

# **SUBJECT**

Vesting Tentative Tract Map (Tract 8520) Application No. TM-24-0006 for a New Multi-Family Residential Subdivision with 27 Three-Story Townhouse-Style Condominiums and a Four-Story, 18-Unit Multi-Family Building on a Vacant 1.14-Acre Site Located at 21659 Mission Boulevard (APN 428-0006-058-01) for which a Corresponding Vesting Tentative Tract Map, Site Plan Review and Density Bonus Application (201902713) was previously approved in September 2020 but for which the previously approved Vesting Tentative Tract Map has since expired. Applicant/Property Owner: Sophie Nguyen, Secured Asset Fund Corporation; Project Engineer: Jeffrey Moore, Greenwood & Moore, Inc.

## RECOMMENDATION

That the Planning Commission find the application to be exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), which exempts projects from CEQA where it can be seen with certainty that there is no possibility that the proposed activity could have a significant effect on the environment, and approve the proposed Vesting Tentative Tract Map based on the analysis set forth in this staff report and the required Findings (Attachment II), and subject to the Conditions of Approval (Attachment III).

## SUMMARY

The Applicant is requesting approval of an expired Vesting Tentative Tract Map (VTTM) for a multi-family residential subdivision (Tract 8520) on a vacant 1.14-acre parcel located at 21659 Mission Boulevard. The proposed development will feature a total of 45 dwelling units, including 27 for-ownership townhouse-style condominium units and 18 multi-family rental units.

On September 10, 2020, the Planning Commission approved VTTM, Site Plan Review and Density Bonus Application No. 201902713 for a nearly identical subdivision at the subject site. However, the Applicant was unable to proceed with the completion of the Final Map in a timely fashion due to a change in ownership and unanticipated issues that arose with utility alignment and as a result, the VTTM expired on September 10, 2023. Although the Hayward Municipal Code (HMC) allows processing of Final Maps up to 1 additional year following expiration to allow the City to complete the review of the Final Map, the Applicant was still unable to obtain Final Map approval prior to the final expiration date. As such, the Applicant is requesting re-approval of the VTTM, which is substantially the same as the VTTM that was originally approved by the Commission in September 2020.

# BACKGROUND

On May 8, 2019, the previous owner of the subject property, Pargat Aulakh, submitted VTTM, Site Plan Review and Density Bonus Application No. 201902713 to subdivide a vacant 1.14-acre property at 21659 Mission Boulevard into two parcels and construct 27 for-ownership three-story townhouse-style condominiums on one parcel and a 4-story, 18-unit rental apartment building on the other.

The Density Bonus component of the application enabled the Applicant to construct six additional units above the base density allowed by the property's zoning in exchange for providing four deed-restricted affordable units in the project, including three condominium units restricted for moderate income households, and one apartment unit restricted for very low-income households. The project was previously approved by the Planning Commission<sup>1</sup> on September 10, 2020. A copy of the previous approval is included as Attachment VI.

On July 21, 2023, the property was purchased by the current applicant/property owner, Secured Asset Fund Corporation. Prior to completion of the land purchase, the Applicant purchased the rights to the plans for the project. The Applicant submitted the detailed construction plans in late 2022/early 2023 for review by the City and the various utility agencies that provide water, sewer, electric, gas and telecommunications service to the site. During the review process for those plans, the site's water service provider, East Bay Municipal Utility District (EBMUD), informed the City that the utility plans for the project did not meet EBMUD's standards because they showed a proposed water line crossing the property line separating the condominiums from the apartment building, a practice that EBMUD does not allow. While the Applicant was revising the plans to address this utility issue, the approved VTTM expired necessitating approval of a new VTTM. However, because the Applicant was able to submit the building permit applications for the condominiums and apartment building in late December 2022, the Site Plan Review and Density Bonus approvals for the project were vested and did not expire along with the VTTM. As such, the previous Planning Commission approvals of the site plan and architecture for the project remain in effect and are not subject to additional review or approval.

