



Meeting Date December 5, 2024

Subject 420 South San Antonio Road – Mixed-Use Development

Prepared by: Sean Gallegos, Senior Planner

Initiated by: Jan R. Hochhauser, Applicant

Attachments:

1. Draft Resolution Approving the Design Review Permit
2. Draft Resolution Recommending Approval of the Vesting Tentative Map
3. Project Plans
4. Density Bonus Report

Recommendation

1. Adopt Resolution approving a Design Review Permit for the construction of a four (4) story, mixed-use development with twenty (20) residential units and 1,495 square feet of ground floor office space with a State Density Bonus with waivers at 420 South San Antonio Road, per the recommended findings and conditions of approval in the attached resolution; and find the project is categorically exempt from environmental review pursuant to Section 15332 (In-Fill Development Projects) of the California Environmental Quality Act (CEQA).
2. Recommend the City Council adopt a Resolution approving a Vesting Tentative Map (Application No. TM22-0003) for the creation of 21 condominium lots and one common lot at 420 South San Antonio Road, per the recommended findings and conditions of approval in the attached resolution; and find the project is categorically exempt from environmental review pursuant to Section 15332 (In-Fill Development Projects) of the California Environmental Quality Act (CEQA).

Background

Property Description

The project site is located on the west side of South San Antonio Road, between Lyell Street and First Street, within the CD (Commercial Downtown) Zoning District. The site is currently developed with a one (1) story commercial structure occupied by a personal services establishment

and the Original Pancake House, with surface-level parking at both the front along South San Antonio Road and the rear adjacent to the alley.

The site is bordered to the west by a one (1) story retail building (Los Altos Hardware Store), to the north by a vacant one (1) story commercial building, to the south by a three (3) story office building, and across South San Antonio Road to the east are two (2) story commercial office buildings.

Preliminary Project Review Application

On October 27, 2020, the developer submitted an SB330 preliminary application. Under the Housing Crisis Act (SB 330), this preliminary application submission allowed the developer to "freeze" applicable fees and development standards as of the submission date, on the condition that formal project entitlement applications would be submitted within 180-days and that the project scope would remain substantially consistent.



Figure 1: Site Context Map

On July 7, 2022, the developer submitted a formal project entitlement application; however, this submission occurred more than 180 days after the preliminary application, making the developer ineligible to “freeze” the fees and standards effective as of October 27, 2020. Instead, the project is subject to the fees and development standards in effect on July 7, 2022, the formal application date. However, the applicant has elected to comply with the development standards of the Commercial Downtown (CD) Zoning District approved by City council on September 26, 2023. Per the Zoning Standards, Los Altos Zoning Code Chapter 14.78 and Chapter 14.44, the project is subject to a Design Review application and Tentative Map application for the mixed-use development.

Project Overview

The project involves the demolition of the existing commercial buildings to construct a four (4) story, 36,354-square-foot mixed-use development. The new building will include twenty (20) residential units (two (2) studios, four (4) one-bedroom, and fourteen (14) two-bedroom units), with two (2) affordable one-bedroom units and one (1) affordable two-bedroom unit. In addition, the project will provide 1,495 square feet of ground-floor commercial (office) space and an at-grade parking with a hydraulic parking system (Attachment 3).

The building features a contemporary architectural design. The first floor will blend materials such as stone cladding, board-formed concrete, vertical hardwood panels, and a steel trellis, creating a textured, dynamic base. The upper floors will incorporate a vertical hardwood rainscreen, weathered standing seam metal panels, and composite siding, enhancing the building’s modern, industrial character. The roof design will include gable forms with standing seam metal and durable PVC material for flat sections. Additional architectural elements include smooth troweled

plaster, steel pergolas, and details such as patios and awnings, which enhance both the building's appearance and functionality.



Figure 2: Perspective View from South San Antonio Road

The ground floor will include 1,495-square-feet of office space, a residential lobby, mailroom, trash room, and bicycle and vehicular parking.

