



**DATE:** November 16, 2021

**TO:** Mayor and City Council

**FROM:** Assistant City Manager/Development Services Director

**SUBJECT:** La Playa Commons: Proposed Demolition of the Former Burlington Coat Factory Building and Construction of a New 47-Lot Single-Family Residential Subdivision on a 5.4-Acre Site Located at 1000 La Playa Drive (Assessor's Parcel Number 442-0038-001), Requiring Approval of General Plan Amendment, Rezone and Vesting Tentative Tract Map Application No. 202004457, and Approval of a Mitigated Negative Declaration with Mitigation Monitoring and Reporting Plan Prepared for the Project in Accordance with the Requirements of the California Environmental Quality Act (CEQA); D.R. Horton Bay, Inc. (Applicant) on behalf of Quach's Hayward LLC (Property Owner).

## **RECOMMENDATION**

That the Council consider the Planning Commission's recommendation and introduce an Ordinance approving the proposed Rezone (Attachment II), and adopt a resolution (Attachment III) approving the proposed General Plan Amendment, Rezone and Vesting Tentative Tract Map as shown in Attachment IV, and the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan (Attachments V and VI, respectively), based on the analysis set forth in the staff report (Attachment I) and based on the Findings and subject to the Conditions of Approval contained in the resolution.

## **SUMMARY**

As presented to the Planning Commission on October 28, 2021, the proposed project would result in the demolition of the existing commercial building (formerly Burlington Coat Factory) and surface parking lot at 1000 La Playa Drive to allow the construction of 47 new two-story single-family dwellings with a 0.3-acre private open space and related on- and off-site improvements. The proposed lots would range in size from 2,925 to 6,161 square feet and feature homes ranging from 1,549 to 2,019 square feet, containing two-car garages and three to four bedrooms each.

The project site currently has a General Plan land use designation of Retail and Office Commercial (ROC) and is zoned Neighborhood Commercial (CN). In order to develop the site with the proposed residential uses, the applicant is proposing to change the General Plan land

use designation of the property to Medium Density Residential and rezone it to Planned Development (PD) District.

In exchange for consideration of the General Plan Amendment and PD Rezone, and upon the Planning Commission's recommendation, the applicant has agreed to provide five affordable units on-site, with three units affordable to moderate-income households and two units affordable to low-income households. The minimum requirement of the Affordable Housing Ordinance (AHO) is to provide 10 percent of the total units (in this case, 4.7 units) at levels affordable to moderate-income households, and fractional units are typically covered through the payment of in-lieu fees. The applicant has chosen to provide the additional on-site unit instead of paying fees for the fractional units as an increased community benefit. Additionally, the applicant's proposed Affordable Housing Plan would exceed the minimum AHO requirements by providing deeper levels of affordability through the provision of two units affordable to low-income households.

## **BACKGROUND**

The subject property was originally developed with an office building in 1968. In 1992, the site changed from an office use to a retail commercial use when Burlington Coat Factory moved into the building. Both the office building and the Burlington Coat Factory store were permitted uses under the property's zoning. As such, there is no history of conditional land use entitlements associated with the subject property.

*Council Economic Development Committee.* On December 2, 2019<sup>1</sup>, the Council Economic Development Committee (CEDC) reviewed a previous iteration of the project which featured 78 total dwelling units, including 52 three-story townhomes and 26 two-story, single-family homes. The CEDC was generally supportive of the proposed redevelopment of the site with residential uses, but wanted to ensure that the applicant included on-site affordable units as part of the project rather than paying in-lieu fees. It also directed the applicant to conduct neighborhood outreach to obtain feedback on the proposed plans early in the application process. Additional neighborhood outreach efforts are highlighted below in the Public Outreach section of this report.

