



"The City With a Heart"

Rico E. Medina, Mayor
Sandy Alvarez, Vice Mayor
Tom Hamilton, Councilmember, District 2
Michael Salazar, Councilmember, District 3
Marty Medina, Councilmember, District 4

AGENDA
SAN BRUNO CITY COUNCIL SPECIAL JOINT MEETING WITH PLANNING COMMISSION
Agenda Amended on 05/18/2026 to update Item 3d, add Staff Report
May 19, 2026
6:00 PM

<p>IN PERSON* MEETING LOCATION</p> <p>San Bruno Recreation and Aquatic Center, Community Room 251 City Park Way San Bruno, CA 94066</p> <p>*Please turn off all electronic devices before the start of the meeting to prevent disruptions*</p>	<p>Zoom Link*</p> <p>https://sanbruno-ca-gov.zoom.us/j/83641558853</p> <p>Phone Line: 1-346-248-7799 Webinar ID: 836 4155 8853 Webinar Password: 143556</p> <p>*Teleconference broadcasting is offered in the meeting via Zoom as a courtesy to the public. **No public comment accepted via Zoom</p>
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PUBLIC COMMENT: In person attendees who want to provide public comment, will be asked to fill out a speaker card and turn it into the City Clerk. Public comment may also be emailed to planning@sanbruno.ca.gov. Comments received via email will not be read aloud during the meeting.

ACCESSIBILITY: In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or modifications to participate in this meeting should contact the Planning Commission Clerk at least 48 hours prior to the meeting at (650) 616-7053 or planning@sanbruno.ca.gov.

*Any disclosable public writings related to an open session item on a regular meeting agenda and distributed by the City to at least a majority of the City Council less than 72 hours prior to that meeting are available for public inspection at the City Clerk's Office at City Hall located at 567 El Camino Real, San Bruno, California during normal business hours. In addition, the City may also post such documents on the City's Website at sanbruno.ca.gov/AgendaCenter.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **CONDUCT OF BUSINESS**
Public comment will be requested after each topic in this section
 - a. Conduct a Joint City Council/Planning Commission Study Session to Receive an Update on SB 79
 - b. Conduct a Joint City Council/Planning Commission Session to Receive an Update on the Elevate San Bruno Initiative
 - c. Conduct a Joint City Council/Planning Commission Study Session to Receive an Update on the Tanforan Redevelopment Project
 - d. Conduct a Joint City Council/Planning Commission Study Session to Discuss

Downtown Zoning Adjustments to Improve Activity and Aesthetics

4. **ADJOURNMENT** – The next Regular City Council Meeting will be held on May 26, 2026 at 7:00 pm.

POSTING: I declare a copy of this agenda was posted at City Hall, 567 El Camino Real, San Bruno, among other locations in the city limits of San Bruno, on May 14, 2026, by 6:00 pm.


Lupita Huerta, City Clerk



City Council & Planning Commission Agenda Item

Staff Report

CITY OF SAN BRUNO

DATE: May 19, 2026

TO: Honorable Mayor, Members of the City Council and Planning Commission

FROM: Peter Gilli, Community Development Director

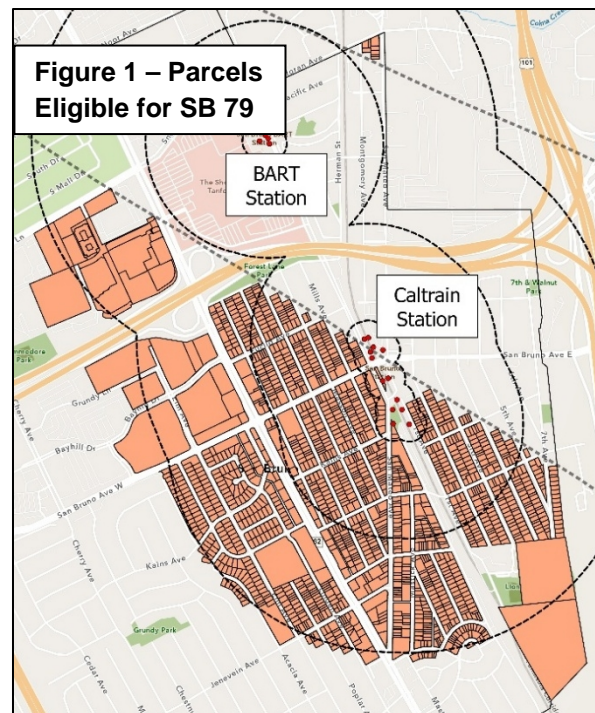
PREPARED BY: Evan Schieber, Assistant Planner

SUBJECT: Conduct a Joint City Council/Planning Commission Study Session to Receive an Update on SB 79

BACKGROUND

On October 10, 2025, SB 79 was signed into law, allowing greater heights and intensities for housing projects within a half mile of qualifying transit stops regardless of local regulations. The City has two qualifying transit stops, its Caltrain and BART stations. The bill goes into effect on July 1, 2026.

SB 79 sets the development regulations for a project based on the project's distance from a pedestrian access point to a qualifying transit stop. The bill creates three Transit Oriented Development (TOD) zones, with greater heights and intensities allowed the closer a project is to transit. The general regulations for projects in each TOD zone can be found in Table 1. The MTC TOC program has similar requirements for land within a half mile of major transit stops but allows existing neighborhoods to be exempt. Unlike MTC TOC, SB 79 regulations apply to all properties with a few narrow exemptions.



There are 2,512 parcels within San Bruno's two TOD zones. However, SB 79 exempts certain parcels, including parcels that do not allow residential or commercial land-uses and parcels designated as incompatible for residential uses on an airport land use compatibility plan (ALUCP). Incompatibility of residential uses with the ALUCP disqualifies the majority of parcels around the BART station and northeast of the Caltrain station from using SB 79.

After accounting for these exemptions, San Bruno contains 1,592 parcels comprising 280 acres that are eligible for SB 79 residential projects, including some single-family neighborhoods. See

Figure 1 for a map of all parcels eligible for an SB 79 project. Attachment 1 provides additional details, including the zoning of each parcel.

Table 1 – SB 79 Regulations Summary							
	SB 79 TOD Zone			San Bruno Zoning Districts			
	200 Ft	¼ Mile	½ Mile	C-B-D	TOD1	TOD2	R1 / R2
Height	95 ft	75 ft	65 ft	55 ft	65 ft	70 ft	28 to 30 ft
Density	160 du/ac	120 du/ac	100 du/ac	N/A	N/A	N/A	N/A
FAR	4.5	3.5	3.0	2.0	2.0	2.0	0.38 to 0.55

DISCUSSION

SB 79 provides some implementation options for cities, including alternative plans and temporary exemptions. Alternative plans allow cities to reallocate height and intensities within the TOD zones, increasing and decreasing intensity in some areas while maintaining the same total housing unit capacity. Cities can also temporarily exempt certain parcels via an ordinance until one year after the adoption of the next housing element, or 2032.

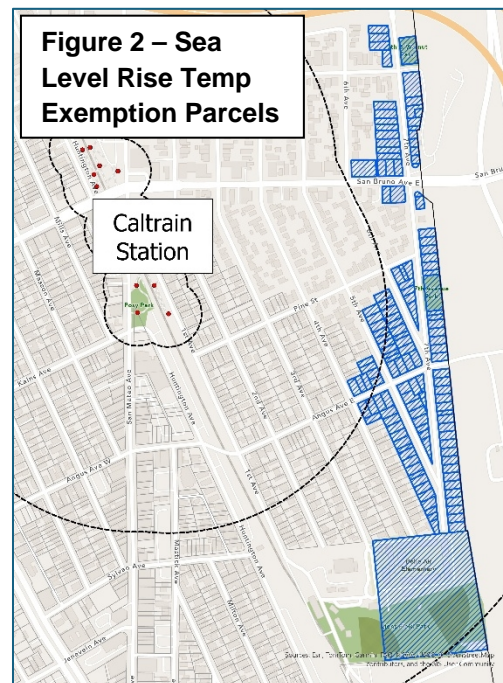
San Bruno cannot reasonably create an alternative plan because Ordinance No. 1284 requires voter approval to increase heights and densities. As a result, San Bruno cannot upzone areas in the TOD zones to offset reducing SB 79 increases in neighborhoods. If Ordinance No. 1284 is modified or repealed in the future, the City could explore an alternative plan.

While San Bruno is unable to adopt an alternative plan, there are parcels in the TOD zones that are eligible for a temporary exemption through 2032. See Attachment 2 for a map of all parcels covered by SB 79’s permanent and temporary exemptions.

Sea Level Rise Temporary Exemption

SB 79 allows cities to temporarily exempt sites that are vulnerable to one foot of sea level rise, as determined by the National Oceanic and Atmospheric Administration (NOAA) or another coastal hazards vulnerability assessment. Per NOAA’s sea level rise map, San Bruno has 136 parcels in “low lying areas” that are potentially considered vulnerable to one foot of sea level rise. Staff are waiting on confirmation from HCD on their interpretation of NOAA’s sea level rise map classifications.

Of the 136 parcels in low lying areas, 58 parcels are eligible for SB 79 while 78 fall under the airport compatibility exemption. Staff recommends that the City pursue this temporary exemption for all 136 parcels, as SFO’s land use plan may be amended in the future. The majority of parcels eligible for this temporary exemption are in the R-1 zoning district. These parcels, which are currently designated for



single-family homes, would allow apartment buildings 65 to 75 feet tall if not exempted from SB 79. Additionally, these parcels are much more prone to flooding, so new apartments would increase the number of residents vulnerable to stormwater events. Staff plans to draft an ordinance to bring the sea level rise exemption, subject to HCD interpretation.

High Density Temporary Exemption

SB 79 additionally allows cities to temporarily exempt parcels that are zoned for at least 50% of the residential density and residential floor area allowed under the bill. Recent projects in the areas that qualify for this temporary exemption have exceeded SB 79 heights using density bonus. Additionally, this temporary exemption runs counter to the recent TCP assessment that recommends increasing allowed heights on major corridors through Elevate San Bruno. Staff does not intend to prepare an ordinance for this temporary exemption.

FISCAL IMPACT

There is no direct fiscal impact with this agenda item.

ENVIRONMENTAL IMPACT

This agenda item is not a project under the California Environmental Quality Act (CEQA). Future City action to temporarily exempt parcels from SB 79 are likely exempt from CEQA.

