



SUBJECT

Proposed subdivision and construction of 140 three-story condominiums of a townhome design, a 93-room hotel, and 7,225 square feet of community-serving retail use on a 9.72-acre site located at 25501 & 25551 Mission Boulevard and 671 Berry Avenue, requiring 1) a Zone Change on a 1.9-acre portion of the project site from T4-2 Urban General Zone (17.5 min to 35 units max/net acre) with a Commercial Overlay Zone 1 to T4-2 with a Commercial Overlay Zone 2; 2) Site Plan Review; 3) Conditional Use Permit to allow ground floor residential; 4) Administrative Use Permit to allow hotel/lodging; 5) Warrant for excess parking; 6) Vesting Tentative Tract Map 8345 associated with the subdivision; and 7) an Addendum to the Mission Boulevard Corridor Specific Plan Area Environmental Impact Report (EIR). MLC Holdings, Inc. (Applicant) Auto Mission, Ltd. and Charles L. Pifer (Property Owners).

RECOMMENDATION

That the Planning Commission recommends approval to the City Council of the proposed project, including the adoption of the Addendum to the Mission Boulevard Corridor Specific Plan Area Environmental Impact Report, subject to the findings in this report and attached Conditions of Approval.

SUMMARY

The proposed project, known as Mission Crossings, is recommended for approval by staff because it represents attractive mixed use envisioned by the Mission Boulevard Corridor Specific Plan and Form-Based Code. The proposed residential, commercial, and hotel uses respond to the General Plan land use of Sustainable Mixed Use (SMU); and the proposed density of 18.18 units per acre for the residential development lies within the established density range of 17.5 to 35 units per acre for the site. The proposed project also responds to market demand for commercial and residential uses in the area.

A unique feature of the propose project is a 16,000-square foot urban farm, which will be managed by Farmscape, LLC - the State's largest urban farming company. The farm would include areas for growing produce, with 15 fruit trees that will produce 1,200 to 1,800 pounds of food per year. The urban farm is consistent with many General Plan policies that encourage local food production, would be funded by the project's homeowners' association, and could host agricultural education programs.

The project is well-designed within the configuration and constraints of the project site and development standards for the T4 Transect zones, and as described in this report, findings can be made to support it.

BACKGROUND

[CEDC Meeting of September 14, 2015](#) – The Council Economic Development Committee reviewed a previous design for this site by the same proponent that involved an art walk and community center along the front of the property, versus a hotel with retail space, along with 164 three-story townhome-style condos. The CEDC members expressed concerns with the absence of retail and/or commercial use in the proposal, and encouraged sustainable features and more parking. The proponent has worked with staff over the last approximately 18 months to develop the current proposal.

Site Description and Project Setting - The 9.72-acre project site is situated between a major thoroughfare (Mission Boulevard) and the BART right-of-way. It is comprised of four legal parcels and is generally flat. The largest parcel at 25551 Mission Boulevard is approximately 7.5 acres and was previously used as the Hayward Ford Dealership and service facility. This parcel is approximately 766 feet deep extending the full distance between Mission Boulevard and the BART tracks. A used car dealership at 25501 Mission at the corner of Mission and Torrano occupies a 1.2-acre site that is comprised of two legal parcels. An unoccupied house is currently situated on the fourth parcel at 671 Berry Avenue on an approximately one-acre lot.

The project represents consolidation and re-use of abandoned, obsolete, or underperforming uses, resulting in permanent improvements to the area. Surrounding properties include a variety of uses that are in various stages of occupancy. Uses to the north along Mission Boulevard and adjacent to the project site along Berry Avenue are automotive in nature with used auto sales and service operations, a gas station, and other independent auto services set back from Mission Boulevard. Uses along Berry Avenue include auto glass repair and multi-family residential, generally apartments, including an affordable housing project with a pre-school. Uses along the southerly boundary across Torrano Avenue also are related to new and used auto sales, services, and repairs. Uses across Mission Boulevard to the east include small scale retail (convenience stores, etc.) scattered among a variety of vacant and abandoned properties. The property adjacent to the westerly boundary of the project site is used as a line for the Bay Area Rapid Transit (BART) District. Whitman Avenue runs parallel along the west side BART line. Uses on the opposite side of Whitman Avenue mainly are apartments with exception of a perpendicular street improved with older, single-family homes.

Regulatory Context - The project site is in the Mission Boulevard Corridor Specific Plan area and is subject to the development standards and regulating plan of the Form-Based Code for that area. In 2011, the City Council certified a program-level environmental impact report (EIR) for the Specific Plan and the Form-Based Code.

