



**DATE:** October 11, 2022

**TO:** Mayor and City Council

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

**SUBJECT:** Proposed Development with 22 Rental Townhome Units and Related Site Improvements at 27865 Manon Avenue, Assessor Parcel Number 453-0090-014-00, Requiring Approval of Zone Change, Density Bonus, and Site Plan Review Application 202101491. Ragini Vecham for Sunflower Manon LLC (Applicant and Property Owner)

## **RECOMMENDATION**

That the Council introduce an Ordinance approving the proposed Zone Change (Attachment II), and adopt a resolution approving the proposed Zone Change, Density Bonus, and Site Plan Review application (Attachment III) and related Environmental Consistency Checklist (Attachment VI) based on the analysis set forth in this staff report and based on the Findings and subject to the Conditions of Approval contained in the resolution.

## **SUMMARY**

The applicant is requesting approval of a Zone Change, Density Bonus, and Site Plan Review application to construct a four building, three story townhome development on a vacant infill site located just north of Tennyson Road and west of Huntwood Avenue on Manon Avenue. The development will include 22 rental townhome units, 41 parking spaces, and new site landscaping and open spaces. The project site is located within the Single Family Residential (RS) zoning district and is designated as Medium Density Residential (MDR) in the Hayward 2040 General Plan. The applicant is requesting a rezoning from Single Family Residential (RS) to Medium Density Residential (RM) and a density bonus to accommodate the 22 townhomes proposed with two units designated for very low-income households. As part of the density bonus, the applicant is requesting a waiver to reduce the required front and rear yard setbacks and to reduce the parking requirement for the 3-bedroom units.

On September 8, 2022, the Planning Commission conducted a public hearing to consider the project. No members of the public spoke during the hearing. Following questions and deliberation, the Commission voted 5-0 to recommend Council approval.

## **BACKGROUND**

The applicant is requesting approval of a Zone Change, Density Bonus, and Site Plan Review application to construct a four building, three story townhome development on a vacant infill site located just north of Tennyson Road and west of Huntwood Avenue on Manon Avenue. The development will include 22 rental townhome units, 41 parking spaces, and new site landscaping and open spaces. The project site is located within the Single Family Residential (RS) zoning district and is designated as Medium Density Residential (MDR) in the Hayward 2040 General Plan. The applicant is requesting a rezoning from Single Family Residential (RS) to Medium Density Residential (RM) and a density bonus to accommodate the 22 townhomes proposed with two units designated for very low-income households. As part of the density bonus, the applicant is requesting a waiver to reduce the required front and rear yard setbacks and to reduce the parking requirement for the 3-bedroom units.

Planning Commission. On September 8, 2022, the Planning Commission conducted a public hearing to consider the project. No members of the public spoke during the hearing. Following questions and deliberation, the Commission voted 5-0 to recommend Council approval. The draft minutes from the Planning Commission meeting are included as Attachment VII to this staff report.

## **DISCUSSION**

Existing Site Conditions. The project site is an approximately one-acre lot situated 150-feet north of Tennyson Road and one block west of Huntwood Avenue. The site is 143-feet deep with 320 lineal-feet of frontage along Manon Avenue. The topography of the property is relatively flat. Currently, the site is vacant with no trees or significant vegetation.

Surrounding development and land uses include single family residential development to the north and west, two story multifamily development to the east and commercial uses to the south along Tennyson. Additionally, the site is approximately one-half mile west of the South Hayward BART station and within a quarter-mile of Cesar Chavez Middle School, Tennyson Park, Mia's Dream Playground, and the future Stack Center.

Proposed Project. As shown in the project plans (Attachment IV), the proposed development would feature four buildings comprised of a total of 22 townhomes. The three-story buildings are oriented so that the shorter ends of the structures face Manon Avenue and the single-family residential properties to the west, minimizing the perceived massing of the new structures. A u-shaped access road circulates through the site providing access to each townhome's one car garage as well as an additional 19 uncovered parking spaces at the rear of the site. A landscaped paseo-style pedestrian walkway and common open space area are located in the center of the site and additional trees and landscaping create a buffer to the surrounding development. Each townhome has its own patio and balcony, providing for private open space as well.

The architecture takes a modern approach, incorporating varied roof lines and wall planes; projecting balconies and patio covers; a mix of wood, stucco, and metal elements; and 360

degree design with architectural interest on each facade. The proposed 22 townhomes range from three to five bedrooms in size, while each has four bathrooms (1,671 to 2,307 square feet of living area per townhome). All will be rental units and as detailed further below, two will be restricted to be rented at levels affordable to Very Low-income households.