*Alameda County Airport Land Use Commission.* In early 2020, the applicant presented various project iterations, similar to the one presented to the CEDC, to the Alameda County Airport Land Use Commission (ALUC) Planning Department, but the ALUC's staff was unable to recommend approval of those iterations on the grounds that their density was incompatible with the Hayward Executive Airport Land Use Compatibility Plan. In April 2021, the applicant submitted the current plan featuring 47 units to ALUC staff and on June 16, 2021<sup>2</sup>, the ALUC conducted a request for a Determination of Compatibility for the proposed project. At that meeting, the ALUC determined that the project was compatible with the Land Use Compatibility Plan as infill development since it was of a similar density to the existing single-

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<sup>1</sup> December 2, 2019 Council Economic Development Committee meeting minutes: <https://hayward.legistar.com/MeetingDetail.aspx?ID=735372&GUID=DD94E49D-81BD-468D-BF0A-9179CC4B3D0D&Options=info&Search=>

<sup>2</sup> June 16, 2021 Airport Land Use Commission meeting webcast: <https://www.acgov.org/cda/planning/agendas.htm>

family residential development abutting the site to the south and east and voted unanimously to allow it to proceed as proposed.

*Planning Commission.* On October 28, 2021, the Planning Commission conducted a public hearing to consider the project. Two citizens spoke during the hearing. One expressed support for the project as proposed and the other expressed a desire to see a variety of housing types offered rather than only single-family detached units, as well as deeper levels of affordability provided for the affordable units. The second speaker also submitted written comments to the Commission, a copy of which is included as Attachment IX.

Following public comments and deliberation, the Commission voted 6-1 to recommend Council approval with two modifications to Condition of Approval No. 11. This condition originally required the applicant to provide four on-site affordable units for moderate-income households and pay in-lieu fees for an additional (fifth) full unit as one means of compensation for the requested General Plan Amendment and PD Rezone. The Commission voted to recommend the applicant provide a total of five affordable units on-site with three of the units being affordable to moderate-income households and two of the units being affordable to low-income households. The Commission felt that these modifications to the Affordable Housing Plan combined with the other forms of compensation prescribed by Condition No. 11 were sufficient compensation for the requested General Plan Amendment and PD Rezone, and the applicant agreed to the modifications during the hearing. The modified Condition No. 11 is included in Attachment III to this staff report.

The draft minutes from the Planning Commission meeting are included as Attachment X to this staff report.

## **DISCUSSION**

*Existing Site Conditions:* The project site consists of a single 5.4-acre parcel located at the southwest corner of the intersection of La Playa Drive and Calaroga Avenue. The site is currently occupied by a vacant three-story, 74,750-square-foot commercial building that previously housed a Burlington Coat Factory store. The building is surrounded by a large, paved surface parking lot containing 17 trees.

La Playa Drive, a six-lane wide private street encircling Southland Mall, borders the site to the north. There is an existing sidewalk along the property's La Playa Drive frontage containing six street trees. Calaroga Avenue, a four-lane public street with bike lanes, borders the site to the east. There is an existing sidewalk along the property's Calaroga Avenue frontage that previously had street trees, but the trees were recently removed by the City because they were damaging the sidewalk, and the sidewalk was reconstructed. The property is bordered by an automotive repair shop and religious facility to the west, single-family homes to the south, a professional office building and additional single-family homes across Calaroga Drive to the east, and the Southland Mall across La Playa Drive to the north.

The site is located approximately one mile from and within the attendance areas of Eden Gardens Elementary School and Ochoa Middle School and is  $\frac{3}{4}$ -mile from Chabot College. The

nearest transit service consists of two AC Transit bus routes running along Hesperian Boulevard that provide local service to the Hayward, Union City and Bay Fair BART stations, as well as Cal State University East Bay and Chabot College. Five public parks are also located within one mile of the site.

