within ten (10) working days of the decision. The project is not located within the Coastal Commission Appeals Jurisdiction; therefore, City action is final.

Site and Surrounding Uses

The site is located in downtown Half Moon Bay at the intersection of Main Street and Kelly Avenue. This is the heart of the downtown business district. To the east, Johnston Street provides a transitional zone from the more intensive downtown commercial activities to less intensive commercial uses and residential areas. Land use and zoning for neighboring properties surrounding the site are as follows:

	Use	Zoning
West	Commercial/Residential Mixed Use	C-D Commercial Downtown
North	Commercial/Residential Mixed	C-D Commercial Downtown /
East	Commercial and Residential	C-D Commercial Downtown / C-R Commercial Residential
South	Commercial and City Hall	C-D Commercial Downtown

The site location indicating existing conditions is provided in Figure 1 below and select architectural renderings are provided in Figure 2.

Figure 1. Project Location

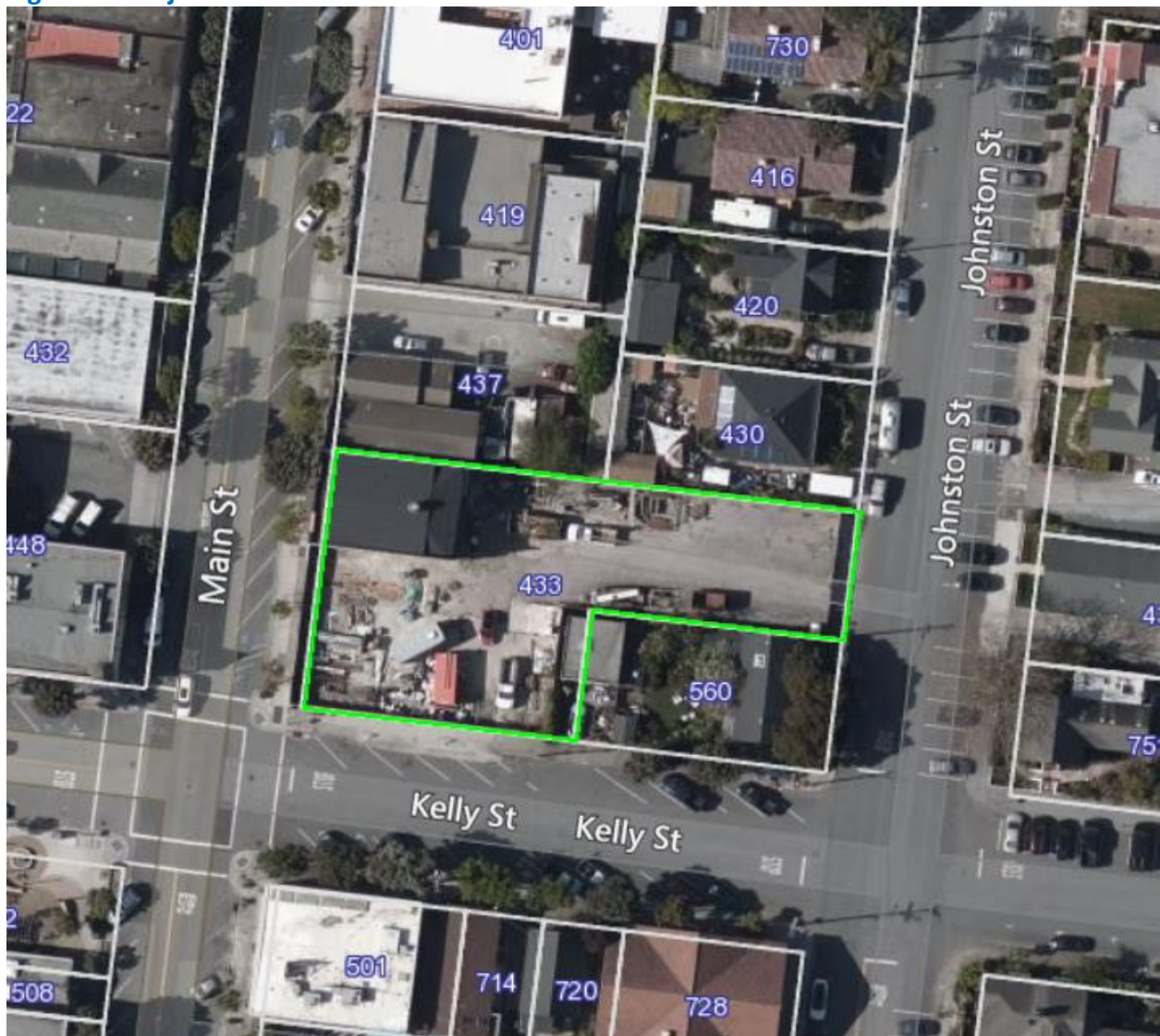


Figure 2. Architectural Renderings

Main Street Frontage



Kelly Avenue / Main Street Corner



Kelly Avenue Frontage



Project Description

Requested entitlements include a Coastal Development Permit (CDP), Architectural and Site Design Review, Vesting Tentative Parcel Map (VTM) and potentially a Parking Exception. The VTM would re-subdivide the single L-shaped lot into the original configuration of three rectangular, 5,000 square foot lots. Proposed development includes two new three-story buildings (Building No. 1 and No. 2), located on the new corner lot at Main Street and Kelly Avenue. The existing two-story building at 433 / 435 Main Street will remain under the current ownership on a separate lot. No substantial alteration of this historic building is proposed. Proposed Building No. 1, located on the corner lot is a mixed-use building that could include up to 1,860 sq. ft. of ground floor commercial space. Parking requirements are based on active customer serving area. There will be two residential apartments upstairs. Building No. 2, located east of Building No. 1, includes four residential apartments. Vehicular access to the existing and proposed buildings will be from Johnston Street. A single parking lot with shared parking will serve all three buildings.

ANALYSIS

