



**DATE:** July 7, 2020

**TO:** Mayor and City Council

**FROM:** Development Services Director

**SUBJECT:** Mission Boulevard Form Based Code: Introduce an Ordinance Amending Chapter 10, Article 24 (South Hayward BART/Mission Boulevard Form Based Code), Article 25 (Hayward Mission Boulevard Corridor Form Based Code), Article 1 (Zoning Ordinance), and Article 7 (Sign Ordinance) of the Hayward Municipal Code Related to the Adoption of a Consolidated Mission Boulevard Code

## **RECOMMENDATION**

That Council:

1. Adopts a Resolution (Attachment II) with Zoning Map and Text Amendments to Chapter 10, Planning, Zoning and Subdivision of the Hayward Municipal Code Related to the adoption of the Mission Boulevard Code; and
2. Introduces an Ordinance (Attachment III) to amend the Hayward Municipal Code per amendments outlined in the adopted Resolution.

## **SUMMARY**

This is a public hearing on the adoption of the Mission Boulevard Code (MBC), which includes several Zoning Map and Text Amendments (Amendments) to the Hayward Municipal Code (HMC). The Amendments would impact all the land currently within the South Hayward BART/Mission Boulevard Form Based Code and the Hayward Mission Boulevard Corridor Form Based Code, including two additional parcels that are proposed for rezoning map amendments near the Code area.

The Amendments would replace the City's two existing form-based codes (Mission Boulevard Corridor and South Hayward BART/Mission Boulevard) with a new consolidated Mission Boulevard Code. The new Mission Boulevard Code will create a clear and consistent regulatory framework and regulate development along the Corridor to ensure high-quality public spaces defined by a variety of building types and uses, including housing, retail, and office space. The Amendments will modify the regulating plan, development standards, land use regulations, and other elements needed to implement the principles of urbanism, planning, and practical growth management consistent with the community vision established in the *Hayward 2040 General Plan*.

## BACKGROUND

Since adoption of the FBCs, there have been few revisions to the Codes and like any zoning ordinance, specific plan, or general plan, regular updates and amendments are required to reflect new policies, development standards, and land uses. As part of the FY2018 budget, the Planning Division established a goal of updating the two form-based codes and set aside funds to initiate this project. The project required a thorough review of each Code to remove inconsistencies, update policies and land uses, and streamline the development review process to make the Codes easier to understand and administer.

*Stakeholder Interviews:* On December 10-11, 2018, Lisa Wise Consulting conducted numerous stakeholder interviews with staff representing public agencies, transit providers, neighborhood associations, community stakeholders, developers, design professionals, and city departments. Similar opinions emerged among interviewees regarding issues with the current form-based codes. While the interviewees differed on the exact recommended changes, there was clear agreement that the Codes need to be reorganized and simplified to make them easier to use and understand. The stakeholders identified several common themes related to the existing Form Based Codes for update and modification, including complexity of the existing Code, overly prescriptive Development Standards, better management and a balanced Parking Supply, added flexibility for Ground Floor Uses, elimination of Thoroughfare requirements, and added Flexibility for unique site conditions, including refined processes to allow warrants and exceptions.

*City Council Work Session:* On January 22, 2019<sup>1</sup>, the City Council held a work session on the updates to the Form Based Codes and provided feedback to staff on the topics highlighted from the Stakeholder interviews in December. The Council noted that many of the original goals that were identified when the FBCs were adopted are not currently being achieved and as such, the FBCs may no longer be an appropriate land use framework to guide development. The Council expressed concerns with the complexity of the existing Code, the inconsistent development pattern of new projects along the Corridor, and the number of PD Rezones approved since the FBCs were adopted. These factors are evidence that the Codes are not achieving the goals and objectives originally envisioned. The Council also confirmed that all the issues raised by the stakeholders are valid and should be addressed as part of the Code update.