<u>Public Outreach.</u> On November 14, 2024, the Planning Division mailed out 222 Notice of Receipt of Application (NOR) for the proposed Vesting Tentative Tract Map to the owners and occupants of all property located within 300 feet of the site, as well as to the Friends of San Lorenzo Creek, the North Hayward Neighborhood Task Force and the Prospect Neighborhood Association.

On March 13, 2025, public hearing notices were mailed to the same list of recipients who received the NOR. A public hearing notice was also published in <u>*The Daily Review*</u> newspaper on March 10, 2025. To date, staff has not received any comments from any members of the public regarding the proposed project.

<sup>&</sup>lt;sup>1</sup> <u>Video Recording of September 10, 2020 Planning Commission Meeting</u>

#### **PROJECT DESCRIPTION**

<u>Existing Site Conditions.</u> The project site consists of a single 1.14-acre parcel with dual frontage along both Mission Boulevard and Montgomery Street. The parcel is at the northernmost end of the City limits and abuts the County of Alameda directly to the north. The topography of the property is relatively flat and the land is currently partially paved but in a state of disrepair, with junk having been illegally deposited on it over the years.

Surrounding development and land uses include several automobile service and sales establishments and other commercial and service uses to the northeast and southeast along Mission Boulevard, and a mix of single-family and multi-family residences to the northwest and southwest along Montgomery Street and across the street to the west. The project site is zoned Mission Boulevard Neighborhood Commercial (MB-CN) and contains a Sustainable Mixed Use land use designation in the *Hayward 2040 General Plan*.

<u>Proposed Project.</u> The proposed subdivision includes 27 townhouse-style condominiums which would take access from Montgomery Street and 18 multi-family rental units in a four-story building that would face and take access from Mission Boulevard.

The townhouse-style portion of the development will consist of five separate buildings with either five or six condominiums in each. The condominiums are designed to be three stories and contain three bedrooms, 2.5 bathrooms and approximately 1,470 total square feet each. The apartment building will contain 18 two-bedroom, two-bathroom units. The ground floor of the apartment building includes podium-level parking, a common lobby area with secured mail access, a bike storage room, utility closets, and a trash room. The second, third, and fourth floors will house the apartment units, and the top floor will include a rooftop deck for the residents. The apartment units will range from 744 square feet to 888 square feet in size.

The development will also include a common open space roughly at the center of the site with a small playground, community garden, and lawn area with benches that will be accessible to all residents of both the condominiums and the apartments.

<u>Parking and Site Circulation</u>. Per HMC Section 10.24.3.2.050<sup>2</sup>, there is no minimum parking requirement for new residential uses in the Mission Boulevard Code; however, the Code establishes a maximum limit of 1.75 parking spaces per rental unit and 2.0 spaces per ownership unit, as well as requires both short-term and long-term bicycle parking.

The project will include a total of 35 automobile parking spaces: 24 spaces for the townhomes and 11 for the apartment units. The townhome parking will be provided in a shared surface parking lot, while the multi-family rental parking will be provided in a shared parking garage on the ground floor of the multi-family building. In addition, the project will include 32 total bicycle parking spaces, 20 of which will be located in a bicycle storage room within the apartment building, and 12 of which will be bike racks located adjacent to the common playground area between the apartment building and the condominiums.

<sup>&</sup>lt;sup>2</sup> HMC Section 10.24.3.2.050 – Mission Boulevard Code Parking and Loading

Vehicular access to the apartment building will be provided by a two-way ingress/egress from Mission Boulevard, while access to the condominiums will be provided by a two-way ingress/egress from Montgomery Street. A landscaped walkway will also be provided in order to allow pedestrian and bicycle circulation between the apartments and Mission Boulevard and the condominiums and Montgomery Street.

## POLICY CONTEXT AND CODE COMPLIANCE

<u>Hayward 2040 General Plan.</u> The project site is designated Sustainable Mixed Use (SMU)<sup>3</sup> in the *Hayward 2040 General Plan* which allows for a residential density range of 4.3 to 100 dwelling units per net acre, and up to a maximum floor area ratio (FAR) of 2.0. The proposed development of 45 total units on 1.12 acres equates to a density of 40.2 dwelling units per net acre, well within the permissible density range of 4 to 110 dwelling units of the SMU land use designation. Furthermore, the proposed FAR equates to 1.05, well below the 2.0 maximum prescribed by the General Plan.