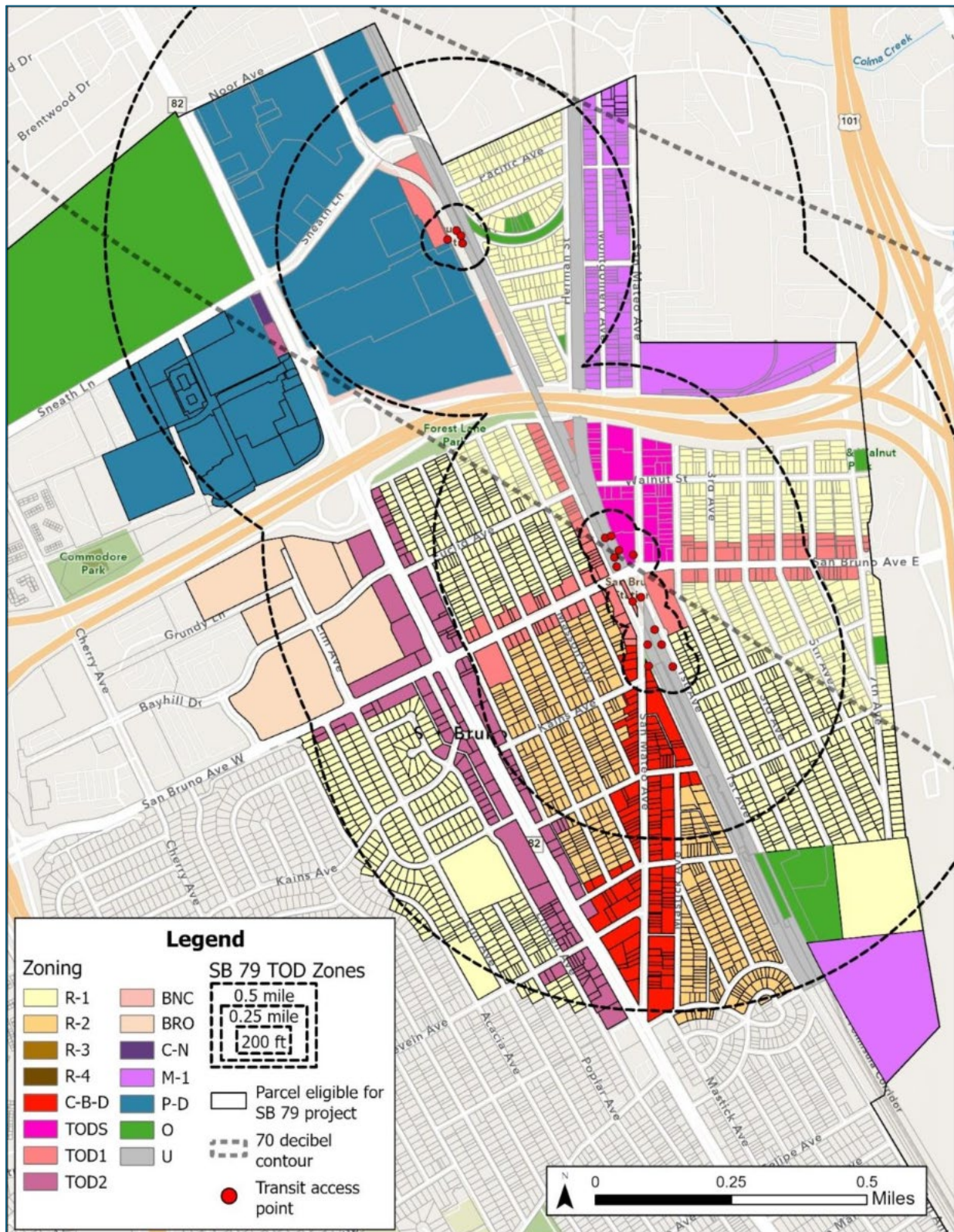
REQUESTED FEEDBACK

Staff plans to bring forward only the sea level rise temporary exemption for adoption, pending interpretation from HCD. Staff requests that the City Council and Planning Commission provide feedback on the proposed SB 79 action.

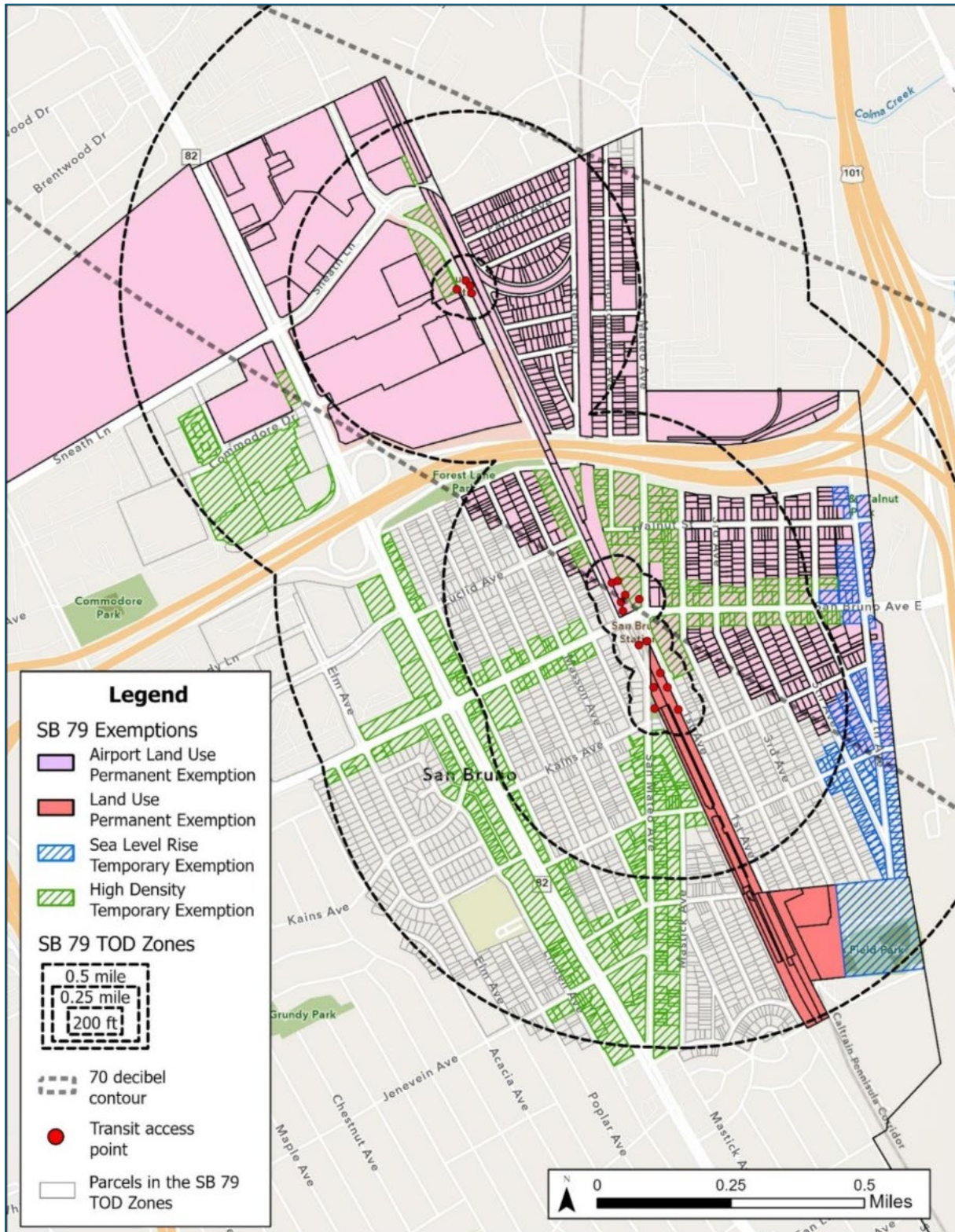
ATTACHMENTS

1. SB 79 TOD Zone Parcels
2. SB 79 Permanent and Temporary Exemptions

Attachment 1: SB 79 TOD Zone Parcels



Attachment 2: SB 79 Permanent and Temporary Exemptions





City Council & Planning Commission Agenda Item

Staff Report

CITY OF SAN BRUNO

DATE: May 19, 2026

TO: Honorable Mayor, Members of the City Council, and Planning Commission

FROM: Peter Gilli, Community Development Director

PREPARED BY: Kelly Beggs, Assistant Community Development Director

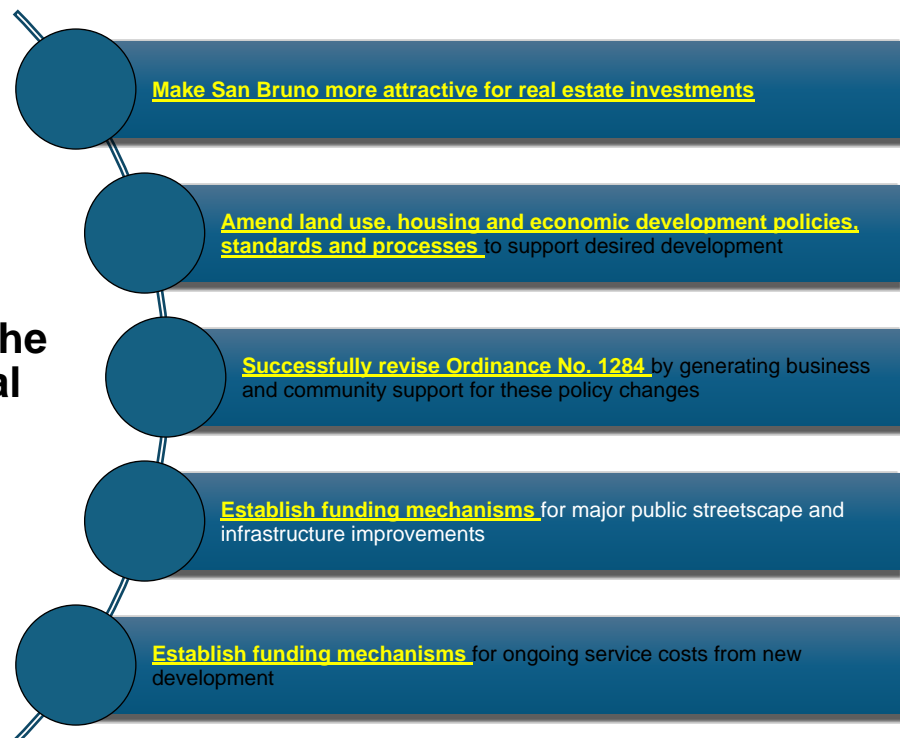
SUBJECT: Conduct a Joint City Council/Planning Commission Session to Receive an Update on the Elevate San Bruno Initiative

BACKGROUND

On July 22, 2025, the City Council held a study session to receive the findings of the Transit Corridors Plan (TCP) Financial Feasibility Assessment (TCP Assessment) and formally launched a citywide Land Use, Housing, and Economic Development Initiative, now called Elevate San Bruno. Council adopted a resolution setting forth goals, objectives and a strategy, which are as follows:



Strengthen the City's Fiscal Health



At the January 27, 2026, City Council and Planning Commission study session, PlaceWorks was selected to lead the implementation of the Land Use, Housing, and Economic Development Initiative. The initiative was renamed Elevate San Bruno to help build project awareness and establish an identify, and a website was launched: www.ElevateSanBruno.org. In addition, the City Council selected Elevate San Bruno as a FY 27 Council Priority.