The key issues for this project are conformance with the General Plan, Local Coastal Land Use Plan, the Zoning Code/LCP Implementation Plan, Subdivision Ordinance and design compatibility with the surrounding neighborhood.

General Plan

Housing: The Housing Element contains policies, goals and programs intended to encourage infill, mixed-use residential development that is suitable for a range of needs. The project includes six rental apartments in a compact mixed-use design that is close to services and transportation options. It is also notable that one ground-floor residential unit located in Building No. 2, will be designed to be readily converted to fully compliant ADA accessibility. Access to entrances of all units including the upstairs units in both buildings will comply with ADA visitable standards. The inclusion of a residential component in this project will not detract from the economic viability of existing and proposed commercial uses.

Circulation: The project is not expected to cause a significant increase in traffic and will be consistent with the Circulation Element of the General Plan. Furthermore, the project brings new residential development into the core of downtown, near shops, restaurants and other amenities.

Noise Element: The mixed-use project will be primarily residential. It is anticipated that the commercial space would be retail. The proposed mix is consistent with nearby uses and, other than short-term construction activities, it will not generate substantial amounts of noise. City regulations limit construction hours and the project will be required to submit a construction staging plan designed to minimize neighborhood disturbance.

Local Coastal Program Land Use Plan (LUP):

The LUP provides policies to protect coastal access, recreational opportunities, visual resources and environmentally sensitive habitat areas (ESHA). The project site is classified as Commercial-General and is included in the Heritage Downtown area. The proposed use is consistent with the land use classification. The LUP and Coastal Act policies encourage compact infill development, especially within the Town Center. The development site consists of a largely vacant lot that has been scraped clean of previous development. It does not include environmentally sensitive habitat or other protected coastal resources. The scale of the project is appropriate for downtown and will not be visible from Highway 1 or 92. The project will not interfere with coastal access.

