



DATE: June 19, 2018

TO: Mayor and City Council

FROM: Interim Development Services Director Bristow

SUBJECT Proposed Development of a 13 Lot Subdivision at 24765 Hesperian Boulevard
Applicant/Owner: Three Cedars, LLC Requiring Introduction of an Ordinance and Resolution to Approve Zone Change and Tentative Map (8359), and Related Environmental Review (Application No. 201605551)

RECOMMENDATION

That the City Council introduces the Ordinance (Attachment II) approving the Zone Change to Planned Development District and adopts the Resolution (Attachment III) approving the Vesting Tentative Map (8359) and Initial Study/Mitigated Negative Declaration (Attachment V) and Mitigation and Monitoring Plan (Attachment VI), prepared for the project.

SUMMARY

The proposed project would result in development of a 13-lot subdivision on an approximately 1.8-acre infill site located at 24765 Hesperian Boulevard. The applicant is seeking approval of a Zone Change to Planned Development District to allow for smaller lots and more flexible development standards than are permitted under the applicable RS (Single Family Residential) District; however, the proposed density would be within the applicable Low Density Residential General Plan land use designation. The project site is located within the boundaries of the Airport Overlay Zone where the maximum density standard is set by the City's General Plan.

The proposed two-story single-family homes would range from 2,240 to 2,550 square feet, and at least six of the proposed homes would include an approximately 350 square foot Accessory Dwelling Unit (ADU) integrated into the floor plan to provide additional rental housing near Chabot College.

BACKGROUND

On [May 24, 2018](#), the Planning Commission held a public hearing and voted 4:1:0, to recommend that the Council approve the proposed project with a modification to the conditions of approval to prohibit construction on Sundays, which was requested by neighbors and agreed to by the applicant. The prohibition against construction on Sundays was added as Condition Nos. 29 and 127a in the attached Resolution No. III.

There were three public speakers who opposed the project due to concerns about increased traffic, safety and access from neighborhood streets, and impacts related to construction. Generally, the Commissioners felt that the project was appropriate for the project site. One Commissioner recommended against the project because he would like to see commercial development or another more intense use on the site and concerns that the proposed development would create traffic and safety issues within the established neighborhood. He also noted that he would only support a project at this location if it had access from Hesperian Boulevard.

Project Description

Existing Conditions: The 1.8-acre project site is located at 24765 Hesperian Boulevard (APN 441-0012-062-02). The roughly rectangular parcel is flat and developed with an approximately 2,200 square foot single family home and detached garage that were built between 1918 and 1922. According to a Historic Resource Evaluation Report prepared for the project (Attachment V, Appendix B), the integrity of the existing single-family home was compromised due to significant alterations to the original windows, doors and exterior trim. The primarily undeveloped site is covered in 88 trees and groundcover.

Land uses adjacent to and surrounding the project site include Chabot College to the south, single family residences to the north and west, and commercial uses, including Southland Mall, to the east of the project site.

Proposed Project: The proposed project includes a request for a Zone Change from Single Family Residential District to PD (Planned Development) District to allow for smaller lots and reduced setbacks than would otherwise be required under the base zoning district; and, approval of a Vesting Tentative Map (8359) to subdivide the site into 13 single family lots. See Table 1 under the Policy Context and Code Compliance section below for a comparison of the required RS District versus the proposed PD District standards.

The proposed project includes construction of single-family homes on each of the proposed lots. The two-story homes would range from 2,240 to 2,550 square feet in size and reach approximately 26 to 27 feet in height. The development would include two different floor plans with two elevation types (Farmhouse and Spanish styles) for each floor plan. Six of the proposed Plan 2 residences would include an approximately 350-square foot studio accessory dwelling unit within the footprint of the home (Attachment IV, Sheet A2.1). The ADUs would include kitchenettes and would be accessed from a door on the side of the residence to ensure that the residence retains the appearance of a single-family home from the public right-of-way. An approximately 4,500 square foot open space node between Lots 5 and 6 would provide a bioretention area for stormwater drainage and a passive open space node for residents.

Vehicular access to the project site would be from the existing Yew Court/Sangamore Street intersection to a private roadway (Acorn Street) that would provide access to all the proposed lots (Attachment IV, Sheet C3.0). Acorn Street would have two-way vehicular access, sidewalks on both sides of the street and parking on one side of the street.

Policy Context and Code Compliance

Hayward 2040 General Plan: The project site has a Low Density Residential General Plan land use designation where detached single-family homes are identified as primary uses at a density range of 4.3 to 8.7 dwelling units per net acre. According to the General Plan, net acreage excludes land required for public and private streets, parks and other public facilities. The gross project site is 1.8 acres (78,490 square feet), and the proposed private roadway is 10,403 square feet. Reducing the gross acreage by the proposed roadway results in 1.56 net acres (68,087 square feet) of site acreage where a maximum of 13 single-family lots would be permitted.