Elevate San Bruno is a comprehensive, multi-year effort to strengthen San Bruno's fiscal health by updating land use policy, expanding housing capacity, improving development feasibility, and modernizing the City's development review process. The work includes robust community and stakeholder engagement; a review of existing conditions, Ordinance No. 1284, and adopted plans; fiscal and economic analysis; evaluation of development opportunities and constraints; and the development of land use alternatives and policy recommendations. Elevate San Bruno will result in amendments to the General Plan, Specific Plans, Municipal Code, and objective design standards, supported by a program-level Environmental Impact Report. In parallel, the project includes a detailed assessment and overhaul of the City's development review processes to improve predictability, coordination, and customer experience, including potential technology and AI-enabled solutions. The effort also requires the establishment of infrastructure and service funding mechanisms and culminates in an implementation roadmap to support phased execution of policy, process, and regulatory changes.

The three-year schedule is structured to complete policy amendments requiring a ballot measure, as well as the associated environmental review, by Summer of 2028 to meet the November 2028 election timeline. Components of the scope of work that do not require a ballot measure will continue later into 2028. If the proposed 2026 ballot measure to rescind Ordinance 1284 is successful, these 2028 ballot measures will not be necessary.

DISCUSSION

The purpose of this item is to provide the Planning Commission and the City Council with an update and to receive feedback. No final decisions are being made at this time.

Overview of Community Engagement Strategy

As part of the Elevate San Bruno scope, the team developed a Community Engagement Strategy (Attachment 1). The Community Engagement Strategy provides the City with tools and strategies to share information with the San Bruno community and key stakeholder groups about the City's fiscal forecast, how real estate investment can be one tool to strengthen the tax base, and how updating local land use policies, regulations and processes can make the City more attractive for the investment needed to maintain funding for key services the greater community depends on.

To reach community members beyond those able to attend in-person events, the project will prioritize the use of pop-ups events, social media, and video content to expand the project's reach over workshops and open houses, which often yield lower attendance. Outreach strategies in the Engagement Plan include:

- Pop-up Events
- Online Webinars and Video Content
- Online Surveys
- Stakeholder Interviews

- Community Workshops and/or Open Houses

To raise community awareness about the project and foster engagement, the team will use a variety of methods, including flyers, social media, informational videos, and updates to the project website.

Overview of Alternatives Process

In order to strengthen San Bruno's fiscal health by promoting real estate investment, the Elevate San Bruno project will explore height and intensity increases in selected parts of the city. Because the City completed the TCP Assessment in 2025, the project team has a strong base of analysis to draw from and expand upon. A summary of the steps to create the alternatives and ultimately a preferred scenario is listed below, with this agenda item focusing on Step 2 in this process.

1. Establish a study area. The first step in the alternatives process is to establish the area of study where future height and density changes may occur. The Elevate San Bruno team initially proposes that the study area roughly include the El Camino Real corridor, areas within ½ mile of the BART and Caltrain stations, Bayhill Specific Plan area, and U.S. Navy Site Specific Plan area, as shown on Attachment 2, including effectively all lands east of I-280 that are not single-family or duplex neighborhoods.
2. Identify preferred alternative. The second step in the alternatives process is to create alternatives that consider different locations and intensities of development that could occur within the identified study area. The intent of this agenda item is to collect Planning Commission input and City Council direction on alternatives for evaluation.

While generally a planning process would evaluate a wider range of alternatives to identify a preferred alternative, because the TCP Assessment provided the baseline of what is needed to make real estate investment feasible (8 stories) in the city, the City can expedite the alternatives identification and selection process.

3. Evaluate preferred alternative. City staff and consultants will estimate the amount of future development that the preferred alternative could generate. The evaluation will consider varying outcomes of the preferred alternative on:
 - Police, fire, schools, and libraries;
 - Water and wastewater capacity;
 - Traffic and circulation;
 - Fiscal impacts to the City;
 - Extent of changes that would be needed to the General Plan, Specific Plans, and other regulatory documents.

In summer and fall 2026, the project team will present the results of the alternative evaluation to the community and decisionmakers through a public process to review the benefits, trade-offs, and potential outcomes of the preferred alternative.

4. Refine the preferred scenario to become the updated General Plan Land Use map. The preferred scenario will be refined through a public engagement process. The City Council will provide final direction on the preferred scenario, and it will become the basis for the Draft

General Plan Land Use Map, which will undergo additional analysis in the Draft Environmental Impact Report.

Overview of Working Draft Alternatives

As part of this agenda item, Commission and Council are asked to provide direction on whether Elevate San Bruno will focus only on increasing heights in the study area to eight-stories (Alternative 1) or if the initiative should explore heights greater than eight stories (Alternative 2). This report uses the term “eight-stories” to refer to a residential building of approximately 90 feet; commercial buildings have taller floor to ceiling heights and would thus fit fewer stories within that height limit. Attachment 2 shows the Study Area that the Alternatives would apply to.

Alternative 1

Alternative 1 proposes an alternative for study that would allow eight stories across the study area equally, building on the 2025 TCP Assessment’s recommendations to increase height limits to eight stories to promote real estate investment.

In addition to the eight-story height allowance, the following General Plan land use designation changes are reflected in the Study Area shown in Attachment 2:

Location	Current Land Use Designation	Proposed Land Use Designation
Towne Center and Tanforan Shopping Centers	Regional Commercial	Transit Oriented Development (TOD)
Navy Site Specific Plan	High Density Residential, Multi-Use; Neighborhood Commercial; Regional Office	
Sneath Lane (West of Navy Site, East of Cherry Ave)	High Density Residential	
Southern El Camino Real Corridor	Multi-Use Residential Focus	

Note: No Land Use changes are proposed for the Industrial Designation.

Increasing the areas that are designated as TOD will both simplify and clarify Land Use regulations and allow greater flexibility for development sites, as the TOD classification permits a variety of uses and a mix of those uses, including:

- retail sales,
- eating and drinking establishments,
- personal and business services,
- professional and medical offices;
- financial, insurance, and real estate offices;
- hotels and motels;
- educational and social services;
- government offices; and
- residential.

The expansion of the area designated as TOD would also allow housing in more parts of the City, which will require an override of the Airport Land Use Compatibility Plan to allow housing in areas currently deemed incompatible with housing due to noise.

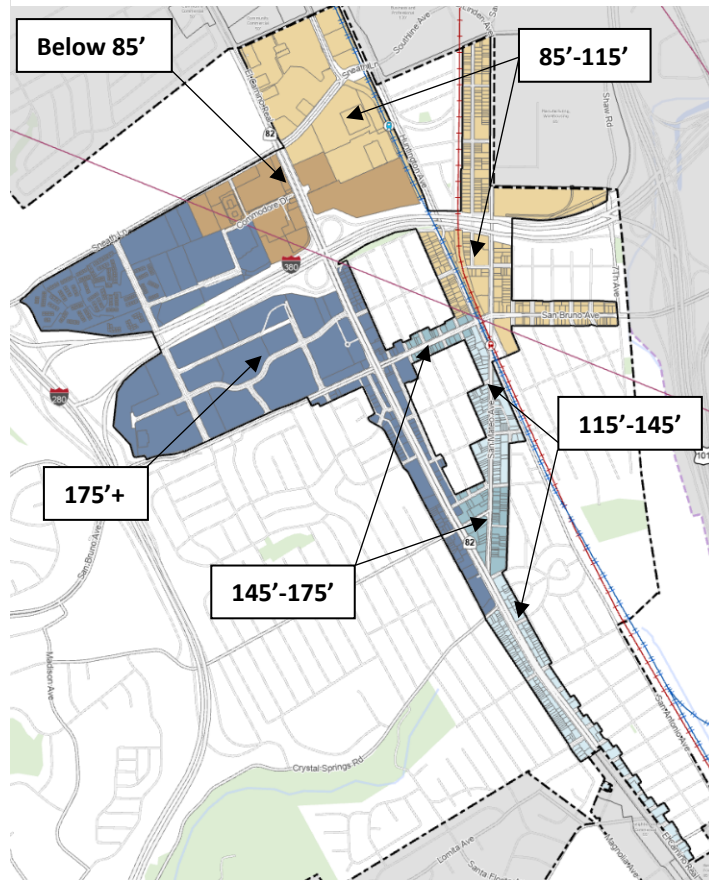
Given State density bonus law, residential projects can already exceed City height limits depending on the amount of affordable housing included in a project. For example, if a project is 100 percent affordable housing and within ½ mile of a major transit stop, such as BART, Caltrain, or bus rapid transit, the project can receive a 33-foot height increase. Allowing all buildings to be up to 8 stories within the proposed study area would allow non-residential projects the same opportunities as residential projects. Giving non-residential projects equal footing as residential projects is one strategy to help increase City revenues, which is a central goal for the Initiative.

Alternative 2

The 2025 TCP Assessment also suggested that the City may want to increase heights to more than 8 stories at key opportunity sites. Staff polled several developers and received feedback that market feasibility does not exist for this type of construction in San Bruno under current economic conditions from a cost and demand perspective. But Elevate San Bruno is amending the General Plan, which should reflect the City’s long-range vision. So allowing the opportunity for greater heights may place the City in a competitive position if market conditions or new building methods come forward. There are already examples of new construction methods that allow taller buildings without the same cost of traditional methods, but these new methods do not seem to be mainstream yet.

