



DATE: October 3, 2017

TO: Mayor and City Council

FROM: Interim Development Services Director

SUBJECT: Proposed Subdivision and Construction of 35 Townhomes and a Mixed-Use Building of 39 Apartment Units with 1,020 square feet of Ground Floor Commercial Use on a 2.7-Acre Project Site Located at 26601 Mission Boulevard (West Side, North of Sorenson Road) Assessor Parcel Number (APN) 452-0036-30-05, Requiring: 1) Approval of an Amendment to South Hayward BART/Mission Boulevard Form-Based Zoning Code (Article 24) to Allow Residential Density Transfer/Averaging Among Like-Zoned Development Sites in the Urban General transect zones T4 (17.5 DU/Acre min; to 35 DU/Acre max) and T5 (35 DU/Acre min; to 55 DU/Acre max); 2) Site Plan Review; 3) Warrants for: (a) Roof Pitch, (b) Excess Parking in the T4 zone, (c) Glazing Less than 30% for the First Story along Mission Boulevard, and (d) Parking within the Layer 2 Setback Area; 4) Vesting Tentative Map 8335 Associated with the Subdivision; and 5) Mitigated Negative Declaration. KB Home (Applicant) and DNS Capital Partners LLC/Robert Telles (Owner/Applicant). Application No. 201601022.

RECOMMENDATION

That the City Council:

- (1) Introduces the Ordinance amending the South Hayward BART/Mission Boulevard Form-Based zoning code (Article 24) to allow residential density transfer/averaging among like-zoned development sites in the Urban General transect zones T4 (17.5 DU/Acre min; to 35 DU/Acre max) and T5 (35 DU/Acre min; to 55 DU/Acre max);
- (2) Adopts the Resolution approving the Mitigated Negative Declaration (MND); and
- (3) Approves the applications for Site Plan Review; warrants for roof pitch, excess parking, glazing less than 30% for the first story along Mission Boulevard, and parking within the Layer 2 setback; and Vesting Tentative Map 8335 (subject to City Council approval of the Final Map) to subdivide and construct 35 townhomes and a mixed-use building of 39 apartment units with 1,020 square feet of ground floor commercial use based on the analysis

set forth in this report including Findings (Attachment II) subject to the Conditions of Approval (Attachment II – Exhibit A).

SUMMARY

The proposed Haymont Townhomes and Apartment Mixed-Use Project is proposed to be developed on a site located along the west side of Mission Boulevard north of Sorenson Road within the South Hayward BART/Mission Boulevard Form-Based code area. The project site is 2.7 acres (gross)/2.14 acres (net) with approximately 700 feet of Mission Boulevard frontage. The development is proposed to be divided between a townhome component on 1.55 net acres (approximately 72%) of the site and a mixed-use structure of apartments with ground floor commercial use on 0.59 net acres (approximately 28%).

The parcel is proposed to be subdivided as: a) 35 three-story townhomes in seven buildings with internal circulation, landscaping, recreation areas, and environmental (water quality) improvements, and b) one four-story mixed use building of 39 apartments with ground floor commercial, ground floor parking, and other tenant amenities. It was designed to represent mixed use envisioned by T4 Urban General transect zone. The proposed townhomes, apartments, and ground floor commercial uses respond to the Sustainable Mixed Use (SMU) General Plan land use designation, and the development concept is consistent with the Mission-Garin Neighborhood Plan.

The proposed uses implement the urban center character defined in the Form-Based zoning code. The proposed project also responds to market demand for commercial and residential uses in the area and would remove dilapidated and obsolete structures that have become an attractive nuisance. The project is well-designed and supports the required findings within the configuration and constraints of the project site and development standards for the T4 Transect zones.

Because this application is dependent upon the proposed Ordinance amending the Zoning Code, the project in its entirety has been referred to the City Council for approval of entitlements that, without the Ordinance amendment, would remain under authority of the Planning Commission or may be approved administratively.

BACKGROUND

Site Description and Project Setting

The project site is part of the Mission-Garin Neighborhood Plan area adopted in 1987 (30 years ago) which effectively was superseded by the South Hayward BART/Mission Boulevard Form-Based Code (Chapter 10, Article 24, Sections 10-24.100 through 10-24.510). The site is within a formerly unincorporated area of Alameda County known as Sorenson between the west side of Mission Boulevard (the existing Highway 238) and east side of the route of the Western Pacific (now Union Pacific) Railroad also used as a BART line.