The second through fourth floor will include twenty (20) residential units, strategically arranged to optimize views of South San Antonio Road, Lyell Avenue, and the rear alley. An open-air courtyard along the interior property line at 400 San Antonio Road will serve as a shared outdoor space for second-floor units and improve natural light and ventilation for the third and fourth floors. The fourth floor will feature a 3,035-square-foot rooftop patio, including a 426-square-foot communal room with a kitchen, bathroom, and amenities. The outdoor space will have artificial grass, a fire pit, seating areas, and a covered BBQ space shaded by a 600-square-foot metal pergola, creating a gathering area for project residents.

The site's circulation is designed for efficient access from South San Antonio Road and the alley to the south. Pedestrian access is provided through three (3) entrances along South San Antonio Road, two (2) for the commercial space and one (1) for the residential lobby. Vehicular access is from the rear alley. The project includes forty-seven (47) parking spaces, forty (40) Class I bicycle parking stalls in a secured room, and eight (8) short-term Class II bicycle racks. Pedestrian walkways along both frontages will feature permeable pavers and enhanced landscaping for improved aesthetics and sustainability.

The ground-level garage will include seven (7) at-grade parking spaces, including two ADA-compliant spaces, with the remaining forty (40) spaces located in a three (3) level hydraulic parking system, spanning the first story and an underground basement for additional parking. A designated

loading zone will be located adjacent to the alley. Bicycle parking includes four (4) short-term racks near the commercial entrances and another four (4) outside the residential lobby. The forty (40) long-term bike stalls will be in a secured room with access from the commercial area, residential lobby, garage, and alley.

The project site currently has no existing trees onsite. As part of the development, nine (9) new trees will be planted, featuring a variety of species. Three (3) trees will be located along the South San Antonio frontage, one (1) tree at the second-story terrace, and five (5) trees across the roof patio on the fourth floor. In addition to the new trees, the project will include enhanced landscaping featuring a mix of shrubs, ferns, ornamental grasses, and ground cover, integrated into infiltration devices along San Antonio Road and the west side of the property consistent with the City's Stormwater regulations.

Analysis

General Plan Consistency

The project is consistent with the General Plan's Downtown Commercial (DC) Land Use Designation, which supports a broad range of uses, including general retail, service, commercial, recreational, cultural, and office uses that serve local residents. It also encourages higher-density residential development to enhance the village character of the area. The project's mixed-use design, with office space on the ground floor and residential units, including affordable housing, aligns with the land uses outlined in the General Plan.

The project is found aligned with the following General Plan polices:

- LU Policy 1.1: *Maintain flexibility of standards and procedures to accommodate changing trends in retail, housing, and office uses.*
- LU Policy 2.2: *Encourage a variety of residential housing opportunities by allowing residential uses with adequate parking in appropriate commercial areas, including sections of the Downtown area, Foothill Plaza and along El Camino Real.*
- LU Policy 2.3: *Continue to conduct design review of residential and non-residential development applications to ensure compatibility with surrounding property and neighborhoods.*
- LU Policy 3.1 *Encourage residential development above the ground floor that includes affordable housing units.*
- LU Policy 3.5 *Continue to review development plans to ensure compliance with the Downtown Urban Design Plan.*

Housing Element Consistency

This project supports the City's Regional Housing Needs Assessment (RHNA) allocation and is consistent with key objectives outlined in the City’s recently adopted 6th Cycle Housing Element. Specifically, Housing Element Goals 1.1 and 1.2 focus on increasing housing production and ensuring a stable, affordable housing supply for lower- and moderate-income households. The proposed development will add twenty (20) new units to the City’s housing inventory, including one (1) unit designated for very low-income and two (2) units designated for moderate-income households.

- Housing Policy 1.1: *The City will encourage a diverse range of both market-rate and affordable housing sizes and residential densities to accommodate the varied housing needs of families, couples, and individuals.*
- Housing Policy 1.2: *The City will encourage mixed-use development in designated zoning districts.*
- Housing Policy 21 *The City will facilitate the development of new affordable housing units.*

Zoning Consistency

The project complies with the Zoning Standards of the CD Zoning District, except as modified by State Density Bonus Law. An analysis of the project’s compliance with CD Standards is provided on the table below:

CD Zoning District Zoning Standards (Chapter 14.44)			
	<u>Requirement</u>	<u>Proposal</u>	<u>Project Compliance</u>
Density	20 units	20 units	The project complies with Density Bonus Law; additional information provided under “Density Bonus Request” section
Front Setback	2’	3’7-1/2”	Project Complies
Interior Side Setback	0’	0’	Project Complies
Rear Setback	10’ when abuts alley.	6’-8-5/8” – 1st story 4’ – 2 nd - 4 th story	Waiver requested; additional information