**Proposed Project:** The proposed project would result in the demolition of the existing 74,750-square-foot commercial building and removal of all existing surface parking and on-site trees to allow the construction of a 47-unit single-family residential subdivision with related project improvements (see Figure 1, below). Forty-four of the 47 units would be accessed via a new, 36-foot-wide P-shaped private street leading into the subdivision from La Playa Drive. The remaining three units would take access from Calaroga Avenue. Five commonly-owned parcels are proposed as part of the subdivision, including one for the private street, three for the private courts that would stub off it, and one for a large bioretention area and small neighborhood green space. An emergency vehicle access easement (EVAE) would be provided connecting the private street to Calaroga Avenue in order to provide a second means of ingress/egress for emergency vehicles. Sidewalks would be provided along one side of the private street, and the existing sidewalks along La Playa Drive and Calaroga Avenue would be reconstructed along the full length of the project's two street frontages, with accessible curb ramps provided at the entrance to the new private street. A new bulb-out would be constructed at the southwest corner of the intersection of Calaroga and La Playa to slow down vehicles turning right (southbound) from La Playa onto Calaroga in order to protect the occupants of the three homes facing Calaroga while they back out of their driveways into the street (Note: this bulb-out is not shown in the project plans, but a condition of approval [Condition no. 120] is included requiring its construction).

**Figure 1 – Proposed Site Plan**



The residential lots range in size from 2,925 to 6,161 square feet, featuring five separate floor plans ranging in size from 1,549 to 2,019 square feet and containing two-car garages and three to four bedrooms each. The majority of units would open onto the new private street or the three private courts that stub off of it. The six outer lots along La Playa Drive would have their front entries oriented toward that street, while the three lots along Calaroga Avenue would have their front entries oriented toward that street. All of the lots will include a landscaped front yard and a private backyard, enclosed within a solid, 6-foot-high wood fence.

Each unit features a side-by-side two-car garage with a driveway capable of accommodating at least two additional parking spaces, and the private street would also be able to accommodate at least 23 parallel, on-street spaces for guests. The private courts would be marked as fire lanes and would not be able to be used for parking.

The project site currently has a General Plan land use designation of Retail and Office Commercial and is zoned Neighborhood Commercial (CN). The proposed project requires a General Plan Amendment to change the land use designation to Medium Density Residential, a Rezone to Planned Development (PD) District, and a Vesting Tentative Map.

*Landscaping and Tree Removals:* A 0.3-acre, commonly-owned bioretention area with a small open space (shown as Parcel A in Figure 1) would be provided alongside the EVAE and would separate the three proposed homes along Calaroga Avenue from the existing homes to the southwest. The open space would include picnic tables, a seat wall, hardscaping and shade trees, and be accessed via a meandering path connecting the private street to Calaroga Avenue. A mix of small, medium, and large canopy trees and shrubs would be planted throughout the development, with each lot having at least one front yard tree, and all front and street side yards would be fully landscaped with a mix of drought-tolerant shrubs and ground covers.

In all, a total of 24 trees would be removed as a result of the project, with 18 trees removed from the site, itself, and six street trees removed from the La Playa Drive frontage. An arborist report was prepared for the project in January 2021 which determined that the appraised value of the existing trees to be removed was \$66,819. To mitigate for the appraised value of the trees being removed, the applicant would plant 162 total trees at a total value of \$116,150. Thirteen new street trees would be planted along La Playa Drive, three new street trees would be planted along Calaroga Avenue, and the remaining 146 trees would be planted throughout the development along the private streets, in the front and rear yards of each lot, and within the bioretention area and small open space. All streets being planted would be 36-inch box size, and another nine trees being planted within the bioretention area would be 48-inch box.

## **Policy Context and Code Compliance**

*Hayward 2040 General Plan:* The project requires an Amendment of the *Hayward 2040 General Plan*<sup>3</sup> land use map to change the land use designation from Retail and Office Commercial to Medium Density Residential. The Medium Density Residential designation

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<sup>3</sup> Hayward 2040 General Plan Land Use Map: <https://www.hayward2040generalplan.com/land-use>

generally applies to urban and suburban areas of the city that contain a mix of housing types, including single-family dwellings, duplexes, townhomes, and multi-story apartment and condominium buildings. The designation allows for new residential development at a density of 8.7-17.4 dwelling units per net acre<sup>4</sup>. The proposed development features single-family dwellings at a net density of 11.4 units per acre, consistent with the allowable density range.

