October 16, 2012

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Bay Creek (650 San Pedro Road) Rezoning, Master Plan, Precise Development Plan, Vesting Tentative Map/Subdivision, Rezoning (RZ 13-1, MP 13-1, DP 13-1, SD 13-1) 650 North San Pedro Road, San Rafael Assessor's Parcels 180-231-05, -06, -07, -09, and 180-291-04

Dear Supervisors,

RECOMMENDATION:
Staff recommends that your Board review the administrative record, hold a public hearing on the merits of the proposed project and consider approving a substantially modified project, which primarily involves reducing the number of residential lots from 12 to 10. The Planning Commission has recommended that a previous 12-lot design of the same project be denied unless the number of residential lots is reduced.

SUMMARY:
The current application was preceded by similar applications that have been reviewed by the Planning Commission and your Board. On November 8, 2010, the Planning Commission conducted a workshop and hearing on the merits of the application. The Planning Commission directed staff to request that the applicant reduce the total number of proposed residential lots to seven to 10, and discussed rearranging the lots and residences with two or three smaller residences along North San Pedro Road and five somewhat larger residences farther up the hillside on the site. The Commission further directed staff to return with a draft Resolution recommending that the Board of Supervisors deny the application in the event that the applicant refused to modify the project as the Commission had requested.
Since the applicant subsequently declined to reduce the number of proposed lots as the Planning Commission requested, on November 28, 2011, the Planning Commission voted five to two to recommend that your Board deny the proposed project.

On June 12, 2012, your Board held a hearing on the project Environmental Impact Report (EIR) and the merits of the proposed project. At that hearing, your Board followed the Planning Commission's recommendation and certified the EIR and denied the rezoning. However, your Board also recommended that the applicant work with the community to resolve areas of disagreement, and return with a revised project. Although opinions varied, it was commonly felt by your Board that: (1)
flexibility regarding the size of the Wetland Conservation Area may be appropriate; (2) the visual impacts related to residences along North San Pedro Road should be addressed; (3) the sizes of the future residences should be limited; (4) grading and tree removal should be minimized.

Subsequent to the denial of the application, three meetings were held between the Supervisor Adams, members of the Santa Venetia Neighborhood Association, and the applicant. These meetings are referenced in letters from both the applicant and from one of the community members involved (attachments 8 and 12). On August 27, 2012, the applicant submitted a revised project.

The new application includes 12 residential lots and three separate private open space parcels. Bay Creek Court is relocated to a lower elevation, but a 20-foot buffer between the proposed building envelopes and the wetland and drainage course on the site is provided. A total of five residential lots are proposed to have frontage along North San Pedro Road.

Based on a review of the revised application, staff recommends substantial modifications to the proposed project. The key modifications recommended by staff are summarized below.

1. The total number of residential lots is reduced from a 12 to 10, and an in-lieu affordable housing fee is required for the equivalent of two affordable units.

2. Three residential lots are approved adjacent to North San Pedro Road. Seven residential lots are approved upslope of North San Pedro Road with each residential lot having a building envelope, as shown in Exhibit A. Proposed Lots 1 and Private Open Space parcel A are combined into a single lot. Proposed Lot 2 is moved across Bay Creek Drive to the upper portion of the site. Proposed Lots 3 and 4 are combined into a single lot. Proposed Lot 12 is eliminated. The configuration of the lots taking access from Bay Creek Court is relatively unchanged.

3. A single Private Open Space Parcel would encompass the upper portion of the property and the frontage along North Pedro Road from the eastern edge of the property to the centerline of Bay Creek Drive.

4. The width of the easement for Bay Creek Drive and Bay Creek Court would be a minimum of 40 feet except along the western portion of Lot 1 and eastern portion of Lot 2, where the width of the easement would be extended by 25 feet to accommodate a shared parking structure.

In addition, the Precise Development Plan establishes parameters for the heights and floor areas allowed on each residential lot, to be applied through the Design Review process. Future Design Review applications may only be approved when the development on the individual lots conforms to the following standards:

Lots 1 and 2
Maximum floor area- 1,800 square feet
Maximum height- 25 feet
Other- maintain a 43 foot tree protection zone around the heritage oak on Lot 1

Lot 3
Maximum floor area- 2,800 square feet

Lots 4 and 5
Maximum floor area- 3,500 square feet

Lots 6 and 7
Maximum floor area- 2,800 square feet

Lot 8
Maximum floor area- 3,500 square feet

Lots 9 and 10
Maximum floor area- 2,800 square feet

Floor area and height limitations are intended as maximums, not entitlements, and the exact size of the buildings will be determined during the Design Review process. The combined effect of these changes would ensure that the proposed project would result in a density and visual character that are compatible with the character of the surrounding neighborhood and China Camp State Park and moves the project closer to meeting the applicant's objectives. This would also address providing adequate parking for the new development.