*Planning Commission Work Sessions:* On February 28, 2019<sup>2</sup>, the Planning Commission held a work session on the updates to the Form Based Codes and provided feedback to staff on the topics highlighted from the Stakeholder interviews as well as feedback on Council recommendations. The Commission recommended additional flexibility with types of land use that are allowed in order to address numerous vacant commercial spaces along the Corridor. The Commission recommended the updated Code reflect a more multi-modal and pedestrian friendly environment where size and scale of buildings, landscaping treatments,

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<sup>1</sup> City Council Work Session January 22, 2019:

<https://hayward.legistar.com/MeetingDetail.aspx?ID=662924&GUID=EB9653B8-EE30-44E3-B842-E5CA6160DD0A&Options=info&Search=>

<sup>2</sup> Planning Commission Work Session February 28, 2019:

<https://hayward.legistar.com/MeetingDetail.aspx?ID=655760&GUID=3B47D0F0-48B2-4B80-AC1E-3B9303D0F70C&Options=info&Search=>

and impacts of circulation and parking are evaluated. The Commission also supported efforts to streamline the planning review and entitlement process to encourage additional development activity.

On February 13, 2020<sup>3</sup>, the Planning Commission held a work session on the draft Mission Boulevard Code and expressed support for the proposed changes as well as recommended the Code provide more specific details about the placement of potential open space areas in relation to Mission Boulevard. The Commission continued to support flexibility to address vacant commercial spaces, multi-modal connectivity goals, and methods of streamlining development to further contribute to economic development and housing creation. The Commission also provided comments to staff related to the potential incompatibility between some outdoor recreation/dining areas with Mission Boulevard, design guidelines to promote street-facing retail, objective design standards for future developments, etc.

On May 28, 2020<sup>4</sup>, the Planning Commission held a public hearing to review the draft MBC and unanimously recommended that the City Council approve the proposed Zoning Map and Text Amendments to the Hayward Municipal Code. One member of the public expressed concerns with the amount of traffic along the Mission Boulevard and the limited parking requirements being proposed. Staff explained that while the new Code does establish parking maximums for uses within the Code area, additional provisions were also included that allow the amount of parking to be increased upon making findings of necessity. No further comments from members of the public were received.

*Council Economic Development Committee (CEDC):* On March 2, 2020, the Council Economic Development Committee (CEDC)<sup>5</sup> reviewed the public review draft of the Mission Boulevard Code and provided feedback to staff regarding parking standards, commercial land uses including applicable overlays, and potential branding for certain segments of the Mission Boulevard corridor.

Specifically, while the CEDC stated it was acceptable to remove the maximum parking standards applicable to residential projects, they recommended the Code include a parking range to provide some guidance to developers on the amount of parking to provide. In addition, CEDC inquired about the former K-Mart site at the southwestern corner of Mission Boulevard and Harder Road and wanted to ensure that there would be significant commercial uses and/or mixed-use development on this highly visible site.

CEDC also recommended that the revised Code continue to prohibit certain sensitive uses such as tobacco shops, liquor stores, massage establishments, and check cashing facilities. The CEDC suggested that the Code include some reference to branding and marketing for certain segments of the Mission Boulevard corridor to contextualize the neighborhoods of the plan

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<sup>3</sup> Planning Commission Work Session February 13, 2020:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4326918&GUID=7864183E-E467-4B22-BCEB-8CCA5D56A7FE&Options=&Search=>

<sup>4</sup> Planning Commission Meeting May 28, 2020:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4544483&GUID=E8901D3A-CB71-4CF9-B9B9-590DA4978F52&Options=&Search=>

<sup>5</sup> Council Economic Development Committee – Mission Boulevard Code Update, March 2, 2020

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4341949&GUID=43D24921-E25F-4B84-922B-E527DDA8336D&Options=&Search=>

area (based on existing and future conditions) and its development form as certain areas have different development patterns (e.g. north and south of “A” Street).

## **DISCUSSION**

The City’s two existing Form-Based Codes were designed to be used as a set of guidelines for property owners and the development community to understand the vision that the community has established for development along the Mission Boulevard corridor and near the South Hayward BART Station. The Codes provide a framework and a systematic checklist for the City as it plans its investments in capital projects and evaluates the design of new building projects. The Codes are intended to improve the quality of design proposals that the City receives and the value of the City’s cumulative investments in the public realm.