As stated above, there are no existing trees onsite. The proposed project's landscape plan includes the installation of 17 new trees as well as a lush palette of additional shrubbery, groundcovers, and ornamental plantings. The next section further discusses compliance with the City's General Plan and Municipal Code requirements.

## **Policy Context and Code Compliance**

General Plan. The project site is designated Medium Density Residential (MDR)<sup>1</sup> in the *Hayward 2040 General Plan*, which allows for a residential density range of 8.7 to 17.4 dwelling units per net acre. While the proposed project exceeds the allowable General Plan density at approximately 22 dwelling units per acre, as discussed further below, the requested Density Bonus allows for the additional proposed units. The MDR land use designation generally applies to suburban and urban areas that contain a mix of housing types. Typical building types include single-family homes, duplexes, triplexes, fourplexes, townhomes, and multi-story apartment and condominium buildings.

The project is consistent with numerous goals and policies of the General Plan in that the development will increase the housing stock within the City of Hayward, provide on-site affordable units, and take advantage of easy access to the South Hayward BART station as well as nearby parks, schools, and amenities. The project consistency with the *Hayward 2040 General Plan* goals and policies are discussed in greater detail in the findings section of the attached Resolution (Attachment III).

Zoning Ordinance. The project site is within the Single Family Residential (RS) zoning district. The RS district does not allow for townhomes nor the proposed project density, so as a result, the applicant is requesting a rezoning of the parcel to Medium Density Residential (RM). The RM district seeks to promote and encourage a suitable environment for family life in areas where a compatible mingling of single-family and multiple-family dwellings is possible. As proposed, the development complies with the development standards of the RM zoning district, as demonstrated in Table 1 below.

Given that the types of residential uses permitted in the RM district directly align with what is envisioned for the MDR land use designation in the *Hayward 2040 General Plan*, the proposed rezoning is compatible with the planned future development of the neighborhood. Further, if the property remained zoned as RS, the full range of residential types and densities described in the General Plan for the MDR land use designation would not be possible.

In order to approve the proposed Zone Change and Site Plan Review, Council must make the following required findings:

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<sup>1</sup> Hayward 2040 General Plan, Residential Land Use Designations: <https://www.hayward2040generalplan.com/land-use/residential>

### *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 the Zoning Ordinance and all applicable, officially adopted policies and plans;
- Streets and public facilities existing or proposed are adequate to serve all uses permitted when the property is reclassified; and
- All uses permitted when the 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.

### *Site Plan Review*

- The development is compatible with on-site and surrounding structures and uses and is an attractive addition to the City;
- The development takes into consideration physical and environmental constraints;
- The development complies with the intent of City development policies and regulations; and
- The development will be operated in a manner determined to be acceptable and compatible with surrounding development.

Staff has included additional analysis to support the proposed findings for approval in Attachment III.

Density Bonus. The applicant is requesting a Density Bonus, two waivers from standards in the Hayward Municipal Code, and a reduction in parking pursuant to Section 65915 of the Government Code.<sup>2</sup> A density bonus is a zoning tool granted by State law that allows for an increase in density with concessions and/or waivers to development standards when affordable housing units are included on-site.

According to the submitted Affordable Housing and Density Bonus Plan (Attachment V), the applicant is proposing to restrict two units with rents affordable to Very Low-Income households in accordance with State Density Bonus Law. In exchange, the applicant is entitled to a 38.5 percent density increase, which allows for the additional five units proposed.

In addition to increased density, State Law also affords density bonus projects a reduced parking standard for certain units. For this project, the 10 three-bedroom units only require 1.5 parking spaces per unit, instead of the 2.1 parking spaces that would typically be required by the Municipal Code. The 12 four- and five-bedroom units are still required to provide 2.1 parking spaces per unit.

In exchange for restricting two dwelling units as affordable to Very Low-Income households, the project is further entitled to up to three concessions and unlimited waivers from development standards as necessary. Pursuant to State law, the City *shall* grant the concessions and waivers proposed by the developer unless it finds that the proposed

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<sup>2</sup> Section 65915 of Government Code (State Density Bonus Law):  
[http://leginfo.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=65915.&lawCode=GOV](http://leginfo.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65915.&lawCode=GOV)

concessions do not result in identifiable and actual cost reductions or the waivers are not necessary to construct the project at the permitted density. Proposed concessions and waivers could be rejected if they would cause a public health or safety problem, cause an environmental problem, harm historical property, or are contrary to law.

