



Z O N I N G
A D J U S T M E N T S
B O A R D
S T A F F R E P O R T
- *Project Preview* -

FOR BOARD REVIEW AND COMMENT
JULY 26, 2018

2701 Shattuck Avenue

Project Preview for Use Permit ZP#2016-0244 to construct a 5-story, 62-foot-tall, mixed-use building with 57 dwelling units (including 5 VLI units), a 600-square-foot ground-floor café, and 30 parking spaces.

I. Background

A. Land Use Designations:

- General Plan: AC – Avenue Commercial
- Zoning: C-SA, South Area Commercial District; South Shattuck Strategic Plan

B. Zoning Permits Required:

- Use Permit to construct a new mixed-use development of 5,000 square feet or more, under BMC 23E.52.030.A.

C. Waivers/Concessions Pursuant to State Density Bonus Law:

- Waiver to exceed height – to be 62'-4" maximum, where 50' is the limit, and to be 5 stories where 4 stories is the limit;
- Waiver to reduce the front, street side, side, and rear yards; and to exceed the lot coverage limit for the district:
 - Front setback – 0'-0", where 15' minimum is required;
 - Rear setback – 0'-6", where 15' minimum is required;
 - Left side setback – 4'-0", where 5' minimum is required;
 - Right side (street side) setback – 0'-0", where 6' minimum is required;
 - Lot coverage – 86%, where 40% maximum allowed;
- Concession to increase average unit size from 463 square feet (Base Project) to 495 square feet (Proposed Project); and
- Concession to have ground-level parking in the Proposed Project, when the Base Project parking is underground.

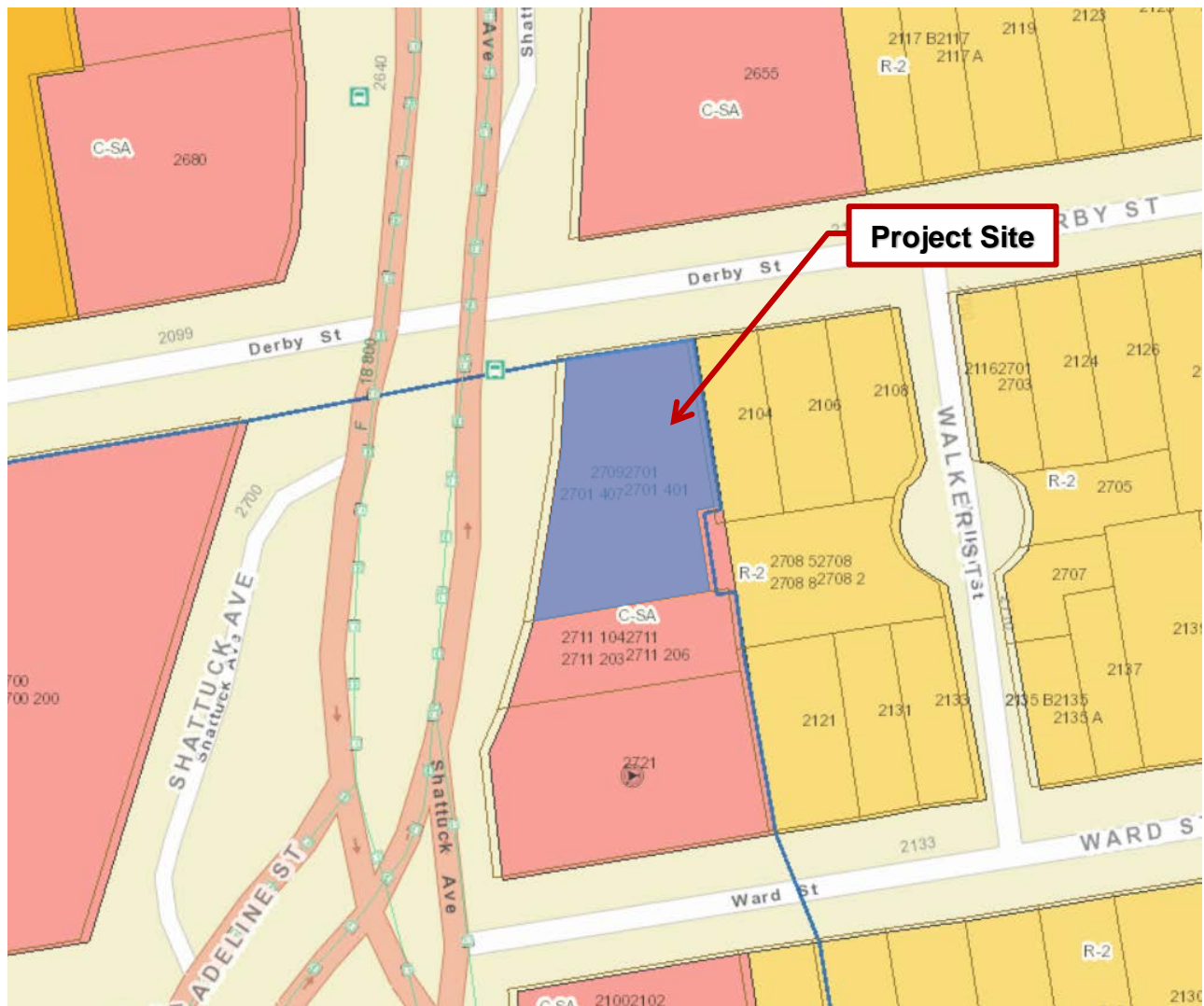
D. CEQA Determination: Categorically exempt pursuant to Section 15332 (In-Fill Development Projects) of the CEQA Guidelines.