The SMU land use designation generally applies to properties that are adjacent to regional transit corridors and are planned to contribute to a denser, more pedestrian-friendly neighborhood development pattern. Typical building types will vary based on the zoning of the property, but will generally include duplexes, triplexes, 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 on upper floors. By providing both for-ownership and rental housing opportunities for lower-income households as well as market-rate units on a vacant infill site located close to schools, commercial uses, essential services and robust transit service, the project is consistent with several General Plan goals and policies including, but not limited to, the following:

- Land Use Policy LU-1.4: The City shall encourage property owners to revitalize or redevelop abandoned, obsolete, or underutilized properties to accommodate growth.
- Housing Goal H-2: Assist in the provision of housing that meets the needs of all socioeconomic segments of the community.
- Housing Policy H-2.1: The City shall encourage the development of ownership housing and assist tenants to become homeowners to increase owner occupancy rate within the parameters of federal and state housing laws.
- Housing Policy H-3.1: The City shall continue to 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.
- Housing Policy H-3.4: The City shall encourage development of residential uses close to employment, recreational facilities, schools, neighborhood commercial areas, and transportation routes.

<sup>&</sup>lt;sup>3</sup> Hayward 2040 General Plan: <u>https://www.hayward2040generalplan.com/land-use/mixed</u>

- Housing Policy H-5.7: The City shall facilitate and encourage the development of larger rental and ownership units for families with children, including lower- and moderate-income families, and the provision of services such as childcare and after-school care, when feasible.
- Community Health & Quality of Life Policy HQL-5.3: The City shall promote urban design principles that support active use of public spaces in neighborhoods, commercial areas, and employment centers at all times of day. Active use of public spaces provides "eyes on the street" to enhance public safety in these areas.

Zoning Ordinance: The proposed subdivision meets the requirements of the City's Zoning Ordinance in that the project site is located within the MB-CN zoning district<sup>4</sup> which allows for a residential density range of 17.5 to 35 dwelling units per net acre. In exchange for providing four deed-restricted affordable units within the project, the Applicant was granted a Density Bonus in accordance with State law which enabled the project to include a total of 45 units, resulting in a density of 40.2 dwelling units per acre. As proposed, the development complies with all the applicable development standards of the MB-CN zoning district, except for the maximum building height and the minimum common open space, which were both approved by the Planning Commission in September 2020 as part of the applicant's Density Bonus request.

The design-level architectural, civil and landscape plans were approved by the Planning Commission in September 2020 when it approved VTTM, Site Plan Review, and Density Bonus Application No. 201902713. The only difference in the subdivision design is the removal of the lot line that was originally proposed to bisect the site and separate the apartment building from the condominiums, which was necessary because EBMUD, the water service provider to this part of the City, does not allow new water lines to cross property lines. As such, the Applicant amended the Tentative Map by removing the property line separating the condominiums from the apartment building. Sheet C3.0 of Attachment IV shows the original two-lot configuration and Sheet C2.0 of Attachment IV shows the current single-lot configuration.

<u>Subdivision Ordinance</u>: Pursuant to HMC Section 10-3.150<sup>5</sup>, the Planning Commission must make the following findings in order to approve a Vesting Tentative Tract Map:

- 1. The proposed subdivision is not in conflict with the General Plan and applicable specific plans and neighborhood plans;
- 2. The proposed subdivision meets the requirements of the City Zoning Ordinance; and
- 3. No approval of variances or other exceptions are required for the approval of the subdivision.

Additionally, pursuant to §66474 of the State Subdivision Map Act, the Planning Commission must also make the following findings when approving a Vesting Tentative Tract Map:

1. The proposed map is consistent with applicable general and specific plans as specified in Government Code Section 65451;

<sup>&</sup>lt;sup>4</sup> <u>HMC Section 10.24.2.2.040 – Mission Boulevard-Corridor Neighborhood (MB-CN) Zoning District</u>

<sup>&</sup>lt;sup>5</sup> Hayward Municipal Code Chapter 10, Article 3 – Subdivision Ordinance

- 2. The design or improvement of the proposed subdivision is consistent with applicable general and specific plans;
- 3. The site is physically suitable for the type of development being proposed;
- 4. The site is physically suitable for the proposed density of development;
- 5. The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat;
- 6. The design of the subdivision or type of improvements is not likely to cause serious public health problems; and
- 7. The design of the subdivision or the 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.