As shown in the figure below, the project site involves two Transect zones (T4-1 and T4-2) and two different commercial overlay zones. An area of approximately 8.7 acres (the former Ford site and the used auto site) is zoned T4-2 Urban General Zone (17.5 min to 35 units per net acre). The Berry Avenue parcel, zoned T4-1 Urban General Zone (17.5 min to 35 units per net acre), is not a part of the requested Zone Change. As shown below to the left, the T4-2 portion of the project site is fairly evenly divided between Commercial

Overlay Zone 1 (approximately 4.1 acres along the front portion of the site at a depth of about 330 feet), and Commercial Overlay Zone 2 (approximately 4.6 acres). The boundary between the two overlay zones does not follow an existing legal lot line. The difference between Commercial Overlay Zone 1 and Commercial Overlay Zone 2 relates to areas where ground floor residential units may (with a conditional use permit) or may not be developed.



The requested zone change would affect approximately 1.9 acres and result in a larger Commercial Overlay Zone 2 (6.5 acres) for the proposed residential unit development.

DISCUSSION AND STAFF ANALYSIS

Project Description (see Attachment IV)

Commercial Use Layout and Building Design

An area of approximately 2.2 acres along the Mission Boulevard frontage is proposed to be developed with a four-story, 93-room Residence Inn hotel with 3,382 square feet of conference room/meeting space and 7,225 square feet of ground floor, community serving retail use. The hotel and retail uses will be situated within an area of approximately two acres along Mission Boulevard. Access to the parking for commercial

uses would be provided by a slip lane off Mission Boulevard in conformance with the requirements of the Form-Based Code with one-way angled parking with entry points providing access to parking lots on both sides of the hotel building. The ground floor of the four-story hotel is occupied by the lobby, commercial space oriented towards Mission Boulevard, dining area, meeting rooms, fitness room, laundry, storage, mechanical, and equipment. An indoor hotel pool also is located at ground level near the northwest corner of the building. Floors 2, 3, and 4 each have 31 guest rooms for a total of 93 rooms. Total building area for the hotel and commercial space is approximately 45,252 square feet.

The ground floor retail uses extend towards the street beyond the upper levels of the hotel. The exterior of the hotel is articulated with alternating wall planes defined by the color and texture. The hotel entry and commercial uses to the southerly corner are enhanced with white, textured, pre-cast concrete panels. The upper floors are typically sand pebbled stucco painted in three different colors and accented with black, pre-cast concrete veneer panels. Roof mounted equipment (including solar panels) would not be visible to any ground level location on or off the project site.

Proposed signage is not a part of this application. However, it is anticipated that the commercial uses would be served by ground floor signage, and the hotel would request top story signage. A 16-foot high entry monument for the residential community is proposed at Torrano Avenue and Drive Aisle A. Separate sign permits would be required.

Residential Layout and Buildings Design

The residential component of the project will be developed with 140 three-story townhome-style condominiums on approximately 7.52 acres. The T4-1 and T4-2 General Urban Zones prescribe a density of 17.5 units minimum to 35 units maximum per net acre. The proposed project at 140 units on 7.7 acres represents a density of 18.18 units per acre consistent with the zoning.

The site would be developed with 27 buildings of three, four, five, or six units each. Each unit would have two enclosed parking spaces accessed from a system of drive aisles. Front entries would be oriented towards a series of landscaped walkways or paseos. Vehicular access to the residential community would be located from both Torrano Avenue on the south (primary entrance) and Berry Avenue on the north. The private street/drive aisle system would be landscaped with through access and perpendicular guest parking spaces available in several locations. An open space feature of the project is a 16,000 square foot urban farm that will be professionally managed by *Farmscape*. Outdoor amenities would include outdoor dining/BBQ area, farm shed and children's play area.

As shown on Attachment IV, the project proposes five different floor plans ranging in size from 1,437 square feet to 2,219 square feet. Plans 2, 3A, 3B, 4 and 5 all have 4 bedrooms and 3½ bathrooms. In each of these plans, parking and a bedroom suite with full bathroom are located on the ground floor. Living area with kitchen and powder room are located on the second floor. The master suite (with full bathroom), two bedrooms,

and a second full bathroom are located on the third floor. The smallest (Plan 5) is a two-bedroom unit with dual master suites on the third floor and tandem parking in each garage. Plan 2 and Plan 5 are designed as an interior unit. Plans 3A, 3B, and 4 are end units. Each unit also has a private balcony off the second floor living area. Plan 2 is the most common floor plan in the project at 37 units (or 26%) of the total.

The floor plans are arranged in five building types depending upon the number of units per building (buildings types A through F). Building A is a 3-plex, Building B is a 4-plex, Building C is a 5-plex, and Buildings D and E are 6-plexes. Of the 27 residential, 3-story buildings, 22 buildings are equally divided between 5 or 6 units each. All buildings have flat roofs. Exterior elevations are articulated with recessed or projecting wall planes and a mix of contrasting, but neutral colors. Exterior materials feature stucco finish with secondary materials of vertically scored fiber cement board, and brick veneer on the lower level entry façade of Plan 2. Accent materials include metal trim, railings, awnings and fixtures as well as tile detailing in balconies and at some unit entries. All windows are vinyl framed, and all units have sectional roll-up garage doors.