E. Parties Involved:


- Applicant Stuart Gruendl, Bay Rock Multifamily, LLC, 411 Pendleton Way, Suite C, Oakland, CA 94621
- Property Owner 2701 Shattuck Berkeley, LLC, 7917 Festival Court, Cupertino, CA 95014

F. Application Materials, Staff Reports and Correspondence are available on the Internet: <https://aca.cityofberkeley.info/Community/>

Figure 1: Zoning Map



Legend

- C-SA: South Area Commercial District
- R-2: Restricted Two-Family Residential District
-  AC Transit Bus Route

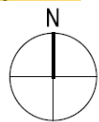


Figure 2: Vicinity Map

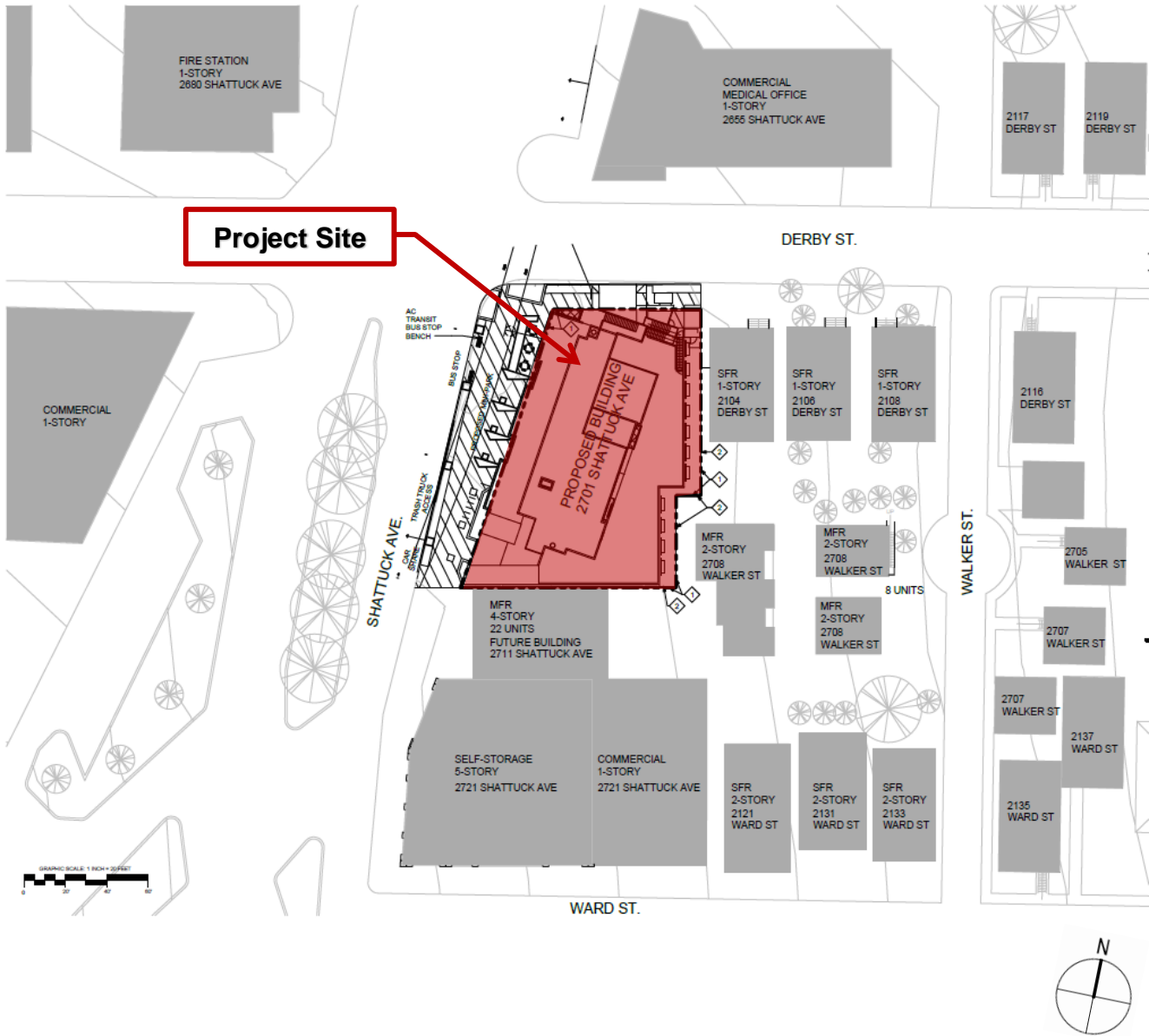


Figure 3: Ground Floor Plan



Figure 4: Shattuck Avenue (West) Elevation



Figure 5: Derby Street (North) Elevation



Figure 6: East Elevation

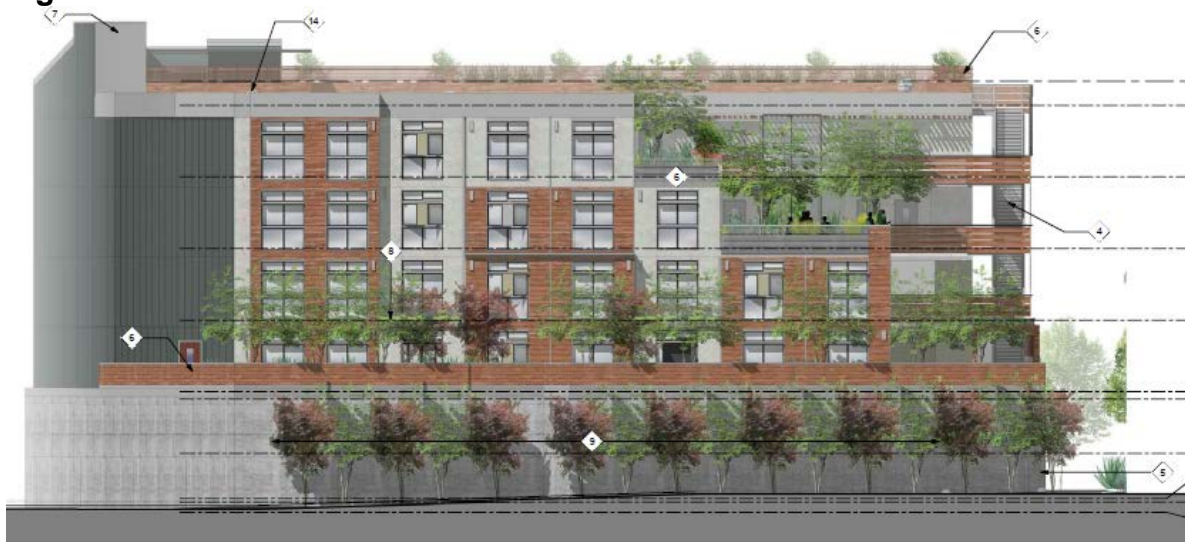


Table 1: Land Use Information

Location		Existing Use	Zoning District	General Plan Designation
Subject Property		Vacant (former Auto Dealership)	C-SA	Avenue Commercial (AC)
Surrounding Adjacent Properties	North	Medical Office		
	Northwest	Berkeley Fire Station		
	West	Auto Dealership		
	East	Single-Family Residential/ Multi-Family Residential	R-2	Medium Density Residential (MDR)
	South	Under Construction – Multi-Family Residential, approved per Use Permit ZP#2015-0206	C-SA	Avenue Commercial (AC)

Table 2: Special Characteristics

Characteristic	Applies to Project?	Explanation
Affordable Child Care Fee & Affordable Housing Fee for qualifying non-residential projects (Resolutions 66,618-N.S. & 66,617-N.S.)	No	This fee applies to projects with more than 7,500 square feet of new non-residential gross floor area. The project includes only 600 square feet of non-residential gross floor area, and thus these requirements do not apply.
Affordable Housing Mitigations for rental housing projects (BMC Section 22.20.065)	Yes	Because the project would have 5 or more dwellings, the project is subject to the affordable housing provisions of BMC 22.20.065. The project would provide 5 Very Low Income units and applicant intends to pay the remaining Mitigation Fee per the formula calculation. See Section V.D for details.
Density Bonus	Yes	The project would provide 5 Very Low Income units, or 12% of the Base Project units, and qualifies for a 35% density bonus (15 units). See Sections V.A and V.B for discussion.
Green Building Score	Yes	The Greenpoint Checklist minimum score is 50, and the maximum is 381. The project achieves a score of 91.
Historic Resources	No	The project site is not designated as a Landmark by the City. Demolition of the auto dealership building was approved with Use Permit #04-1000014 in 2007, and Building Permit #B2016-05314 in 2017. The site is now vacant.
Housing Accountability Act (Govt. Code 65589.5(j))	Yes	The project is a “housing development project” consisting of a mixed-use building, and requests no modifications to development standards beyond waivers and concessions requested under density bonus law. Therefore, the HAA findings apply to this project, and the project cannot be denied at the density proposed unless findings for denial can be made. See Section V.C for discussion.

