



SUBJECT

Proposed Mixed-Use Neighborhood Consisting of Nine Live/Work Lofts Fronting Mission Boulevard and 46 Townhome Units Totaling 55 Units Requiring Approval of Vesting Tentative Map 8556 and Major Site Plan Review Application 202005195 at 27177 and 27283 Mission Boulevard (Assessor Parcel Nos. 452-0056-007 and 452-0056-008). TTLC Moreau-Pestana-Acton LLC/3 M Properties LLC and James and Nadine Pestana (Applicant/Owners)

RECOMMENDATION

That the Planning Commission approve the application for Vesting Tentative Tract Map and Major Site Plan Review and related Affordable Housing Plan (Attachment V) based on the analysis set forth in this report and the required Findings (Attachment II), and subject to the Conditions of Approval (Attachment III).

SUMMARY

Proposed mixed-use neighborhood consisting of eight four-story townhome buildings and two three-story live/work buildings, providing a total of 55 new homes and related site improvements. The live/work units, located in buildings fronting Mission Boulevard, would provide 1,800 to 2,700 square feet of combined residential and commercial space, and a mix of one and two car garages. The townhome buildings would be tucked behind the live/work buildings along Mission Boulevard and would offer three-bedroom units varying in size from 1,700 to 2,050 square feet with two-car garages in either a side-by-side or tandem configuration. This new vibrant community would offer a walkable neighborhood with internal paseos, convenient access to the South Hayward BART station, an AC Transit bus line, and the Mission Plaza Shopping Center.

The proposed development is consistent with the *Sustainable Mixed-Use* General Plan land use designation as well as the Mission Boulevard Code designation of the Mission Boulevard Corridor Neighborhood (MB-CN) District.

BACKGROUND

On July 1, 2020, the applicant submitted a Preliminary Application pursuant to Senate Bill (SB) 330. The SB 330 preliminary application process is intended to encourage development of housing projects by vesting codes, policies, and fees for the project at the time a completed application is submitted to the City. Within 180 days of submitting a complete preliminary

application, the applicant must submit a formal land use entitlement application to take advantage of the vesting rights offered by SB 330. The applicant updated the plans in accordance with the SB 330 status letter dated July 29, 2020 and submitted Major Site Plan Review and Vesting Tentative Map Application No. 202005195 on December 11, 2020, within the 180-day window to submit a formal application.

Public Outreach. On December 18, 2020, a Notice of Application Receipt was sent to 103 addresses, including all property owners, businesses, and residents within a 300-foot radius of the project site, as well as interested parties, including the Mission-Garin Neighborhood Task Force, the South Hayward Parish, and the South Hayward Neighborhood. Following this mailing, several neighbors reached out to the Planning Division to review the plans but did not express concerns or comments about the proposed development.

On May 14, 2021, a Notice of Public Hearing for this Planning Commission public hearing was circulated to the same mailing list of all property owners, businesses, residents and interested stakeholders within a 300-foot radius of the project site as well as published within *The Daily Review* newspaper as a Legal Ad. As of the writing of this report, staff has received no responses to either of the postcard notices or the legal ad published for this project nor any public comments.

PROJECT DESCRIPTION

Existing Site Conditions. The project site is a 2.47-acre site situated approximately 400-feet north of Jefferson Street on Mission Boulevard. The site is approximately 374 feet deep and spans approximately 279 lineal feet along Mission Boulevard. The topography of the property is relatively flat. Currently, there are four commercial structures and two residential structures on site, as well as two small storage structures; all existing structures would be removed prior to development. At the present time, Alamo Auto Rental is still operating in the commercial building at the rear of the property, and the remaining structures are vacant. There are 55 trees subject to the City's Tree Preservation Ordinance located on the site. The tree health and movement impacts would be analyzed at the time of an application for a development permit to determine relocation and replacement options for each.

Surrounding development and land uses include commercial structures along Mission Boulevard. Bowman Elementary School is directly behind the project site, Moreau Catholic High School is directly across Mission Boulevard, and Cal State East Bay is one and half miles to the east via Harder Road. The area is serviced by the AC Transit Line 99, with bus stops located within 500 feet of the project site that provide direct service to both Hayward BART stations, Downtown Hayward, and other East Bay destinations along the Mission Boulevard corridor.