Visual Resources: The project is located in the Heritage Downtown area. The LUP identifies the Heritage Downtown district as the city's most significant neighborhood from a visual resource perspective. The LUP attributes much of the visual quality of Heritage Downtown to the scale of its buildings and streets, the close layout of the central retail zone along the traditional Main Street, and the human-scale amenities at the sidewalk and storefront level. Historic buildings, hillside views and natural features such as Pilarcitos Creek contribute to the visual quality of the area.

Story poles have been installed on the site. The building site is currently vacant and the proposed three story buildings will be a readily noticeable change that could obscure hillside views from a narrow section of downtown. However, the development is consistent with the scale of existing

buildings in downtown. Additionally, the project has been designed to incorporate separation between all three buildings. This reduces the visual effect when viewed from public areas.

The following is a summary of a few relevant LUP Policies; a more detailed discussion and policy analysis is included in the attached Resolution Findings.

Policy 9-2. Requires that new development be sited and designed to protect views, and to be visually compatible with the character of its setting and where feasible, to restore and enhance visual quality in visually degraded areas.

The project has been designed to be visually compatible with surrounding development and will restore and enhance the visual quality of the vacant parcel.

Policy 9-23. provides guidance to ensure protection of broad views of upland slopes, prominent ridgelines and other intervening ridgelines as viewed from scenic corridors and the beach and shoreline.

Main Street and Kelly Avenue in the vicinity of the project are not designated scenic corridors. The project will not obstruct views from designated scenic corridors or the shoreline. The buildings comply with building height limits in the C-D District. The project is not located on a hillside and will not result in permanent alteration of natural landforms.

Policy 9-25 requires that development preserve and enhance the architecture, landscape, scale and ambience of the Heritage Downtown visual resource. Key design factors include compatibility with scale and style of predominant older structures, maintaining continuity in building lines along Main Street.

As noted above, the project is consistent with the scale of other downtown buildings. The front facades are in line with other buildings commonly found in Downtown. The modern Mediterranean style of Building 1 and the residential craftsman details of Building 2 are consistent with the eclectic mix of architecture that makes up Downtown. The existing historic building on the property will not be substantially altered.

Downtown Specific Plan

The recently certified LUP recommends that the existing Downtown Specific Plan be updated to implement the policies of the LUP. The Plan has not been updated yet. The adopted Specific Plan establishes the primary goal of promoting increased retail sales, employment growth and the continued health and well-being of the people and properties in the downtown area. It includes design policies that are intended to maintain the diversity and eclecticism of architectural styles. Under the design policies, new buildings are to be of similar scale and mass to existing buildings. Historic buildings and architectural features should be preserved, where technically and financially feasible.

The focus of the Specific Plan design guidance is on maintaining the scale and architectural fabric of historic Main Street. In this case, the key design issues are compatibility with the smaller scale buildings to the east and the historic building, located to the north. These items are discussed below.

Zoning Code

General. A broad range of commercial uses are permitted in the C-D district. Downtown residential development is encouraged by City land use policies and regulations, Measure D population growth control measures and evolving economic development policies. At this time, commercial tenants for the new building or the ground floor of the existing historic building have not been identified. Based on recent zoning code amendments, street facing office use would not be permitted.

Parking. The project includes 15 on-site parking spaces. The cumulative parking requirement for all three buildings (existing and new) would be about twenty parking spaces, which is based on reasonable assumptions made about customer serving area. Two reductions are allowed subject to Planning Commission discretion for Downtown mixed-use development. Neither of these reductions are parking exceptions. The reductions include:

- **Mixed-Use Shared-Use Reduction:** Zoning Code Section 18.07.040.H.1 allows a twenty percent reduction in the total required parking spaces for mixed use projects.
- **Guest Parking Waiver:** 18.07.040.H.2 allows the waiver of the guest space requirement for mixed-use projects if the project is located on Heritage Main Street and/or includes frontage improvements that increase public parking supply, pedestrian and/or bicycle access, public access to EV charging stations, or other public benefit to multi-modal and/or low-emission circulation and parking within the C-D district.