Subdivision and Infrastructure

An application for Vesting Tentative Tract Map 8345 has been submitted that would reconfigure the project site into a lot for the hotel use, a number of lots for each townhouse structure (condominiums), and lots for common areas including landscaping, circulation, and environmental areas. The slip lane area between the hotel frontage and Mission Boulevard would be dedicated to the City, but maintained by the adjacent commercial property owner (hotel) through an agreement with the City.

The existing utilities in the project vicinity, including sanitary sewer, water and storm drain systems, have sufficient capacity to adequately serve the proposed development. As reflected in Condition #164 in the attached recommended conditions of approval (Attachment II), the developer will be required to pay a fair share contribution toward the cost for upgrading the sewer collection system on Harder Road, which is planned to be done in the future. On-site sewer and water utilities will be installed within new public utility easements granted as part of the subdivision map process. Any overhead utility lines, as well as any new utility lines, will be required to be placed underground as part of the site improvements. The proposed on-site circulation system has been reviewed by the fire department and has been determined (based on conditions of approval) to be adequate for access by safety vehicles and apparatus.

Property ownership within the residential portion of the project will require participation in an incorporated Homeowner's Association (HOA) that privately will own and be responsible for maintenance of the common areas. CC&Rs will be required to include HOA responsibilities for maintaining all private streets, private street lights, private utilities, and other privately owned common areas and facilities on the site, including, but not limited to, clean water treatment facilities, landscaping, preservation and replacement of trees, as well as decorative paving. For any necessary repairs performed by the City in locations under the on-site decorative paved areas, the City shall not be responsible for the replacement

cost of the decorative paving. The replacement cost shall be borne by the HOA established to maintain the common areas within the association boundary. The CC&R's will also contain a standard condition that if the HOA fails to maintain the common areas, private streets, lights, and utilities, the City of Hayward, after adequate notice, will have the right to enter the subdivision and perform the necessary work to maintain these areas and lien the properties for their proportionate share of the costs.

Parking

The Mission Boulevard Corridor Form-Based Code specifically states that “Non-Residential Functions shall have no requirement for a minimum number of off-street automobile parking spaces.” However, the Residence Inn hotel parcel includes 65 on-site spaces located in parking areas on the north and south sides of the building and parallel spaces along the rear drive aisle adjacent to the building. Some of the on-site spaces would be provided beneath the upper floors of the hotel. In addition, there are 18 angled spaces within the area to be dedicated as public parking within the proposed slip lane off Mission Boulevard. Total parking associated with the hotel and commercial uses would be 83 spaces.

A standard of two parking spaces per residential ownership unit is applied to projects within the Mission Boulevard Corridor area. As stated above, each residential unit is provided with two covered (garage) spaces per unit with tandem parking for all 31 Plan 5 units. The form-based code does not require off-street guest parking. However, the project has been designed with 25 guest spaces.

Circulation

Vehicular access within the hotel site is available to all four sides of the building. The hotel site would be accessed from a slip lane along Mission Boulevard. Mission Boulevard is defined in the form-based code as a boulevard/transit route between Jackson Street on the north and Harder Road on the south. The Code also identifies the slip lane as a “new thoroughfare” along the westerly side of Mission Boulevard along the frontage of the project site. Traffic would move one-way in a southerly direction behind the angled parking spaces entering near the northeast corner and exiting on to Mission Boulevard at the southeast corner of the project site. Entry points to the slip lane also would allow access to other areas of the hotel/commercial site and on-site parking areas. Parking would not be allowed along Mission Boulevard adjacent to the slip lane. The slip lane would be dedicated as public right of way but maintained by the adjacent commercial property owner (hotel). Improvements to Mission Boulevard would be made to allow access to the slip lane point of entry.

A continuous sidewalk surface within the public right of way would be installed in accordance with the applicable thoroughfare details connecting the project site and the right-of-way fronting the adjacent parcels or corner crossings. The Thoroughfare Plan for the Mission Boulevard Corridor Form-Based Code shows the eventual extension of

the slip lane along the west side of Mission Boulevard to the north and south of the project site, which would occur when adjacent properties redevelop.

The Form-Based Code identified an optional thoroughfare between Torrano and Berry Avenues, but indicates it is required “with new development, as feasible.” However, the existing developed properties adjacent to the project site all front Berry Avenue, making a public vehicular connection infeasible. A vehicular circulation element has been incorporated between the residential development and the hotel which could eventually connect to Berry if one of the Berry parcels redevelops. The proposed site plan does not accommodate public access between the two streets, but the project does provide sidewalks through the project between Dollar and Torrano that can move pedestrians in a north-south manner. Gates or restrictions are not proposed to be implemented.

As shown in Attachment IV, the residential community is accessed by a system of drive aisles or private streets with Drive A off Torrano Avenue and Drive Aisle C taking access from Berry Avenue. Drive Aisle B is an east-west connector to Drive Aisles C, D, and E. The Urban Farm is located along Drive Aisle E. Drive Aisles F through L are motor courts providing terminal access to residential garages. Emergency vehicle turn-around with turf block pavers would be provided adjacent to Drive Aisle D which is a dead end.