In addition to being consistent with the Medium Density Residential land use designation, the project is consistent with a number of *Hayward 2040 General Plan* goal and policies, including but not limited to the following:

- The City shall encourage property owners to revitalize or redevelop abandoned, obsolete, or underutilized properties to accommodate growth (General Plan Land Use Policy LU-1.4).
- The City shall protect the pattern and character of existing neighborhoods by requiring new infill developments to have complimentary building forms and site features (Land Use Policy LU-3.7).
- The City shall promote urban design principles that support active use of public spaces in neighborhoods, commercial areas, and employment centers at all times of day. Active use of public spaces provides “eyes-on-the-street” to enhance public safety in these areas (Community Health and Quality of Life Policy HQL-5.3).
- Assist in the Development of Affordable Housing. The City shall enforce the Inclusionary Housing Ordinance to ensure that a certain percentage of new residential units will be made affordable to lower- and moderate-income households (General Plan Housing Goal 2 and Policy H-2.3).
- The City shall implement land use policies that allow for a range of residential densities and housing types, prices, ownership, and size, including low-density single family uses, moderate-density townhomes, and higher-density apartments, condominiums, transit-oriented developments, live-work units, and units in mixed-use developments (Housing Policy H-3.1).
- The City shall encourage development of residential uses close to employment, recreational facilities, schools, neighborhood commercial areas, and transportation routes (Housing Policy H-3.4).

Additional discussion related to the General Plan Amendment is included in the Staff Analysis section below. A copy of the proposed General Plan land use map is included as Attachment VIII.

**Zoning Ordinance:** The proposed project includes a Rezone from CN to PD District. Pursuant to HMC Section 10-1.2505<sup>5</sup>, the purpose of the PD District is to encourage development and redevelopment of sites through efficient and attractive space utilization that is harmonious

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<sup>4</sup> Net acreage excludes all streets and courts in subdivisions with private streets. Note that the Site Data Summary table on Sheet SD-1 of Attachment IV lists a proposed net density of 10.8 units/acre. This figure is incorrect, however, as it does not account for the three private courts being proposed (Parcels C, D and E)

<sup>5</sup> HMC Section 10-1.2505 - Purpose:

[https://library.municode.com/ca/hayward/codes/municipal\\_code?nodeId=HAYWARD\\_MUNICIPAL\\_CODE\\_CH10PLZOSU\\_ART1Z00R\\_S10-1.2500PLDEDIPD\\_S10-1.2505PU](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1Z00R_S10-1.2500PLDEDIPD_S10-1.2505PU)

with the characteristics of the land and incorporates open space and recreational opportunities, and to foster well-designed development that incorporates a variety of housing types by allowing diversification in the relationship of uses, buildings, lot sizes, yard areas and open spaces that may not be achievable under applicable zoning districts. Pursuant to HMC Section 10-1.2535<sup>6</sup>, in order to approve a preliminary PD District rezone, the Council must make the following findings:

- a. The development is in substantial harmony with the surrounding area and conforms to the General Plan and applicable City policies;
- b. Streets and utilities, existing or proposed, are adequate to serve the development;
- c. In the case of a residential development, that the development creates a residential environment of sustained desirability and stability, that sites proposed for public facilities, such as playgrounds and parks, are adequate to serve the anticipated population and are acceptable to the public authorities having jurisdiction thereon, and the development will have no substantial adverse effect upon surrounding development;
- e. In the case of a development in increments, each increment provides a sufficient proportion of total planned common open space, facilities, and services so that it may be self-contained in the event of a default or failure to complete the total development according to schedule; and
- f. Any latitude or exception(s) to development regulations or policies is adequately offset or compensated for by providing functional facilities or amenities not otherwise required or exceeding other required development standards.