As stated above, the proposed subdivision conforms to the *Hayward 2040 General Plan* and complies with the applicable requirements of the City's Zoning and Subdivision Ordinances.

In accordance with the requirements of Subdivision Map Act §66490 for all new subdivisions, a geotechnical investigation was completed for the development in 2019 by Ground Zone Environmental Services, LLC, and peer-reviewed by the City's consultant which concluded that the site was physically suitable for the type and density of development being proposed, and the project is not likely to have an adverse impact on public health and safety in that its construction will be required to comply with the California Building and Fire Codes as well as the recommendations from the geotechnical investigation. Furthermore, all proposed public and private improvements will be required to be constructed in accordance with the applicable City standards. The subdivision will not cause substantial environmental damage or avoidably injure fish or wildlife or their habitat in that the site does not contain any environmentally sensitive features or habitats save for a small number of existing trees, and the Applicant will be required to conduct preconstruction surveys of the trees to ensure that no protected bird species are utilizing them for nesting or foraging purposes. Finally, the subdivision design will not conflict with any existing public easements in that no such easements currently encumber the property. Additional details on each required finding are included in Attachment II.

<u>Senate Bill (SB) 330 and Housing Crisis Act</u>: In 2019, the State of California adopted new legislation (SB 330) intended to address the State's housing crisis. SB 330 strengthens the Housing Accountability Act (Government Code Section 65589.5), which states that a housing project that complies with the objective standards of the General Plan and Zoning Ordinance must be approved unless the City is able to make written findings based on a preponderance of evidence in the record that either: (1) the City has already met its Regional Housing Needs Assessment (RHNA) requirement; (2) there is an impact to the public health and safety and this impact cannot be mitigated; (3) the property is located on agricultural land; (4) approval of the project is inconsistent with the zoning and land use designation and not identified in the General Plan Housing Element RHNA inventory. "Objective" means involving no personal or subjective judgment by a public official and being uniformly verifiable by reference to an

external and uniform benchmark or criterion available and knowable by both the project proponent and the public official.

As described above, the project was originally approved in 2020 after being found consistent with the General Plan and Subdivision Map Act and meeting the applicable standards of the Zoning Ordinance with two deviations to exceed the maximum allowable building height on the apartment building and provide slightly less common open space than required within the development, both of which were both permitted through the use of waivers as allowed under State Density Bonus Law.

The current proposal is largely the same as the one approved in 2020, with the only change being the removal of a lot line separating the multi-family rental portion of the project from the condominium portion to comply with EBMUD's standards.

Regional Housing Needs Allocation & Affordable Housing Ordinance: Local jurisdictions report progress annually on meeting their Regional Housing Needs Allocation (RHNA) goals which are included in the City's Housing Element. The 6<sup>th</sup> Cycle Housing Element (2023-2031) was adopted by the City Council on February 7, 2023, and subsequently certified by the State Department of Housing and Community Development. In the next eight-year cycle (2023-2031), the City is required to build 4,624 units at a variety of income levels. According to the Housing Element, Appendix C, Table C-3, Planned, Approved and Pending Projects, there are a total of 2,073 units that are approved or otherwise pending at various income levels during the upcoming cycle. The proposed development would add three moderate income ownership units and one (1) very low-income rental unit to the City's total.

All residential development projects with two or more dwelling units are subject to the City's Affordable Housing Ordinance (AHO)<sup>6</sup> which requires that applicants either provide affordable units on-site or pay an in-lieu fee to comply. For rental projects, the AHO requires 6% of units be restricted as affordable units with half of those required to be reserved for very low income households. For ownership projects, the AHO required 10% of units to be restricted for moderate-income households. To satisfy these requirements, the Applicant provided an Affordable Housing Plan (Attachment V) which restricted three of the condominiums as being affordable to Moderate Income households and one (1) of the apartments as being affordable to a Very Low-Income household.