Although both FBCs established a framework for new development along the Corridor, the downturn in the local and national economy between 2008-2012 limited the number of new development applications along the Corridor. Over the past several years, the amount of development activity has increased, and the Planning Division has experienced a rise in the number of new, large-scale planning applications within the Code Area and, in the process, determined that inconsistencies within and between the adopted Codes and the City’s Zoning Ordinance have resulted in significant warrants and exceptions granted for projects and inconsistent development patterns along the Corridor. The Mission Boulevard Code (Attachment VI) will supersede and replace Article 24 and Article 25 of the Hayward Municipal Code and includes several improvements, as described below.

*General Reorganization.* Article 24 and Article 25 will be consolidated into a single code, the Mission Boulevard Code (MB Code), and will be contained in Article 24. The Code has been comprehensively reorganized to be more user friendly and follow the same outline, structure, and page layout as the recently adopted Downtown Specific Plan (adopted April 2019). As part of this reorganization, the zones were renamed to align with naming convention in the recently adopted Downtown Code and reflect the character and context of the new zones. The changes, noted below, are shown on the attached maps and reflected in the Regulating Plan in the Mission Boulevard Code.

- Zones T-4 and T-4.1 → Mission Boulevard Corridor Neighborhood (MB-CN) Zone
- Zone T-4.2 → Mission Boulevard Neighborhood Node (MB- NN) Zone
- Zone T-5 → Mission Boulevard Corridor Center (MB-CC) Zone

Planned Development Districts (PD) adopted since the adoption of the FBCs were added to the Regulating Plan and properties formerly zoned T-3 were converted back to original RS, Single-Family Residential district, as these are located in established single family neighborhoods and have little potential for redevelopment.

*Refined Development Standards and Regulating Plan.* The MBC incorporates improvements and refinements to the development standard and regulating plan to improve ease of use, predictability in permitting process, and quality of built results. Changes were based on findings from the technical analysis and input received from City staff, stakeholders, and Planning Commission regarding the effectiveness of the FBCs. Refinements include: updates

to the minimum and maximum parking requirement; removal of the public thoroughfare requirement in-lieu of improved multi-modal circulation; added flexibility with architectural styles and permitted building materials; expanded the list of land uses; tailored the open space and landscaping requirements by land use; expanded the commercial overlay requirements along Mission Boulevard; updated the development standards regulating lot size and building height; and replaced the warrant/exception section with a new administrative process similar to that adopted in the Downtown Specific Plan and the Industrial Districts.

*Land Use Inconsistencies.* The Mission Boulevard Code includes several updates to resolve land use inconsistencies, overlap, and/or redundancy with the Hayward Municipal Code, General Plan, Downtown Specific Plan, and other city plans and policies.

While many of the existing commercial, residential, and office land uses are proposed to remain, staff did update the land use table of the Code to more clearly identify the land uses that are permitted along the Corridor and resolve inconsistencies that were carried over between both existing Codes. By consolidating the Codes, staff noted there are some land uses that are permitted in the Mission Boulevard Corridor FBC (north of Harder Road) but prohibited in the South Hayward BART/Mission Boulevard FBC (south of Harder Road). In other instances, land uses were identified in one Code, but omitted in the other Code. For example, automotive sales are permitted as a “retail” land use in the Mission Boulevard FBC but are specifically prohibited as a “retail” use in the South Hayward BART FBC. Everywhere else in the City, automotive sales are not considered a retail use and are specifically identified as “Automotive Sales.” To resolve these inconsistencies, staff consolidated these uses and updated the land use tables to identify where, geographically, these uses are allowed. In the updated Code, “Automotive Sales” are now listed as a permitted use north of Harder Road but are now administratively permitted south of Harder Road, which reflects the previous Code boundaries. Staff also included several sensitive uses, such as tobacco shops, liquor stores, massage establishments, and check cashing facilities, to the land use table to clearly identify those uses that are prohibited.

*Proposed Zoning Map Amendments.* As mentioned previously, the two FBCs will be consolidated into one document to simplify understanding and implementation of the revised regulating map by reducing the number and type of duplicative zoning districts. Specifically, staff removed the dual-zoning designation applied to properties on key catalyst sites to help eliminate confusion related to development standards and permitted land uses. Additionally, these sites were updated to also include a Commercial Overlay #1 in order to maintain the viability of these parcels as regional and neighborhood commercial sites.