Pursuant to HMC Section 10-1.2520<sup>7</sup>, for new PDs, the standards for lot area and dimensions, setbacks, building heights, landscaping, open space, fencing and parking shall be the standards of the zoning district most similar in nature and function to the proposed PD District. In this case, the proposed development is most similar to the Single-Family Residential (RS) zoning district. Table I below, provides a comparison of the proposed PD District to the applicable RS District standards. As the table shows, the applicant is seeking deviations from the minimum lot size, frontage, and width and depth requirements, as well as minimum setbacks and maximum lot coverage for most of the proposed lots. A copy of the proposed Zoning Map is included as Attachment VIII.

<b>Table 1 – Required &amp; Proposed Development Standards</b>			
<b>District Standard</b>	<b>District Requirement</b>	<b>PD District – Proposed</b>	<b>Consistent?</b>
<i>Min. Lot Size</i>	5,000 square feet 5,914 sq. ft. corner lot	Interior lots: 2,925 to 6,161 sq. ft. Corner lots: 3,300 to 4,351 sq. ft.	One interior lot would be consistent; all others would not.
<i>Min. Lot Frontage</i>	35 feet	Range: 20 to 62 feet	41 lots would be consistent; 6 lots would not.

<sup>6</sup> HMC Section 10-1.2535 – Findings Required:

[https://library.municode.com/ca/hayward/codes/municipal\\_code?nodeId=HAYWARD\\_MUNICIPAL\\_CODE\\_CH10PLZOSU\\_ART1ZOOR\\_S10-1.2500PLDEDIPD\\_S10-1.2535FIRE](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOR_S10-1.2500PLDEDIPD_S10-1.2535FIRE)

<sup>7</sup> HMC Section 10-1.2520 – Standards of Development:

[https://library.municode.com/ca/hayward/codes/municipal\\_code?nodeId=HAYWARD\\_MUNICIPAL\\_CODE\\_CH10PLZOSU\\_ART1ZOOR\\_S10-1.2500PLDEDIPD\\_S10-1.2520STDE](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOR_S10-1.2500PLDEDIPD_S10-1.2520STDE)

<i>Min. Average Lot Width</i>	50 feet for interior lots 60 feet for corner lots	Range: 45 to 60 feet for interior lots Range: 50 to 60 feet for corner lots	9 lots would be consistent; 38 lots would not.
<i>Min. Average Lot Depth</i>	80 feet	Range: 65 to 90 feet	5 lots would be consistent, 42 lots would not.
<i>Minimum Setbacks</i> Front Sides Street Side Rear	20 feet 5 feet or 10% lot width 10 feet 20 feet	Range of 8 to 35 feet Range of 4 to 6 feet Range of 10 to 16 feet Range of 10 to 29 feet	Most lots would have smaller front and rear yards, but generally consistent side and street side yards.
<i>Max. Lot Coverage</i>	40%	22% - 47%	34 lots are consistent; 13 lots exceed the limit
<i>Maximum Height</i>	30 feet	Approx. 24.5 to 26 feet	All lots would be consistent
<i>Minimum Parking</i>	Two parking spaces within a garage	Two parking spaces within an enclosed garage for all units	All lots would be consistent

*Amenities Provided for PD Rezone.* Pursuant to HMC Section 10-1.2535(f)<sup>8</sup>, any deviations from or exceptions to the base district standards shall be compensated by the provision of amenities not otherwise required or exceeding other required standards. The applicant is proposing to offset the proposed deviations from the base standards by providing larger mitigation trees than the minimum requirement throughout the development, making a \$5,000 cash contribution to the City’s planned public art installation project at Heritage Plaza, and exceeding the minimum on-site AHO requirements of 4.7 units affordable to moderate-income households. Specifically, the applicant would provide five affordable housing units in the project with three affordable to moderate-income households and two affordable to low-income households. In addition, the applicant is proposing to plant 36-inch box street trees along the La Playa Drive and Calaroga Avenue frontages and all internal private streets, and 48-inch box trees within the bioretention area, when the minimum required size is 24-inch box.