In prior sessions, some Commissioners suggested removing the City’s height limits in the study area to allow buildings to go up to SFO height maximums. If the Council and Commission are interested in evaluating this concept further, the project team recommends building upon the City of Burlingame’s model, which sets a base intensity limit, which could be the equivalent of 8 residential stories for San Bruno, but a project can up go to the SFO height limits through a special discretionary permit. If this model is pursued, staff would recommend that increased height to be tied to provision of community benefits. Figure 1 includes a high-level evaluation of maximum heights allowed pursuant to SFO airspace protection requirements. As the figure shows, the northeastern portion of the study area, which underlies the flight path, is most limited in heights by airport operations, while area to the

Figure 1. Heights by Airspace Protection Requirements



southwest of the flight path has more flexibility.

Housing Opportunities

HCD required that the 2023-2031 Housing Element include two programs focused on increasing housing opportunities in lower density, higher resource areas, both of which would require a ballot measure and are included in the Elevate San Bruno scope. If Ordinance No 1284 is rescinded in 2026, no additional ballot measures would be required. Those programs include:

- **Program 4f:** Place ballot measure to allow amendments to the ADU Ordinance to increase the allowable number of ADUs/JADUs beyond State law on eligible R-1 and R-2 parcels.
- **Program 5a:** Provide for "Missing Middle" housing opportunities through amending the Municipal Code to remove the 2,900 sq. ft. per unit requirement in order to allow 2 units for any R-2 legal parcel, and allow legal non-conforming sites, including those with greater units than allowed by zoning, to be rehabilitated, expanded, or rebuilt and maintain the non-conforming number of units.

Implementation of Program 4f could apply to R-1 and R-2 zoned parcels citywide. Program 5a would focus on the R-2 zone, which includes areas between El Camino Real and Huntington Avenue South of San Bruno Avenue West that are not located on the major corridors. The program would also allow legal nonconforming units to be retained permanently. The City can do more to allow housing opportunities in low-density neighborhoods, often referred to as "missing middle" housing, but staff are not proposing additional actions at this time.

City Council/Planning Commission Discussion

Feedback is welcome for all aspects of this report. Staff specifically requests City Council and Planning Commission feedback on the following:

- The Community Engagement Plan strategy of prioritizing going to the public (in person and using technology)
- The Study Area boundaries
- The lack of changes proposed for the industrial area on San Mateo Avenue north of 380
- Whether to study:
 - Up to a maximum of 8 stories in the Study Area
 - Up to the SFO maximum heights in the Study Area
 - Both, or something in between (note, focusing the study on fewer alternatives will reduce the cost of, and expedite the initiative process)
- The scope of increasing housing opportunities in residential neighborhoods only to meet the commitments required from HCD as part of the Housing Element, or should the City do more

FISCAL IMPACT

There is no fiscal impact from this study session. Fiscal impacts of land use alternatives will be studied after direction is received on this item. The intent of the Initiative is to strengthen the fiscal base.

ENVIRONMENTAL IMPACT

This presentation is not considered a project under the California Environmental Quality Act (CEQA) and no environmental review is necessary. An environmental impact report (EIR) will be prepared as part of this initiative.

ATTACHMENTS

1. Community Engagement Strategy
2. Study Area



COMMUNITY ENGAGEMENT STRATEGY

INTRODUCTION

This Community Engagement Strategy describes tools and outreach activities to solicit input from the San Bruno community on strategies to bolster long-term economic resiliency of City finances. The purpose of the Community Engagement Strategy is to inform and build support for potential updates to City policies and regulations from the community, including property and business owners. This plan relies on multiple strategies for participation to allow members of the San Bruno community to learn about why policy changes are necessary to maintain future public services and infrastructure and to get feedback on the proposed changes.

This Engagement Strategy includes:

- An overview of the project
- Engagement objectives of the outreach process
- Description of the target audience for community outreach
- Strategies to spread the word about the project
- A menu of engagement activities to collect input
- Approaches to reduce participation barriers
- A summary of the project schedule

PROJECT OVERVIEW

In July of 2025, the San Bruno City Council adopted a resolution to launch a major initiative to assess and enhance the City's long-term fiscal health through strategic land use, housing, and economic development policy changes. Several areas of the city are subject to Ordinance 1284, passed by the voters in 1977. Ordinance 1284 requires voter approval for development applications that propose established height limits, increase residential density beyond 1974 zoning levels, encroach on designated scenic corridors, or are standalone multistory parking structures. Subsequent updates to Ordinance 1284 have modified requirements for specific areas of the city, including the Tanforan Shopping Center, the Navy Site Specific Plan Area, and the Transit Corridors Plan (TCP) Area.

However, specific plans, including the TCP and 2021 Bayhill Specific Plan, have not yielded the anticipated levels of private development. In addition, the City's 2023-2031 Housing Element (Programs 4f and 5a) requires that the City place a measure on the ballot to allow amendments to Ordinance No. 1284 to expand housing opportunities, including allowing more ADUs/JADUs than required by State law on R-1 and R-2 properties, providing for missing middle housing, and expanding taller TCP height regulations to the entire length of El Camino Real within City limits.

The Elevate San Bruno initiative will review and propose updates to City policies, regulations and processes to support transformational economic development and housing opportunities in San Bruno. This is anticipated to include:

- A comprehensive update to the Land Use Element
- Corresponding amendments to other General Plan Elements as needed, such as the Transportation Element
- New or revised Specific Plans and Municipal Code chapters
- A citywide or area-wide Community Facilities District and/or other viable funding mechanism, to fund infrastructure improvements and service costs of new development
- Environmental Impact Report for applicable parts of this initiative

Elevate San Bruno will also include development review process improvements. The City will evaluate the current development review processes and identify opportunities to make them more efficient, transparent, and user-friendly. The City's goal is to reduce the time, complexity, and costs associated with development applications, helping projects move forward while maintaining high standards. Focusing on both internal and external processes, the City will:

- Improve coordination across departments to ensure City teams are aligned and responsive.
- Identify suggested updates to application requirements and approval procedures to improve the customer experience for applicants.

This process will focus on stakeholder engagement with people that have direct experience with the City's development approval process and familiarity with other Bay Area development procedures.

ENGAGEMENT OBJECTIVES

The desired outcomes for the Elevate San Bruno public engagement process are to educate the community about why the City is considering proposed policy changes and to have robust and diverse community participation in the process. The Engagement Strategy's primary goals are:

- Build public trust in the Elevate San Bruno process to foster community-wide support for the initiative that will lead to its successful implementation after adoption.
- Educate the community about the:
 - Economic and fiscal objectives of the project, emphasizing the need to increase revenues to maintain City services and the role development plays in supporting future services and provide for long-term financial stability.
 - State housing law, sharing how State law already allows heights above Ordinance No. 1284 limits and how this process would equalize height limits for non-residential development.
- Foster support from property owners and business owners about the available infrastructure and public service financing tools to make property improvements.



- Develop easily understood informational materials.
- Design outreach opportunities to be as inclusive and open as possible, providing a variety of ways in which individuals can participate and contribute ideas.
- Hear from people who represent the full range of demographics, perspectives, and experiences in the community. This includes focusing on traditionally underrepresented and marginalized communities in the process, including racial and ethnic groups and vulnerable communities for whom barriers such as language and cultural differences, lack of access to technology, and lack of trust in government may hinder participation.

TARGET AUDIENCE

The target audience for the Engagement Strategy includes the San Bruno community, with a particular goal of engaging business owners, property owners, and those who might not otherwise participate in civic engagement processes. This Engagement Strategy presents a variety of outreach and input strategies, with the understanding that multiple avenues for both outreach and input will provide greater exposure and participation.

GETTING THE WORD OUT

The project team will utilize multiple strategies to raise awareness about and foster engagement in the Elevate San Bruno project.

Project Website

PlaceWorks will create and maintain a project website, www.ElevateSanBruno.org. The website will include information about upcoming meetings and other engagement activities, project updates as major milestones are achieved, an email list sign-up, comment form, and PDF versions of important documents and meeting materials. Online surveys will be hosted through the project website.

Eblasts

PlaceWorks will help develop and maintain a dedicated project mailing list to distribute email campaigns announcing project updates and upcoming meetings. An effective e-blast is short and contains a clear call to action. Links can be used to direct readers to more detailed content where appropriate. E-blasts will be sent out to people who signed up to receive project updates at various venues (project meetings, online, etc.). The PlaceWorks team will prepare e-blast content in English and Spanish with support from City staff. PlaceWorks will be responsible for sending e-blasts and maintaining an email list for the project. When e-blasts are sent out, PlaceWorks will also post similar content on the project website and coordinate with staff to post it to the City's social media accounts.

Social Media

PlaceWorks will lead the preparation of social media materials and City staff will lead the posting of social media content. The City of San Bruno has social media accounts on [Facebook](#), [X \(Twitter\)](#), [Instagram](#), [YouTube](#), and [Nextdoor](#). The project team will use social media to send updates about upcoming community and City meetings or other engagement opportunities and availability of project documents.

Social media posts must be short and attention-grabbing to help ensure the greatest success. When permissible on the platform, photos or other graphics will be attached to make it more eye-catching. The post will include links to relevant content and be translated into English, Spanish and Simplified Chinese.

Postcards and Flyers

Postcards and flyers will announce upcoming engagement activities and provide details about how to get involved. PlaceWorks will prepare and City staff will print and distribute the materials to community facilities, local businesses, and through in-person outreach events.

City Agency Newsletters

Newsletters, such as San Bruno's monthly City Manager's eNewsletter, provide an opportunity to share project information, including updates about the status of the Elevate San Bruno project, future activities, results of key analyses, and other information that may be interesting and useful to readers. Newsletter content will include a short paragraph and an image or graphic that direct readers to the project website for more detailed information. Project-related content will depend on the timing of the newsletter.

PlaceWorks will provide draft content in English and Spanish for PlaceWorks team-led events that City staff can use in their newsletters.

Informational Videos

PlaceWorks will lead the development of two to three short videos about issues relevant to the initiative, such as public finance, urban design, or real estate economics. PlaceWorks will help serve as and/or recruit speakers and orient any outside speakers to the project and the educational goals of the video to help shape their comments. Video footage may be provided by City staff or stock footage purchased by PlaceWorks. The PlaceWorks team will be responsible for editing the videos. PlaceWorks will upload the final video to the project website; City staff will distribute through standard City media channels.



ENGAGEMENT ACTIVITIES

This section describes the public input strategies that will be implemented as part of the public engagement process. Offering different methods to provide input will give the community multiple opportunities to participate, thereby increasing the number of people involved in the process. Table 1 provides a summary of the engagement activities and identifies the roles and responsibilities of the City and PlaceWorks by activity.