The Commission has granted these allowances in Heritage Downtown on several occasions finding that these reductions, which were designed to support mixed-use development, acknowledge the off-peak nature of many commercial and residential uses. Findings need to be made to grant these reductions. Staff believes they can be supported for this project in that the reduced width of the Johnston Street driveway will provide room for one addition street space. The project also includes public bicycle racks and EV charging stations that will be available for public use by customers, employees, and tenants. The project is also required to provide four bike lockers and the proposal includes eight lockers (in a stacked configuration).

Parking requirements for the proposed project are summarized in the table below.

Use	Amount	Ratio/Factor	Required Spaces
Studio / 1 Bdrm	4 units <ul style="list-style-type: none"> • 2 existing • 2 new 	1 / Unit	4.0
2 Bdrm or more	4 units (all new)	1.5 / Unit	6.0
Guest parking	8 units <ul style="list-style-type: none"> • 2 existing • 6 new 	0.25 / Units	2.0
Commercial Retail (public serving floor area)	2,560 sq. ft. <ul style="list-style-type: none"> • 1,180 sq. ft. existing • 1,380 sq. ft. new 	1 / 300 sq. ft.	8.5
Total without reductions			20.5
Mixed-Use Shared-Use Reduction	Planning Commission Discretion	Up to 20%	-4.1
Guest Parking Wavier	Planning Commission Discretion	Up to 2	-2.0
Total with reductions			14.4

Commercial parking requirements are based on the square footage of public serving floor area and the type of business. The parking requirements for this development use assumptions that the commercial spaces in the new and existing buildings will be occupied by retail or similar businesses within the applicant’s calculated public serving floor area. Based on these factors, the project complies with City parking standards if the twenty percent mixed-use shared-use reduction is applied along with the guest parking wavier. The result is a parking requirement of 14 spaces (rounding down from 14.4).

The applicant applied for a parking exception; however, in that one is not specifically required to support the application submitted, staff believes it to be premature to evaluate the necessity of a parking exception or to assess the associated findings. In the event that a more intense commercial use is proposed for the initial build out of the commercial tenant space(s), a parking exception may be needed in the future. If such a case presents itself, some considerations have been identified for this property. For example, the previous removal of the gas station driveways resulted in seven additional on-street parking spaces on Kelly Avenue. In the 2021 Planning Commission Study Session, Commissioners recognized that there may be tradeoffs between providing high quality architectural design and meeting parking requirements while retaining flexibility for appropriate ground floor uses on Heritage Main Street.

Height, Setbacks and Lot Coverage. The maximum allowed building height is 36 feet. The highest point of the proposed buildings would be approximately 34 feet above current sidewalk grade. Lot coverage and setbacks are limited primarily by parking requirements and design compatibility with neighboring uses. The project meets Zoning Code development standards.

ARCHITECTURAL DESIGN

Parking/Circulation: All vehicle access will be from a single two-way driveway located on Johnston Street. Limiting the number of curb cuts and sidewalk crossings is an important design element in Downtown projects. This reduces potential pedestrian/vehicle conflicts, improves visual aesthetics, and directs traffic to the less trafficked Johnston Street. The parking layout is constrained, and some vehicles may have to make a multipoint turn to exit. This is one of the tradeoffs for achieving other design goals.

Landscaping/Amenities: The project includes limited landscaping. This may be appropriate in the Downtown setting. Landscaping opportunities are primarily in the shared public spaces, along the perimeter of the parking area and the street frontages. Plans include plantings here as well as stormwater bioswales and flowthrough planters. City Engineering staff have reviewed the stormwater runoff improvements and determined that they meet City standards. Both buildings include balconies for the upstairs residential units and front porches for the ground level apartments. The zoning code establishes private and public open space requirements for multifamily residential projects in residential districts. Mixed-use projects located Downtown are afforded more flexibility. It should be noted that the proximity to cafes and public spaces provides opportunities for residents that would not be available in a typical residential area.