In addition to the allowable density range, the proposed development is consistent with General Plan Land Use Goals and Policies related to growth and infill development (LU-1.3 and LU-3.7); and, Housing Goals and Policies related to a diversity of housing types (H-3.1); development of underutilized sites (H-3.5); and implementation of flexible standards and regulations (H-3.6).

Zoning Ordinance: The proposed project site includes a Zone Change to PD District to allow for flexibility from the applicable RS District standards. Specifically, the project is seeking deviation from the minimum lot standards and setbacks to develop to the maximum density permitted under the Low Density Residential General Plan land use designation.

Table I below provides a comparison between the proposed PD District and the applicable RS District standards.

TABLE 1: REQUIRED & PROPOSED DEVELOPMENT STANDARDS

APPLICABLE STANDARD	RS DISTRICT – REQUIRED	PD DISTRICT – PROPOSED	CONSISTENT
Lot Size	- 5,000 square feet - 5,914 sq. ft. corner lot	Lots 7-13 would range from 4,210 sq. ft. to 4,430 sq. ft. Lots 1-6 would range from 5,274 sq. ft. to 6,129 sq. ft.	Seven lots would not be consistent.
Lot Frontage	35 feet	Lot 5 – 25 feet; Lot 13 – 28 feet; All other lots - 46 to 50 feet	Two lots would not be consistent.
Setbacks	- Front - Sides - Street Side - Rear	- Range of 6 to 34 feet - Range of 4 to 5 feet - Lot 13 - 6.8 feet - 18 to 31 feet	Smaller front and side yards; generally consistent rear yards.
Lot Coverage	40%	21% - 31%	Yes
Height	30 feet	Approx. 26-28 feet	Yes
Parking	Two parking spaces within an enclosed garage	Two parking spaces within an enclosed garage	Yes

Pursuant to the Hayward Municipal Code (HMC) Section 10-1.2535(d), findings for the Planned Development designation, any deviations from or exceptions to the base district standards shall be compensated by the installation of amenities not otherwise required. The applicant is proposing to off-set the deviations from the base standards by installing solar panels on all residences; public art on the wall along Hesperian Boulevard frontage to the West Street intersection; and construction of in-law units within a minimum of six of the residences.

Accessory Dwelling Units: Pursuant to HMC Section 10-1.2743(c), ADUs are permitted within Planned Development Districts provided that ADUs are specifically called out as permitted uses within the applicable Planned Development District.

Airport Overlay Zone: The project site is located within Zone 3 – Inner Turning Zone, of the [Airport Overlay District](#) (AOZ), and is therefore subject to specific limitations and regulations for all new development within those boundaries. Pursuant to HMC Section 10-6.30(a)(1), the maximum density for new residential development within the AOZ is set by the applicable General Plan land use designation. In this case, the proposed development is consistent with the Low Density Residential General Plan land use designation as described above.

The proposed development would not result in interference with air space protection policies in that structures would be less than 30 feet in height; would be located outside of the 65 dB CNEL Noise Contour Map for the airport; and, the proposed single-family neighborhood would not generate glare, distracting lights, or electrical interference that would compromise aircraft communications.

Affordable Housing: The proposed project is subject to the requirements set forth in [HMC Chapter 10, Article 17, Affordable Housing Ordinance](#). Per HMC Section 10-17.205, an applicant may satisfy the requirements of the ordinance by paying an affordable housing in lieu fee, including affordable units within the proposed development as specified in the ordinance, or constructing off-site affordable units. The applicant has chosen to pay the in lieu fees for this project.

The application was submitted on October 19, 2016, and deemed complete before December 20, 2018, therefore, the project is subject to 50% of the Affordable Housing In-Lieu Fee set by Resolution No. 17-167, provided that the developer pulls building permits for the project by January 31, 2020. If the developer pulls building permits after that date, developer is subject to the fees in place at the time of building permit issuance.

Parkland Dedication: [HMC Chapter 10, Article 16, Property Developers – Obligations for Parks and Recreation](#) sets forth the parkland dedication requirements for private development based on residential unit count. Pursuant to the Ordinance, the applicant will pay fees in lieu of land dedication. Currently, the fees are \$11,953 for a detached single-family home and \$9,653 for a multi-family unit (also applicable to ADUs). Conditions of approval will require that the developer pay the applicable fees in place at the time of building permit issuance.

Tree Preservation: [HMC Chapter 10, Article 15, Tree Preservation](#), provides guidance on the preservation of protected trees and procedures for removal and mitigation of protected trees. Pursuant to the ordinance, native trees with four inches or larger trunk diameter; all trees with eight inches or greater trunk diameter; and all street trees are protected. Based on these standards, a total of 78 trees are subject to Tree Removal Permit review and approval. See analysis in Arborist Report (Attachment V, Appendix A), Mitigation Measures BIO-2.1 and 2.2 and proposed Conditions of Approval Nos 92-94, 102-104, and 109 related to tree preservation, permits and mitigation.