Stakeholder Interviews

PlaceWorks will facilitate up to 5 small-group meetings to get feedback on key issues and potential policy solutions from practitioners who have on-the-ground experience doing business and working on development projects in San Bruno. PlaceWorks will work with City staff to identify appropriate stakeholders, such as developers, real estate brokers, architects, business owners, and community groups. PlaceWorks will prepare email invitation language, meeting materials, and discussion questions for City review. Interviews may be conducted in person or virtually based on what is most convenient for participants. The City will be responsible for inviting stakeholders to the interviews, managing RSVPs, and finding a location if the meeting is in person.

Developer Roundtable

Particularly when crafting site-specific development standards, meaningful input from developers, builders, and architects is valuable in understanding the conditions necessary for feasibility. The PlaceWorks team will facilitate a series of three to four meetings with potential applicants to discuss barriers to development and best practices in other nearby jurisdictions.

Community Workshops, Webinars, or Open Houses

Community workshops and open houses allow residents and other stakeholders to gather and share input and ideas about a topic or issue. Webinars allow the City to share information and answer questions. These face-to-face or virtual events provide an invaluable opportunity to find common ground when opinions differ and to find compromises that appeal to most community members. To attract the most participants, these events will be held in the evenings or on the weekends. PlaceWorks will develop materials and facilitate up to four community events. Preliminarily, we suggest sharing information with the broader community and seeking input at the following milestones:

1. Existing conditions to educate the community about the conditions that affect the City's fiscal health.
2. Draft Alternatives to get feedback on the preferred scenario.
3. Preparation of draft element amendments and updates to get input on policy topics.
4. Publication of draft plans to get feedback on what elements people support, would like to see changed, and ideas that may be missing.

Two professional translators will be available to attend each event. City staff will be responsible for finding locations for these events.

Pop-up Events

Although most people in the San Bruno community might have an opinion on the proposed policy changes, it is not always enticing enough to draw busy citizens to share their ideas at an evening or weekend workshop. While community workshops can be effective tools, it is important to go where people are rather than asking them to come to us. The pop-ups are intended to raise the visibility of the initiative and drive visitors to the website and/or online surveys rather than to provide in-depth feedback. The PlaceWorks team will hold up to four pop-up events and could be timed to encourage attendance at the four community workshops. Posters or handouts for pop-up events will be prepared by PlaceWorks and translated into Spanish and simplified Chinese. PlaceWorks will provide one staff person per pop-up event.

Online Surveys

PlaceWorks will create, maintain, and analyze input received from two online surveys during the project such as on the preferred alternative and to get input on the draft plans. The online surveys will be open to all and will not be considered statistically significant. Online surveys will be translated into Spanish and simplified Chinese.

Tribal Outreach

As part of this project, the City will prepare an Environmental Impact Report (EIR) which must be conducted pursuant to Assembly Bill (AB) 52, which requires tribal consultation if a Tribe has submitted a written request to the lead agency to be notified of projects and, following notification, requests consultation. To assist the City with tribal notification to any tribes that have previously requested notification, PlaceWorks will draft a notification letter template. City staff will send the letters and conduct tribal consultation if any tribes request consultation as part of this process.

Planning Commission and/or City Council Study Sessions

In addition to the community-focused engagement activities described above, the project team will discuss the project with the Planning Commission and City Council to gather feedback and direction at key milestones in the process. These study sessions will be open to the public and include opportunities for public comment. PlaceWorks will develop the staff report content and meeting presentation content and attend up to three study sessions with both the Planning Commission and City Council, although City staff may provide updates and conduct study sessions with these and other advisory bodies at other times over the course of the project. (These study sessions are separate from and in addition to public hearings on the Draft EIR and adoption hearings for the amended General Plan, Specific Plan(s) and/or Municipal Code.)



Table 1. Summary of Outreach Activities

Type	Amount	PlaceWorks	City
Project Website	n/a	Host and maintain the project website	Review and approve content
E-blast	30	Prepare and send eblasts; maintain project email list	Review and approve content
Social Media Posts	30	Prepare content and graphics	Post and promote
Postcards and Flyers	5	Prepare content and materials	Distribute postcards and flyers
City Agency Newsletters		Prepare content	Integrate content into City newsletter
Informational Videos	3	Produce video (i.e. prepare, script, narrate, and edit footage)	Provide video footage
Stakeholder Interviews	5	Prepare materials and facilitate meeting	Identify stakeholders
Developer Roundtable	4	Prepare materials and facilitate meeting	Identify developers
Community Workshops, Webinars, or Open House	4	Prepare materials and facilitate meeting	Assist with meeting presentation and facilitation
Pop-up Events	4	Prepare materials and staff pop-ups	Assist with identifying pop-up events
Online Surveys	2	Prepare questions and format survey	Review survey
Tribal Outreach	n/a	Draft a tribal notification letter template	Send letters and conduct tribal consultation
Planning Commission and/or City Council Study Sessions	9	Prepare meeting materials. PlaceWorks is available to present and answer questions at these meetings as needed.	Review and refine meeting materials and lead meeting item.

ADDRESSING BARRIERS TO ENGAGEMENT

The project team will continually assess engagement activities to identify and address barriers to participation. A preliminary list of common barriers and approaches to address them are below:

- **Language Access.** Meaningful engagement requires that project materials and activities are accessible to non-English speakers. Postcards, flyers, and online surveys, will be in English, Spanish, and Simplified Chinese. Translators will be available to attend community workshops.
- **Technological and Digital Accessibility.** To reduce potential barriers to technology access, digital materials prepared for the project, such as flyers and documents viewed on screen and posted online, will comply with ADA and Web Content Accessibility Guidelines (WCAG), include clear instructions, and be designed for ease of use. When possible, in-person or printed alternatives will be offered, including printed copies of presentations available to participants who benefit from following along with hard-copy materials. Digital materials will be mobile-friendly, and partnerships with schools and libraries may be leveraged to provide access to computers and Wi-Fi.
- **Event Timing.** Event dates and times will be coordinated with the City to maximize attendance. Alternative input channels, such as the option to provide written comments, will be offered to allow participation outside of scheduled meetings.

COORDINATION WITH OTHER CITY INITIATIVES

In addition to the Elevate San Bruno project, the City is leading or participating in several other planning processes. Elevate San Bruno will need to consider these other efforts to align engagement opportunities and messaging. These projects include:

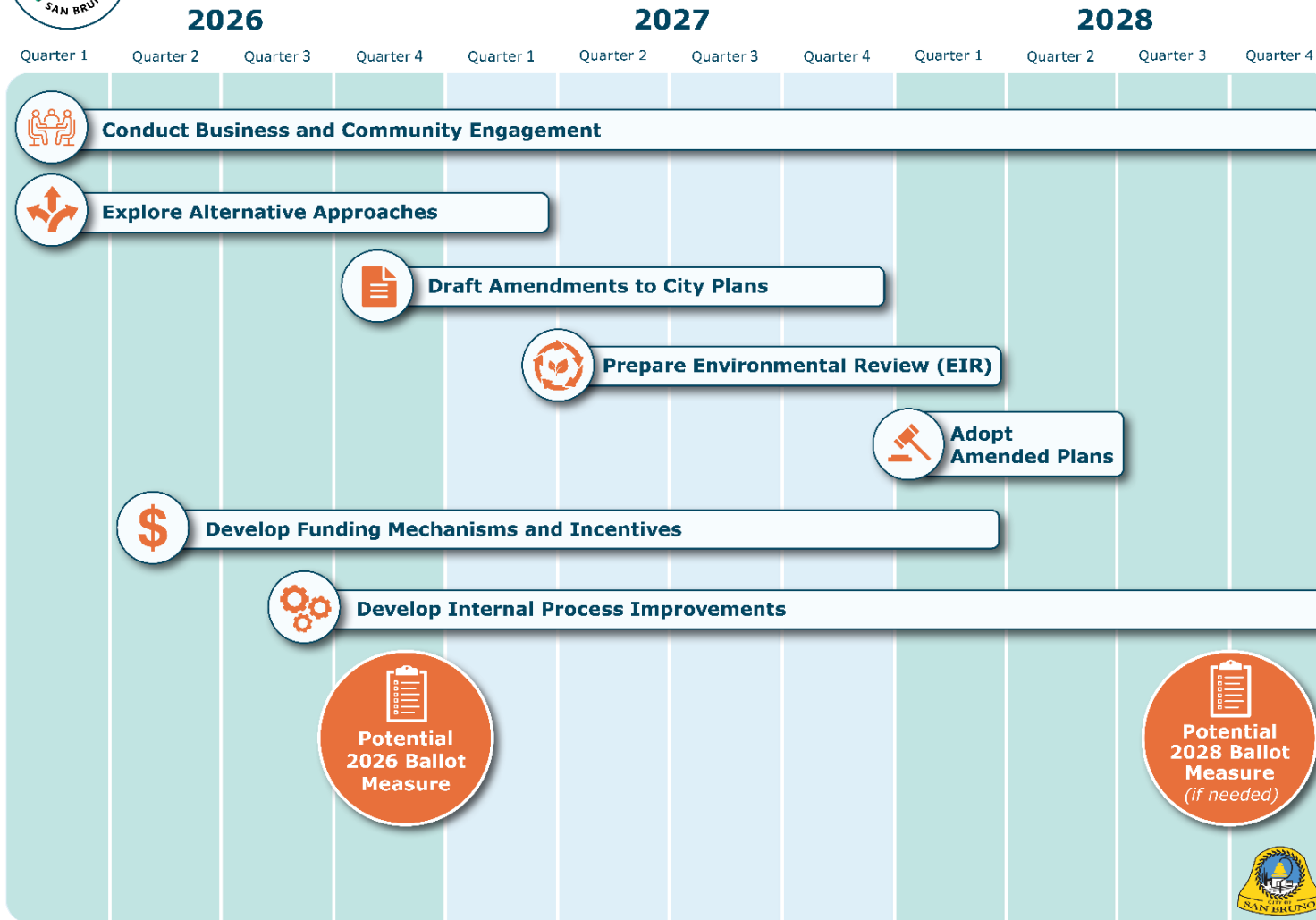
- Safety Element Update
- Climate Action Plan (CAP)
- Environmental Justice (EJ) Element
- Transit Oriented Community policy updates
- Grand Nexus Study
- Community-Based Transportation Plan
- Grand Boulevard Initiative
- San Bruno-Millbrae El Camino Real Multimodal Improvement Corridor Study
- Potential Community Facilities District for Tanforan project