*Housing Element, Regional Housing Needs Allocation & Affordable Housing.* Local jurisdictions report progress annually on meeting their Regional Housing Needs Allocation (RHNA) goals which are included in the City’s Housing Element. Table 2 demonstrates progress made toward meeting Hayward’s RHNA goals for the period between 2015-2023 as of the last reporting 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.

<sup>8</sup> HMC Section 10-1.2535 – Findings Required:  
[https://library.municode.com/ca/hayward/codes/municipal\\_code?nodeId=HAYWARD\\_MUNICIPAL\\_CODE\\_CH10PLZOSU\\_ART1ZOOR\\_S10-1.2500PLDEDIPD\\_S10-1.2535FIRE](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOR_S10-1.2500PLDEDIPD_S10-1.2535FIRE)



**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
Very low	851	65	8%	226	27%	76	9%	367	43%	484	57%
Low	480	153	32%	199	41%	2	0%	354	74%	126	26%
Moderate	608	72	12%	78	13%	40	7%	190	31%	418	69%

\*The City has achieved the Above Market Rate 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<sup>9</sup>. An applicant may satisfy the requirements of the ordinance by paying an affordable housing in-lieu fee or including affordable units within the proposed development. Pursuant to HMC Section 10-17.210, if the applicant elects to provide on-site for-sale units, it shall deed restrict no less than 10% of the total units 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 shall provide access to the same amenities as the market rate units in accordance with HMC Section 10-17.220.

Based on direction received from the Planning Commission and the CEDC before it, the applicant has elected to provide affordable for-sale units on site. Per the on-site requirements of the ordinance, the project is required to provide 4.7 units (ten percent of 47 units) affordable to moderate-income households earning up to 120 percent of the area median income for Alameda County. The on-site requirements can be met by providing four units in the project and paying in-lieu fees for the remaining 0.7 fractional unit or rounding up to the nearest whole unit. The applicant will exceed the minimum requirement as one form of compensation for the requested General Plan Amendment and PD Rezone by providing five on-site for-sale units, with three units affordable to moderate-income households and two units affordable to low-income households. The provision of five deed restricted units as affordable to low- and moderate-income households will increase the City’s RHNA compliance as shown in the table above. Of the five affordable units being provided, two would be Plan Type 1 units having 1,549 square feet with three bedrooms, two-and-a-half bathrooms and a two-car garage, and three would be Plan 2 Front Entry Type units having 1,810 square feet with four bedrooms, two-and-a-half bathrooms, and a two-car garage. The two Type 1 units would be made available to low-income households and the three Type 2 units would be made available to moderate-income households. The applicant is proposing to construct all 47 homes in nine total phases and would construct one affordable unit in each of phases 2 through 6. A copy of the Affordable Housing Plan is included as Attachment VII.

***Parkland Dedication:*** HMC Chapter 10, Article 16 – Property Developers-Obligations for Parks and Recreation<sup>10</sup> sets forth the parkland dedication requirements for private development based on residential unit count. Pursuant to the Ordinance, the applicant must pay fees in lieu

<sup>9</sup> HMC Chapter 10, Article 17 – Affordable Housing Ordinance:

[https://library.municode.com/ca/hayward/codes/municipal\\_code?nodeId=HAYWARD\\_MUNICIPAL\\_CODE\\_CH10PLZOSU\\_ART17AFHOOR](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART17AFHOOR)

<sup>10</sup> HMC Chapter 10, Article 16 – Property Developers-Obligations for Parks and Recreation:

[https://library.municode.com/ca/hayward/codes/municipal\\_code?nodeId=HAYWARD\\_MUNICIPAL\\_CODE\\_CH10PLZOSU\\_ART16PRDEBLPAR](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART16PRDEBLPAR)

of land dedication (also referred to as Park Impact Fees). Currently, Park Impact Fee rates are calculated on bedroom count. The proposed plans feature six total 3-bedroom units and 41 total 4-bedroom units. A condition of approval is included requiring the applicant to pay the applicable Park Impact Fees in effect at the time of building permit issuance.