All perimeter improvements include paving, landscaping, curb, gutter, and sidewalks. All entry areas and pedestrian pathways throughout both the commercial and residential portions of the project would be enhanced paving with permeable concrete pavers with concrete bands. All drive aisles and private streets are to be designated as fire lanes and no parking will be allowed except in the designated parking areas. Fire lane signage will be installed on private streets, and curbs will be painted red as directed by the Fire Chief and City Engineer.

Landscape

A preliminary landscape plan has been submitted for both the commercial and residential portions of the project site.

Regarding the hotel and commercial space site, the Mission Boulevard frontage would be landscaped with an alley of street trees and underplantings in the 6-foot wide median strip between the slip lane and the Mission Boulevard traffic lanes. Entrances to the hotel site would be embellished with canopy trees and ornamental shrubs. The plaza area between the slip lane parking and the commercial storefront plaza would include tree wells within decorative concrete pavement. The side and rear property lines abutting commercial properties to the north and the residential community to the west would be landscaped with evergreen screen trees and ground cover. A six-foot, precast concrete wall with pilasters, concrete caps, and vines would separate the hotel site from the existing commercial property to the north, and a six-foot tubular steel fence would separate the hotel site from the residential community to the west.

For the residential portion of the project, the focal point of the landscaped and open

space areas would be the urban farm adjacent to the hotel site. Raised planter beds and a small orchard would be cultivated with edible plantings. This 16,000-square foot area will be managed by Farmscape, LLC and will include areas for growing beets, carrots and lettuce with 15 fruit trees producing 1,200 to 1,800 pounds of food per year. The urban farm would be funded by the homeowners' association and could host agricultural education programs. Amenities in this area would include outdoor dining/BBQ area with pergola, farm shed, and children's play area in addition to park quality tables, chairs, benches, and seat walls. A row of screen trees would be planted along the fence between the residential community and the hotel site.

All setbacks, paseos, and open space areas within the residential community would be landscaped. The paseos between the multi-unit residential buildings would have a connected concrete path flanked by a variety of trees, shrubs, and ground covers. Small community gathering areas and landings with scored concrete surfaces and concrete seat walls would be placed at various locations along the pathways. A secondary barbecue area with pergola is proposed to be located near the corners of Buildings 6, 7, 10 and 11. Wooden arbors would identify paseo entrances along Drive Aisle B near the Torrano Avenue entrance.

An arborist's report and tree survey was conducted for the project site. A total of 42 protected trees were identified as subject to the City's Tree Preservation Ordinance. A total of 29 non-protected trees were surveyed on the project site. Many of these were located on the parcel with the older, unoccupied residential structure. There are a number of dead or diseased trees that should be removed. Removal of the protected trees would require removal permits and satisfactory replacement. The proposed landscape plan would satisfy that requirement and applicable tree removal permits are included as a condition of approval. The preliminary landscape plan proposes to remove all existing landscape materials and trees from the property and replace them with a variety of new trees, shrubs, and ground cover that are water-conserving and native to California.

Various bioretention areas would be landscaped and interspersed within the project site. Turf block would be installed beneath the emergency vehicle access turn-around area along Drive Aisle D between buildings 14 and 15. A six-foot precast concrete wall with pilasters, concrete caps, and vines would be used for the boundary with other existing and abutting commercial uses. A linear bio-retention area and an 8-foot precast concrete wall with pilasters, concrete caps, and vines would serve as a buffer between the condos and the BART line right-of-way along the westerly boundary.

Open Space

Developments within the T4-2 zone are required to provide at least 15% of their lot area as Common Open Space. This open space requirement can be accomplished through a combination of private and common open space. The residential portion (7.7+ acres) of the project site includes 38,700 square feet of open space. The urban farm would, by far, be the largest open space area within the project. It will be professionally managed by *Farmscape*

which is the largest urban farming venture in California and the team behind Faithful Farm at Levi's Stadium, and the farm underneath the scoreboard at AT&T Park. *Farmscape* will host classes and workdays for community involvement.

The private balcony area of each unit also may be considered open space within the project. Based on the distribution of floor plans, private balcony area totals 12,979. The two areas combined satisfy the 15% requirement.

Public Parkland Obligations

The Applicant has opted to pay Park Dedication In-lieu fees (versus dedication of parkland), which are based on \$11,395 per attached unit. Therefore, a total of \$1,595,300 would be paid prior to certificate of occupancy of the respective units (see condition of approval COA #168).

Affordable Housing Ordinance

All Ownership Residential Projects consisting of twenty (20) or more Dwelling Units *are* required to comply with the City's Affordable Housing Ordinance (Article 17 of the Zoning Ordinance). Applicants for residential projects may comply by several methods. The most common is payment of a Housing Impact Fee or direct sale or rent to qualifying low and moderate income households. The method of choice shall be specified with the application. For this project, the applicant has proposed payment of the fee. Alternatively, the requirement may be met by offering 7.5 percent of the units for sale at prices considered affordable to low and moderate income households. Prior to the approval of the Final Map or obtaining building permits, the Applicant shall enter into an "Affordable Housing Agreement" with the City to memorialize the applicable affordable housing requirements and the developer's intended means of compliance.