Characteristic	Applies to Project?	Explanation
Public Art on Private Projects (BMC Chapter 23C.23)	Yes	The project is subject to the Percentage for Public Art on Private Projects ordinance. The applicant is electing to provide on-site art to comply. The art proposal will be submitted prior to Preliminary Design Review.
Residential Preferred Parking	No	The site is not in a RPP zone. Thus, the project would not be eligible for RPP permits.
Seismic Hazards (SHMA)	No	The project site is not located in an area susceptible to liquefaction, fault rupture or landslide, as defined by the State Seismic Hazards Mapping Act (SHMA). Thus, the project is not subject to additional review to comply with the Act.
Soil/Groundwater Contamination	Yes	The project site is located within the City's Environmental Management Area. Phase I and II reports have been submitted by applicant, and have been reviewed by the City Toxics Division. The Division concluded that no further studies were required, but the project is subject to the City's Standard Conditions of Approval (SCA) for Toxics that requires preparation of a Soil and Groundwater Management Plan (SGMP).
Transit	Yes	The project site is served by multiple bus lines (local, rapid, and transbay) that operate along Shattuck Ave. The site is approximately 1/2 mile from both the Downtown Berkeley BART Station to the north, and the Ashby Station to the south.

Table 3: Project Chronology

Date	Action
May 2001	ZAB Approved 16-unit project (Use Permit #00-10000083)
October 2002	ZAB Approved 17-unit project (Use Permit #02-70000044)
December 2006	ZAB Approved 29-unit project (Use Permit #04-10000014)
January 2007	Appeal of ZAB decision filed (Use Permit #04-10000014)
July 2007	City Council Approved 24-unit project (Use Permit #04-10000014)
November 14, 2013	ZAB Denied 67-unit project (Use Permit #12-10000039)
December 13, 2016	Application submitted for 57-unit project
January 12, 2017	Application deemed incomplete
January 30, 2017	Revised application, 57-unit project submitted as Density Bonus project
February 27, 2017 to June 13, 2018	Application was deemed incomplete six more times during this time period. Incomplete items included missing application submittal requirements and evolving density bonus proposal and calculations
June 20, 2018	Revised application submitted
June 29, 2018	Application deemed complete
July 11, 2018	Public hearing notices mailed/posted
July 26, 2018	ZAB Preview

Table 4: Development Standards

C-SA and R-4 Standards BMC Sections 23E.52.070-080 and 23D.40.070		2013 Project (Denied)	Proposed (Density Bonus Project)	Permitted/Required
Lot Area (sq. ft.)		11,932 ¹	11,826	n/a
Gross Floor Area (sq. ft.)		29,909	27,980	47,304
FAR		2.5	2.4	4 max.
Units		67	57	n/a
Average unit size (sq. ft.) (Residential Floor Area / # of Units)		417	495	n/a
Building Height	Average	61'-0"	62'-4"	50' max.
	Stories	5	5	4 max.
Building Setbacks	Front	0'-0"	0'-0"	15' min.
	Rear	0'-6"	0'-6"	15' min. ²
	East Side	4'-0"	4'-0"	5' min. ²
	West Side (Shattuck)	0'-0" (3' overhang in ROW ³)	0'-0" (3' overhang in ROW ³)	6' min. ²
Lot Coverage (%)		85	86	40
Usable Open Space (sq. ft.)		4,381 (2,680 min. req'd)	6,070	2,280 min. (40 s.f./d.u.)
Parking	Commercial	4 (3 min. req'd)	2	2 min. (1 spc/300 s.f.)
	Residential	28 (29 min. req'd)	28	27 min. (R-4 Dist Std: 1 spc/1,000 s.f.)
	Total	32	30	29
Bicycle Parking		61	46	0 (1 spc/2,000 s.f. commercial)

¹ The lot area was listed as 11,932 in the 2013 use permit staff report. The lot area for the current proposal was confirmed with a survey to be 11,826 square feet. Calculations dependent upon lot area are based on the respective lot area amounts.

² Setbacks are for ground floor. Minimum setbacks for floors two through five are as follows (per floor: 1st Floor/2nd Floor/3rd Floor etc.): Front, 15/15/15/15'; Rear, 15/15/17/19'; East Side, 5/6/8/10'; and West (street) Side, 8/10/12/14'.

³ An encroachment Permit would be required from the Public Works Department.

☐ = Waiver/Concession requested to depart from the district standard.

II. Project Setting

A. Neighborhood/Area Description: (See Figure 1: Zoning Map, and Figure 2: Vicinity Map.) The subject site is located on the southeast corner of the intersection of Shattuck Avenue and Derby Street. Like the subject site, the adjacent and confronting parcels to the north, west, and south of the site are in the South Area Commercial District (C-SA) and lie in the South Shattuck Strategic Plan (SSSP). With the exception of the five-story, 60-foot-tall UC Storage building two parcels south of the site at the corner of Shattuck Avenue and Ward Street; the five-story, 60'-4" tall Parker Apartments 1.5

blocks north, on west side of Shattuck Avenue; and the four-story, 50-foot-tall building under construction on the adjacent parcel to the south of the subject site, development along Shattuck Avenue that is south of Dwight Way (south of the Downtown Mixed Use District) consists of one- and two-story commercial and mixed-use buildings. Adjacent parcels to east are in the Restricted Two-Family Residential District (R-2), and contain one-story, single-family residences on Derby Street and two-story, multi-family residences on Walker Street.