The Project Site is 161 feet to 168 feet deep and relatively flat with a slight slope to the west. The 2.7-acre project site currently is developed with an abandoned and obsolete, single-story, strip commercial shopping center, nearly 60 years old of approximately 40,000 square feet of retail building area, including two free-standing commercial structures, and a frontage surface parking lot in an angled, one-way layout. At one time, a gas station operated at the corner of the project site at Mission Boulevard and Sorenson Road. The buildings do not meet the standard of “exceptional” to qualify for historic preservation.

The vacant uses have become an attractant for vagrants which most likely were responsible for a recent fire (June 3, 2017) that partially destroyed the existing structures and have made them uninhabitable. Upon approval of the proposed project, the existing structure would be demolished and the site regraded to allow for the proposed new development.

Uses surrounding the project site are a mix of commercial, residential, and open space. A neighborhood of approximately 190 post WWII single-story, single family homes is located to the southwest between the project site and the railroad which is used as a line for the Bay Area Rapid Transit (BART). A freestanding retail building (Walgreen’s) is located on the property south of the project site across Sorenson Road. Uses north of the project site along Mission Avenue are older structures initially built as residential that have been converted to commercial uses serving funeral needs of the adjacent Holy Sepulchre Cemetery located east across Mission Boulevard. The cemetery extends beyond the full length of the project site and up the easterly hillside.

Public Meetings and Outreach

Public Outreach - Upon receipt of the application, the City of Hayward Lean Innovation team prepared a questionnaire and conducted a field survey of the four adjacent commercial properties and the 190 residential properties in the immediate area. Door hangers were left on all 194 properties and the field team talked with 31 people. Sixty-eight percent (68%) of the respondents were in favor of the project, 28% were neutral and 6% were against the project. Those responses were mostly positive in that the abandoned and dilapidated structures would be removed and replaced with new improvements and fully occupied buildings. Traffic was referenced as a concern.

September 14, 2017 Planning Commission Meeting – At its meeting of September 14, 2017, the Planning Commission recommended approval of the Project on a vote of 5 Ayes, 1 No, and 1 Absent. Commissioner Enders voted No on the basis of the opinion that all new housing projects should include affordable units and not always opt for the payment of the in-lieu fee. No one from the public spoke.

The Applicant spoke regarding the timing for the demolition referenced in Condition 142. They stated that their contractual obligation with the property owner was such that they could not close on the purchase of the property until all the statutory appeal periods had run and therefore they could not begin demolition until then. The project approvals include a

Mitigated Negative Declaration. Upon final approval, a Notice of Determination would be filed with the County. The appeal period for this CEQA action would be 30 days from that filing which is the longest appeal period. The Applicant requested that Condition No. 142 be amended to reflect this and staff is in concurrence. See below:

142. The property owner shall demolish the existing commercial building and accessory structure on the site within 60 days ~~of this entitlement.~~ of the expiration of any appeal period.

The Applicant also spoke regarding the application of Condition 82.

82. Mission Street frontage of the development shall have four or more new landscaped planters, approximately 100-feet apart (center to center) and extending approximately 7 feet out into the street parking lane. Each such planter shall be approximately 20 feet long and include a tree and other plants approved by the City's Landscape Architect. Each planter shall be served with automatic irrigation system.

The applicant felt that this condition was applied very late in the process. They felt if Public Works had wanted this condition applied, it should have been discussed during the 18-months that the project was under review. Further, the applicant felt that the impact of this additional condition was not addressed. Public Works staff addressed the need for this condition to help with slowing traffic speeds on Mission Boulevard. There was significant discussion between the Planning Commissioners with the ultimate decision to recommend approval with the condition included.

DISCUSSION AND STAFF ANALYSIS

Regulatory Context

The proposed Haymont Townhomes and Apartment Mixed-Use Project involves several actions. The proposed project in its entirety has been referred to the City Council for approval of entitlements that otherwise would remain under authority of the Planning Commission or administrative approval as the proposed project includes an Ordinance amendment to the Zoning Code.

Zoning – As stated above, the project site is within the area regulated by the South Hayward BART/Mission Boulevard Corridor Form-Based Code, Chapter 10, Article 24, Sections 10-24.100 through 10-24.510 and is subject to the zoning and development standards and regulating plan for that area. The project site is not subject to Mandatory or Recommended Shopfront Overlay requirements.

Site Plan Review – All projects in the South Hayward BART/Mission Boulevard Form-Based code area are subject to Site Plan Review (Chapter 10-1.3005), and Site Plan Review approval by the Director is required by the Mission Boulevard Corridor Form-Based Code (Municipal Code Section 10-1-24.400). The issue of density

distribution has been addressed by the proposed Zoning Code amendment allowing the transfer or averaging of residential density across the project site. Approval of the proposed project would be subject to adoption of that ordinance.