The Housing Impact Fee for attached units currently is shown on the City's Master Fee Schedule as \$3.87 per square foot of habitable space for all of the units in the project. At a habitable square foot area of 266,081 square feet, the Housing Impact Fee paid to the City would be \$1,029,733.47. The requirement to pay the Affordable Housing Impact Fee is included as a Condition of Approval and may be paid prior to issuance of building permits and approval of the Final Map. An option is available where payment of the fee may be postponed until issuance of the Certificate of Occupancy. In that case the fee is increased from \$3.87 per square foot to \$4.28 per square foot. Regardless of the option chosen, no final inspection will be approved and no occupancy permit will be issued for any dwelling unit unless all required Housing Impact Fees have been paid in full (COA #167).

Approvals Required to Support the Project

This project application involves seven actions, including some that are typically processed administratively by staff, but are being referred to the Planning Commission for consideration given the other required project approvals. The actions are

summarized in the following paragraphs and include: (1) Zone Change, (2) Site Plan Review, (3) Conditional Use Permit, (4) Administrative Use Permit, (5) Warrants, (6) Vesting Tentative Tract Map 8345, and (7) Addendum to the Mission Corridor Specific Plan area Program EIR.

(1) Zone Change – In order to approve a zoning district amendment (zone change), the City Council shall make the following findings, as recommended by the Planning Commission. Staff's responses in support of the findings are presented below.

(a) The development is in substantial harmony with the surrounding area and conforms to the General Plan and applicable City policies.

The project is consistent with the existing General Plan designation of Sustainable Mixed Use and policies related to density and availability of a variety of housing types, specifically:

- The density is consistent with the Mission Boulevard Corridor Form-Based Code.
- The project incorporates sustainability measures as an objective of this land use.

LU-3.6 Residential Design Strategies: The City shall encourage residential developments to incorporate design features that encourage walking within neighborhoods by:

- Creating a highly connected block and street network.
- Designing new streets with wide sidewalks, planting strips, street trees, and pedestrian- scaled lighting.
- Orienting homes, townhomes, and apartment and condominium buildings toward streets or public spaces.
- Locating garages for homes and townhomes along rear alleys (if available) or behind or to the side of the front facade of the home.
- Enhancing the front facade of homes, townhomes, and apartment and condominium buildings with porches, stoops, balconies, and/or front patios.
- Ensuring that windows are provided on facades that front streets or public spaces.

LU-3.7 Infill Development in Neighborhoods: The City shall protect the pattern and character of existing neighborhoods by requiring new infill developments to have complimentary building forms and site features.

H-3.1 Diversity of Housing Types: The City shall implement land use policies that allow for a range of residential densities and housing types, prices, ownership,

and size, including low density single-family uses, moderate-density townhomes, and higher-density apartments, condominiums, transit-oriented developments, live-work units, and units in mixed-use developments.

H-3.3 Sustainable Housing Development: The City shall improve affordability by promoting sustainable housing practices that incorporate a 'whole system' approach to siting, designing, and constructing housing that is integrated into the building site, consumes less water and improves water quality, reduces the use of energy use, and other resources, and minimizes its impact on the surrounding environment.

H-3.4 Residential Uses Close to Services: The City shall encourage development of residential uses close to employment, recreational facilities, schools, neighborhood commercial areas, and transportation routes.

H-3.6 Flexible Standards and Regulations: The City shall allow flexibility within the City's standards and regulations to encourage a variety of housing types.

H-4.1 Flexible Development Standards: The City shall review and adjust as appropriate residential development standards, regulations, ordinances, departmental processing procedures, and residential fees that are determined to be a constraint on the development of housing, particularly housing for lower- and moderate-income households and for persons with special needs.

The Project is located on infill sites adjacent to an existing residential development and other newer residential developments. The proposed development utilizes unique architecture to make this development blend with the urbanist Hotel architecture but also complementing the residential condominiums as well as the adjacent developments. Utilizing exclusive architecture and private roadways for this infill development ensures the entire area maintains a harmonious, cohesive appearance. In addition, the site design is consistent with the surrounding area with homes fronting onto private streets or along common walkways or paseos that run between rows of homes with garages located in alleys behind the homes.

(b) Streets and utilities, existing or proposed, are adequate to serve the development.

The proposed project site is a reuse of a previously developed site along a primary city thoroughfare. As conditioned, there are/would be utilities available with adequate capacity to serve the proposed development. The project also is required to construct or participate in the construction of perimeter and related improvements. In addition, the project is required to underground any overhead utilities in front of the project site and/or abutting any public street.