*Vesting Tentative Tract Map 8581*: The proposed project includes a Vesting Tentative Tract Map (Tract 8581). The Vesting Tentative Tract Map features 47 single-family lots, one common open space parcel (Parcel A) containing the emergency vehicle access easement, a large stormwater treatment facility and small open space, one private street parcel for the P-shaped private street (Parcel B), and three private court parcels (Parcels C, D and E). The project site is considered an infill site, and the City provides water and sanitary sewer service to it and has adequate capacity to serve the proposed subdivision. Public access to the subdivision would be provided via the new private street to be constructed off La Playa Drive, while a separate emergency vehicle access easement would be provided that would connect the private street with the Calaroga Avenue public right-of-way.

Maintenance of all private facilities within the subdivision, including all roads, sidewalks, driveways, common area landscaping, open space and stormwater treatment facilities would be handled by a Homeowners Association that will be required to be established as a project condition of approval.

*Additional Staff Analysis.* Staff believes that the Council can make the findings to approve the General Plan Amendment, Rezoning and Tentative Tract Map based on the analysis provided herein. The project complies with many of the goals and policies of the *Hayward 2040 General Plan* and meets the intent of the City's Zoning Ordinance related to development of single-family residential units. The project will require a change to the land use designation of the site from Retail and Office Commercial to Medium Density Residential and a Rezone from CN to PD District.

As designed, the project would promote the public health, safety, convenience, and general welfare of the residents of Hayward in that it would result in the redevelopment of a vacant, underutilized commercial site with new housing that would generally be compatible with the surrounding residential development and follow the existing residential development pattern of the area. The site is suitable for residential uses in that it has convenient access to a variety of retail and service uses at nearby Southland Mall and along the Hesperian Boulevard corridor a short distance away to the west. The new units would feature smaller lot sizes and floor plans catered to small- and medium-sized families who may be first-time homebuyers and who do not necessarily have the need for or desire to maintain large private yards. Furthermore, the new homes situated along La Playa Drive would have their front porches and portions of the first and second floor living spaces oriented towards the street which would improve overall safety in the area by providing "eyes on the street." Finally, the project would support the general convenience and welfare of Hayward residents by offering a variety of home sizes to the market and providing five for-sale affordable units on-site as part of the development in an area that is well-served by commercial uses and services, schools and parks, and that has convenient access to public transportation and freeways.

## **Environmental Review**

An Initial Study evaluating the potential environmental impacts of this project was prepared in accordance with the requirements of CEQA. The Initial Study found that the proposed project would result in potential impacts in the areas of Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Noise, Transportation and Mandatory Findings of Significance, and contains mitigation measures that reduce the identified impacts to a level of less than significant. A Notice of Intent to Adopt a Mitigated Negative Declaration (NOI) was filed with the Alameda County Clerk and published in the Daily Review on October 1, 2021. The NOI and the Initial Study were posted at City Hall and delivered to the Hayward libraries, and copies of the NOI were sent to interested parties and property owners within 300 feet of the project site on October 1, 2021. The public comment period for the Draft Mitigated Negative Declaration and Initial Study ended on October 21, 2021, and no comments were received.

A copy of the Initial Study, NOI, Draft Mitigated Negative Declaration (MND), and Mitigation Monitoring and Reporting Plan (MMRP) are attached to this report for the Council's review and consideration (Attachments V and VI, respectively).

## **ECONOMIC IMPACT**

The proposed development would have a positive economic benefit in that it would result in the redevelopment of a vacant, dated and dilapidated commercial building that poses an attractive nuisance with 47 new residential units that would improve the appearance of the site and help to increase the property values in the adjoining residential neighborhood. The project's residents would generate additional retail sales tax for the City through their everyday expenditures at local businesses, and the project would also generate temporary construction jobs during its development.