Warrants – Warrants are requested for approval of deviations, exceptions, or waivers from the development regulations stated in the South Hayward BART/Mission Boulevard Form-Based Code. Three of the requested warrants are related to both components of the proposed project with the excess parking issue specific to the townhomes.

- **Roof Pitch** - Section 10-24.250 vi. Architectural Standards requires that roofs be symmetrically sloped at a pitch of no less than 5:12.
- **Excess Parking** - Section 10-24.245 b. ii states that a maximum of 2.0 parking spaces may be provided for each residential condominium.
- **Mission Boulevard Elevation (first floor glazing less than 30%)** – Section 10-24.230 a. ii states that all facades shall be glazed with clear glass no less than 30% of the first story.
- **Parking Placement within the Layer 2 Setback** – Table 12B of the Form-Based code allows parking within Layer 3 setback along Mission Boulevard.

Vesting Tentative Map 8335 – The subdivision of the 2.14 net acre project site is subject to the standards established in the South Hayward BART/Mission Boulevard Form-Based code and Article 3 (Subdivision Ordinance) of the Zoning Code.

General Plan – The land use designation of the project site is Sustainable Mixed Use (SMU) which generally applies to areas near regional transit that are planned as walkable urban neighborhoods. The General Plan states that typical buildings will vary based on the zoning of the property, but will generally include single-family homes, duplexes, triplexes, fourplexes, second units, townhomes, live-work units, multi-story apartment and condominium buildings, commercial buildings, and mixed-use buildings that contain commercial uses on the ground floor and residential units or office space on upper floors. SMU areas are expected to be developed or redeveloped at relatively high densities and intensities to create walkable and mixed-use neighborhoods and multi-modal corridors.

The project is near the South Hayward BART station at 28601 Dixon Street. Sustainable Mixed-Use establishes a maximum FAR of 2.0 or 2.75 if located within transit overlay zones. The FAR of the proposed project over the net acreage area is 1.64.

Mission-Garin Neighborhood Plan – This plan was approved in 1987 and appears to be somewhat obsolete with minimal influence on the planning of future projects. It does not address mixed use land use designations and shows a planned route, since

abandoned, for Highway 238. Under this plan, the maximum number of residential units anticipated is 4,042.

Zoning Code Text Amendment

The proposed Zoning Code Text amendment would allow density transfer/averaging between and among adjacent parcel of the same zone in the T4 Urban General and T5 Urban General transect zones, and any parcel resulting from the subdivision. Section 10-24.240 Density Standards, a. General to zones T4 and T5 would be amended to state the following:

Permissible residential density may be transferred or averaged over one or more parcels comprising a development site if:

- The properties/parcels are the same zoning;
- The properties/parcels are contiguous; and
- Appropriate notice and declarations of land use restrictions have been recorded on all the affected parcels.

General Plan Land Use Policy LU-3.5 says: The City shall encourage infill residential developments that provide a mix of housing types and densities within a single development on multiple parcels. Individual parcels within the development may be developed at higher or lower densities than allowed by the General Plan, provided that the net of the entire development is within the allowed density range.

The Zoning Code amendment is needed to effect consistency and compliance, since the density of the townhome portion would be less than the maximum permitted and the apartment portion would exceed the maximum density allowed in this zone. An averaging of the density for the two residential products over the entire project site results in an overall density of 27.4 units per acre (gross) and 34.6 units per acre (net) in compliance with the adopted standard of maximum of 35.0 units per acre. The Zoning Code amendment is necessary to establish that the resulting density of the proposed project complies with this standard. A notice and Declaration of Land Use and Restriction would need to be recorded to memorialize the transfer

The proposed draft Ordinance amending the zoning code is included as Attachment IV.

Site Plan Development and Building Design

Site Plan and Access – The project is proposed to have two points of vehicular access. One would be located off Mission Boulevard near the northerly boundary. It would be a right-in/right-out configuration due to the existing median in the Mission Boulevard right-of-way. It would lead to Drive Aisle A within the townhome component of the

project and provide access to garages serving Building 1 of the townhomes and guest parking for that part of the project.

The second point for vehicle access would be from Sorenson Road along the rear of the project site behind the mixed use/apartment structure (Drive Aisle C). Drive Aisle B would run as a spine connecting Aisles A and C and provide garage access to Buildings 2 through 7 of townhomes. Building 2, 3, and 4 would be situated along the east side of Drive Aisle B facing Mission Boulevard, and Buildings 5, 6, and 7 would be situated to the west. All drive aisles would be subject to reciprocal easements between the townhomes and mixed use/apartment portions of the development. Pedestrian access would be available from sidewalks along Mission Boulevard and Sorensen Road.