- (c) The development creates a residential environment of sustained desirability and stability, that sites proposed for public facilities, such as playgrounds and parks, are adequate to serve the anticipated population and are acceptable to the public authorities having jurisdiction thereon, and the development will have no substantial adverse effect upon surrounding development.**

The applicant has proposed a development that integrates density, livability, and renewable energy sources (solar energy systems, electric vehicle charging, etc.). The project provides a well-balanced neighborhood of townhouse condominiums that include private outdoor balconies, common outdoor areas, and an urban farm. The floor plans offer living arrangements that meet market demand for a variety of household types with ground floor suites, dual master suites, and traditional family lifestyles.

Furthermore, as discussed in the EIR Addendum, the Project will have no significant impacts or adverse impacts on surrounding development that already have been addressed in previously adopted environmental documentation and would be subject to implementation of mitigation measures.

- (d) Any latitude or exception(s) to development regulations or policies is adequately offset or compensated for by providing functional facilities or amenities not otherwise required or exceeding other required development standards.**

The project is consistent with the Sustainable Mixed Use land use design and the T4-1 and T4-2 zoning districts of the Mission Boulevard Corridor Form-Based Code. The applicant is seeking a zone change for that portion of the project site (approximately 1.9 acres) from Commercial Overlay Zone 1 to Commercial Overlay Zone 2, which would allow development of ground floor residential uses with a Conditional Use Permit. The project would provide a unique feature not typically found in developments in Hayward: a community farm, which would provide better access to local and fresh food for the residents of the project.

(2) Site Plan Review – The Mission Boulevard Corridor Form-Based Code requires Site Plan Review approval by the Director (Municipal Code Section 10-1-24.400). The 9.72-acre mixed use site has both a commercial and residential component. Approval of the Site Plan Review application requires that the City Council make findings, as recommended by the Planning Commission. Staff's responses in support of those findings are stated below.

- (a) The development is compatible with on-site and surrounding structures and uses and is an attractive addition to the City.**

The area is undergoing a transition from automotive and retail uses to mixed use. Surrounding structures typically are older, underdeveloped, and low profile. However, the area is planned for rejuvenation and intensification. The

residential development would be three-story walk-up condos, and the hotel would be a four-story Residence Inn. The density is compatible with the surrounding residential uses and the extended stay nature of the hotel contributes to its compatibility. The residential uses would serve demands for new housing opportunities and would be an appropriate use at a distance off the thoroughfare. Adjacent uses to the north and west also are multi-family residential.

(b) The development takes into consideration physical and environmental constraints.

The project site generally is flat. Development would be constrained only by a BART right-of-way along its westerly boundary and existing development (including the vehicular circulation system) on the remainder of its perimeter. The project site is designed with appropriate access and vehicular circulation and is not further constrained.

(c) The development complies with the intent of City development policies and regulations.

The proposed project would allow the reuse of vacant, abandoned, or underutilized properties within an existing urban area. The proposed project is consistent with the intent and uses anticipated for Sustainable Mixed Use and complies with the Hayward Mission Boulevard Corridor Form Based Code.

(d) The development will be operated in a manner determined to be acceptable and compatible with surrounding development.

The hotel use would be compatible with commuters and nearby university needs and activities. The residential uses would be compatible with adjacent multi-family residential uses to the north and west.

(3) Conditional Use Permit (CUP) for ground-floor residential units – As mentioned above, the Mission Boulevard Corridor Form-Based Code specifically requires a CUP for the development of residential use on the ground floor for areas within Commercial Overlay Zone 2. Therefore, any of the 140 condos proposed for this project would be subject to approval by CUP. Approval of the CUP would be subject to the Zone Change request from Commercial Overlay Zone 1 (where ground floor residential would not be allowed) to Commercial Overlay Zone 2. See findings below under AUP discussion. For supportive findings, see discussion below under AUP.

(4) Administrative Use Permit (AUP) for hotel – Table 9 (Allowed Functions) under “Standards and Tables (Section 10-1-25.400) in the Form-Based Code identifies “lodging” as requiring an Administrative Use Permit in the T4-2 zone.

Both the CUP and AUP require the same findings to be made by the City Council, upon recommendation by the Planning Commission. Staff provides findings in support of both the CUP and AUP in the following paragraphs.

(a) The proposed use is desirable for the public convenience or welfare.

The proposed hotel and commercial uses will bring back quality and productive enterprises to abandoned or underperforming properties. An extended stay, high quality hotel of a known franchise would be a desirable use for the area. The proposed residential uses will increase the supply of needed housing opportunities within the City and substantially improve currently underutilized property.

(b) The proposed use will not impair the character and integrity of the zoning district and surrounding area.

The proposed commercial and residential uses will not impair the character and integrity of the zoning district but will enhance it by revitalizing it with inhabitants. The project will integrate land uses consistent with the Urban General Zones in the Form-Based Code, conform to designated density, and implement sustainable measures of development.

(c) The proposed use will not be detrimental to the public health, safety, or general welfare.

The proposed hotel, commercial, and residential uses will not be detrimental to the public health safety, or general welfare. It will improve the area with productive uses and increase the available supply of housing. The site is designed with adequate circulation and incorporates measures of sustainability such as the urban farm, solar energy, and water quality measures. The City is projected to earn substantial revenues from transient occupancy taxes to offset public services costs.