CD Zoning District Zoning Standards (Chapter 14.44)			
			provided under “Density Bonus Request” section
Minimum Landscape Buffer	2’ along the front and rear property lines.	2’ minimum at front and rear	Project Complies
Height	45’	52’8”	Concession requested; additional information provided under “Density Bonus Request” section
Off-Street Parking Zoning Standards (Chapter 14.74)			
Residential Use	<ul style="list-style-type: none"> • 1 parking space for Studio Units • 1 parking space for one-bedroom units • 1.5 parking spaces for two bedroom units - Total required: 27	42 spaces	Project Complies; surplus parking provided 15 spaces
Office Use	1 space per 300 square feet - Total required: 5	5 spaces	Project Complies
Loading Space	1 space	1 space	Project Complies
Parking Space Size, vertical clearance and back up space	Space size: At least 9’ by 18’ Aisle Width: for perpendicular parking with 26’ back up space Mechanical lift clearance of 7’	Space size of 8.5 feet by 18 feet Aisle Width: 26 feet Mechanical lift clearance of 6.725 feet	Project complies for seven at-grade parking spaces with no mechanical lift for parking space size, and aisle width. A Waiver requested for the three-level mechanical parking lift for parking space width and vertical clearance; additional information provided under “Density Bonus Request” section
Bicycle Parking Zoning Standards (Chapter 14.75)			
Residential Use	<ul style="list-style-type: none"> • Short-term (Class-II) bicycle parking for 		Project Complies

CD Zoning District Zoning Standards (Chapter 14.44)			
	multi-family residential. - 2 spaces required • Long-term (Class-I) bicycle parking: 1.5 space per residential unit. - 30 spaces required		
Office Use	• Short-term (Class-II) bicycle parking: 1 space per 10,000 SF or at least 2, whichever is greater. - 2 spaces required • Long-term (Class-I) bicycle parking: 1 per 2,000 SF or at least 4, whichever is greater. - 4 spaces required	8 short-term (Class-II) bicycle parking spaces 40 long-term (Class-I) bicycle parking spaces	

Additionally, the project complies with the City’s Inclusionary Housing Requirements. With a base density of sixteen (16) units, at least 15% of the ownership units, or three (3) units are set aside as affordable units. The project proposes twenty (20) total residential units, including one (1) very low-income unit and two (2) moderate-income units which complies with the requirement. It should also be noted that the affordable housing units provided to comply with the City’s Inclusionary Housing Requirements may also be used to satisfy the requirements of the State Density Bonus Law.

Objective Design Control Standards for CD Zoning District

The project must comply with the City's Objective Design Control Standards, as outlined in Los Altos Municipal (LAMC) Sections 14.44.130 for the CD Zoning District and 14.66.280 for all multi-family and mixed-use projects. Except for the Density Bonus concession and waivers requested by the applicant to deviate from some of the objective standards, the project is found consistent with all objective design control standards. The concession and waivers requested for the objective design control standards are provided under the “Density Bonus Request” section.

Density Bonus Request

The subject site has a gross lot area size of 0.297 acres and a net lot area size of 0.28 acres. This lot area difference is caused by a right-of-way access easement area along South San Antonio and the rear alley behind the site which will be dedicated to the City’s public right-of-way. Per the California Government Code Section 65915 et. Seq. (hereby referred to “Density Bonus Law”),

the density shall be calculated by the gross lot area that shall supersede any conflicted local standards.

The Downtown Commercial (DC) Land Use Designation does not establish a maximum dwelling unit density. In the absence of such a limit, LAMC Section 14.28.050.2 requires the calculation of a base density based on a hypothetical development that adheres to all applicable development standards. The base density is determined by calculating the maximum number of units that can be provided in a hypothetical development, where the average unit size is at least as large as that of the proposed units.