Staff is proposing that the Commercial Overlay #2 be expanded onto properties where commercial uses and centers already exist in key areas or intersections to preserve non-residential uses (e.g. services, retail, and restaurants) along the street level in an effort to balance the pedestrian experience and encourage walkability from nearby residential areas.

Staff is also proposing the TOD Overlay #2 be expanded to include the north side of Mission Boulevard between Tennyson Road and Valle Vista Avenue in order to allow for greater

residential densities due to its proximity to the South Hayward BART Station (approximately 0.25-miles away) and consistent with Priority Development Area (PDA) designations. The application of the TOD Overlay #2 allows a higher minimum density “by right” and helps the City meet its housing goals by focusing high-density, mixed-use development near major transit stops. In conjunction with recently adopted State legislation, including SB 330 (Housing Crisis Act of 2019) and AB 1763 (Density Bonus for 100% Affordable Projects), staff believes the increased residential densities are warranted and further support the City’s efforts towards increased housing production, consistent with the City’s Regional Housing Needs Allocation (RHNA) requirements contained in the *Hayward 2040 General Plan*.

All parcels that are currently zoned MB-T3 are proposed to be removed from the FBC areas and will revert back to the Single-Family Residential (RS) district as many of these are within established single-family neighborhoods with low potential for redevelopment. The proposed map zoning amendments and a parcel specific rezoning table are included as Attachment IV - Exhibit A.

*Proposed Zoning Text Amendments.* In addition to the consolidation of the two existing FBC in Article 24, the Mission Boulevard Code also proposes to update several sections of the Hayward Municipal Code (HMC) to reflect the new zoning designations. Specifically, amendments to the Sign Ordinance (Article 7) and Zoning Ordinance (Article 1) related to unattended collection boxes are required due to the updated district designations and land use tables. A list of the proposed text amendments is included as part of the draft Ordinance (Attachment V - Exhibit B).

*Additional Rezoning Requests.* Planning Division staff has received inquiries from the property owner of 22372 Mission Boulevard (at the northeastern corner of Mission Boulevard and Hotel Avenue) to potentially change the zoning from its current “Civic Space (CS)” classification to allow for more commercially permitted uses. Upon review of the site-specific conditions and past Planning documents, staff is recommending the site maintain its current zoning classification of CS due to the redevelopment limitations resulting from geological hazards associated with two fault traces transecting the property. This designation allows the City to maintain compliance with the Alquist-Priolo Earthquake Fault Zoning Act<sup>6</sup>.

Additionally, staff has noted that outside of the FBC area boundaries, north of “A” Street, there are two properties (720 Simon Street and 926 Rose Street) that are zoned “Central City – Commercial (CC-C)” but are located outside of the boundaries of the Downtown Specific Plan area and inadvertently excluded from the rezoning of the Downtown plan area. Upon discussion with both property owners who support the action, staff is proposing the property at 926 Rose Street be rezoned from CC-C to the new zoning classification of MB-CN to be consistent with its underlying land use designation of Sustainable Mixed Use (SMU). Staff is also recommending that the property at 720 Simon Street be rezoned from the current CC-C zoning designation to Medium-Density Residential (RM) to be consistent with the Medium-Density Residential (MDR) land use designation in the *Hayward 2040 General Plan*. Staff has included these map changes as part of the overall update to the Mission Boulevard Code.

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<sup>6</sup> Alquist-Priolo Earthquake Fault Zone Act:  
[https://leginfo.ca.gov/faces/codes\\_displayText.xhtml?division=2.&chapter=7.5.&lawCode=PRC](https://leginfo.ca.gov/faces/codes_displayText.xhtml?division=2.&chapter=7.5.&lawCode=PRC)

Zoning Ordinance. Pursuant to HMC Section 10-1.3430, the City Council shall hold a public hearing on all map and text amendments and may approve, modify, or disapprove any text amendment, reclassification, or re-zoning. The Council's decision, except for interim zonings, shall be based on the findings in Section 10-1.3425 as listed below:

1. Substantial proof exists that the proposed change will promote the public health, safety, convenience, and general welfare of the residents of Hayward;
2. The proposed change is in conformance with all applicable, officially adopted policies and plans;
3. Streets and public facilities existing or proposed are adequate to serve all uses permitted when the property is reclassified; and
4. 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.