Proposed Project. As shown in the project plans (Attachment IV), the proposed project would include the demolition of the existing structures on site to allow for the construction of eight four-story townhome buildings and two three-story live/work buildings providing a total of 55 new homes. The Townhomes would offer three-bedroom units varying in size

from 1,700 to 2,050 square feet with two-car garages in either a side-by-side or tandem configuration. The live/work units would provide 1,800 to 2,700 square feet of combined residential and commercial space; five of the units would have two-car garages and four units would have one-car garages. Each of the units include some form of private open space in the form of porches, decks and terraces. In addition to residential parking within garages, the proposed development includes seven on-site guest parking spaces, as well as nine parking spaces along the Mission Boulevard frontage.

The building architecture takes a contemporary approach, incorporating varied roof lines and wall planes, projecting canopies, and a mix of vertical siding, stucco and veneer elements to avoid blank, monotonous facades. The site also features landscaping in setbacks and through group open space. Group open space is provided between townhome buildings, and civic open space is provided in the form of pedestrian trail that runs along the length of the site with potential connections to adjacent properties if and when those adjacent sites are redeveloped.

The project would include a total of 14 bicycle parking spaces along Street A, central to the project to promote active transportation.

POLICY CONTEXT AND CODE COMPLIANCE

Hayward 2040 General Plan. The project site is designated Sustainable Mixed Use (SMU)¹ in the *Hayward 2040 General Plan*, which allows for a residential density range of 4.3 to 100 dwelling units per net acre, and up to a maximum floor area ratio (FAR) of 2.0. The net acreage on the site is derived by excluding public and private roadways and the civic open space trail resulting in a net developable area of approximately 1.7 acres, and a net density of approximately 32 units per acre, which is within the allowable density range for the SMU land use designation. Further, the FAR of the development (14,139 square feet) does not exceed the maximum cap of 87,120 square feet of floor area.

The SMU land use designation generally applies to properties that are adjacent to regional transit and are planned as walkable urban neighborhoods. Typical building types would vary based on the zoning of the property, but would generally include single-family homes, duplexes, triplexes, fourplexes, second units, townhomes, live-work units, multi-story apartment and condominium buildings, commercial buildings, and mixed-use buildings that contain commercial uses on the ground floor and residential units or office space on upper floors. SMU areas are expected to change substantially in the future, as properties are planned to be developed or redeveloped at relatively high densities and intensities to create walkable and mixed-use neighborhoods and multi-modal corridors.

The project is also consistent with numerous goals and policies of the General Plan in that the development would increase the housing stock within the City, provide on-site affordable housing, and take advantage of easy access to both Hayward BART stations and Downtown Hayward via bus lines along Mission Boulevard. The project consistency with the *Hayward*

¹ Hayward 2040 General Plan: <https://www.hayward2040generalplan.com/land-use/mixed>

2040 General Plan goals and policies are further discussed in greater detail in the Findings (Attachment II).

Zoning Ordinance. The project site is located within the MB-CN zoning district, which allows for a residential density range of 17.5 to 35 dwelling units per net acre. The MB-CN district envisions a mixed-use neighborhood environment with moderate-intensity, medium-scale residential and non-residential uses compatible with surrounding neighborhoods, along a multi-modal corridor within short walking, biking, or bus distance of neighborhood serving retail and service uses.

As proposed, the project meets all the City’s development standards as shown in Table 1 below.

Table 1: Zoning Compliance

Standard	HMC Requirement	Proposed	Consistent?
<i>Density</i>	17.5 - 35 du/ac	32 du/ac	Yes
<i>Lot Width</i>	18 feet minimum	279 feet	Yes
<i>Lot Coverage</i>	80% maximum	36%	Yes
<i>Building Height</i>	4 stories/57 feet maximum	4 stories/43.5 feet	Yes
<i>Parking - Vehicle</i> <i>Bicycle</i>	None required.	55 parking spaces 14 bicycle parking spaces	Yes
<i>Setbacks - Front</i> <i>Side</i> <i>Rear</i>	6 feet minimum/24 feet maximum 0 feet minimum 3 feet minimum	7' 6' and 10' 17'	Yes
<i>Landscaping</i>	15% minimum	28%	Yes
<i>Open Space (Total)</i> <i>Private Open Space</i>	150 s.f./unit (8,250 s.f. total) 50 s.f./half of units (1,375 s.f. total)	20,646 s.f. 7,382 s.f.	Yes