The base density for this project was calculated using a hypothetical development in compliance with all relevant development standards. This results in a base density of 53.9 dwelling units per acre, or sixteen (16) base units for the site. Consistent with Government Code Section 65915, one (1) very-low-income unit qualifies the Project for a 22.5 percent density bonus under state and local regulations, allowing the addition of four (4) units, resulting in a total of twenty (20) units on the project site. A Density Bonus Report (Attachment 4) has been provided by the developer, detailing all relevant aspects of the project's compliance with Density Bonus Law, including the requested concession and waivers.

Concession

The applicant seeks a single density bonus concession from LAMC § 14.44.120 to increase the building height from forty-five (45) feet to fifty-two (52) feet and eight (8) inches. This height increase qualifies as an “on-menu” concession, which is granted ministerially. On-menu concessions are provided within the Los Altos Municipal Code and allow for a height increase that has already been accepted within the adopted applicable code.

Waivers

Density Bonus Law allows eligible density bonus projects to request unlimited waivers. Waivers are a reduction in site development standards or a modification of zoning code requirements that would otherwise be required that would have the effect of physically precluding the development, including the affordable units and density bonus units, from being constructed. The project requests waivers from seven development standards, which are described below:

1. Required Rear Yard Setback Standard: The project requests a waiver from the LAMC § 14.44.080(B), which requires a ten (10) foot setback, where the rear property line abuts a public street or alley. The project requests a waiver to reduce the rear yard setback from ten (10) feet to 6 feet 7-5/8 inches for the first floor and four (4) feet for the upper floors, where the rear property line abuts a public street or alley. To comply with the standard, the project would result in a reduction of the subject site's development area and building envelope and subsequently resulting in a reduction of the density that the project is permitted.
2. Parking Space Width: Per LAMC § 14.74.060, the project requests a waiver to allow a parking space width of 8.5 feet (instead of 9 feet) for the mechanical parking system only. To comply with the standard, the project would result in a reduction of the density that the project is permitted.

3. Mechanical System Clearance Height: Per LAMC § 14.74.070.C.1.b, the project requests a waiver to reduce the minimum height clearance for mechanical lift parking stalls from seven (7) feet to 6.725 feet, specifically for the hydraulic lift system. To comply with the standard, the project would result in a reduction of the density that the project is permitted.
4. Upper-Story Step Backs: The project requests a waiver from LAMC §14.44.130.A.1.a, which requires a minimum ten (10) foot step-back from the ground-floor facade for upper stories exceeding thirty (30) feet in height. The proposed third story, which exceeds this height, includes only a five (5) foot step-back. This Density Bonus Waiver is requested as compliance would reduce the building envelope, limiting unit layout and residential space by approximately 2,233 square feet and decreasing the project's overall residential density, impacting its ability to meet housing goals.
5. Fourth Story Embedded Into Roof: The project requests a waiver from LAMC §14.44.130.A.1.c, which requires a sloped roof design (e.g., mansard, hipped, or gabled) for buildings over three (3) stories. Integrating such a roof would reduce the top two (2) stories' floor plates, significantly decreasing usable square footage by approximately 3,313 square feet. This would limit the building's envelope, reducing both residential density and unit availability.
6. Privacy and Line of Sight: The project requests a waiver from LAMC §14.44.130.A.5.a, which requires primary living spaces and balconies along a side setback to orient their principal windows and balconies toward the front or rear of the building. The project requests a waiver due to the unique configuration of the parcel necessitating an alternative approach to optimize the project's viability. Specifically, the orientation of units toward the interior courtyard and side yard ensures compliance with the required habitable square footage, maintains a functional layout, and preserves the project's density. These design considerations balance the intent of the code with the practical constraints of the parcel, making the waiver essential for the project's feasibility.
7. Cornice Projection: The project requests a waiver from LAMC §14.66.280.C.1, which requires either cornices, projecting eaves, or scuppers, or gutters with downspouts or rain chains with twelve (12) inch minimum projections. For the flat roof portions, a twelve (12) inch wall cap/cornice is provided with drainage but the cornice only projects six (6) inches from the building's face, not the required twelve (12) inch minimum projection. The project requests a Density Bonus Development Waiver to waive the twelve (12) inch cap/cornice requirement, as strict adherence would reduce usable floor area and disrupt unit layouts along the property-side yards, particularly near flat roof areas. Granting this waiver would retain approximately 359 square feet of essential space, helping maintain the project's permitted density.

