



DATE: January 30, 2024

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT: 1103 Walpert Street Rezoning: Proposed Zone Change of a 4.1-Acre Site Located at 1103 Walpert Street (Assessor’s Parcel Number (APN) 445-0040-003-03), from Planned Development (PD) District to Medium Density Residential (RM) District Consistent with the Medium Density Residential Land Use Designation, and Finding that No Further Environmental Review is Required Pursuant to the California Environmental Quality Act; Application No. MTA-23-0005. Applicant: Ronald Luter, Arc of the East Bay. Owners: Arc of the East Bay

RECOMMENDATION

That the Council considers the Planning Commission’s recommendation and introduces the Ordinance (Attachment II) approving the Zone Change to Medium Density Residential District and adopts the resolution (Attachment III) approving the proposed Zone Change (Attachment IV) and finding that no further environmental review is required pursuant to the California Environmental Quality Act, based on the analysis set forth in the staff report based on the Findings and subject to the Conditions of Approval contained in the resolution.

SUMMARY

The applicant, Arc of the East Bay, is requesting approval of a Zone Change from Planned Development (PD) to Medium Density Residential (RM) at 1103 Walpert Street to allow the applicant to market the property to housing developers and to allow for a greater variety of housing development on the site. The existing PD District, established with the adoption of Resolution No. 04-127 on July 27, 2004, allows for the development of five group homes. The group home complex has not been completed since the PD District was established 20 years ago and the property owner has no intention of building the remainder of the group home complex. Thus, the applicable PD District significantly limits the development potential on the site.

This zone change application does not include a specific development proposal at this time. However, any future development would be required to undergo planning review and be consistent with the applicable Zoning and General Plan regulations. The proposed zone

change would be consistent with the site's current Medium Density Residential (MDR) land use designation in the *Hayward 2040 General Plan*.

BACKGROUND

From 1961 to 2010s, the Walpert Association owned and operated a community center that provided career, recreational, and educational opportunities to individuals with intellectual and development disabilities (I/DD) at 1101 Walpert Street. In 2004, the Walpert Association applied for a rezoning of the 1103 Walpert Street property, which is directly behind their community center, to provide residential opportunities for their clients. On July 27, 2004, the City Council approved the zone change from Medium Density Residential (RM) to Planned Development (PD) at the subject property to allow the construction of a group home complex¹.

The proposed group home complex consisted of five residential buildings, a maintenance building, an accessway, parking, and other associated site improvements. However, due to financial constraints, only two of the five residential buildings, the accessway and parking were completed in 2009. According to the applicant, the buildings were used as offices rather than residences.

The Arc of the East Bay, which has operated in Hayward since 1969, became the owner of 1101 and 1103 Walpert Street in the 2010s. The Arc of the East Bay is also a service provider for individuals with I/DD. Their mission is to ensure that every individual affected by I/DD in the East Bay will have access to the information, advocacy, and skills they need to participate as active members of their communities. Most of their operations take place in the community center at 1101 Walpert; however, the organization does use the two residential buildings at 1103 Walpert Street for their administrative offices and adult day programs. More information about their organization and programming can be found on their website².

On January 11, 2024³, the Planning Commission held a public hearing on the proposed project where the Commissioners recommended 7:0 that the City Council approve the proposed zone change.

DISCUSSION

Project Description

Existing Conditions: The project site is located within the Mission Foothills neighborhood, in northeastern Hayward. The site is composed of a 4.1-acre flag lot with a 30- to 50-foot-wide driveway access. The project site is generally flat with two sloped areas near Ward Creek and along a portion of the northern property line. As noted previously, the site is currently developed with two approximately 3,400 square foot buildings used for office

¹ July 27, 2004 City Council Public Hearing <https://portal.laserfiche.com/Portal/DocView.aspx?id=137990&repo=r-b6d2994c>

² Arc of the East Bay Website <https://arceastbay.org/>

³ January 11, 2024 Planning Commission Public Hearing <https://hayward.legistar.com/LegislationDetail.aspx?ID=6464324&GUID=D04ED3A1-82A5-4A7A-A227-34BDA4329BF3&Options=&Search=>

and group assembly uses, an accessway with two fire vehicle turnarounds, 14 parking spaces, and other minor site improvements.

The project site is predominantly surrounded by residential uses with the Walpert Hills Apartments to the east, attached residential units to the north and detached residential units to the south. There are also several non-residential uses abutting the property with the Arc of the East Bay community center to the north, Ward Creek and Memorial Park to the south and All Saints Cemetery to the west.

Project Description: The project proposes a Zone Change from PD District to RM District to allow for a greater variety of housing development on the site. Prior to submitting this application, the Arc of East Bay tried partnering with housing developers to construct housing for the I/DD clientele and the Hayward community at large. The existing zoning, which only allows for development of a group home complex, has been a barrier preventing this partnership. As noted above, the proposed Zone Change application does not include a proposal for development. If the rezoning is approved, the Arc of the East Bay will partner with an affordable housing developer to develop the site with integrated housing⁴.

Policy Context and Code Compliance

Hayward 2040 General Plan: The project site is designated as MDR in the *Hayward 2040 General Plan*, which allows residential densities ranging from 8.7 to 17.4 dwelling units per acre. This land use designation allows for detached residential units, attached residential units and multi-dwelling unit developments. The proposed Zone Change to RM District is consistent with the applicable MDR *Hayward 2040 General Plan* land use designation. The project is also consistent with the following policies of the General Plan:

- *H-3.1 Diversity of Housing Types*. 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.
- *H-3.4 Residential Uses Close to Services*. The City shall encourage development of residential uses close to employment, recreational facilities, schools, neighborhood commercial areas, and transportation routes.
- *H-3.6 Flexible Standards and Regulations*. The City shall allow flexibility within the City's standards and regulations to encourage a variety of housing types.
- *H-4.1 Flexible Development Standards*. The City shall review and adjust as appropriate residential development standards, regulations, ordinances, departmental processing procedures, and residential fees that are determined to be a constraint on the development of housing, particularly housing for lower- and moderate-income households and for persons with special needs.