SB330 and Housing Crisis Act. In 2019, the State of California adopted new legislation (SB330) that is intended to address the State’s housing crisis. SB330 strengthens the Housing Accountability Act (Government Code Section 65589.5), which states that a housing development project that complies with the objective standards of the General Plan and Zoning Ordinance must be approved by the City, unless the City is able to make written findings based on the preponderance of the evidence in the record that either: (1) the City has already met its Regional Housing Needs Assessment (RHNA) requirement; (2) there is an impact to the public health and safety and this impact cannot be mitigated; (3) the property is agricultural land; (4) approval of the project would violate State or Federal law and this violation cannot be mitigated; or (5) the project is inconsistent with the zoning and land use designation and not identified in the General Plan Housing Element RHNA inventory. “Objective” means involving no personal or subjective judgment by a public official and being uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official. As shown in Table 1, the project complies with the objective development standards of the zoning district as shown in the table below.

Housing Element, RHNA & Affordable Housing. Local jurisdictions report progress annually on meeting their RHNA goals, which are included in the City’s Housing Element. Table 2, shown below, demonstrates progress made toward meeting Hayward’s RHNA goals for the period between 2015-2023 as of the last report year (2020), which is shown in the column titled “Reported 2020.” The State allows local jurisdictions to “report” the units when building permits are issued to construct the units. The “Approved” and “Pending Approval” columns provide an estimate of potential compliance by counting both entitled projects and projects going through the entitlement process.

Table 2: 2023 RHNA Goal Progress in the City of Hayward

Income Category*	Unit Goal	Reported 2020		Approved		Pending Approval		Estimated Compliance		Estimated Deficiency	
		Units	% of Goal	Units	% of Goal	Units	% of Goal	Units	% of Goal	Units	% of Goal
<i>Very low</i>	851	65	8%	205	24%	87	10%	357	42%	495	58%
<i>Low</i>	480	153	32%	71	15%	126	26%	350	73%	130	27%
<i>Moderate</i>	608	72	12%	55	9%	44	7%	171	28%	437	72%

*The City has achieved the Above Market Rate RHNA housing goals for the 2015-2023 RHNA cycle.

The proposed project is subject to the requirements set forth in HMC Chapter 10, Article 17, Affordable Housing Ordinance (AHO).² An applicant may satisfy the requirements of the AHO by paying an affordable housing in lieu fee, providing on- or off-site affordable units, or proposing an alternative plan. Pursuant to HMC Section 10-17.210, ownership projects shall deed restrict no less than 10 percent of total units on-site for Moderate Income Households. Further, the affordable units shall be integrated within the proposed residential development, shall be of similar or the same quality and provide access to the same amenities as the market rates units pursuant to HMC Section 10-17.220.

As specified in the project’s Affordable Housing Plan (Attachment V), the applicant is proposing to meet the standard requirement for on-site affordable ownership units. The applicant’s plan proposes to provide six for-sale condominium units as affordable to *Moderate-Income Households* (earning up to 120 percent of the Area Median Income). Under the standard requirements, the applicant would have been required to provide 5.5 affordable units. The applicant would have the option to either pay the affordable housing in-lieu fee for the fractional unit or provide an additional affordable unit for moderate income households. The applicant is opting to round up to six units instead of paying the affordable housing in-lieu fee for the fractional unit. The affordable units would be “Townhome Unit One” with three bedrooms and two-and-one-half bathrooms; this unit contains 1,761 square feet with a two-car attached garage.

² HMC Chapter 10, Article 17, Affordable Housing Ordinance:
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART17AFH00R

STAFF ANALYSIS

Staff believes that the Planning Commission can make the required findings to approve the Vesting Tentative Tract Map and Major Site Plan Review application and proposed Affordable Housing Plan, as conditioned.

The proposed project complies with all development standards of the Form Based Code and meets the intent of the MB-CN zoning district, as well as the goals and policies of the *Hayward 2040 General Plan*. The attractively designed residential project increases neighborhood density, is consistent with the vision for the high density and mixed-use, walkable neighborhoods located along the Mission Boulevard corridor.