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 in all vehicular areas, and curbs in "No Parking" areas will be painted red as directed by the Fire Chief and City Engineer. Gates or restrictions to parking areas on site are not proposed to be installed. All van accessible spaces provided are shown with path of access. Trash for the townhomes would be collected along Drive Aisles A or B serving the townhomes. Trash collection for the apartments and commercial use would be from within the ground level of the parking area accessible from Drive Aisle C off Sorenson Road.

Townhomes - The 35-unit townhome portion of the project is proposed by KB Home to be developed on the northwesterly portion of the project site on approximately 1.55 net acres (approximately 67,518 square feet). The three-story townhomes would be comprised of seven buildings, each at a maximum height of 39 feet. Five of the buildings would include five units, and there will be one four-unit building and one six-unit building. Gross building area on the townhome portion of the project site is approximately 82,978 square feet including the garages. Habitable building area, excluding garages, is approximately 66,703 square feet for calculation of affordable housing fees, and approximately 119 bedrooms for calculating bicycle parking and storage accommodation.

- Site Layout – At the northeasterly corner of the project site, Building 1 (the six-plex) of the townhomes would be setback 15 feet from Mission Boulevard. Building 1 would be setback from the northerly property line anywhere from 14 feet near Mission Boulevard to 31 feet at the rear of the site. Buildings 2, 3 & 4 are setback approximately 27 feet from Mission Boulevard excluding front porch patios and their projections into that space). Building 1 would have a 15-foot setback from the property line abutting the neighborhood to the west, and Buildings 5, 6 & 7 (the four-plex) are setback 30 feet from the southwesterly property line. In addition to the reciprocal access easements, the townhome site is integrated with the apartment site on the south through a shared bioretention area. Lot coverage of 90% is permitted in the T4 zone. Building coverage for the townhome portion of the project is approximately 38%.

- **Floor Plans** - Three plans would be offered in three or four bedroom configurations ranging in size from 1,735 square feet to 2,074 square feet with a two-car enclosed garage on the ground floor of each unit. Plans 1 and 2 are interior units. Plan 3 is an end unit. Each of the seven buildings provide for an accessible unit. All accessible units are Plan 3.
- **Architecture** – The style of the three-story townhouse structure uses exterior materials typical of farmhouse or rural character including a combination of light sand finished plaster/stucco, vertical board and batten (on the second and third levels), horizontal cementitious plank shiplap (on the first and second levels), composition shingled shed-style roof over the primary structure, exterior projections, and second level decks. The roof pitch is proposed at 4:12. Double hung windows are square or rectangular. Front porch/patio gates and first and second floor deck railings are composed from manufactured decorative perforated metal panels. The elevations are shown on Sheets A.5-C and A.6-C; the color and material palette is shown on Sheet A.7-C. (Attachment V)

Mixed Use/Apartments – The southerly 0.59 acres of the project site (approximately 25,700 square feet) is proposed to be developed by DNS Capital Partners, LLC as a four-story mixed used structure of 39 apartment units and 1,020 square feet of ground floor commercial space. The building would be approximately 56 feet in height just at or less than the 57-foot height maximum allowed in this zone. This structure, including ground level parking, is approximately 69,758 square feet.

- **Site Layout** - The building is oriented towards the corner of Mission Boulevard and Sorenson Road with setbacks of approximately 6 feet along both streets. The building would be set back approximately 38 feet from the southwesterly property line that abuts the neighborhood to the west. The proposed 1,020 square feet of commercial space would be accessed from the sidewalk along Mission Boulevard, and pedestrian and apartment building access to the lobby is from Sorenson Road. Building coverage is approximately 65%.
- **Architecture** - The proposed four-story structure has been designed for mixed use that is complementary to transit-accessible properties. The elevations are shown on Sheets A.5-C and A.6-C; the color and material palette is shown on Sheet A.12-A on Attachment V.

Parking

- **Townhomes** - Each townhome would be provided with an attached two-car garage accessible from either Drive Aisle A for Building 1 or Drive Aisle B for Buildings 2 through 7. Guest parking is provided as eight perpendicular spaces on site off Drive Aisle A from the Mission Boulevard access point near the northeasterly boundary of the project site. The total number of parking spaces serving the townhome portion of the project is 78 spaces. Three of the eight guest spaces are compact and one is

handicapped accessible. Section 10-24.245 b. ii states that a maximum of 2.0 parking spaces may be provided for each residential condominium. The on-site guest parking subjects the project to approval of a warrant for excess on-site parking.