Findings to support the proposed zoning map and text amendments are detailed in the draft Resolution (Attachment II).

Hayward 2040 General Plan. The Mission Boulevard Code contains several land use designations, with a majority of sites designated as Sustainable Mixed Use (SMU) in the *Hayward 2040 General Plan*<sup>7</sup>. The SMU designation generally applies to areas near regional transit that are planned as walkable urban neighborhoods. Typical building types will vary based on the zoning of the property, but will 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. Sustainable Mixed-Use 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. Residential and mixed-use densities range allow up to 100 dwelling units per acre. Other General Plan land uses designations include Low Density Residential (LDR), Public and Quasi-Public (PQP) and Parks and Recreation (PR).

While the proposed update to the Mission Boulevard Code will not require any General Plan Amendments, the *Hayward 2040 General Plan* contains several goals, policies and actions that support the updated Code. The City's General Plan establishes the community-based vision for the future of Hayward and includes implementation programs to help the City achieve that vision. There are several goals and policies in the General Plan that support an update to the Mission Boulevard Code, which are detailed in findings within the attached Resolution (Attachment II).

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<sup>7</sup> Hayward General Plan:  
<https://www.hayward2040generalplan.com/>

South Hayward BART and Assembly Bill 2923. On September 30, 2018, Governor Brown signed AB 2923<sup>8</sup> that affects zoning requirements on properties owned by the Bay Area Rapid Transit District (BART) within ½ mile of their stations to facilitate Transit Oriented Developments (TODs). Currently, much of the existing South Hayward BART property, along with adjacent properties, is designated as a PD, Planned Development, which was established as part of the adoption of the South Hayward BART Concept Design Plan in 2009 and later amended in 2014. As preliminarily proposed, the South Hayward BART property is identified as a “Neighborhood/Town Center” that allows up to 75 units per acre, 5-stories buildings, maximum 3.0 floor area ratio, including a maximum residential parking requirement of 1.0 space per residential unit, and maximum 2.5 spaces per 1,000 square-feet of office space. While staff is proposing to consolidate the two existing Form Based Codes and create updated development standards for the Code area, the South Hayward BART property is not included with those revisions and the previous Planned Development (PD) zoning, including any updated State mandates for BART-owned property, would apply.

PDA Designation. A majority of areas along the Mission Boulevard corridor have been designated as a Priority Development Area (PDA) by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). PDAs are areas within existing communities that local city or county governments have identified and approved for future growth. These areas typically are accessible by one or more transit services; and they are often located near established job centers, shopping districts, and other services. The City currently has five designated PDA areas where residential and job growth are forecasted. The updated Code incorporates additional opportunities for residential housing and new job growth by expanding the number of land uses permitted and by increasing the residential densities along the Corridor.

Infill Housing Report. In December 2019, the Council of Infill Builders released their report on efforts to accelerate and accommodate infill housing in the City of Hayward and presented this report to the City Council<sup>9</sup> on January 14, 2020. While the report identified barriers unique to Hayward, it also provided recommended solutions that could help facilitate new development in the City. Specifically, the report identified four priority barriers to infill:

- High costs and fees to build infill;
- Market uncertainty due to unknown or weak demand for infill;
- Lack of supporting uses for infill in public spaces, such as the streetscape; and
- Unusual parcels and challenging land assembly to support infill

While additional barriers exist, to help overcome these barriers, the group recommended the City update the design guidelines to allow retail flexibility for infill projects. Developers and City staff noted that ground-floor retail on some projects may not make economic sense, while nearby parcels may present better options for such uses. As a result, the City could help provide flexibility to meet these requirements. The report suggests the City

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<sup>8</sup> AB 2923, SF BART Transit Oriented Development:

[https://leginfo.ca.gov/faces/billTextClient.xhtml?bill\\_id=201720180AB2923](https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB2923)

<sup>9</sup> City Council Meeting:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4288614&GUID=8884B223-5825-443E-AEB7-561FE7CECC64>



develop a plan for street-level activation and amenities in areas without retail, in order to boost walkability and street life without rigid retail requirements. Staff has incorporated this land use flexibility in the updated Code to allow for additional flexibility in the land uses along the street-frontages.