(d) The proposed use is in harmony with applicable City policies and the intent and purpose of the zoning district involved.

The proposed hotel, commercial, and residential uses are in harmony with applicable City policies by reinvigorating abandoned or underperforming properties. Parcelization will be configured to meet current development needs. Commercial services and residential uses will be placed in proximity to create a community atmosphere. Public improvements will be updated and function as intended.

(5) Warrant – Section 10-1-25.245 of the Mission Boulevard Corridor Form-Based Code specifically requires a Warrant for parking in excess of 2.0 spaces per residential ownership unit. The project provides two covered spaces per unit via garages, and an additional 25

uncovered spaces on site for guest parking. The requested Warrant would typically be subject to Administrative approval by the Director of Development Services. However, because of the other requested applications that are subject to Commission (and Council) review, the Warrant has been referred to the Planning Commission for a recommendation to Council. Staff supports making the required findings, as indicated below.

(a) Policy Consistency. The Warrant is consistent with the General Plan and overall objectives of this Code.

The warrant to allow excess parking for the condo units will, in fact, be an enhancement to the density and mixed use nature of the project, and be responsive to concerns of the City Council to ensure adequate on-site parking is provided.

(b) Compatibility. The Warrant is justified by environmental features or site conditions; historic development patterns of the property or neighborhood; or the interest in promoting creativity and personal expression in site planning and development.

Market demand dictates that for-sale/condominium or townhome residential products typically are provided with two covered spaces per unit, and guest spaces are provided for convenience and for ease of use. The extra parking would not negatively impact the character envisioned for the Mission Boulevard Corridor planning area or for the Sustainable Mixed Use land use designation. Also, warrants for extra parking were approved for projects in the area at the south end of Dollar Avenue a few hundred feet from the project site. This area is further away from the BART stations in Hayward than most of the other areas in the Form-Based Code area.

(c) No Adverse Impact. The Warrant would result in development that is not detrimental to the public health, safety, or welfare, or injurious to the property or improvements in the vicinity and in the same zoning district.

Approval of the Warrant for excess parking with the residential portion of the proposed project would not be detrimental to the public health, safety, or welfare, or injurious to the property or improvements in the vicinity and in the same zoning district. In fact, it would enhance the public health, safety, and welfare by improving vehicular circulation. Designated guest parking areas would minimize the potential for impacts between pedestrians/residents and vehicles.

(d) Special Privilege. The Warrant would not affect substantial compliance with this Code or grant a special privilege inconsistent with the limitations upon other properties in the vicinity and in the same zoning district.

The provision to allow the additional 25 on-site, guest parking spaces for the

condos would, in fact, be a benefit to the function of the residential community and would exceed requirements while remaining within the intended character of the zoning district.

(6) Vesting Tentative Map 8345 – In order for a Vesting Tentative Tract Map to be approved, the City Council shall make the following findings, as recommended by the Planning Commission. Staff recommends the following findings to the Planning Commission:

- (a) That the proposed map is consistent with applicable general and specific plans as specified in Section 64541 of the Subdivision Map Act. [Subdivision Map Act §66474(a)]**

Vesting Tentative Tract Map 8345 with Conditions of Approval substantially conforms to the State Subdivision Map Act, the City's Subdivision Regulations, and the General Plan. No Specific Plan applies to the Project.

- (b) That the design or improvement of the proposed subdivision is consistent with applicable general plan and specific plans. [Subdivision Map Act §66474(b)]**

The proposed subdivision, as demonstrated by the findings associated with the Zone Change and Site Plan Review, is consistent with the City's General Plan.

- (c) That the site is physically suitable for the type of development. [Subdivision Map Act §66474(c)]**

The preliminary geotechnical investigation and geotechnical exploration report performed by Engeo Incorporated dated September 11, 2015, demonstrates that the proposed project is feasible and the proposed subdivision would occur on a site suitable for the proposed development with the recommendation that a design level geotechnical investigation be conducted prior to construction to review the geotechnical aspects of the project. The site provides sufficient lane widths and ingress/egress points, pedestrian facilities and infrastructure locations, such as water and sewer lines, storm drains and stormwater treatment areas, to support the number of units and commercial structures being proposed.

- (d) That the site is physically suitable for the proposed density of development. [Subdivision Map Act §66474(d)]**

The preliminary geotechnical investigation and geotechnical exploration report performed by Engeo Incorporated dated September 11, 2015, demonstrates that the proposed project is feasible and the proposed subdivision would occur on a site suitable for the proposed development with the recommendation that a design level geotechnical investigation be conducted prior to construction to review the geotechnical aspects of the project. Density is not a factor that makes the site suitable or less suitable for development.

The Addendum to the EIR for the Hayward Mission Boulevard Corridor Specific Plan prepared for the Project determined that, with the proposed Conditions of Approval, the project would not result in significant impacts to traffic beyond those currently identified since it would not generate sufficient traffic to cause nearby intersections to operate at an unacceptable level of service, nor would it create any issues with safe ingress and egress from the site.