Neighborhood Design Compatibility: This proposal is consistent with the City's goal of providing a variety of housing options, utilizing compact designs, close to Downtown. In this case, the design respects the integrity of and will be compatible with the historic building to the north (the "Eagles Nest," characterized as "stripped Spanish colonial revival" architecture per the City's historic resource records). Reducing the scale of the project and locating parking and access towards the rear of the property provides a transition in scale between the more dominant Main Street building and the residential buildings fronting on Johnston Street and Kelly Avenue.

Historic preservation guidelines discourage building designs that copy or imitate the distinctive style of historically significant buildings. In this case, the primary architectural concerns are maintaining visibility of the historic building and ensuring that proposed building location and massing does not detract from the integrity of existing buildings. The proposed modern Mediterranean style of the mixed-use building does not attempt to copy the design of the existing historic building, to the north, yet it is consistent with styles and massing of other Main Street buildings.

Architecture: The corner building includes Modern Mediterranean design elements in a three-story building with commercial use on the ground floor and two residential units on the upper two floors. The upper floors on the front and north elevations step back to reduce the visual massing from the street and to provide additional sunlight to the existing building to the north. Although no setback is required in the C-D district, Building No. 2 is set back 5 feet from the east

property line, to provide some separation from the neighboring property. An elevator is located on the northeast corner of Building No. 1, providing access to the second floor of both buildings. All upper floor apartments include covered balconies. These also serve to break up the facade, providing relief and additional articulation. A ten-foot wide public walkway between the new building and the neighboring Main Street building will provide access from Main Street to the parking area. This area will be open to the public and could also be used by commercial tenants for limited outdoor activities. The corner building includes an angled corner facing entrance to provide a prominent street presence at a key Downtown intersection. Decorative features include wrought iron and artisan tile work.

Building No. 2 fronts onto Kelly Avenue and includes four residential apartments and no commercial space. The two ground floor units have private access directly from Kelly Avenue. One unit is designed to be “readily converted” to meet Americans with Disability Act (ADA) accessibility standards. The two upper units are accessed by an elevated walkway connecting to the corner building. Design elements are more residential in nature and are intended to provide a transition between the more dominant commercial frontage and the more residential Johnston Street frontage. Ground floor units include substantial front porches. Both of the two-story units located above include covered balconies on the second floor. Other design features include locating utility hookups for the new buildings along the east side of Building No. 2 to minimize visual impacts from street frontages and other public spaces. The project includes onsite stormwater control improvements and tree plantings that will also provide some landscaping visual relief in the parking area.

Public Amenities

The developer has proposed electric vehicle charging stations (EVCS) in the parking lot. In the future, if locations and technical details can be worked out, the developer is willing to consider up to two additional on-street EVCS, contingent on securing grant funding from outside sources. The 10-foot wide public space connecting Main Street to the parking area, would be available for public and tenants use. As noted above, bicycle racks will be installed in areas that are accessible to the public.

CEQA

The project is Categorical Exempt from environmental review pursuant to California Administrative Code Section 15332, In-fill Development Projects. This class consists of projects characterized as in-fill development that are consistent with the applicable general plan designation and policies as well as zoning designation and regulations. In addition, no significant effect on traffic, noise, air/water quality or sensitive species could result from the project.

PUBLIC COMMENTS

The City received one comment letter from a neighbor. The letter and staff response are provided in Attachment 5. In response to the comment, staff requested a shadow study from the applicant. The study will be presented at the hearing. One additional email supporting the project was submitted before the packet publication. It is also provided in Attachment 5.

ATTACHMENTS

1. Resolution
2. Architectural Plans
3. Engineering Plans and Vesting Tentative Parcel Map
4. Applicant Letter to Planning Commission
5. Public Comments and Staff Responses