



DATE: January 22, 2019

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT: Mission Boulevard Corridor and South Hayward BART/Mission Boulevard Form-Based Code Updates Work Session

RECOMMENDATION

That the Council provides feedback and direction on the updates to the Mission Boulevard Corridor and the South Hayward BART/Mission Boulevard Form Based Codes.

SUMMARY

This is a work session to obtain feedback and direction from the City Council on the future updates to the City's two form-based codes: the Mission Boulevard Corridor¹; and South Hayward BART/Mission Boulevard² Form Based Codes (FBC). The goal of this project is to take both form-based codes and adapt each code into clear and understandable regulatory sections that intuitively make sense to residents, developers, and City staff.

The updated Codes will continue to regulate development to ensure high-quality public spaces defined by a variety of building types and uses including housing, retail, and office space. The updated Codes may modify the regulating plan, building form standards, street standards (plan and section), 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

In September 2011, the City Council adopted the South Hayward BART/Mission Boulevard Form Based Code and certified the Environmental Impact Report and related Mitigation and Monitoring Reporting Program for a total area of approximately 240 acres from Harder Road to Garin Avenue on parcels to the east and west of Mission Boulevard.

¹ Mission Boulevard Corridor Form-Based Code:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART25HAMIBOCOF0SECO

² South Hayward BART/Mission Boulevard Form-Based Code:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART24SOHABAMIBOF0SECO

In October 2013, the City Council adopted the Mission Boulevard Corridor Specific Plan and Form-Based Code and certified the Environmental Impact Report with Mitigation Monitoring and Reporting Program for a total area of approximately 240 acres from areas east and west along Mission Boulevard in two separate segments. The northern segment spans along Mission Boulevard from the northern City boundary south to A Street, and the southern segment extends along Mission Boulevard from Jackson Street south to Harder Road. A map of the two FBC planning areas is included as Attachment II.

Since adoption of the FBCs, there have been few revisions or modifications to the Codes and similar to any zoning ordinance, specific plan, or general plan, regular updates and/or amendments are required to reflect new policies, development standards, and land uses. As part of the approved FY2018 budget, the Development Services-Planning Division established a goal of revising and updating the City's two form-based codes and has earmarked the funds to initiate this project. The project requires a thorough review of each Code to remove inconsistencies, update policies and land uses, and streamline the development review process in an effort to make the Codes easier to understand and administer.

On April 9, 2018, the City issued a Request for Proposals (RFP) to update the Mission Boulevard Corridor and South Hayward BART-Mission Boulevard Form Based Codes. On May 22, 2018, the City Council adopted Resolution No. 18-085, which authorized the City Manager to execute an agreement with Lisa Wise Consulting, Inc. (LWC) for the preparation of a comprehensive update to the two Codes. Since May 2018, LWC has been meeting with City staff, conducting public outreach with key stakeholders, and evaluating the existing FBCs to identify issues related to Code administration and implementation.

Stakeholder Interviews: On December 10-11, 2018, LWC conducted numerous stakeholder interviews with staff representing public agencies, transit providers, neighborhood associations, community stakeholders, developers, design professionals, and city departments. Several similar opinions emerged among interviewees regarding issues with the current form-based codes. While the interviewees may ultimately differ 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. Following is a list of common themes from the interviews:

1. **Complexity.** The Codes are too complex and hard to interpret, and the document format and layout is difficult to navigate.
2. **Development Standards.** The Codes should focus development standards on key elements of building form. The two FBC are overly prescriptive in some instances, such as roof pitch and building articulation, and offer too many options in other instances.
3. **Parking Supply.** A balance should be struck between providing parking to ensure accessibility and limiting parking to encourage and support transit use and the development of vibrant, walkable, and mixed-use areas. Parking management and enforcement could help alleviate parking problems in the project area and adjacent neighborhoods.