Vesting Tentative Map Tract 8428: The proposed project includes a Vesting Tentative Map (8359). The proposed project site is an infill site and the City of Hayward provides water and sanitary sewer service to the site, and has adequate capacity to serve the proposed development. Access to the site would be provided from a proposed private street (Acorn Street) that would be a continuation of the existing Yew Court (Attachment IV, Sheet C4.0).

DISCUSSION

Staff believes that the Council can make the findings to recommend approval of the proposed development in that it will result in development of a currently underutilized, infill site and will follow the general development pattern and density of the surrounding single-family neighborhood. The Land Use and Housing Elements of the Hayward 2040 General Plan contain specific policies related to directing population growth toward infill development sites within the City. The proposed project site is an ideal infill site in that it is nearly two acres in size; it is under developed with a single-family home; it is surrounded by development; and it is located within walking distance to Chabot College, Southland Mall, and other commercial uses along Hesperian Boulevard.

The proposed project includes a request for a Zone Change from RS District to PD District to allow for slightly smaller lots and setbacks than would be permitted under the current zoning. As shown in Table 1 above, the proposed development adheres closely to the RS District standards in the areas of lot coverage, parking, rear yards and side yards, and the deviation from the code requirement is minor in that half of the lots meet the RS District standard of 5,000 square feet or more, while seven lots would be about 84% of that standard (approximately 4,200 square feet where 5,000 square feet is required). Proposed Conditions of Approval to expand the front yard driveways (proposed Condition No. 41) and to flip house plans to expand side yards (proposed Condition No. 40) would minimize impacts related to off-street parking by providing adequate room to park cars on the driveway, and would expand consistency with applicable RS District standards.

To off-set the benefits of establishing a PD District on the site, the applicant is proposing to install solar panels on the residential units; install a mural, mosaic or other public art component on the new sound wall fronting Hesperian Boulevard and improve the portion of the sound wall from West Street to the new wall, and to construct ADUs within a minimum of six of the residences. The installation of ADUs is appropriate in this location because the ADUs will be incorporated into the home design and the lots are large enough to accommodate the proposed residences with ADUs. In addition, the ADUs will provide studio

rental units within walking distance of Chabot College and Southland Mall and other retail establishments along Hesperian Boulevard. Proposed Condition No. 37, would require installation of a pedestrian pathway and gate at the small open space between Lots 5 and 6 to provide easy pedestrian access to Hesperian Boulevard and to Chabot College from the proposed development.

Public comments and written correspondence from neighbors are primarily concerned with increased traffic and requests that access to the site be provided from Hesperian Boulevard rather than from the residential Yew Court and Sangamore Street. It is estimated that the proposed project would generate about 13 AM peak hour trips and 16 PM peak hour trips (see detailed discussion on this topic in Attachment V, pages 99-103), which is not expected to generate a significant increase in traffic.

The City's Engineering and Transportation Division evaluated the community proposal to align a new project driveway with the Hesperian Boulevard/La Playa Drive signalized intersection and found that the improvement would require purchase of an adjacent lot to the subject site (which is not for sale), and demolition of the home and sound wall on that lot. The Engineering Division also evaluated the suggested option of providing driveway access to the subdivision from Hesperian Boulevard and found that a dedicated driveway on Hesperian Boulevard could result in safety and traffic operation issues due to the close proximity of the site to the Hesperian Boulevard/La Playa Drive signalized intersection; would require restricting access to the future subdivision (i.e. right in and right out due to the median which would result in more U-turns along Hesperian Boulevard); lead to possible sight distance and visibility issues; and may require relocation of the AC Transit bus stop. Based on this analysis, the Engineering Division recommended the developer provide access from Yew Court and Sangamore Street, as proposed, due to adequate capacity on those streets to serve the additional traffic and for traffic safety reasons.

Based on this analysis and the findings set forth in the attached Resolution, staff recommends the City Council approve the project, as conditioned.

Environmental Review

An Initial Study evaluating the potential environmental impacts of this project was prepared in accordance with the California Environmental Quality Act (CEQA). The Initial Study found that the proposed project would result in potential impacts in the areas of Air Quality, Biological Resources, Cultural Resources, Hazards and Hazardous Materials, Hydrology and Water Quality, and Noise, and contains standard or project-specific mitigation measures reducing 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 on April 27, 2018. The NOI and the Initial Study were posted at the Permit Center and the City Clerk's Office at City Hall; delivered to both Hayward libraries; and posted on the City's website. Copies of the NOI were sent to interested parties and property owners within 300 feet of the project site on April 27, 2018. The public comment

period for the proposed Mitigated Negative Declaration and Initial Study ran from April 27, 2018 through May 17, 2018.