B. Site Conditions/Background: The subject site was a used car dealership for over 15 years and was occasionally used for car storage. Demolition of the commercial building was approved with Use Permit #04-10000014 in 2007. The Building Permit for the demolition (#B2016-05314) was issued in April of 2017, and the site is now vacant.

In May 2001, the City approved a use permit (Use Permit #00-10000083) for the construction of a 50', three-story, 25,000-square-foot, mixed-use building with 16 dwelling units, 3,200 square feet of commercial floor area, and 17 parking spaces. This project was granted use permits to reduce all setbacks, to provide less than the minimum number of off-street parking spaces and to increase the allowed lot coverage above the maximum. This permit was later modified in October, 2002 (Use Permit #02-70000044), to add one dwelling unit. The project was never built.

In July 2007, the City approved a use permit (Use Permit #04-10000014) for a 55', five-story, 33,598-square-foot, mixed-use building with 24 dwelling units, 3,200 square feet of commercial spaces and 24 parking spaces. This project was granted use permits to exceed the height/story limit to allow a partial fifth floor, to reduce all setbacks, to provide less than the minimum number of off-street parking spaces and to increase the allowed lot coverage above the maximum. This project was also not built.

In November 2013, the City denied a use permit for a 61', 5-story, 29,909-square-foot, mixed-use building with 67 dwelling units, a 1,969-square-foot, full-service restaurant, and 32 parking spaces. The building design was very similar to the current proposal and requested exceedances for height and lot coverage, and reductions to the front, street side, and rear setbacks. See section V.E for a discussion of the 2013 denial findings and a comparison of the 2013 project with the current proposal.

III. Project Description

The project proposes to construct a five-story, 62-foot-tall, mixed-use building on a vacant site with the following main components:

- 57 dwelling units – 46 studios; 6 one-bedroom units; 2 two-bedroom units; 3 two-level, townhomes;
- 5 Very Low Income (VLI) units;
- 600-square-foot, ground floor, quick-service restaurant (café);
- 6,070 square feet of usable open space – podium, 4th floor, 5th floor, and roof decks

- 30 car parking spaces and 46 bicycle parking spaces;
- Sidewalk public space and outdoor café seating area (subject to approval from the Public Works Department)

(See Figure 3: Ground Floor Plan, and Figures 4 through 6: Elevations. See Attachment 1, Plan Set, for the full set of project drawings.)

IV. Community Discussion

Neighbor/Community Concerns: Prior to submitting the application to the City on December 13, 2016, a pre-application poster was installed by the applicant at the project site. On November 3, 2016, a neighborhood meeting was held to review the project and discuss concerns, and was attended by nine members of the public.

On July 11, 2018, the City mailed public hearing notices to property owners and occupants within 300' of the site, and to interested neighborhood organizations and the City posted notices within the neighborhood in three locations. No further communications regarding the project were received as of the writing of this staff report.

V. Issues and Analysis

A. Density Bonus Units: The project would be eligible for a density bonus under Government Code Section 65915, through the inclusion of five VLI units. According to the City's Density Bonus Procedures (2014), the Base Project was calculated to have 43 units as the maximum allowable density for the site¹. The Base Project includes 42 units (one less than the maximum allowable density) with an average unit size of 463 square feet, in a four-story building. (See Table 5: Base vs. Proposed Project and Table 6: Density Bonus.) Five VLI units in the Proposed Project qualifies the development for a 35% density bonus which equates to 15 bonus units, resulting in a 57-unit Proposed Project, with an average unit size of 495 square feet, in a five-story building. The increase in average unit size in the Proposed Project over the Base Project (a 7% increase) would be allowed through a concession². See the next section, V.B, for a discussion of the concessions.

¹ Per the City's Density Bonus Procedures (DBP), the "Base Project" is the largest project allowed on the site that is fully compliant with district development standards (i.e. height, setbacks, usable open space, parking, etc.), or, the *maximum allowable density* for the site. The City uses the DBP to calculate the maximum allowable density for a site where there is no density standard in the zoning district, and to determine the number of units in the "Proposed Project", which is the number of Base Project units plus the number of density bonus units that can be added according to the percentage of BMR units proposed, per Government Code, section 65915(f).

² Per the City's 2014 DBP, the calculation of maximum allowable density uses the average unit size of the Proposed Project to calculate the number of allowable units in the Base Project. Typically, the average unit size must remain consistent from the Base Project to the Proposed Project to prevent applicants from creating a Base Project that would be far denser and/or poorer in design quality than the applicant actually desires to build, for the purpose of obtaining a larger density bonus. However, the 2014 DBP allowed a Concession for the increase of average unit size. The applicant is utilizing this provision, which is not included in the current, 2018 DBP. The application was deemed substantially complete prior to the City's adoption of the 2018 DBP. Because of this concession, the City's application of the 2014 DBP was altered to allow the increase in residential area

Table 5: Base vs. Proposed Project

Floor	Base Project		Proposed Project	
	Residential Gross Floor Area (GFA)	Base Units	Residential GFA with DBU	Total Units [Base + Density Bonus Units (DBU)]
Totals:	19,736	42*	28,213	57*
Average Unit Size:	463 sq. ft.		495 sq. ft. (7% increase)	

*Per Gov't Code 65915(q), all unit calculations are rounded up to the nearest whole number.