The Report also recommends that the City develop optimal parking policies to encourage market-driven supply that boosts walkability, biking, and transit usage. Excess parking supply and requirements add to project costs and can reduce the walkability and transit-friendly nature of downtowns and commercial corridors. For example, the average cost of a parking space in a parking structure ranges from \$15,000 to \$30,000. Costs per unit in San Francisco for podium parking can range from \$17,500 to \$35,000 per unit, depending on the ratio of spaces per unit, and up to \$38,000 for underground parking. Ongoing operation and maintenance of parking structures can also be costly for rental properties. At the same time, it was noted that lenders are reluctant to finance new projects in Hayward without sufficient on-site parking. As a result, the report recommends the City consider parking policies that allow the market to determine supply while providing options to reduce the demand for on-site, decentralized parking that can increase project costs. While the existing FBC uses contain no parking minimums, there are maximums required for residential uses that may or may not address the issue of parking supply and demand. As such, staff has updated the parking requirements to provide more flexibility and based on demand. Staff has also updated the parking requirements for projects that are located within ½ mile of a major transit center, consistent with PDA and SB732 directives.

*Environmental Review.* On July 1, 2014, the City Council adopted Resolution No. 14-108, certifying the Hayward 2040 General Plan Update and related Program Environmental Impact Report (EIR). The General Plan EIR incorporated prior EIR analyses conducted along the Mission Boulevard corridor including the South Hayward BART/Mission Boulevard Code Supplemental EIR (SEIR), certified on September 13, 2011, that tiered off the Conceptual Design Plan Program EIR (2006) and 238 Land Use Study EIR (2009). These program level EIRs cover the proposed amendments to the Hayward Municipal Code. In accordance with Section 15164 of the California Environmental Quality Act (CEQA) Guidelines, a lead agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred. Under Section 15162, a subsequent EIR need not be prepared unless the lead agency determines one or more of the following:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of any new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the EIR was certified, shows any of the following:
  - a. The project will have one or more significant effects not discussed in the previous EIR;
  - b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
  - c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
  - d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

The proposed regulations would likely result in beneficial impacts such as reduced noise, dust, glare, odors, increased landscape areas that could reduce stormwater and flooding impacts, reduced air quality impacts, and increased residential density near transit stations, consistent with the previously adopted General Plan goals and BART TOD Guidelines.

Based on the draft regulations and 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, employment density, or construction impacts are expected to be generated as a result of adoption of these regulations. Therefore, the proposed Amendments substantially conform to the Goals and Policies set forth in the General Plan, and that were analyzed in the related Program EIR. No further environmental review is necessary.

## **ECONOMIC IMPACT**

As previously discussed, the Mission Boulevard Code will result in updating the land use and development regulations for properties within the Code area to align with current economic and market trends/demands as well as the goals of the *Hayward 2040 General Plan* related to economic development, mobility, land use, housing, and community safety. Per the Economic Development Strategic Plan (EDSP)<sup>10</sup>, a key focus area is specific to supporting the City's service and retail industry through creating proactive, site specific land use policies that clearly convey information and requirements to potential new businesses, and ensure that a timely and predictable permit process exists to support important commercial businesses aiming to establish in Hayward.

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<sup>10</sup> Hayward Economic Development Strategic Plan:  
[https://www.hayward-ca.gov/sites/default/files/documents/Economic\\_Development\\_Strategic\\_Plan.pdf](https://www.hayward-ca.gov/sites/default/files/documents/Economic_Development_Strategic_Plan.pdf)

Through the adoption of the Mission Boulevard Code, there will be one consolidated zoning document with clear, objective zoning standards and procedures that will span the majority of the corridor to facilitate quality mixed-use, walkable residential and non-residential developments with neighborhood- and regional-serving businesses to support existing and future community members. This effort to update the FBC will support the adopted work tasks of the EDSP by ensuring that proposed zoning amendments, via collaboration with industry professionals and stakeholders, allow for desired uses that serve community needs and generate sales tax revenue, and include preferential zoning for attractive business types. Implementation of predictable land use standards will further support tenancing vacant storefronts/buildings as well as streamlining new development review on blighted and underutilized parcels which will, upon construction and occupancy, increase property tax revenue from said properties to reinvest into the corridor. Furthermore, there are specific development standards within the updated code such as minimum ground-floor commercial depth and minimum ceiling plate heights that are intended to create resilient yet versatile activated spaces that could accommodate a physical fitness studio or be flexed into a commercial retail/café shop over time to withstand economic conditions and trends.