4. **Ground Floor Uses.** The Codes should ensure activity at the ground floor along street frontages. However, restricting the ground floor area to “retail” uses is onerous and likely not viable. Active ground floor uses could include a variety of restaurant, entertainment, and service uses, and in some areas residential and community uses, all of which contribute to a 24-hour street presence and ‘eyes on the street’.
5. **Thoroughfares.** Connectivity is important but the thoroughfare standards in the FBCs are overly prescriptive, do not reflect Complete Street best practices and other City standards for the design of accessways/pathways and in some cases, render new development infeasible.
6. **Flexibility.** The Codes should incorporate flexibility to address irregular lot sizes, unique site conditions, or specific issues while still ensuring the intent of the regulation is satisfied. This process can replace warrants/exceptions, which often has a negative connotation, with a new streamlined and simplified process that encourages creativity in design.

A complete summary of comments received from the Stakeholder Interviews is included as Attachment III.

DISCUSSION

The two Form-Based Codes are 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 were to 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 main objectives of the FBC updates are the following:

- Be consistent with and help implement the *Hayward 2040 General Plan*³ and Economic Development Strategic Plan⁴;
- Promote high quality design through clear and effective regulations;
- Use clear and consistent terms and definitions;
- Establish a clear development review and permitting process to increase efficiency and predictability;
- Be consistent with State and Federal law; and
- Be clear, concise, and easy to use and understand.

Although both FBCs are generally consistent with the *Hayward 2040 General Plan* and seek to carry out many of the General Plan goals and policies, the Codes differ from the existing and traditional zoning in that it emphasizes urban design and provides more flexibility for uses (or functions), encouraging (not requiring) mixed use.

In an effort to assist LWC with the updates, staff is requesting specific feedback from Council on the following:

- Does the Council have general comments on the Form Based Codes that the Consultant should consider moving forward?
- Are there specific land uses that should or should not be allowed in the FBC areas?
- Is there anything, in particular, that is working well or not working well related to development standards or the process for granting exceptions and warrants?
- Are any of the “common themes” identified in the Stakeholder Interviews expected or were there any surprises?

ECONOMIC IMPACT

Staff anticipates that the updates to the Mission Boulevard Corridor and the South Hayward BART/Mission Boulevard FBCs will help foster new development along the Mission Boulevard corridor, creating positive economic benefits resulting in new businesses and residential units bringing additional sales tax and property taxes to the City. The updated Codes will create a more efficient and effective zoning tool that is easier to understand and administer. Having updated FBCs will further clarify the community vision along the Corridor and help streamline the development review process, which is critical for residents, developers, and tenants interested in investing in Hayward.

FISCAL IMPACT

The FBC update is funded through the City’s General Fund and was included as a part of the work plan for the Planning Division of Development Services for FY2017/18 at a cost of

³ Hayward 2040 General Plan:
<https://www.hayward2040generalplan.com/>

⁴ Economic Development Strategic Plan:
<https://www.hayward-ca.gov/your-government/documents/economic-development-strategic-plan>

\$160,000. The cost of this work is included in the Department's FY2019 Operating Budget and will have no additional impact on the General Fund.

Once updated, the City may see additional General Fund revenues through implementation of the FBCs with new construction projects and building permits fees, including increases in sales and property taxes.

STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Strategic Initiative is to create and support structured services and amenities to provide inclusive and equitable access for all with the goal of becoming a thriving and promising place to live, work and play. This item supports the following goal and objective:

Goal 3: Develop a Regulatory Toolkit for Policy Makers.

Objective 3: Update, streamline, and modernize zoning codes.

NEXT STEPS

Following the City Council work session, LWC will incorporate any comments received and update the FBCs. Staff anticipates the draft of the updated FBCs will be released later this Spring 2019 with public hearings on the draft in Summer 2019. Following completion of environmental analysis, the updated FBCs will be forwarded to the Planning Commission for review and recommendation and to the City Council for adoption.

Prepared by: Jeremy Lochirco, Principal Planner

Recommended by: Laura Simpson, Development Services Director

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', is written over a horizontal line.

Kelly McAdoo, City Manager