⁴ Integrated housing is housing in which individuals with disabilities live in the same community as individuals without disabilities.

- *LU-1.3 Growth and Infill Development.* The City shall direct local population and employment growth toward infill development sites within the city, especially the catalyst and opportunity sites identified in the Economic Development Strategic Plan.

The project's consistency with the Hayward 2040 General Plan is discussed further in the resolution (Attachment III).

Zoning Ordinance: The project site is located within a Planned Development (PD) District that only allows for the development of a group home complex. The applicant is requesting to rezone the project site to RM District to allow for a wider range of development types. Future development of the site will be subject to review by the city and compliance with our current regulations.

In accordance with Section 10-1.3425⁵ of the Hayward Municipal Code, the following findings are required in order to approve the proposed Zone Change:

- Substantial proof exists that the proposed change will promote the public health, safety, convenience, and general welfare of the residents of Hayward.
- The proposed change is in conformance with the purposes of this Ordinance and all applicable, officially adopted policies and plans.
- Streets and public facilities existing or proposed are adequate to serve all uses permitted when property is reclassified.
- All uses permitted when property is reclassified will be compatible with present and potential future uses, and, further, a beneficial effect will be achieved which is not obtainable under existing regulations.

The project's consistency with these Findings is discussed in Attachment III.

Staff believes the Council can approve the proposed project based on the analysis below and per the findings and conditions of approval in the resolution (Attachment III). Staff also believes the project complies with the intent of City development policies and regulations, including the Hayward 2040 General Plan, and the Zoning Ordinance. Key findings from staff's analysis are described below.

The State of California is experiencing a housing crisis, with housing demand far outstripping supply. The recently adopted Hayward Housing Element found that Hayward is one of many cities in the State that is severely impacted by the housing crisis, experiencing high rates of cost burden, homelessness, overcrowding, and potential displacement of existing residents. The proposed rezoning would remove barriers to allow for a greater variety of housing development on the site, make the site more attractive to housing developers, and thus expand the development opportunities on the site such as allowing for integrated multi-unit housing, which is not obtainable under current regulations.

⁵ Rezoning Findings:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOR_S10-1.3400AM_S10-1.3425PLCOPR

Furthermore, the RM district was recently updated as part of the Hayward Residential Design Study. The Hayward Residential Design Study developed objective design and development standards to ensure the development of quality housing which is reflective of the community's values. Therefore, future development of the site under the RM district will be more compatible and consistent with the City's current vision than the existing PD, which approved in 2004.

Environmental Review

Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15168, a Program Environmental Impact Report (EIR) was prepared for the Hayward 2040 General Plan. On July 1, 2014⁶, the City Council adopted Resolution No. 14-108, approving the Hayward 2040 General Plan Program Environmental Impact Report (EIR).

In accordance with Section 15164 of the CEQA Guidelines, a lead agency shall prepare an addendum to a previously certified EIR if changes are necessary. However, none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred. The Program EIR covers the subject zoning map amendments, and the said amendments are fully consistent with the General Plan Land Use diagram.

Based on the analysis provided in this staff report, no new or unanticipated levels of development are anticipated that were not previously identified in the General Plan and General Plan EIR, and no new or unanticipated traffic, residential or employment density, or construction impacts are expected to be generated because of the rezoning. Therefore, the proposed Amendments substantially conform to the Goals and Policies set forth in the General Plan that were analyzed in the related Program EIR. No further environmental review is necessary.

STRATEGIC ROADMAP

This project supports the Strategic Priority of Preserve, Protect and Produce Housing for All; however, it is not tied to implementation of any specific projects.

ECONOMIC IMPACT

The proposed project may result in the redevelopment of an underutilized site in an existing residential setting. Any future development would connect to existing public utilities and services and is not expected to have a negative result on the City regarding public utilities or public services. Furthermore, future development would result in new residents moving into Hayward, which should generate demand for goods and services, thereby providing stimulus for new or existing jobs and services in the City's economy.

FISCAL IMPACT

⁶ July 1, 2014 City Council Public Hearing: <https://hayward.legistar.com/MeetingDetail.aspx?ID=454197&GUID=D9DE9F92-CD16-42A8-B5DC-7A907388002D&Options=info|&Search=>

The project does not include any development at this time and therefore, it will have no fiscal impact. The fiscal impact of any future development will be evaluated when received.

SUSTAINABILITY FEATURES

The project does not include any development and therefore, there are no project specific sustainability features at this time. However, the proposed project may result in residential development on an infill site. Infill residential development helps preserve wild spaces and previously undeveloped land by reducing the need for sprawl. Furthermore, infill development has the potential to reduce vehicle miles traveled, and in turn, improve regional air quality.

PUBLIC CONTACT

On May 25, 2023, a Notice of Receipt of Application was mailed out to 307 property owners, residents, businesses, and community groups (Mission Foothills Neighborhood Task Force) within 300 feet of the project site.

On December 22, 2023, notices of this public hearing were sent to all property owners and residents within a 300-foot radius of the project site and were published in The Daily Review. To date, staff has received no public comments.

NEXT STEPS

If the City Council approves the proposed project, the applicant will reach out to developers for partnerships and market the site.

Prepared by: Taylor Richard, Associate Planner

Recommended by: Sara Buizer, AICP, Development Services Director

Approved by:



Kelly McAdoo, City Manager