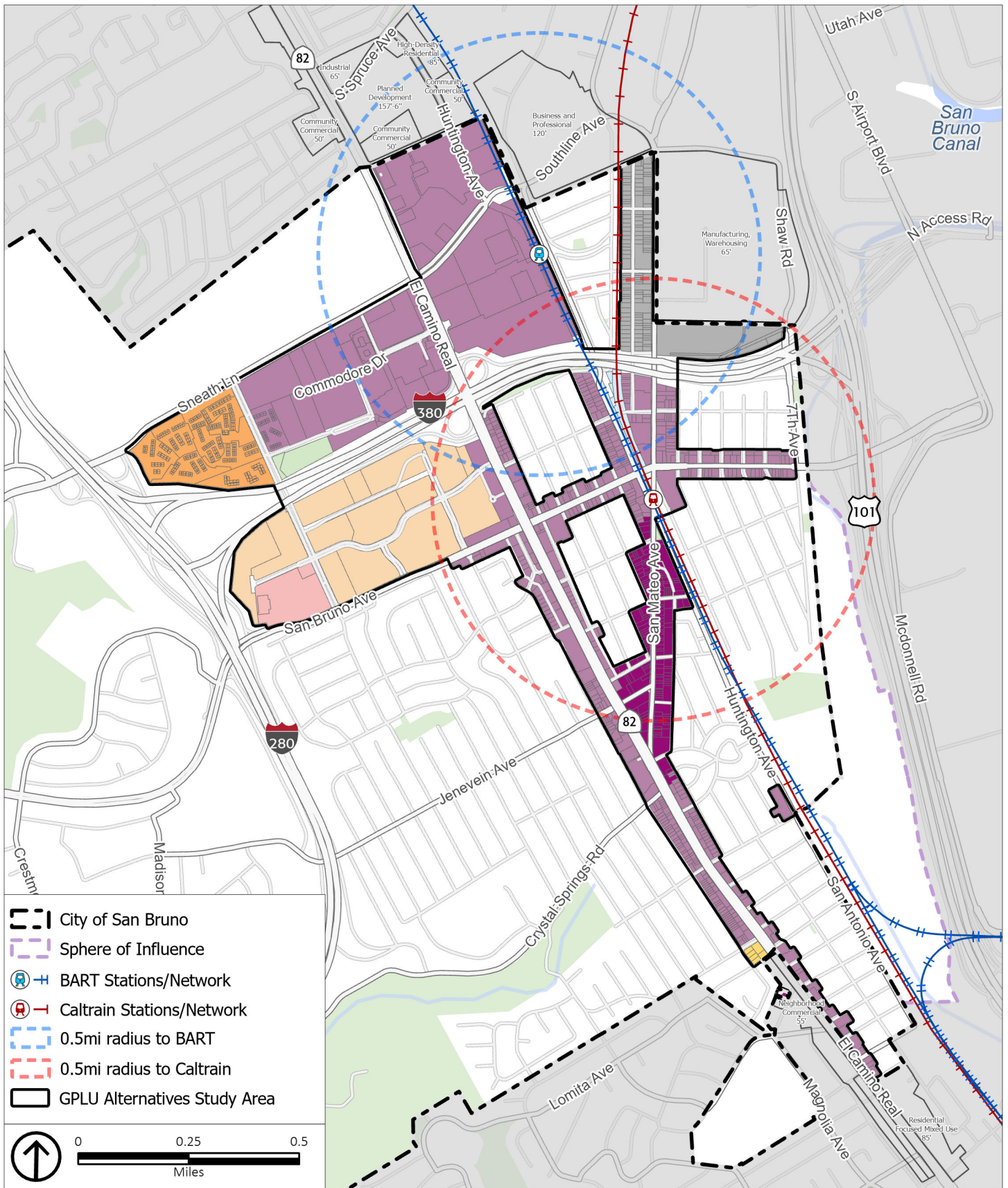


PROJECT SCHEDULE



San Bruno Land Use and Economic Development Initiative





Source: ESRI, 2023; County of San Mateo, 2025; PlaceWorks, 2026

GPU Alternative

- Medium Density Residential
- High Density Residential
- Central Business District
- Transit-Oriented Development
- Multi-Use
- Bayhill Neighborhood Commercial
- Bayhill Regional Office
- Industrial
- Public/Quasi-Public
- Parks/Open Space





City Council & Planning Commission Agenda Item

Staff Report

CITY OF SAN BRUNO

DATE: May 19, 2026

TO: Honorable Mayor, Members of the City Council and Planning Commission

FROM: Peter Gilli, Community Development Director

SUBJECT: Conduct a Joint City Council/Planning Commission Study Session to Receive an Update on the Tanforan Redevelopment Project

BACKGROUND

This is a status update for the Tanforan redevelopment project proposed by Alexandria Real Estate (ARE). This is the third update provided to a joint meeting of the City Council and Planning Commission, with the first being November 19, 2024 and the second on March 18, 2025. Please refer to those past agenda items for more background material.

Staff's outlook on the project itself remains strong. If the project is approved by the City Council and built-out by ARE and their partners, the mixed-use plan will fulfill the City Council's Reimagining Tanforan Fact Sheet, help the City achieve its regional housing need, and be consistent with regional planning policies such as the MTC TOC Policy by intensifying uses near major transit stations. The project design is relatively unchanged since the 2025 update, so this update will not cover the design.

Instead, this update will focus on the fiscal aspects of the project because the fiscal situation for both the City and ARE is worse today than it was when ARE started the project several years ago. The City faces General Fund revenue threats, directly and indirectly, from State actions and inactions. ARE faces a market where weaker economic factors for development, particularly for office, result in the value of the project being lower today than it was when they purchased the property. Neither party's fiscal situations are necessarily due to any fault of the party's themselves, and both party's have a shared interest in the success of the Tanforan redevelopment.

Correcting the Record

There are some in the public that believe the City received over \$300 M from ARE. This is incorrect. ARE purchased the Tanforan properties from multiple owners in 2021 and 2022 for a total of \$351 M. The entities that received the \$351 M were the prior property owners of the parcels, not the City.

The City receives a fractional amount of the property and sales tax revenues from the Tanforan site, similar to all other properties in the City. The majority of these revenues go to other government agencies.

Since ARE purchased the property, the property tax revenue has increased to reflect the higher purchase price, but the sales tax revenue has dropped much more due to the winding down of

the mall operations. The City's General Fund revenues have been a net negative since the project started. In orders of magnitude, staff estimates the City has lost an aggregate of at least \$750,000 in General Fund revenues since ARE purchased the property. As a comparison, local school districts have gained an aggregate of over \$1 M in additional ongoing revenue simply because of the higher property taxes from the purchase of the land.

Since the project started, the only funds the City has directly received from ARE have been the payment of fees to cover the staff and consultant time for City review and processing of ARE's development applications and preparation of the environmental review documents.

DISCUSSION

The Tanforan redevelopment package consists of the following:

Component	Description
General Plan Amendment	Change the southern half of the site to the Transit-Oriented Development (TOD) land use designation (from Regional Commercial). The northern section was already changed to TOD as part of the Housing Element. Compared to other aspects of the project, this change is minor.
New Planned Development (PD) zoning	Replace the existing PD zoning with a new list of allowed uses, development standards, design guidelines, and review processes to allow the proposed mixed-use Development Plan. Staff considers this the most significant part of the project.
ALUC Override	Override of the Airport Land Use Commission to allow an additional 500 housing units in the project site. This is considered minor, as the City Council already approved a prior override to allow the first 1,014 units as part of the Housing Element.
Vesting Tentative Map	Subdivision of the existing properties into a new configuration of parcels and private roadways to replace the Development Plan layout. This is a major part of the project as it defines the specific parcels, roadways and utilities for the site.
Environmental Impact Report (EIR)	Comprehensive and highly technical analysis of the environmental impacts of the proposed project, including identification of significant environmental impacts that cannot be mitigated. This is a major part of the project as it provides the public and decision makers with information about the potential environmental impacts of the project.
Development Agreement (DA)	Voluntary, legally binding contract between the City and the Developer, which can signify shared interest between both parties in the project's success. Most common in large scale projects. Terms of the agreement can reduce developer risks by providing clarity and assurances concerning vesting rights, costs, timeframes, and processes. Terms can provide community benefits to the City for the clarity and assurances the Developer receives. More information on the DA is below.

City Council endorsed a list of Guiding Principles for the Development Agreement on August 26, 2025:

The City would agree to provide the developer with certainty regarding the following, each of which brings value to the developer:

1. Transferable vested rights for zoning codes and approvals in effect at the adoption of the agreement.
2. Special fee and processing considerations for permits and construction that allow the project to move forward with predictable timeframes and costs.

The City seeks fiscal certainty regarding the following, each of which brings value to the City:

1. Seek the best community benefit package possible given the nature of the Tanforan project, informed by recent Development Agreements in the region.
2. Seek terms that ensure increased public safety service costs from the project are fully compensated in the long term.
3. Seek terms that incentivize faster construction phasing.
4. Seek terms that provide funding sooner rather than later.
5. Seek terms that prioritize economic development outcomes.

DA negotiations stalled in the latter half of 2025, delaying the project. The primary issue is that both parties are facing challenging fiscal situations that are worse than when the project review began. Negotiations re-commenced in early 2026 and staff is working toward a tentative agreement that fulfills the intent of the Guiding Principles. The two major fiscal concerns staff is seeking to address through the DA are:

- *Public Safety Service Costs.* Due to the City's General Fund forecast, it is essential to ensure the increased public safety costs from the project are covered by the development. This is because the City gets such a small share of property taxes compared to other entities such as school districts, and because the new project is expected to have less sales tax revenue than the former mall. Therefore, the City needs additional funding sources to be able to provide the public safety services the project will need. The anticipated method for which this funding will be provided to the City is through a Community Facilities District (CFD).
- *Short-term Funding Losses.* Due to the loss in General Fund revenue as the mall operations have been winding down, the City has a critical need for short-term funding to cover the loss of General Fund revenues until the first buildings are completed, in order to maintain existing services provided to the community.