This Affordable Housing Plan was approved by the Planning Commission in September 2020 as part of the original entitlement package for the project. As a condition of approval, the Applicant will be required to execute an Affordable Housing Agreement in coordination with the City's Housing Division prior to the issuance of building permits.

<u>Parkland Dedication/Park Impact Fees</u>: Pursuant to HMC Section 10-16.10<sup>6</sup>, as a residential project being developed by a private developer providing market rate rental units in addition to the three affordable units, the project is subject to Park Impact Fees.

The 24 market-rate condominiums and 17 market-rate apartments are subject to the full Park Impact Fee rate in effect at the time of building permit application, while the three

<sup>&</sup>lt;sup>6</sup> Hayward Municipal Code Section 10-16.10 - Affordable Housing Ordinance Requirements

affordable condominiums and one (1) affordable apartment will only be required to pay 50 percent of the full rate. Based on the current unit mix and per the 2025 Master Fee Schedule, the estimated amount of park fees for this project is \$669,732.50.

# **STAFF ANALYSIS**

Staff believes the Planning Commission can make the required Findings to approve the Vesting Tentative Tract Map application based on the analysis provided herein and included within the required Findings set forth in Attachment II.

The proposed project complies with all objective development standards of the MB-CN zoning district as well as the goals and policies of the *Hayward 2040 General Plan*. The findings required for approval of Vesting Tentative Map mandate that the subdivision be consistent with the City's General Plan and adhere to all applicable standards of the Zoning Ordinance and Subdivision Ordinance, and this project was found to do both when the previous Vesting Tentative Tract Map, Site Plan Review and Density Bonus application was approved by the Planning Commission in 2020.

The proposed subdivision would not result in any significant modifications to the previously approved Vesting Tentative Tract Map, with the only change being the removal of a lot line that was planned to separate the apartment building component of the project from the condominium component. The proposed density, setbacks and building heights will all remain the same and consistent with their respective General Plan and zoning designations. Furthermore, the proposed subdivision design does not require any variances from or exceptions to the applicable standards. And finally, as mandated by the required findings of the Map Act, the project will not have an impact on the environment or any fish or wildlife or their habitat, and it will not cause any harm to the public health.

The proposed subdivision follows sustainable planning principles by focusing an infill development along a major transit corridor in Mission Boulevard that provides multi-modal transportation options for residents to commute and within walking distance of a wide variety of businesses offering every day and essential goods and services. AC Transit has northbound and southbound bus stops on Mission Boulevard within approximately 500 feet (less than a 5-minute walk) of the project site. The 10 and 801 bus routes feature 15–30-minute headways and provide connections between San Leandro, Hayward, Union City and Fremont with stops at the San Leandro, Bay Fair, Hayward, South Hayward, Union City, and Fremont BART stations as well as the Fremont Amtrak station, which further expands the regional connections available via public transportation. These options provide the project's residences with numerous opportunities to utilize public transportation for everyday and commuter trips.

## **ENVIRONMENTAL REVIEW**

This Vesting Tentative Tract Map application is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), which exempts projects from CEQA where it can be seen with certainty that there is no possibility that the proposed activity could have a significant effect on the environment. The previously

approved Vesting Tentative Tract Map, Site Plan Review and Density Bonus application for the proposed subdivision was determined to be categorically exempt pursuant to CEQA Guidelines Section 15332, In-fill Development Projects.

The subject application for a new Vesting Tentative Tract Map would not result in any physical changes to the previously approved project; it would only remove a proposed property line between the townhouse component of the project and the multi-family apartment building component and renew the previous approval that recently expired in order to provide the Applicant with additional time to obtain approval of and record the Final Map for the project.

# NEXT STEPS

If the Planning Commission approves the proposed Vesting Tentative Tract Map application, then a 10-day appeal period will commence from the date of the decision. If no appeal is filed during the 10-day appeal period, then the decision will be deemed final and the Applicant must submit an application for a Final Map, which must be approved by the City Council. If an appeal is filed in a timely manner, then the appeal will be heard by the City Council in another public hearing.

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