- (e) That the design of this project and the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat. [Subdivision Map Act §66474(e)]**

The approval of Vesting Tentative Map Tract 8345, as conditioned, will have no significant impact on the environment, cumulative or otherwise. An Addendum to the EIR for the Hayward Mission Boulevard Corridor Specific Plan prepared pursuant to the guidelines of the California Environmental Quality Act (CEQA) for the development of this site demonstrates that substantial adverse environmental damage, including to fish or wildlife and their habitat, would not result from the proposed project.

- (f) That the design of the subdivision or type of improvements are not likely to cause serious public health problems. [Subdivision Map Act §66474(f)]**

As conditioned, adequate capacity will exist to provide sanitary sewer service to the Project site. Measures to ensure bio-treatment of stormwater runoff are included as Conditions of Approval, thereby reducing the likelihood of serious public health problems. There are no other aspects of the Project with the potential to cause serious public health problems.

- (g) That the design of the subdivision or type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. [Subdivision Map Act §66474(g)]**

The building improvement plan shall reflect all easements needed to accommodate the project development. The private streets shall be designated as a Public Utility Easement (PUE), Public Assess Easement (PAE), Water Line Easement (WLE), Sanitary Sewer Easement (SSE), and Emergency Vehicle Access Easement (EVAE). Upon completion of the proposed improvements, the streets and utilities would be adequate to serve the project. New public easements are to be offered for dedication as necessary.

(7) Addendum to the EIR for Mission Corridor Specific Plan area - This item is discussed later in the Environmental Review section of this report.

ENVIRONMENTAL REVIEW

An Addendum (Attachment V) has been prepared to the Hayward Mission Boulevard Corridor Specific Plan Environmental Impact Report certified on January 24, 2014, (SCH 2011042076) by Resolution No. 14-007. In general, any impacts associated with the development of the project site are within the impacts anticipated by the EIR, and all mitigation measures within that initial document are applicable to this project. No new significant impacts were identified nor were any new mitigation measures anticipated or required. Based on that analysis, an addendum is the appropriate CEQA action. Mitigation Measures include, but are not limited to: implementing traffic improvements, noise abatement designs and materials, geotechnical analysis, clean water/stormwater runoff measures, greenhouse gases reduction efforts, and sustainability enhancements. The Addendum was made available for public review as a part of the overall noticing period for the project itself.

SUSTAINABILITY FEATURES

The General Plan places an emphasis on sustainability and requires the integration of sustainability enhancement in all new development. The proposed project accommodates measures to comply with the recycling goals of local agencies. The hotel and all residential units will be equipped with solar panels. The solar panels on the residential units will provide for 280kw. The proposed Urban Farm furthers the goals of incorporating productive use of open space areas, and the bio-retention areas will further efforts to prevent stormwater pollution. The hotel will provide six electrical vehicle charging stations. The residential portion includes one electric vehicle charging station and all garages will have the capability to charge electrical vehicles, and bicycle racks for both the residential and commercial uses would serve the needs of people-powered commuters. Both measures contribute toward air quality by reducing vehicle emissions. The applicant /developer is striving to be well above a 100 point score for Green Point Rating, with every unit being Energy Star rated.

FISCAL IMPACTS AND ECONOMIC BENEFITS

A Fiscal and Economic Impact Study for the proposed project was prepared in July 2016 by Economic and Planning Systems, Inc. (EPS) (Attachment VI). The EPS analysis assessed the effects of the proposed development on the City of Hayward's General Fund and the local economy, which included quantifying whether the proposed project will generate adequate revenues to cover the costs of providing ongoing services to associated new residents and employees. The study found that:

- The project would result in an annual net fiscal benefit of \$672,000 to the City's General Fund, including a Transit Occupancy Tax from the hotel use of \$400,000 per year.
- The project's operating activities will generate demand for goods and services, thereby providing stimulus for new or existing jobs in the City's economy.

PUBLIC OUTREACH

A Preliminary Meeting was held on June 16, 2016. A notice of receipt of a completed application was sent out to property owners within a 300-foot radius, as well, as interested parties in the neighborhood. No comments were received at the time of publishing of this report.

Subsequently, in accordance with a 10-day minimum notification period, 350+ notices of this public hearing and availability of an Addendum to the Hayward Mission Boulevard Corridor EIR were sent out on April 7, 2017 to all property owners within a 300-foot radius of the project site. In addition, notice of this public hearing was published in *The Daily Review* on April 7, 2017. No comments were received as of the posting of this agenda. Any additional comments that are received before the Planning Commission meeting will be forwarded to the Commission for consideration.

NEXT STEPS

Assuming the Commission recommends approval of the project, the City Council will consider the project and Planning Commission's recommendation at a noticed public hearing, tentatively scheduled for May 9, 2017. Should the Council approve the project and Addendum to the EIR, the applicant will be required to incorporate project conditions of approval and prepare revised plans, along with improvement plans and a Final Map, with the Final Map to be reviewed and approved by the City Council.

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