- Apartments/Mixed Use – Vehicular access to the mixed use/apartment building is from Sorenson Road at Drive Aisle C near the rear property line. The parking level has two points of access from Drive Aisle C. Drive Aisle C connecting to the building and ground level parking also is accessible from Drive Aisles A and B via reciprocal easements within the townhome portion of the project.

The South Hayward BART/Mission Boulevard Form-Based code establishes a maximum standard of 1.75 parking spaces per rental unit in the T4 zone. The proposed project provides 39 covered spaces on the ground level of the building (one for each unit) and three visitor parking spaces for a total of 42 parking spaces and a parking ratio of 1.08 spaces per unit. One of the three visitor spaces would be provided in the ground level parking garage and the other two spaces would be located adjacent to the structure accessible from Drive Aisle C.

Minimum parking space dimensions are established at 9 feet by 19 feet for standard size and 8 feet by 15 feet for compact spaces. A maximum of 30% of the required spaces may be satisfied by compact spaces. Of the 39 spaces provided, twelve spaces (about 30%) are compact. Two are handicapped accessible with one of those two as van accessible. On-site parking is not required for the commercial building area since the Form-Based code states that non-residential functions shall have no requirement.

Landscape/Hardscape/Open Space

A preliminary landscape plan has been submitted for both the townhomes and the mixed-use/apartment portions of the project site. The Form-Based code requires a minimum of 15% open space – usable common area that is improved as landscaping, hardscape, and recreation (excluding areas meant for vehicles). For the townhome area, that is a minimum of 10,128 square feet, and for the apartment area, that is minimum of 3,855 square feet.

A plant palette, planting plan, and irrigation plan also have been provided for those areas. The emphasis for plant materials would be on those that are native and/or drought tolerant. Trees would be planted around entire perimeter of the property. Some of these trees would include several existing London plane trees, identified as protected by the tree survey, which have been retained and incorporated into the landscaping as street trees.

Accent paving would be installed at many locations on the project site. The driveways from both Mission Boulevard and Sorenson Road would be identified with stamped asphaltic paving. This material also would be used to define a crosswalk between the

townhomes and the apartments. Accent paving would be used at the apartment building entrance from Sorenson Road where this feature is carried through to the lobby entrance from the ground level parking area. It also would be utilized for 3 recreation areas designated to serve the townhomes. Permeable pavers would be installed beneath the 8 guest spaces along Drive Aisle A for the townhomes and the 2 guest spaces along Drive Aisle C for the apartments.

- **Townhomes** – This component of the proposed project would have available approximately 13,250 square feet of common open space. These areas are depicted on Sheet C.1 (Attachment V) and generally are located within the setback area along the northerly and westerly boundaries. Both areas include a landscaped meandering path punctuated with seating and a larger recreation area adjacent to the apartment parcel. The recreation area along the westerly boundary ranges in width from 18 to 24 feet.

The townhome complex would be equipped with three picnic/barbecue areas. Each of the three areas would be improved with a picnic shelter, barbecue, picnic table, seating, decorative boulders, accent paving, and planting areas. The largest recreation area for the townhomes is located between Building 7 and Drive Aisle C separating it from the nearby mixed use/apartment structure. This second recreation area would be located within the common open space area adjacent to Building 1 and northerly of the bioretention area. The third would be located within the common open space area near the passage between Buildings 6 and 7. A view corridor from this space to Mission Boulevard would carry through between Buildings 3 and 4.

In addition to common area, private space for each town home would include a 270-square foot ground level porch and patio in front of each entry and a second level deck for a total of 9,500 square feet. This figure would satisfy the requirement of a minimum of 100 square feet of private open space per unit.

- **Mixed Use/Apartments** – Recreation and open space for the mixed use/apartment building is approximately 4,628 square feet, mainly provided as common outdoor deck and lounge area on Floors 2 through 4 in addition to 2,072 square feet of indoor common areas described above. Between the outdoor and indoor areas combined, common open space and recreation area would total 6,700 square feet, about 25%, or an average of 172 square feet per unit, in addition to the private balcony space which averages 67 square feet per unit.

Walls and Fences

The east and south sides of the project site would be open to Mission Boulevard and Sorenson Road, respectively. The entry on Mission Boulevard would have a decorative monolith and an entry monolith with low wall identifying the project. Both would be clad in stone veneer with a precast capstone. A 6-foot high wall of

precast concrete panels with columns and caps would establish the northerly and westerly boundaries abutting other private properties. At the northeasterly and southwesterly boundaries property, the wall sections would be installed atop retaining walls, approximately 2 to 3 feet each.