While the applicant has requested no concessions as part of their Density Bonus application, the following two waivers are requested:

1. *Waiver #1 –Front Yard Setback:* The RM zoning district requires a 20-foot minimum front yard setback. All four proposed buildings encroach into the required front yard setback. The majority of the building facades would be setback 11-feet 4-inches from the front property line, while the front porch entryways would be setback 6-feet 11-inches. This reduced setback is necessary to maintain the required widths of the proposed one-car garages in each townhome, meaning that if the front setback standard was enforced, the project would not be able to be constructed at the permitted density. Additionally, there is an existing five-foot landscape buffer in the public right of way between the front property line and the back of the sidewalk, which effectively will make the proposed front setbacks appear to be 16-feet 4-inches and 11-feet 11-inches respectively.
2. *Waiver #2 –Rear Yard Setback:* The RM zoning district requires a 20-foot minimum rear yard setback. The project proposes a 13-foot setback for Buildings A and D due to limited space and the site constraints discussed above.

As shown in Table 1, the project complies with all applicable zoning requirements with the proposed rezoning of the property to RM and the Density Bonus provisions and waivers permitted by State law.

**Table 1: Zoning Compliance with Rezoning to RM and Density Bonus**

<b>Standard</b>	<b>HMC (RM)/GP Requirement</b>	<b>Proposed</b>	<b>Consistent?</b>
<i>Density With Density Bonus</i>	17.4 du/ac 24 du/ac	22.4 du/ac	Yes <i>(with Rezoning and Density Bonus)</i>
<i>Lot Coverage</i>	40%	40%	Yes
<i>Setbacks Front Side Rear</i>	20' minimum 10' minimum 20' minimum	6' 11" minimum 10' minimum 13' minimum	Yes <i>(with Density Bonus)*</i>
<i>Building Height</i>	40' maximum	39' maximum	Yes
<i>Parking With Density Bonus</i>	47 spaces 41 spaces	41 spaces	Yes <i>(with Density Bonus)</i>
<i>Open Space</i>	350 s.f./unit (7,700 s.f.)	8,662 s.f.	Yes

*\*Requested Density Bonus Waiver*

Housing Element, RHNA & 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. The following table demonstrates progress made toward meeting

Hayward's RHNA goals for the period between 2015-2023 as of the last report year (2020), which is shown in the column titled "Reported 2020." The State allows local jurisdictions to "report" the units when building permits are issued to construct the units. The "Approved" and "Pending Approval" columns provide an estimate of potential compliance by counting both entitled projects and projects going through the entitlement process.

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

Income Category*	Unit Goal	Reported 2020		Approved		Pending Approval		Estimated Compliance		Estimated Deficiency	
		Units	% of Goal	Units	% of Goal	Units	% of Goal	Units	% of Goal	Units	% of Goal
<i>Very low</i>	851	168	20%	293	34%	26	3%	487	57%	364	43%
<i>Low</i>	480	174	36%	226	47%	4	1%	404	84%	76	16%
<i>Moderate</i>	608	128	21%	60	10%	0	0%	188	31%	420	69%

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

The proposed project is subject to the requirements set forth in HMC Chapter 10, Article 17, Affordable Housing Ordinance.<sup>3</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 10-17.215, rental projects shall deed restrict no less than 6 percent of units on-site for Low- and Very Low-Income households. Further, the affordable units shall be integrated within the proposed residential development, shall be of similar or the same quality and provide access to the same amenities as the market rate units pursuant to HMC Section 10-17.220. As specified in Attachment V, the applicant is meeting and exceeding the AHO requirements by providing a total of two units as affordable to Very Low-Income households.

SB330 and Housing Crisis Act. In 2019, the State of California adopted new legislation (SB330) that is intended to address the State's housing crisis. SB330 strengthens the Housing Accountability Act (Government Code Section 65589.5), which states that a housing development project that complies with the objective standards of the General Plan and Zoning Ordinance must be approved by the City, unless the City is able to make specific written findings. The proposed project includes a zone change from RS to RM, and as a result, is *not eligible* for SB 330 streamlining.

## Environmental Review

In 2014, the City certified the EIR for the *Hayward 2040 General Plan*<sup>4</sup>. Pursuant to CEQA Guidelines Section 15183, projects consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified may not require additional review unless there may be project-specific effects that are peculiar to the project or site that were not adequately addressed in the EIR for the General Plan.