As a corporation, ARE is facing major fiscal challenges as well, particularly the significant upfront capital costs for the demolition, grading and site preparation of the property, while maintaining access to Target and the cinema. These costs must be incurred before any new construction can occur that starts to provide ARE with ongoing revenue. This was always going to be the case, but when ARE purchased the property, the market outlook for the residential and office uses was strong, which would have made the upfront capital cost investment an easier decision. With a weaker market, committing those same upfront costs is more challenging.

Projected Milestones

If the City and ARE reach a tentative agreement on the Development Agreement terms in the coming weeks, the desired schedule for public hearings would be as follows:

Timeframe	Milestones
Early Summer	<ul style="list-style-type: none"> Tentative Agreement with ARE on the Development Agreement (DA)
Summer Months	<ul style="list-style-type: none"> Finalizing the zoning documents, tentative map, and the final language for the DA ALUC review
September	<ul style="list-style-type: none"> Notice for Planning Commission hearing (State law now requires 20-day notices for changes to zoning, more than the usual 10-day notice)
October	<ul style="list-style-type: none"> Planning Commission hearing
November	<ul style="list-style-type: none"> City Council first reading
December	<ul style="list-style-type: none"> City Council second reading
<p>The following items are what ARE believes could occur if City Council approves the project on the schedule above and market conditions do not worsen:</p>	
By the end of 2027	<ul style="list-style-type: none"> Demolition and site preparation
By the end of 2028	<ul style="list-style-type: none"> Residential partner begins vertical construction of the first building(s)
By the end of 2030	<ul style="list-style-type: none"> First building(s) completed
TBD	<ul style="list-style-type: none"> All other phases of the project are uncertain, but there staff and ARE expect that latter phases will be more attractive to prospective companies once the first buildings are in operation. Full build-out is anticipated to be at least 10-15 years out.

FISCAL IMPACT

There is no fiscal impact from this agenda item. If the Tanforan project is eventually approved with the critical DA terms related to public safety funding and filling the short-term revenue loss, and the project proceeds to full build-out as expeditiously as possible, then the long-term fiscal impact of the project will be strongly positive.

ENVIRONMENTAL IMPACT

There is no formal action with this agenda item, therefore this item is not considered a project under the California Environmental Quality Act (CEQA). The formal hearings on the project will include an Environmental Impact Report (EIR).



City Council & Planning Commission Agenda Item

Staff Report

CITY OF SAN BRUNO

DATE: May 19, 2026

TO: Honorable Mayor, Members of the City Council and Planning Commission

FROM: Peter Gilli, Community Development Director

SUBJECT: Conduct a Joint City Council/Planning Commission Study Session to Discuss Downtown Zoning Adjustments to Improve Activity and Aesthetics

BACKGROUND

During the FY27 goal setting process, several Councilmembers have identified several areas where the City should influence or require different actions by the private sector that will improve the downtown environment. This included reconsidering what business types were allowed, increasing investment into exterior improvements on private properties, improving the maintenance of properties, and providing enforcement of regulations in downtown. These efforts would improve activity and aesthetics in downtown. This eventually led City Council to include adjustments to zoning regulations as one component of the Downtown Improvement Initiative for FY27.

This study session is intended to provide an opportunity for City Council, Planning Commission, staff, and interested members of the public to discuss potential approaches to zoning amendments, particularly the Central Business District regulations that apply to the lands along San Mateo Avenue in the downtown area. The intent is to bring those formal amendments to the Planning Commission and City Council for adoption in the summer/fall of 2026.

As was noted during goal setting, these amendments will be limited adjustments, not a comprehensive update of the applicable regulations or a process with community engagement beyond the adoption hearings. This is due to limited due to staff resource availability, due to Tanforan, Elevate San Bruno, ongoing Housing Element implementation, proposed reductions in planning staff for budget reasons, and other typical planning assignments. Also, City Council desired these amendments be adopted early in FY27.

Nevertheless, drawing on the collective broad experience of Planning staff working for nearly two dozen California cities, staff believes there are meaningful opportunities to make positive adjustments to zoning regulations to further City Council's goal.

DISCUSSION

Exterior Improvements

The City Council's goal setting discussion included the question of how the City can increase private investment in building exteriors, which can include site, architectural (building, façade),

or landscaping, as applicable. When a business moves into a tenant space, the business typically does interior tenant improvements, but many do not invest in improving the exterior. This is understandable because exterior improvements are added cost, but the investment in exterior improvements benefit more than just the single business, so it is also understandable why the City would want to leverage more investment in improving the exteriors of private buildings.

Unless the business otherwise requires a planning permit, the City currently does not have a mechanism to require any exterior improvement when a business moves into a tenant space. Even in cases where a planning permit is required, the City has typically not pushed for exterior improvements unless the applicant was already proposing exterior improvements. Here are two options for increasing exterior improvements, which can serve as talking points for the study session:

- *Modest policy change.* For any business that requires a planning approval, staff can begin to require exterior improvements such as new materials and finishes, windows, doors, awnings, or signage. Currently, only businesses that are a Conditional Use require planning approval. Requiring exterior improvements with businesses that need planning approval would improve exteriors along the Avenue slowly, possibly 1-3 tenant spaces a year. No formal action from City Council is necessary for this. This approach would have limited results unless the City expands the number of business types that require a planning approval.
- *Major legislative change.* Add zoning language that requires any “change of use” (even a new business that is a permitted use) to get an administrative planning approval, where staff can require exterior improvements. Only a like-for-like business change would be exempt from this administrative planning approval, and the associated exterior improvements. This change would likely result in double the improvements per year because it would apply to almost every new business.

A positive outcome of such changes would be that more building exteriors will be improved over time, incrementally improving the overall aesthetics of the Avenue. A negative outcome of such changes is that it would be more costly for a new business to open downtown. That could eliminate small businesses with limited capital for investment, could make it harder for property owners to lease vacant spaces, and will likely result in greater complaints to the City from those business/property owners.

Adjusting Allowed Uses

The downtown area is in the Central Business District (CBD), one of a handful of Mixed-Use Zoning Districts created following the adoption of the Transit Corridor Plan. The CBD, like most other zoning districts in the City, have a list of permitted, conditional, and prohibited uses.

- *Permitted.* Fundamentally, a permitted use is allowed anywhere and everywhere in the district. These should be limited to a type of use that, theoretically, the City has no problem with each and every tenant space being that type of business. Currently, concerns have been raised about uses such as salons/barber shops, but these are

permitted uses in CBD. In theory, entire blocks could be filled with salons and barber shops without any City discretion, because it is listed as a permitted use.

- *Prohibited.* A prohibited use is a type of use that is allowed nowhere because the City does not want that use in **any** situation or circumstance, no matter how well the use is operated. For example, no matter how well operated a drive-through use is, most cities striving for a walkable downtown would not want a drive-through in their downtown. San Bruno prohibits drive-through uses in downtown.
- *Conditional.* A conditional use is a type of use that lies in between permitted and prohibited. The community **may** accept this type of use in that district, but it is a case-by-case basis depending on many factors such as the specific operations of that business, the specific location, and what is specifically in the surrounding area. A Use Permit can include conditions of approval that define performance standards for the use. The City's ability to perform regulatory enforcement of conditional uses is much greater than for a permitted use, which allows the City to better protect the surrounding area from the actions of a single business.

Maximum Number/Minimum Distances

Another approach a City can take is to set minimum distances or a maximum number of a business type in an area. Staff considers such approaches to be somewhat arbitrary and a blunt zoning instrument that is not recommended an area where the City wants to take great care to improve like a downtown.

Returning to the hair salon example, where there is a concern by some that there are too many. The City could (1) set a maximum number of hair salon/barbershops in downtown, (2) could set a minimum distance between them, or (3) the City could make salons into a conditional use.

Imagine a hair salon owner that has successfully opened similar stores in neighboring cities wants to open in our downtown. This salon has a track record in the other cities of attracting clientele that frequent neighboring stores more than the typical salon. That owner wants to open a business downtown at a particular location they believe is optimal. This business owner has the resources to propose a positive exterior improvement to the building, and preliminary plans show the exterior improvements would make this tenant space in the upper echelon of store-fronts.

- *Maximum Number.* For the purpose of this example, let's say the City was at the maximum number of hair salons/barbershops that it set. The City's regulation would have shut the door on the investment opportunity.
- *Minimum Distance.* The tenant space this business wants is within the radius of an existing salon. But this is the location this business owner wants and knows will be successful for them, so they do not come to San Bruno. The City's regulation would have shut the door on the investment opportunity.
- *Conditional Use.* The City considers this hair salon for this specific situation, weighing the positive and negatives of the case – it's another salon when there may be a large number already in downtown; and it's in proximity to another salon so there could be

over-concentration in one area. But the experience and track record of this particular business owner, coupled with the investment in improving the exterior aesthetics gives the City the opportunity to consider approving the new business.

Use Tables

The tables below show the Permitted, Conditional and Prohibited uses in the CBD in the categories of Residential, Retail, Service and Industrial:

CBD – Residential Uses

Permitted	Conditional	Prohibited
<ul style="list-style-type: none"> • Multi-family and ADUs • Residential Care Facilities • Transitional and Supportive • Single Room Occupancy • Employee Housing 	<ul style="list-style-type: none"> • Live/Work • Boardinghouse 	<ul style="list-style-type: none"> • Duplex • Single-Family Home • Mobile Home Parks

CBD – Retail Uses – ground-floor only

Permitted	Conditional	Prohibited
<ul style="list-style-type: none"> • <u>Retail Sales and Services</u> which are stores and shops that sell merchandise. Includes: Food, Beverage, Appliance, Bookstore, Clothing, Convenience, Department, Drug, Animal, Animal Accessories, Grocery, Liquor, Pharmacies, Pawn shops, Smoke shops, Furniture, Art galleries, Home improvement, Vehicle parts, Hardware, Other similar uses 		<ul style="list-style-type: none"> • Adult businesses • Cannabis retailer • Firearms dealers • Vehicle sales and rental

CBD – Service Uses

Permitted	Conditional	Prohibited
<ul style="list-style-type: none"> • <u>Personal Service “Downtown Focus”</u> – beauty salons, barber shops, shoe repair, dry cleaner, laundry 	<ul style="list-style-type: none"> • <u>Personal Service “Instructional Focus”</u> – dance, martial arts, fitness, photography and music studios, and similar 	<ul style="list-style-type: none"> • <u>Personal Service “General”</u> – massage, tattoo, funeral home
<ul style="list-style-type: none"> • Restaurants (ground floor) • Banks and other financial services 	<ul style="list-style-type: none"> • Bars, nightclubs and lounges • Health and exercise clubs 	<ul style="list-style-type: none"> • Cemeteries • Emergency shelters • Hospitals

<ul style="list-style-type: none"> • Business services, office, research and development (2nd floor only) • Low barrier navigation center • Public parks and recreation facilities 	<ul style="list-style-type: none"> • Schools (2nd floor only) • Community facilities • Day care center • Places of worship • Social services and charitable institutions • Commercial recreation/entertainment • Hotels and motels • Pet day care facility • Private parks/recreation facilities 	<ul style="list-style-type: none"> • Nursing and convalescent homes • Public maintenance facilities • Check cashing • Drive-through facilities • Gas and service stations • Personal storage • Pet boarding overnight • Vehicle repair and maintenance
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CBD – Industrial Uses

Permitted	Conditional	Prohibited
		<ul style="list-style-type: none"> • Construction • Maintenance • Repair Services • Heavy Equipment Sales/Rentals • Lumberyards • Manufacturing and Processing • Warehousing • Wholesaling and Distribution

For purposes of this initiative, staff recommends focusing on the Retail and Service tables. Specifically, there are opportunities to shift certain uses from one column to another. Such changes could include:

- **For Retail Uses, separate some of the retail uses to become Conditional or Prohibited.** “Retail Sales and Services” is a broadly defined use that includes a wide range of retail stores, and all are permitted without discretionary review.