## **FISCAL IMPACT**

The project would generate annual revenue from property taxes while requiring annual costs related to City services, including but not limited to Fire, Police, Library and Maintenance Services. Communities sometimes attempt to quantify positive or negative fiscal impacts to help decide if a particular development project should move forward. While an important planning tool for city resource allocation, this data does not account for other elements or community benefits the project may provide that address Council priorities and policies. These benefits, such as increasing housing supply to help stabilize housing costs, promoting equity and housing opportunities for lower income households, and adding new consumers to the City's population that can support its businesses and help attract new ones, offer possible offsets for negative fiscal impacts.

## **STRATEGIC ROADMAP**

In January 2020, the Council adopted six Strategic Priorities as part of its three-year Strategic Roadmap:

1. Preserve, Protect & Produce Housing
2. Grow the Economy
3. Combat Climate Change
4. Improve Infrastructure
5. Improve Organizational Health
6. Support Quality of Life

This project supports the Strategic Priority of Preserve, Protect & Produce Housing in that it would add 47 new detached single-family dwellings to the City's housing stock, including three units that would be affordable to moderate-income households and two units that would be affordable to low-income households. This proposed production of housing would offer 42 new ownership opportunities for market rate homebuyers and five for lower income households. It would also protect the existing homes in the surrounding neighborhood by introducing a compatible land use that features similarly sized lots and a subdivision layout that complements the existing development pattern of the area.

### **SUSTAINABILITY FEATURES**

The proposed project would comply with the California Green Building Standards Code (CALGreen) and the City's Reach Code by featuring all-electric homes that contain no gas-powered appliances, two-car garages with parking spaces that are electric vehicle-ready, and solar roofs on each home. In addition to these sustainable building measures, the proposed project would incorporate Transportation Demand Management (TDM) strategies to minimize single-occupancy vehicle usage by providing preloaded Clipper Cards to homeowners upon the sale of each unit to encourage transit usage. Furthermore, the project's Homeowners Association would be required to set aside an annual subsidizing fund for a Clipper Card reimbursement program in order to sustain transit usage by the project's residents (see Conditions of Approval No. 27 – Mitigation Measure TRN-2.1 and No. 79 in Attachment III)

### **PUBLIC CONTACT**

On November 6, 2020, the Planning Division mailed out a total of 361 Notice of Receipt of Application (NOR) for the project. At that time, the proposed plans featured a mix of three-story townhomes and two-story single-family detached units. Staff received six emails from members of the public in response to the NOR. Opinions were mixed, with some being opposed to having additional housing in the neighborhood based on concerns about increased traffic and loss of privacy, while others were supportive of removing the existing building and redeveloping the property with new residential units.

On November 5, 2021, a total of 445 notices of this public hearing were mailed to the owners and occupants of all properties within a 300-foot radius of the project site, as well as to interested parties who requested to be notified about the project. No correspondence was received prior to the publication of this staff report.

In addition to the notices sent by the Planning Division, the applicant also conducted public outreach for the current proposal over a two-month period from December 2020 through February 2021. This outreach included going door-to-door to all the homes abutting the project site, sending out invitations to approximately 75 homes around the site to an on-site neighborhood meeting which was conducted on February 5, 2021, and a follow-up Zoom meeting which was conducted on February 24, 2021. One neighbor attended the on-site meeting, and approximately 10 neighbors attended the Zoom meeting. Feedback during these meetings was generally positive, with most attendees expressing support for the two-story single-family dwelling plan over the previous plan that included three-story townhomes.

### **NEXT STEPS**

If approved, the proposed Rezoning and Map Amendment will be reviewed by the Council for a second reading for adoption and will become effective 30 days after adoption. The proposed General Plan Amendment and Tentative Tract Map will be effective immediately.

*Prepared by:* Steve Kowalski, Associate Planner

*Recommended by:* Sara Buizer, AICP, Deputy Development Services Director  
Jennifer Ott, Assistant City Manager and Development Services Director

Approved by:



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Kelly McAdoo, City Manager