Other fences include wooden privacy fences between units and low patio walls of perforated sheet metal with an ornamental gate supported by stucco columns at 42 inches high. A protective, but transparent tubular metal fence would enclose the large bioretention area between the townhomes and the mixed use/apartment building.

Warrants

The four requested warrants would address those deviations, exceptions, or waivers from the Form-Based Code. All other standards of the T4 zone have been satisfied including: FAR, coverage, parking, open space, and others.

Roof Pitch - The design standards for the T4 zone prescribe a roof pitch of no less than 5:12. The proposed roofs of the townhomes and the roof above the commercial/storage area have been designed as a combination of flat areas and other areas pitched at 4:12. A roof pitch of 4:12 or even a flat roof is typical of residential buildings. The pitched roof is used as an accent feature and to provide articulation on the townhomes rather than a flat roof. The requested warrant for the lower pitched roof would complement the mass and silhouette of the buildings and provide continuity between both residential products and reflect the exterior design. For the apartment/mixed use structure, it is used only over the two-story portion (the commercial space) and is not obtrusive. If not for the zoning code amendment, which would require approval by the City Council, the requested warrant for roof pitch typically could be approved administratively.

Excess Parking - In view of the urban nature anticipated for this area, the Form-Based code was adopted limiting the parking standard for condominiums at a maximum of 2 spaces per unit. Under that standard, the 35-unit townhome development would be limited to maximum of 70 spaces which is fulfilled by providing each unit with a 2-car garage. To accommodate guest parking on site, the townhome portion of the proposed project has been designed with 78 parking spaces. These additional 8 spaces would be located along Drive Aisle A and would cause that portion of the project to exceed the maximum number of parking spaces allowed by 12%. They would be unassigned and would include at one space that is handicapped van accessible.

Market demand dictates that for-sale/condominium 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 warrant to allow excess parking for attached multi-family units would be an enhancement to the ownership nature of the townhome

development. More vehicles of residents would be safely contained, and guest parking would be accommodated with less competition for available spaces thereby contributing to an orderly interaction of uses. The additional guest parking would exceed requirements, improve vehicular circulation, and reduce the potential for impacts between pedestrians/residents and vehicles while remaining within the intended character of the zoning district.

First Story Glazing – Section 10-24.230 a. ii states that all facades shall be glazed with clear glass no less than 30% of the first story. As designed, only 12% of the first floor of the townhomes is glazed with clear glass. The proposed glazing levels on the first floor of both the townhomes and the mixed use-apartment building reflects a style that is typical for the use of those structures. For the residential townhomes, the requested percentage of first story glazing is consistent with residential townhome development. In addition, the lower level of glazing on the ground floor of the townhomes helps with noise attenuation and allows for more energy-efficiency and residential character to those elevations.

For the mixed-use apartment building, the ground floor elevation has been redesigned to include both fixed spandrel glass and translucent light-transmitting glass in addition to the clear, shopfront glazing of the commercial area. For this building, clear glass on the first floor makes up approximately 25% along Mission Boulevard and 13% along Sorenson Road with all first floor exterior materials comprised of more than 30% glass. While not all of the glazing is clear, for this proposed building, it is more than the existing commercial buildings, and is an adequate amount for storefront visibility, parking screening, and residential privacy while still presenting a commercial boulevard image intended for the design of this thoroughfare and zone.

Parking within Layer 2 Setback – Table 12B of the Form-Based code allows parking within a Layer 3 setback along Mission Boulevard, but requires a warrant to allow parking within the Layer 2 setback, which extends to the first 20 feet, along Mission Boulevard. Although screened from view, a portion of 10 spaces of ground level parking within the mixed use/apartment building falls within the Layer 2 setback. However, the parking within this area lies behind the first floor wall of fixed spandrel glass, translucent light-transmitting glass, or wire-framed green screens with vines. The parking is not obtrusive, perceptible or even barely visible along the Mission Boulevard frontage.

For the townhome development, a portion of one guest parking space along Drive Aisle A falls within the Layer 2 setback with most of that one parking space situated within Layer 3 as permitted. The portion of that parking space located with the Layer 2 setback is properly screened behind a perimeter wall and generous landscaping. A Layer 2 setback along the principal street is 20 feet.

Vesting Tentative Map

Vesting Tentative Map 8335 would subdivide the project into eight lots (Lots 1 through 8) and seven non-buildable parcels for common space, landscaping, circulation, recreation, and environmental areas (Parcel A through G). Lots 1 through 7 would be developed as condominium airspace within the seven buildings for the 35 three-story townhouse units. Lot 8 is a single lot and the site of the four-story mixed use/apartment structure with area for landscaping and circulation as well as reciprocal circulation easements with the townhome project.