The City Council may want some of those specific business types listed in the “Retail Sales and Services” category to no longer be allowed without discretionary review. For those, a separate definition should be made, and the use put into the Conditional Use column. In the past, adult businesses, cannabis retailers, firearms dealers, and vehicle sales were all likely separated from the general “Retail Sales and Services” definition in the same way because the City did not want those uses to be permitted without discretionary review.

There may be some business types in the retail definition that the City Council might consider prohibiting in the CBD.

- **For Service Uses, shift some Permitted uses to Conditional.** Several comments have been received noting the concern with more salons opening in downtown.

Personal Service uses are split into three categories: “Downtown Focus” which is Permitted in downtown, “Instructional Focus” which is Conditional in downtown, and “General” which is prohibited in downtown. Beauty salons, barbers, shoe repair, dry cleaners and laundromats are included in the “Personal Service – Downtown Focus” definition. If it is determined that there is an overconcentration of the “Personal Service – Downtown Focus” uses in downtown, then this set of uses should be shifted to the Conditional category.

- **Remove limitation for retail or restaurants being limited to the ground floor.** It will likely be very uncommon that a business owner will want to have a retail store or restaurant above the first floor, but if a business owner is able to successfully have a retail store or a restaurant above the ground floor, why should the City preclude this? Retail/restaurants on upper floors could be Conditional, to allow the discretion to ensure the access for customers is safe and the method of dealing with waste is adequately handled.
- **Allow business services/office/R&D as a Conditional ground floor use.** These uses are currently only allowed on the upper floor, but if an owner/tenant provides a positive façade improvement, maintains an open storefront, and programs their interior to have as much activity near the frontage, the exterior improvement is considered more valuable to the City Council’s long term goal than the drawbacks of allowing a less active use.

Expanding the number of uses that are in the Conditional column also increases the number of business types that the City can leverage exterior improvements from, which increases the rate of the incremental aesthetic improvements to downtown. There is added cost associated with the process and investment that the business and/or property owner would have to bear.

Other Aesthetic Considerations

The CBD requires the majority of storefront windows and doors to be transparent to allow people along the street to see what is happening (activity) and to have a better aesthetic environment. Ninety percent of the transparent windows and doors on the building’s street frontage must remain clear “to allow views into the building.” (SBMC 12.280.040) Many storefronts violate the Municipal Code and this requirement has not been enforced. There is an administrative exception process for situations that have unique operational characteristics or use architectural detail or landscaping to create visual interest at the pedestrian level.

Some businesses use very bright lights, or bright signs, neon lights, and other elements that negatively affect the aesthetic environment of the Avenue, and the Municipal Code may not have specific standards that prohibit these.

Amortization

When the Mixed-Use Zoning Districts were adopted in 2019, including the TOD-1, TOD-2 and CBD regulations, many existing businesses became legal non-conforming. A legal non-conforming (LNC) use is a use that was permitted or conditional at one time, but the City Council consciously made it a prohibited use at some point. The LNC use becomes “grand-

fathered” meaning it can stay. There are numerous examples of non-conforming uses in San Bruno, and throughout California, that have remained in operation for years, with no sign of change. In San Bruno, if the LNC use ceases for six-months, the use has to be replaced with an allowed use. This timeframe is fairly common. In addition, a LNC use cannot be expanded. As a result, there is little reason for the business owner of a LNC use to reinvest in their building, which can result in cases where these businesses contribute to the appearance of disinvestment in downtown.

The City has the authority to require LNC uses to be terminated within a certain time frame, by applying amortization. This assigns a number of years the LNC use can remain, but after that “amortization period” ends, the use must end. The number of years provided by the City must reasonably allow the business owner to recoup their investments in the business. Except for abandoned signs having 60 days, the City does not have amortization. Options include legislative changes such as:

- Require LNC uses that are now prohibited to cease within a certain number of years. Examples of amortization periods can range from three years for adult businesses (Culver City), to five years for signage, to 10+ years for other uses. Providing a sufficient amortization period allows the business to be closed without compensation.
- If requiring a business to close is not what the City wants to do, even after what the court would consider a reasonable timeframe is provided, then the City can establish a requirement that LNC uses cease within a certain number of years unless they get a Conditional Use Permit, make exterior improvements, in which case the LNC use can remain beyond the amortization period because the City has established conditions of approval that protect the public welfare.
- The City can also explore methods to require LNC uses that used to be permitted, but are now conditional, to secure a use permit within a number of years. This allows the City to apply conditions of approval to protect public welfare, and require exterior improvements if necessary.

If the City Council and Planning Commission are interested in pursuing any of these amortization concepts, those amendments would likely require extensive work with the City Attorney’s Office and may not be part of the zoning adjustments brought back in the summer/fall of 2026.

Incentives

Requiring more planning review and exterior improvements in downtown adds costs to property owners and small business owners. Ideally, a comprehensive downtown business association would exist that can work with the City to establish a Business Improvement District to tax the property owners within downtown to fund downtown improvements and even subsidize part of the application fees associated with the City review. Downtown businesses are not organized in a manner to have BID at this time, and the City’s fiscal forecast does not indicate there will be available public funding in the near future.

Currently, City Council has approved of prior staff recommendations to keep planning application fees most used by small businesses below full 100% cost recovery. This results in a partial subsidy of the City time spent reviewing the applications for these small businesses. Staff considers improvements to the aesthetics of downtown to be a community benefit and therefore recommends a portion of the application fees for these permits continue to be partially subsidized by the General Fund. The specifics will be presented at a future Fee Schedule update.

Because of the City Council and Planning Commission's support for shifting most Use Permits to administrative hearings, the cost of Conditional Use Permits are significantly lower than in the past, and the amount of time in the review process is lessened. The combination of the shorter review times and partially subsidized fees for the planning applications is likely the most the City can do at this time to incentivize small business investment in exterior improvements at this time.

Expected Outcomes

Any changes that raise the expectations and requirements for local businesses and property owners will result in added costs that will result in increased complaints by those parties for several years until the changes become normal operating procedure. In the short term, modest, incremental improvements to the aesthetics of the Avenue will occur. In the long term, as the improvements become broader and more noticeable, visitors will recognize the improved aesthetics and more businesses may start to support the new expectations.

Some properties in downtown do not appear to be actively managed and have remained vacant for many years. Staff does not believe zoning adjustments will change that behavior. Staff can work to ensure that these vacant spaces are properly maintained through Code Enforcement.

Recommendation

Staff recommends a moderate increase in expectations within the Central Business District (Downtown) to improve aesthetics and visitor experiences, including the following:

1. Shift *certain* Permitted Uses to Conditional Uses, in order to ensure there is not too much over-concentration of that use, to leverage exterior improvements, and/or to ensure the City can place operational conditions for particular uses that will make future enforcement of potential nuisances easier to process.
2. Shift *certain* Permitted or Conditional Uses to Prohibited Uses, if City Council and Planning Commission determine that particular use is not appropriate in downtown at all.
3. Do not use maximum numbers or minimum distances for regulating downtown uses.
4. Do not create a "change of use" permit process at this time, which would require planning approvals and exterior improvements for almost every new business.

5. Amend the Municipal Code to limit/prohibit the use of bright lights, neon, or other features that negatively affect the aesthetic environment of the Avenue. What other examples of features does the City Council and Planning Commission want to address?
6. Support a CD Department policy to require *all* discretionary planning permits in downtown to include site, building (façade) and landscaping improvements, as applicable, designed by a licensed architect/professional.
7. Support a CD Department policy to perform annual visual surveys of the CBD and provide business owners with information about how their existing operations may violate the Municipal Code related to use, storefront window coverings, signage, lighting, and maintenance. Enforcement action would follow for businesses that do not address violations in a timely manner.
8. Support applying only partial cost recovery of the planning application fees for the additional use permits and permits for exterior improvements that are part of this initiative.
9. That City Council and Planning Commission accept the proposed downtown zoning adjustments will result in a greater number of complaints from business owners in the short-term, until such time as the process becomes accepted as standard practice.

Provide general direction to staff regarding amortization:

10. Study requiring *all* non-conforming, non-residential uses (business use, signage, lighting, etc), that are now or become Prohibited, to cease operations within a reasonable amortization period? Or provide these uses with the opportunity to get a Conditional Use Permit to remain in perpetuity?
11. Study methods to require non-conforming, non-residential uses, that are now or become Conditional Uses, to get a Conditional Use Permit within a certain number of years, which may include operational conditions to protect the surrounding area and require improvements that will improve the aesthetics of the surrounding area?

Amendments related to amortization would likely have to come separate from the downtown zoning adjustments.

FISCAL IMPACT

There is no fiscal impact from this agenda item. Depending on the potential zoning ordinance adjustments, staff expects minimal fiscal impact (positive or negative) in the short term, with minor positive fiscal impact in future years as the aesthetics and activity in downtown improves.

ENVIRONMENTAL IMPACT

There is no formal action with this agenda item, therefore this item is not considered a project under the California Environmental Quality Act (CEQA). The potential zoning ordinance adjustments from this initiative are expected to be exempt from environmental review.