Table 6: Density Bonus – Per CA Gov't Code 65915

Qualifying Units	Density Bonus Achieved	Base Project Units*	Number of DBU Achieved*	Proposed Project Units
5 VLI	35% (35% max.)	42 (43 maximum allowable density)	15 (35%x42)	57

*Per Gov't Code 65915(q), all unit calculations are rounded up to the nearest whole number.

B. Density Bonus Waivers and Concessions: The project would be entitled to two concessions (or incentives), under Government Code Section 65915(d), and an unlimited number of waivers, under Section 65915(e).

A concession or incentive is a modification of a zoning code requirement that results in identifiable and actual cost reductions, to provide for affordable housing costs.³ The applicant is requesting two concessions for the project to modify the DBP: 1) to increase the average unit size from 463 square feet in the Base Project to 495 square feet in the Proposed Project, and 2) to have ground-level parking in the Proposed Project, where the Base Project parking would be underground. The applicant provided a pro forma statement to show the cost reductions associated with increasing

after the calculation of the maximum allowable density for the site. This application of the density calculation formula yields the results discussed in the Density Bonus Units analysis.

Under the standard application of the DBP (both the 2014 or 2018 versions), the Base Project would have been calculated to have 40 units as the maximum allowable density for the site, with an average unit size of 495 square feet. Five VLI units in the proposed project would have qualified the development for a 35% density bonus which would have yielded 14 bonus units, for maximum of 54 units in the Proposed Project. Had the applicant not requested a concession for the increase of average unit size, the Proposed Project would have been limited to a maximum of 54 units for the site.

³ The ZAB may deny a request for an incentive or concession only if it can make a written finding, based upon substantial evidence, of one of the following:

- A) The incentive and/or concession is not required to provide for affordable rents or affordable ownership costs, as provided in Government Code Section 65915(d)(1)(A);
- B) The incentive and/or concession would have a specific adverse impact upon public health and safety, or the physical environment, or on any real property listed in the California Register of Historical Resources, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low-income, very-low income, and moderate-income households. For the purpose of this Subparagraph, "specific adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions, as they existed on the date that the application was deemed complete; or
- C) The concession or incentive would be contrary to State or Federal law.

the average unit size and with ground-level parking compared to underground parking. The pro forma statement was peer reviewed by the City's consultant, Placeworks. The peer review memo prepared by Placeworks concluded that the pro forma statement adequately documented that the "Proposed Project Costs with Concessions" would result in a cost reduction or "decrease in cost per unit" relative to the Base Project costs; and that the concession would be necessary to cover the cost of affordable units and generate a feasible rate of return. Furthermore, staff believes that the concessions would not have specific adverse impacts upon public health and safety, or the physical environment, nor would they be contrary to State or Federal law. Therefore, both concessions would be granted for the project.

A waiver is a modification of a development standard that would otherwise physically preclude the construction of the project with the permitted density bonus and concessions⁴. Waivers for height, setbacks and lot coverage are requested for the project because they are necessary to physically accommodate the full density bonus project on the site. Staff found no evidence to suggest that the waivers would have a specific adverse impact upon public health and safety, or the physical environment, or be contrary to State or Federal law. Therefore, the requested waivers would be granted for the project.

C. Housing Accountability Act: The Housing Accountability Act §65589.5(j) requires that when a proposed housing development complies with applicable, objective general plan and zoning standards, but a local agency proposes to deny the project or approve it only if the density is reduced, the agency must base its decision on written findings supported by substantial evidence that:

1. The development would have a specific adverse impact on public health or safety unless disapproved, or approved at a lower density; and
2. There is no feasible method to satisfactorily mitigate or avoid the specific adverse impact, other than the disapproval, or approval at a lower density.

The Base Project complies with applicable, objective general plan and zoning standards. Therefore, the City may not propose to deny the Base Project or approve the base project only if the density is reduced without basing its decision on the written findings under Government Code § 65589.5(j), above. Staff is aware of no specific adverse impacts that could occur with the construction of Base Project.

The Proposed Project employs the State Density Bonus law and requests concessions and waivers of zoning standards. Accordingly, HAA analysis under Section 65589.5(j)

⁴ The ZAB may deny a request for a waiver only if it can make a written finding, based upon substantial evidence, of one of the following:

- A) The waiver or modification would have a specific adverse impact upon public health and safety, or the physical environment, or on any real property listed in the California Register of Historical Resources, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low-income, very-low income, and moderate-income households. For the purpose of this Subparagraph, "specific adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application was deemed complete; or
- B) The waiver or reduction would be contrary to State or Federal law.

does not apply to the proposed project. Instead, under State Density Bonus law, the Zoning Adjustments Board may not deny the concession or waiver unless it can make a written finding under Section 65915, noted above. The project would result in a five-story, 57-unit project, with five dwelling units affordable to VLI households. Approval of the requested concessions are required to provide for affordable rents per Government Code Section 65915(d)(1)(A). Further, Staff believes approval of the requested concessions would not have a specific adverse impact upon public health and safety, or the physical environment, or on any real property listed in the California Register of Historical Resources; nor would approval of the requested concession would be contrary to State or Federal law. Similarly, approval of the requested waivers would not have a specific adverse impact upon public health and safety, or the physical environment, or on any real property listed in the California Register of Historical Resources, and approval would not be contrary to State or Federal law. Per these standards, there are no grounds to deny the requested concession and waivers.