As a Condition of Approval for this subdivision, all perimeter improvements include paving, landscaping, curb, gutter, and sidewalks. Right-of-way improvements for Mission Boulevard would comply with the standards for an "Avenue" with a 100-foot right-of-way as established in the South Hayward BART/Mission Boulevard Form-Based code.

The HOA would be responsible for maintaining the exterior of the structure, parking areas, common area landscaping, common or communal areas within the structure, on-site environmental (bioretention) areas, and any building systems. Property ownership within the townhome portion of the project will require participation in an incorporated Homeowners Association (HOA) and adherence to the Conditions, Covenants & Restrictions (CC&Rs) recorded with the subdivision. 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, perform the necessary work to maintain these areas, and lien the properties for their proportionate share of the costs.

Conditions of Approval typically attached to a Vesting Tentative Tract Map include improvement plans and subdivision agreements entered into with the Applicant/Developer. The purpose of a Vesting Tentative Tract Map is to establish the right to proceed with the proposed project in substantial compliance with the ordinances, policies, and standards in effect on the date the vesting tentative map applications is deemed complete. In the case of this project, that date is August 23, 2017.

The existing utilities in the project vicinity, including sanitary sewer, water and storm drain systems, have sufficient capacity to adequately serve the proposed development. On-site sewer and water utilities will be installed within new public utility easements granted as part of the subdivision map process. The project also is required to construct and maintain bio-treatment and stormwater collection systems subject to clean water measures. 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.

Water Quality

On-site stormwater collection and treatment basins have been provided in two areas of the project site. The primary bioretention area is accommodated by Parcels E and G on Vesting Tentative Map 8335 with Parcel E located within the boundaries of the townhome

development and Parcel G within the boundaries for the mixed use/apartment site. A second, smaller bioretention area will be installed in the northwesterly portion of the project site in open space area near Building 1 and the rear property line. Bio-retention areas collect water during rainstorm events where water is filtered back into the ground water ecosystem. Landscaped planters on site also serve that purpose. Both bioretention areas would be maintained by the townhome homeowners association (HOA).

Protected Trees

A tree survey was conducted on the project site for compliance with the City's Protected Tree Ordinance. A total of 31 trees with valuations were identified on site as meeting the standards for protected status (see Attachment V - Sheet L1.1-C). The survey also identified one tree that did not meet the criteria. Three options were recommended for these protected trees: (1) remove; (2) preserve in place; or (3) preserve off site at another location. Recommendations for removal include 12 hackberry trees and one blackwood acacia. All eleven of the London plane trees were recommended to be preserved as street trees and to remain on site. Other species, (including fruit, nut, and oak trees) totaling seven, were recommended to be removed and preserved off site. The trees were assessed based on health and form.

All other vegetation and any boughs and branches overhanging from adjacent properties would be removed from the project site. Removal of the protected trees would require removal permits and satisfactory replacement. Applicable tree removal permits are included as Conditions of Approval (COA #63). The preliminary landscape plan proposes to replace the vegetation removed with a variety of new trees, shrubs, and ground cover that are water conserving and native to California.

Public Parkland Obligations

The Applicant has opted to pay Park Dedication In-lieu fees (versus dedication of parkland) that are based on \$11,395 per attached unit for the 35 townhome units and \$9,653 per multi-family unit in apartment buildings. Therefore, a total of \$775,282 (\$398,825/townhomes + \$376,457/apartments) would be paid prior to certificate of occupancy of the respective units (see condition of approval COAs #139).

Affordable Housing Ordinance

All 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. In the event this option is selected, 3 townhome units and 3 rental units would satisfy this requirement. 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. Pursuant to Chapter 10-17-305, rental projects are not subject to contribute towards affordable housing through fees or units.

The Housing Impact Fee for attached townhome units is shown on the City’s current Master Fee Schedule as \$3.87 per square foot of habitable space and \$3.63 per square foot of habitable space for the apartments. At a habitable square foot area of 66,703 square feet for the townhomes (\$258,141) and 34,137 square feet for the apartments (\$123,917), the Housing Impact Fee paid to the City would be \$382,058. 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 #138).

Environmental Review

An Initial Study evaluating the potential environmental impacts of this project was prepared in accordance with CEQA. The Initial Study found that the proposed project would result in potential impacts in the areas of air quality, biological resources, cultural resources, noise & vibration, and Mandatory Findings of Significance. The Mitigated Negative Declaration (MND) contains mitigation measures reducing the identified impacts to a level of less than significant.