A copy of the NOI, Initial Study/Mitigated Negative Declaration (IS/MND), and Mitigation Monitoring and Reporting Plan (MMRP), are attached to this report for the Commission's review and consideration (Attachment V and VI). The Commission must consider these documents prior to forming a recommendation on the proposed project.

As of the publication of this staff report, two comment letters were submitted on the IS/MND. The comment letters expressed concerns about traffic and noise and opposed access to the site from Yew Court and Sagamore Street.

As detailed in Section 4.16, Transportation/Traffic, the project will not result in a significant increase in traffic in that it will generate 13 AM peak hour trips and 16 PM peak hours trips. The IS/MND did not result in any impacts related to site access from Yew Court and Sangamore Street.

Regarding noise, the proposed single family residential use will not generate operational noise impacts that is out of character based on the surrounding area; however, according to the IS/MND (pages 88-90), the proposed development could result in temporary and periodic construction-related noise impacts. Standard Measure Noise and Vibration (AM-NV) 1-1, would require implementation of best management practices during construction to reduce construction-related noise impacts to a level of less than significant.

ECONOMIC IMPACT

The infill project site is currently developed with a single-family home that is vacant. The proposed development will have a positive economic benefit in that it would result in development of the underutilized site with 13 new single-family homes and six in-law units. Development would have a positive economic benefit in that it would raise the subject parcel land values; generate temporary construction related jobs; and, attract up to 13 middle income households whose annual expenditures would increase property and other taxes in the City.

FISCAL IMPACT

The City's Fiscal Impact Model created by Applied Development Economics, Inc. and updated in 2017, estimates that the project would generate an estimated \$34,085 in revenues annually from taxes including: property, real property transfer, business license, emergency facilities and intergovernmental transfer among others, and would also create approximately \$30,284 in annual expenses relating to City services including but not limited to Fire, Police, Library, Maintenance Services, resulting in a net positive impact of approximately \$3,800 per year.

STRATEGIC INITIATIVES

The proposed project supports the City's Complete Communities Strategic Initiatives. The purpose of the Complete Communities Initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This item supports the following goal and objectives:

Goal 2: Provide a mix of housing stock for all Hayward residents and community members, including the expansion of affordable housing opportunities and resources.

Objective 2.b: Facilitate the development of diverse housing types that serve the needs of all populations.

Objective 2.d: Increase the supply of affordable, safe and resilient housing in Hayward.

SUSTAINABILITY FEATURES

The proposed project includes placement of solar panels on all residences as an amenity in exchange for the proposed PD District designation. In addition, each unit will be built to the Build It Green Gold Standard including installation of energy efficient appliances, windows and insulation within all residential units. The residences will also be pre-wired for electric car chargers and include tools to harvest rainwater for landscaping which are required per the Building Code and the Hayward Municipal Code.

PUBLIC CONTACT

An initial Notice of Receipt of the project application was sent to 206 property owners and residents within a 300-foot radius of the site in October 2016. In addition, the application was routed to the Westwood Manor Homeowners Association (HOA), the Southgate Area HOA, and the Mt. Eden Neighborhood Task Force.

On November 17, 2016, the City held a Preliminary Meeting to take agency and public comments on the proposed subdivision. About eight neighbors attended the meeting and expressed concerns about increased traffic and loss of trees and bird habitat related to development of the largely vacant site.

On May 1, 2017, the applicant held a community meeting at the Hampton Inn in Hayward, to present the project and to answer questions about the proposed development. Notices of the community meeting were sent to property owners, residents and businesses located within 300 feet of the project site. About 15 community members attended the meeting. Public comments at the meeting centered around traffic and access concerns, construction impacts to surrounding residences, and loss of trees and bird habitat.

On April 27, 2018, notices of this public hearing and the Notice of Intent to Adopt a Mitigated Negative Declaration with Mitigation Monitoring Plan were sent to all property owners and residents within a 300-foot radius of the project site; to interested parties who requested to be notified about the project; was posted at the Alameda County Clerk Recorder's Office; and, was published in The Daily Review.

On June 8, 2018, notice of the City Council public hearing were sent to all property owners and residents within a 300-foot radius of the project site; to interested parties who requested to be notified about the project; and, was published in The Daily Review.

NEXT STEPS

Following Council approval, the Ordinance approving the Zone Change to Planned Development District will return to the City Council for a second reading after which the applicant will apply for Final Map approval. The Final Map will be subject to City Council review and approval, after which construction permits will be processed and issued to ultimately allow for development of the project.

Prepared by: Leigha Schmidt, AICP, Senior Planner

Recommended by: Stacey Bristow, Interim Development Services Director

Approved by:



Kelly McAdoo, City Manager