D. Affordable Housing Mitigation Fee: Pursuant to BMC Section 22.20.065, the project is subject to the Affordable Housing Mitigation Fee (AHMF). The AHMF ordinance allows a project to provide Below Market Rate (BMR) units, up to 20% of the total project units, in-lieu of payment of the full fee.⁵ The applicant is prepared to pay the amount of \$918,000 at building permit issuance, or \$999,000 at the time the Certificate of Occupation issuance.

E. Compatibility with District and Adjacent Residential Neighborhood: As mentioned previously, the City denied a project in 2013 that was very similar to the current proposal. The 2013 proposal underwent a Project Preview in August, 2013, a hearing in September, 2013, and five Design Review Committee meetings before the ZAB denied the project in November of 2013. The current proposal is revised from the 2013 proposal to address the issues listed in the denial findings. Because the 2013 proposal underwent extensive review from the ZAB and the DRC regarding the project's compatibility with the district and adjacent residential neighborhood, staff's analysis is presented as a review of how the current proposal addresses the findings for the 2013 denial. Each of the 2013 denial findings are summarized below, and are followed with a staff analysis of how the current proposal satisfies each finding:

1. 2013 Denial Finding: Project would be out of scale with the existing development in the district. Aside from the storage building at Ward and Shattuck (five stories); the approved (but not yet built in 2013) project known as Parker Place (60', five stories); and the project approved at 2711 Shattuck, on the adjacent parcel to the south of the subject site (50', 4 stories, and also not yet built in 2013), the proposed project at 2701 Shattuck would be the tallest building on Shattuck Avenue south of Dwight Way, the edge of the Downtown District.

2018 Project Staff Analysis: In 2013, the Parker Apartments project (known as Parker Place at the time) was not yet constructed, but it is now fully constructed and occupied. At five stories and 60'-4" in height along the Shattuck Avenue

⁵ The Affordable Housing Mitigation Fee is currently \$34,000 per unit if paid at issuance of a building permit and \$37,000 if paid at the time Certificate of Occupancy is issued. The total fee due is calculated with the formula, $[A \times \text{Fee}] - [(B+C)/(A \times 20\%) \times (A \times \text{Fee})]$, where A=Total # Market Rate Units.

frontage, the maximum building height would be similar to the subject proposal, at five stories and 62'-4" tall. The Parker Apartments project minimized the height impacts on the adjacent residential neighborhoods to the west by stepping down the buildings from five stories on the eastern, Shattuck Avenue side (in the C-SA District) to three stories on the western side (in the R-2A District). Like the Parker Apartments, the 2701 Shattuck proposal would also step down from the five-story front in the commercial district along Shattuck Avenue toward the residential district to the east, in order to minimize the height differential between the districts, by stepping down at each level on the northeast corner to two stories high at the eastern setback. Further, as discussed in the next finding analysis, the current 2701 Shattuck proposal has improved the perceived scale of the project by increasing the building setback distances for all of the building floors from the adjacent residences to the east. (See Figures 7 and 8: View from Derby Street – Current Proposal versus 2013 Proposal.)

2. 2013 Denial Finding: Project would not provide an adequate transition to the residential district to the east. The project does not take into consideration the scale of the abutting properties or protect the adjacent residential properties' access to light and air. In past approvals of projects in commercial districts which abut low or low-medium density residential areas, the building mass was clustered towards the commercial street, and transitioned to the adjacent residential districts by lowering the building height and setting back the upper floors toward the adjacent residences, to reduce apparent mass. The (2013) proposal would provide a varied setback in the east side of the building, but the northeast corner, even though set back, would still be 52' high at the fourth floor, while being 16'-10" from the property line closest to the adjacent residences.

2018 Project Staff Analysis: The current 2701 Shattuck proposal has made the following adjustments from the 2013 proposal to address the massing at the northeast corner, resulting in an improved transition from the proposed five-story building to the one-story residences to the east, and increased light and air to these dwellings (see Figures 7 and 8: View from Derby Street – Current Proposal versus 2013 Proposal):

- Eliminated one corner unit from floors 2 through 5 (floors 2 and 3 would be approximately 39' high from grade at 20' from the east property line);
- Stepped back the fourth floor (to be approximately 48' high from grade at 31' from the east property line); and,
- Stepped back the fifth floor (to be approximately 62' high from grade at 35' from the east property line).