The EDSP also identifies several economic development key retail areas and catalyst sites (e.g. Central and South Mission Boulevard Corridors, K-Mart site) based on high visibility, vacant and/or underutilized property conditions, and site acreages, which maintain potential immediate positive results related to business attraction and retention. The FBC update strategically modified the application of the existing commercial overlay zones with the intent of preserving and promoting non-residential uses (e.g. retail, service, restaurants) at the street-facing, ground-floor levels, while expanding the overlays toward adequately sized parcels proximate to hard intersection corners (i.e. Mission Boulevard and Harder Road) that provide dual visibility and would stimulate additional further investment along the corridor. The residential and commercial overlays within the MB-Code communicate expectations to the business and developer communities what Hayward is striving to achieve by maintaining a strong commercial presence along the City's primary arterial thoroughfare.

## **FISCAL IMPACT**

The updated Mission Boulevard Code will have no impact to the City's General Fund or other funds. The reductions in GHG emissions necessary to achieve the new goals will require significant leadership and coordination by the City, which will not be possible with existing staff resources. As new programs are developed to meet the City's sustainability goals, staff will identify specific resources needed.

## **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

These Amendments and the adoption of the Mission Boulevard Code support the Strategic Priority to Grow the Economy. This project is identified in the Strategic Roadmap work plan to “Update the Form Based zoning codes along Mission Boulevard Corridor to streamline new development, focus commercial development, where appropriate, and create a cohesively designed corridor.”

## **SUSTAINABILITY FEATURES**

The proposed project includes zoning map and text amendments. According to the proposed regulations, all applications for new development or redevelopment of a site would now be required to submit a Sustainability Plan that incorporates best practices of sustainability for site specific improvements and business operations. The requirement of a Sustainability Plan is consistent with the recently adopted Industrial District Regulations update and supports the Sustainable Mixed Use (SMU) land use designation of the Hayward General Plan.

## **PUBLIC CONTACT**

Upon commencement of this city-initiated project, the Planning Division developed a project webpage<sup>11</sup> with background information, timelines, and related documents and maps on the City’s website allowing the public to view project milestones, code drafts, public hearing materials as well as add themselves to the interested parties list and provide comments. To date, the Planning Division has received more than 25 individuals who have requested to be added to the interested parties list in addition to the stakeholder groups who were consulted to provide feedback on the current FBC regulations.

Prior to the Planning Commission hearing on May 28, 2020, the Planning Division prepared and mailed approximately 8,500 notices to all residents, property owners, and addresses within the Code area *plus* a 300-foot buffer beyond the project area notifying them of the upcoming public hearings with where to find relevant project information. In addition, an online web-based app<sup>12</sup> was developed that allows property owners, residents, businesses, real estate, and developer industry professionals to search and review existing and proposed zoning designations for properties within the Code area. Please refer to the Background Section of this report for additional information related to the public outreach efforts.

## **NEXT STEPS**

Upon adoption of the attached Ordinance, the proposed Zoning Map and Text Amendments for the Mission Boulevard Code would become effective on August 14, 2020.

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<sup>11</sup> Form-Based Code Website:  
<https://www.hayward-ca.gov/content/form-based-code-update>

<sup>12</sup> Hayward Web-Based GIS Zoning Map:  
<https://hayward.maps.arcgis.com/apps/webappviewer/index.html?id=f1a2e0f6fb734a568d0c0b437a5309c6>

*Prepared by:* Jeremy Lochirco, Principal Planner  
Marcus Martinez, Associate Planner

*Recommended by:* Laura Simpson, Development Services Director

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

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Kelly McAdoo, City Manager