The Planning Commission recognized that the number and size of the residences along North San Pedro Road would have the greatest impact on the local community, and sought to limit the number of residences in this area to no more than three. Further, the Planning Commission recognized that eliminating development in the area on the eastern side of the pond proposed as Lot 12 makes the transition between the suburban and rural portions of Santa Venetia more gradual and provides for a continuous wildlife corridor of open space from the hillside above and the wetland at the base of the site. Staff’s recommended redesign carries forward these aspects of the approach endorsed by the Planning Commission.

However, fewer lots were recommended adjacent to Bay Creek Court because the Planning Commission did not endorse the approach of allowing an exception to the 100-foot Wetlands Conservation Area buffer, even though the EIR determined that the buffer could be reduced to 20 feet without resulting in any significant impact. As a result, the number of lots adjacent to San Pedro Court was reduced from five to three. In light of your Board’s willingness to consider applying the 20-foot wetland buffer identified in the EIR, Bay Creek Court has been relocated downslope in the applicant’s revised proposal and five residences can be developed in this area instead of only three.

Although the recommended reduction in lots means that the two affordable residences would not be built on the property, the in-lieu housing fee can be used to leverage even more affordable housing units elsewhere in San Rafael, such as in the redevelopment of the Marinwood Shopping Center. Altogether, the recommended modifications balance the competing objectives between the local community, the applicant, and the County and would lead to a well-designed subdivision on the property.
Design Review will be required for the development of each lot created by the subdivision. Through the Design Review process, the Planning Division will ensure that development on each lot will conform to the Planned District Development Standards and the Single-family Residential Design Guidelines. Those standards and guidelines indicate that building facades are to be articulated and stepped up and into hillsides, that rooflines are to be pitched and oriented to follow the contours on a site, and that trees should be protected and landscaping installed that will screen development from the surrounding area. Materials, colors, and lighting are also addressed during the Design Review process to ensure that subdued earth tones that blend with natural hillsides are used and that lighting is unobtrusive. Design Reviews are discretionary applications, and the local community receives a notice of the application and has the opportunity to express their comments and concerns during the process.

**FISCAL/STAFFING IMPACT:**
None.

**ALTERNATIVE TO RECOMMENDED ACTION(S):**

Alternatives to staff's recommendation include the revised project submitted by the applicant or another revised project with 12 lots, as discussed below.

A. **Revised Application.** The revised project submitted by the applicant moved Bay Creek Court to a more level area, reducing its grade from 18 percent slope to 10 percent slope. Further, tree removal was reduced by 40 percent (from 51 protected trees to 29 protected trees). Overall, the revised application represents an improvement over the previous design. However, the revised project does not fully address concerns regarding the appearance of the residences along North San Pedro Road. The revised application continues to include the construction of two affordable units on-site as well as an affordable housing fee.

B. **Twelve Lot Alternative.** A 12-lot project could be accomplished by increasing the size of the building envelope on Lot 3, splitting Lot 3 into two separate lots, and building a duplex of affordable housing units with zero lot lines on this site. The floor area of this building would not exceed 2,800 square feet and would therefore look essentially the same from North San Pedro Road as staff's recommended 10-lot design. An additional market rate residence could be placed between Lots 4 and 5 by making these two building envelopes smaller and separating them enough to accommodate an additional residential lot. This design would cluster a greater number of buildings on the upper side of Bay Creek Drive, but would maintain the low density of buildings along North San Pedro Road.

If your Board decides to consider alternatives, your Board can direct staff to modify the approval documents in consultation with the Department of Public Works, Fire Department, and possibly the County's EIR consultant. Revised Ordinances and a Resolution would need to be drafted to approve the project after it has been
evaluated for consistency with the Countywide Plan, zoning and development standards, as well the findings in the EIR. Your Board could continue the hearing to a future date for the ratification of the revised approval documents.

REVIEWED BY:

[ ] Department of Finance  [ ] N/A
[X ] County Counsel  [ ] N/A
[ ] Human Resources  [ ] N/A

SIGNATURE:

Jeremy Tejidian
Principal Planner

REVIEWED BY:

Brian C. Crawford
Director

Attachments:

1. Ordinance approving a Rezoning
2. Ordinance approving a Master Plan
3. Resolution approving a Subdivision and Precise Development Plan
4. CEQA findings
5. Exhibit A, Modified Project plans
6. Exhibit B, Rezoning plan
7. Exhibit C, Applicant’s proposed project plans, received 8-27-12
8. Applicant’s submittal letter, received 8-8-12
9. San Rafael Chamber of Commerce comments, received 7-20-12
10. Marin Municipal Water District comments, received 9-20-12
11. Las Gallinas Valley Sanitary District comments, received 9-27-12
12. Santa Venetia Neighborhood Association comments, received 9-17-12
13. West comments, received 10-8-12