Figure 7: View from Derby Street – Current Proposal



Figure 8: View from Derby Street – 2013 Proposal



3. 2013 Denial Finding: Project would be out of scale with the adjacent residential district. The R-2 District abutting the site to the east contains mostly single-family residences, with a few duplex or multi-family properties located on Ward or Walker Street. The residential buildings to the east, along Derby Street, include one-story buildings, and the residential buildings to the southeast along Ward Street are mostly two-story buildings. Because the fourth floor of the proposed (2013) building would be 52' in height and setback from the residential district to the east by only 16'-10", the ZAB finds that the project would not be compatible in scale with the adjacent residential neighborhoods.

2018 Project Staff Analysis: As discussed above under Finding #2, the current proposal has improved the transition from the proposed five-story building to the one- and two-story residences to the east by further stepping back each floor (over the 2013 project) from the eastern residences, resulting in lower heights at the building corners closest to the east property line and a perceived building scale that would be more compatible with this residential district.

4. 2013 Denial Finding: Design alternatives suggested by the ZAB to the applicant were rejected. The ZAB recommended that as many as 12 units should be removed from the fourth and fifth floors at the northeast corner of the site, or alternatively, that the entire fifth floor could be removed to make the development compatible with existing development patterns, and to provide a transition to the residential district to the east.

2018 Project Staff Analysis: Six units were eliminated at the northeast building corner in current proposal (one each from Floors 2 and 3, three from Floor 4, and one from Floor 5) to improve the transition to the residential district to the east. The fifth floor remains in the current proposal, but would be granted as a waiver under density bonus law. (The 2013 proposal was not a density bonus project, and requested a use permit for the fifth floor). Further, since the writing of the 2013 denial finding, the Parker Apartments project (two blocks north, on the west side of Shattuck Avenue) has been completed, which adds two five-story buildings to the surrounding neighborhood context, and is a larger project (156,102 square feet, 155 units) with a larger footprint, on a larger site (60,351 square feet, over two parcels) than the 2701 proposal. The closest five-story building to the subject site is the self-storage building two parcels south of the site (at Shattuck and Ward).

In conclusion, staff finds that each of the findings for denial of the 2013, 2701 Shattuck proposal have been addressed in the current proposal.

- F. **Sunlight/shadow:** According to the shadow studies submitted by the applicant (See Attachment 1, Plan Set – Sheets S1.1 to S1.4), the single-family residences to the east (2104, 2106, and 2108 Derby Street) and the multi-family residence to the southeast of the site (2708 Walker Street) would experience the most increased shadows during the few hours before sunset, year-round. Residences to the northeast, beyond the subject block, may experience new shadows in the few hours before sunset in the winter. Shadow impact on these residences to the east and northeast are to be expected because the subject site is located in the C-SA district (commercial), which allows heights of up to 50' and 4 stories (for residential and mixed-

use), whereas the eastern residences are in the R-2 district (residential), which allows heights of up to 28' (35' with a use permit) and 3 stories. The proposal would include an additional story beyond the district height limit to accommodate the density bonus units – a waiver that would be granted (see section V.B for a discussion of waivers). The additional story casts shadows in the eastern direction further than if the project had only four stories. Still, the shadow impacts from the project would be reasonable, given that the duration would be limited to the evening hours and given the height limit differential between the two districts.

New shadows that would be cast onto properties to the west and northwest (across the street at 2680 and 2700 Shattuck Avenue) in the morning hours in the fall and spring months, and on the property to the north (2655 Shattuck Avenue) in the early-afternoon hours in the winter, would only affect commercial properties, and not residences.

G. Traffic/Parking: A Preliminary Transportation Assessment was prepared by the project transportation consultant, Kittelson and Associates, which was reviewed and approved by the City's Traffic Engineer. The study showed that the proposed project would generate 50 weekday AM peak hour person-trips, and 48 weekday PM peak hour person-trips (the sum of trips for all modes). Of these trips, the vehicle trip generation would account for 21 weekday AM peak hour trips, and 16 weekday PM peak hour trips. For other modes, the Project would generate 15 total transit trips, 2 total bicycle trips, and 36 total walk trips. Thus, the project would not exceed the City's 25 peak-hour trip threshold for requiring a full traffic study. The anticipated increase in traffic due to the project would not conflict with any applicable plans, ordinances or policies establishing measures of effectiveness for the performance of the circulation system, and the impact would be less than significant.

The study also showed that, based on a qualitative review of the site plan, access and circulation for pedestrians, bicyclists, transit riders, and motor vehicles would be sufficiently accommodated by the proposed project. The proposed project would provide 30 vehicle parking spaces and 46 long-term bicycle parking spaces, a slight reduction from the numbers in the original proposal of 32 vehicle parking spaces and 56 long-term bicycle parking spaces, on which the study is based. However, the proposed number vehicle parking satisfies and exceeds district parking requirement by one, and the proposed number bicycle parking well exceeds district parking requirement. Thus, staff believes that the off-street parking in the surrounding neighborhood would not be adversely impacted by the project.

VI. Recommendation

Staff recommends that the ZAB provide advisory comments to the applicant regarding the design of the project, and to staff on issues and analyses that the ZAB would like to be addressed in the next staff report.

Attachments:

1. Project Plans, received June 29, 2018
2. Notice of Public Hearing

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