While an all-residential project is a permitted use in the MB-CN zone, the COVID-19 pandemic has highlighted the value of being able to work from home. Live/work units would be a highly sought-after alternative to traveling to a conventional office workspace. Additionally, the live/work option emphasizes sustainable mixed-uses by providing an opportunity to encourage entrepreneurship and contribute to the City's economic development and green initiatives by keeping residents and their employment in town and reducing vehicle miles traveled.

The site is located half a block away from AC Transit bus stops that provide regular service to both Hayward BART stations, Downtown Hayward, and several other East Bay destinations. In addition, the site is less than one mile to the South Hayward BART Station. Combined with bicycle parking on site, this provides opportunities to commute via public transit versus single-occupancy automobiles. In addition, technological advancements that allow for ridesharing, carsharing, carpooling and autonomous vehicles reduce the need to own a personal vehicle as a primary form of transportation. Despite these advances and supporting alternative forms of transportation to the single occupancy vehicle, the development does provide on-site parking for both residents and guests/customers.

As indicated previously, the project site is located within the Form Based Area (FBA) which stretches the majority of the Mission Boulevard, except for the Downtown Specific Plan area. Within this FBC area, numerous new developments³ for housing, mixed-use, and commercial development have been approved (e.g., SoHay, Campways, Mission Seniors, Mission Village) that would transform the image and scale of the Mission Boulevard corridor within the next few years. As designed, the project is compatible with the developing scale of Mission Boulevard. As properties continue to develop along the subject section of Mission Boulevard, the project would remain compatible in size and intensity with future development to support the shift from a suburban pattern to a more urban, compact form.

ENVIRONMENTAL REVIEW

This project is categorically exempt from environmental review in accordance with the California Environmental Quality Act (CEQA) Guidelines Section 15332, In-Fill Development Projects, in that the proposed project would involve demolition of four commercial buildings,

³ Major Development Activity, City of Hayward: <https://www.hayward-ca.gov/business/for-developers/development-activity>

two single-family homes and two accessory structures to allow for the construction of a new four-story project on a 2.43-acre infill site. The proposed project is entirely consistent with the underlying SMU General Plan land use designation, as well as all applicable General Plan policies. It is further consistent with the MB-CN zoning district and all relevant Municipal Code regulations. The existing site does not have value as habitat for endangered, rare or threatened species; and, construction of the project would not result in any significant impacts relating to noise, air quality or water quality. The project site is within the City limits and is adequately served by all required utilities and public services.

To evaluate any potential transportation-related impacts, LSA prepared a CEQA Transportation Analysis (CTA), which evaluates vehicle miles traveled (VMT), and a Local Transportation Analysis (LTA). Based on the results of the LTA, the proposed project would not cause any operational deficiencies or LOS impacts to the study area intersections or surrounding circulation during either peak hour of the Existing and Existing Plus Project conditions.

Based upon the VMT analysis and the City's Transportation Impact Analysis Guidelines, the proposed project must reduce its 19.58 VMT per capita by 10.6 percent to 17.51 VMT to adhere to the City's significance thresholds. To achieve this reduction, the project will include City-approved VMT reduction measures, which will reduce the VMT per capita by more than 10.6 percent resulting in a less-than-significant VMT impact. To reduce the impact, the project will incorporate the following measures 1) the Applicant and the HOA will create a ridesharing program matching parents with students to provide transportation to public and private schools (SchoolPool), and 2) the Applicant and the HOA will implement marketing strategies to reduce VMT, including but not limited to new resident and quarterly information materials of alternative mode options, event promotions, and publications including posting such information on a visible bulletin board within a central/common area of the Project site (Voluntary TDM Marketing). The TDM measures were made conditions of approval for the project. With these measures in place, the project would not have a transportation related impact.

NEXT STEPS

If the Planning Commission approves the Vesting Tentative Tract Map and Major Site Plan Review application, then a 10-day appeal period would commence from the date of decision. If no appeal is filed, then the decision would be deemed final. If an appeal is filed within the 10-day time frame, then the application would be heard by the Council for final disposition.

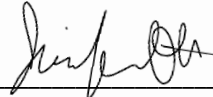
Prepared by: Richard Patenaude, AICP, Consulting Planner

Recommended by: Jeremy Lochirco, Acting Planning Manager

Approved by:



Sara Buizer, AICP, Acting Deputy Development Services Director



Jennifer Ott, Assistant City Manager/Development Services Director