A Notice of Intent to Adopt a Negative Declaration (NOI) was filed with the Alameda County Clerk and the State Clearinghouse on July 20, 2017. The NOI and the Initial Study were posted at City Hall and delivered to the Hayward libraries, and copies of the NOI were sent to interested parties and property owners within 300 feet of the project site on July 21, 2017, along with the notice of public hearing on the project, 56 days prior to the public hearing. The public comment period for the proposed Negative Declaration and Initial Study expired on August 10, 2017.

A copy of the Initial Study, MND, and Mitigation Monitoring and Reporting Plan (MMRP) are attached to this report for the Commission’s review and consideration (Attachment III). Consideration by the Planning Commission of the environmental documents is required to be made prior to forming a recommendation on the proposed project. No comments were received during the review period.

FISCAL AND ECONOMIC IMPACTS

Currently for the townhomes, the sales price is anticipated at \$600,000 to \$650,000 per unit. For apartments units in the project, monthly rental rates are expected to be between

\$2,000 - \$2,200 for a 1-bedroom unit, and \$2,300 to \$2,500 for a 2-bedroom unit. The unit value will be indicated by market price.

Per the City of Hayward Fiscal Impact Model prepared by Applied Development Economics, Inc., the project would generate an estimated \$145,007 in additional revenues related to taxes, fees, and licenses, and would generate approximately \$158,697 in annual costs related to city services. Combined, the project would result in a net negative impact of approximately \$13,690 per year primarily related to increased demands on City Services with the highest anticipated increases related to Police and Fire Services.

The indirect effect on the economy is that new residents should generate demand for goods and services, thereby providing stimulus for new or existing jobs in the City's economy.

SUSTAINABILITY

The City's General Plan places an emphasis on sustainability and requires the integration of sustainability enhancement in all new development. The project serves the objective of concentrating higher density housing near public transit facilities. This project is within walking distance of the BART station, grocery stores, commercial shopping, theaters, restaurants, and drug stores.

Energy - In addition to using materials that will conserve energy for heating and cooling, the project will be equipped with LED lighting. For the mixed use/apartment building, rooftop solar panels will generate power for the building. Solar power also would be used to power common area lighting and other common area facilities for the townhomes.

Transportation - At least one Energy star, green rated, charging station would be provided in the ground level parking for the mixed use/apartment building. The project is required to accommodate both short term spaces and long term parking for bicycles. Multi-family residential (in this case, the apartments) and commercial uses are required to meet this standard. Two spaces are required to serve the commercial use. For multi-family residential, the bicycle parking requirement is based on the number of bedrooms. A factor of .05 spaces is used to calculate short term bicycle parking and .15 is used to determine long-term parking. The apartment portion of the proposed project encompasses 60 bedrooms. Based on the standards cited, the apartment portion of the proposed project would require 12 bicycle spaces - 3 short term and 9 long term. A bicycle room accessible from the parking area is located at the corner of the building on the ground floor; it has been designed to accommodate 12 spaces.

Two spaces will satisfy the minimum number of bicycle parking for the commercial use. These spaces will be located near the entry of the commercial space on Mission Boulevard.

The townhome portion of the project includes 119 rooms. It is anticipated that bicycle storage can be accommodated within each enclosed garage to meet these requirements.

Recycling/Refuse - The proposed project intends to accommodate measures that comply with the local recycling goals.

Water Quality - The bioretention areas which will further efforts to prevent stormwater pollution are discussed under "Water Quality."

PUBLIC CONTACT

On September 22, 2017, a notice of this public hearing was mailed to every property owner and occupant within 300 feet of the project site, as noted on the latest Assessor's records. In addition, notice of this public hearing was published in *The Daily Review* on September 23, 2017.

STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. 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, promising place to live, work and play for all. This item supports the following goals and objectives:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Objective 4: Create resilient and sustainable neighborhoods.

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

NEXT STEPS

Based on public testimony, information presented in this staff report, and other information received by Council members, if the Council approves the proposed project as recommended by the Planning Commission and based on required findings being made, the Ordinance approving the amendment to the South Hayward BART/Mission Boulevard Form-Based Code will return to the City Council for a second reading. The Final Map is subject to City Council review and approval, after which construction permit applications will be processed and permits issued to ultimately allow for construction of the project.

Prepared by: Mike Porto, Consulting Planner

Recommended by: Stacey Bristow, Interim Development Services Director

Approved by:

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

Kelly McAdoo, City Manager