<sup>3</sup> HMC Chapter 10, Article 17, Affordable Housing Ordinance:

[https://library.municode.com/ca/hayward/codes/municipal\\_code?nodeId=HAYWARD\\_MUNICIPAL\\_CODE\\_CH10PLZOSU\\_ART17AFHOO](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART17AFHOO)

<sup>4</sup> Hayward 2040 General Plan EIR: <https://www.hayward-ca.gov/your-government/documents/planning-documents>

As the proposed project is consistent with the site's Medium Density Residential General Plan land use designation, an Infill Consistency checklist was prepared (Attachment VI), which tiers off the Hayward 2040 General Plan EIR. The checklist concludes that the proposed project would not have any significant effects on the environment that have not already been analyzed in a prior EIR, are more significant than previously analyzed, or that uniformly applicable development policies would not substantially mitigate. As a result, no further environmental analysis is required.

### **Staff Analysis**

Staff believes Council can make the required Findings to approve the Zone Change, Density Bonus, and Site Plan Review application based on the analysis provided herein and included within the required Findings in Attachment III. The proposed project complies with the applicable development standards and meets the intent of the RM zoning district as well as the goals and policies of the *Hayward 2040 General Plan*.

The proposed development includes 22 new housing units, including two rental units that will be affordable to Very Low-Income households. With the requested State mandated density bonus, not only is the proposed project consistent with the underlying Medium Density Residential General Plan land use designation, but it provides a higher density of units within walking and biking distance of the South Hayward BART station, allowing for easy commuting to and from the site. In addition, a number of other community facilities and amenities are within a quarter mile of the site, including Tennyson Park, which features a popular all-abilities playground, the Matt Jimenez Community Center, and the future Stack Center, which will house health and dental clinics, a childcare center, and community meeting rooms.

As designed, the project and proposed rezoning is compatible with the surrounding neighborhood as the proposed townhomes are directly across the street from other multifamily housing on RM zoned land and adjacent to commercial spaces. New landscaping will help buffer the site from lower density single family housing on RS zoned land to the west and north. While reductions to the required setbacks were requested as waivers within the Density Bonus application, bigger reductions were proposed along the front property line to preserve as much distance as possible from the existing single-family homes to the rear of the project. Additionally, the alignment of the short sides of the buildings with the front and rear of the property reduces the visual bulk and massing of the project, helping it to better fit with the existing surrounding development.

### **ECONOMIC IMPACT**

The proposed development would have a positive economic benefit in that it would result in the development of a vacant infill parcel with 22 new rental townhome 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**

This project supports the Strategic Priority of Preserve, Protect and Produce Housing for All in that it would add 22 new rental townhomes to the City's housing stock, including two units that would be affordable to very low-income households. It would also protect the existing homes in the surrounding neighborhood by introducing a compatible land use 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 townhomes that contain no gas-powered appliances, garages with parking spaces that are electric vehicle-ready, and solar roofs on each building. All landscaping is subject to the Bay-Friendly Water Efficient Landscape Ordinance.

## **PUBLIC CONTACT**

Public Outreach. On April 23, 2021, a Notice of Application Receipt was sent to 289 addresses, including all property owners, businesses, and residents within a 300-foot radius of the project site, as well as interested parties including the Harder-Tennyson Neighborhood Task Force, Harder-Tennyson Community Organization, South Hayward Neighborhood Group, Tennyson-Alquire Neighborhood Task Force, and South Hayward Parish. In response to this notice, staff received one request from a member of the public to view the project plans.

On July 1, 2022, a Notice of Public Hearing for the Planning Commission public hearing was circulated to a mailing list of 262 property owners, businesses, residents and interested stakeholders within a 300-foot radius of the project site as well as published within *The Daily Review* newspaper as a Legal Ad. The hearing date was later postponed from July 14, 2022,



to September 8, 2022, and as a result, a second notice was sent on August 26, 2022, to the same mailing list and an additional ad was published in *The Daily Review* with the rescheduled hearing date. No additional correspondence on the proposed project was received in response to these ads and mailings.

On September 30, 2022, a Notice of Public Hearing for the Council public hearing was circulated to the same mailing list of 262 property owners, businesses, residents and interested stakeholders within a 300-foot radius of the project site as well as published within *The Daily Review* newspaper as a Legal Ad. As of the writing of this staff report, no additional correspondence on the proposed project has been received.

### **NEXT STEPS**

If approved, the proposed Zone Change will be reviewed by the Council for a second reading for adoption. The proposed Density Bonus and Site Plan Review will be effective immediately.

*Prepared by:* Elizabeth Blanton, AICP, Senior Planner

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

Approved by:



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Kelly McAdoo, City Manager