Subdivision

The project includes a Vesting Tentative Map for condominium purposes. The subdivision will divide the site into twenty (20) individual residential condominium units, one (1) commercial condominium unit, and a common area that surrounds the units. The subdivision conforms to the

General Plan, Subdivision Ordinance, and provisions of the Subdivision Map Act as substantiated in the Draft Resolution recommending approval of the Vesting Tentative Map (Attachment 2).

Bankers Hill 150 v. City of San Diego

Bankers Hill 150, the developer (Greystar), submitted an application to construct a 20-story mixed-use project, at a building height of 223 feet, that would include 204 dwelling units, office space, a large courtyard, and underground parking. The proposed project qualified as a Density Bonus project because it set aside 18 dwelling units as affordable for very low-income residents. Accordingly, the City of San Diego granted Greystar a density bonus to exceed the zone's maximum density of 147 units, as well as incentives to exceed the City's 65-foot building height limit, eliminate requirements for a 15-foot setback and on-site truck loading and reduce private storage areas.

Two community groups, Bankers Hill 150 and Bankers Hill/Park West Community Association, filed a petition for writ of mandate challenging the City's approval of the project application, alleging that the project is inconsistent with the City's development standards for that neighborhood. The trial court denied the Association's writ petition because it fatally failed to address the application of the Density Bonus Law.

The Court of Appeal affirmed the trial court's denial of the writ petition. The court emphasized that, under the Density Bonus Law, absent very limited exceptions, the project is entitled to the waiver of any development standards that would have precluded the project's construction as designed, including those with which the Association alleged the project is inconsistent. Furthermore, the waiver or reduction in development standards is in addition to the incentives and concessions mandated by the Density Bonus Law.

The Association argued that the project could be redesigned to yield a shorter and less bulky building by eliminating a courtyard. Reaffirming the holding in *Wollmer v. City of Berkeley* (2011) 193 Cal.App.4th 1329, the court rejected the Association's argument. According to the court, the City could not demand that Greystar redesign its building to better meet City development standards even if a design existed that would allow fewer deviations from the City's requirements.

Housing Accountability Act (HAA)

The Housing Accountability Act (HAA) (Government Code Section 65589.5), establishes the state's overarching policy that a local government may not deny, reduce the density of, or make infeasible housing development projects (projects resulting in more than two (2) housing units or resulting parcels) which includes subdivision of land that are consistent with objective local development standards. Before doing any of those things, local governments must make specified written findings based upon a preponderance of the evidence that a specific, adverse health or safety impact exists. Legislative intent language indicates that the conditions that would give rise to such a specific, adverse impact upon the public health and safety would occur infrequently.

The proposed project is protected under the Housing Accountability Act (HAA) as it creates additional housing stock within the City of Los Altos. Additionally, the proposed project meets all objective design standards that are applicable.

Environmental Review

The 0.297-acre project site is an in-fill location surrounded by urban uses and contains no significant natural habitat for endangered species. The proposed development is consistent with the General Plan and CD Zoning District standards, as modified by Density Bonus Law, and will not result in any significant impacts relating to traffic, noise, air quality, or water quality; and the site can be served by all required utilities and public services; and none of the circumstances described in CEQA Guidelines Section 15300.2 apply. Therefore, in accordance with Section 15332 (In-Fill Development Projects) of the California Environmental Quality Act (CEQA) Guidelines, the project is exempt from further environmental review.

A Transportation Analysis prepared by Associated Transportation Engineers concludes that the project will have a less-than-significant transportation impact under the City's Vehicle Miles Traveled (VMT) Policy screening criteria. The project will generate 70 average daily vehicle trips, below the VMT threshold of 110 trips. With less than 10,000 square feet of commercial space and 20 residential units, the Project qualifies as a "Small Project" and is exempt from further VMT analysis.

Public Notification

A public meeting notice was mailed to property owners and commercial business tenants within 300 feet of the project site and published in the newspaper. The applicant also posted the site with a public notice sign in conformance with the Planning Division posting requirements.

At the time of preparation of this report, the Planning Division did not receive comments on the proposed project.

Next Steps

The Planning Commission's decision on the Design Review application is final unless appealed to Council. The Planning Commission's consideration and recommendation on the Tentative Map application will be forwarded to Council for consideration at a future meeting and will be noticed separately.