



## **SUBJECT**

Proposed Site Plan Review and Vesting Tentative Map 8278 for the construction and subdivision of a 5-story structure containing 57 two and three bedroom stacked flat residential condominium units, 2,298 square feet of ground floor commercial area (2 commercial condominiums), and ground level parking (covered and open) on a 40,508 square foot (.93 acre) project site is located at 22634 & 22648 2nd Street (northeast corner of 2nd Street and “C” Street) in the Central City area of the City of Hayward. Assessor Parcel Number (APN) 427-16-50-04. Guru Thalapeneni (Owner/Applicant).

## **RECOMMENDATION**

Staff recommends approval of the proposed project, including applications for Site Plan Review and Vesting Tentative Map 8278 (subject to City Council approval of the Final Map) to construct a 5-story structure containing 57 two and three bedroom stacked flat residential condominium units, 2,298 square feet of ground floor commercial area (2 commercial condominiums), and ground level parking (covered and open) subject to the findings in this report and attached Conditions of Approval (Attachment III).

## **SUMMARY**

The proposed project, known as Matsya Villas, is recommended for approval by staff because the proposed project represents urban character, mixed use, and high density development envisioned by the Central City zoning district and the Downtown Hayward Design Plan.

The proposed 5-story building with ground floor commercial uses responds to the General Plan land use of Central City–Retail and Office Commercial that would allow other building types that may be appropriate on properties outside of the retail core of the Downtown including townhomes, apartments, condominiums, and live-work units. The project, as proposed, complies with the density of the Downtown Hayward Design Plan and the Central City-Retail and Office Commercial developments standards for parking, setbacks, building height and Floor Area Ratio.

## **BACKGROUND**

The .93-acre project site is located on the northeast corner of 2nd Street and “C” Street in the Downtown/Central City Area. The site currently is developed with a 21,000 square foot, two-story, office building and surface parking. The redevelopment and reuse of the project site would require the demolition of the office structure and other existing site improvements. The current owner has been using the property for multi-tenant office use.

Surrounding properties include a variety of transitional or adaptive uses typical of older areas. Uses to the north abutting the project site include an old single family home with storage in the rear. Beyond that property, the recently renovated Eden Apartments are located at 2nd and "B" Streets. Both properties are zoned and designated the same as the project site. Uses to the south across "C" Street generally are older single and multi-family residential uses with the corner structure converted for commercial use. This area is zoned and designated for Central City High Density Residential. Uses abutting the project site to the east along "C" street include older development of single family structures in varying states of repair generally appearing to be used as residential with miscellaneous outdoor storage. However, the land use is designated Neighborhood Commercial/Residential and the ultimate density is established at 40 units per acre which is less than the project site. Properties to the west across 2nd Street are single and multi-family residential use with an older residential property at the corner converted to commercial use (photography studio) which are zoned and designated the same as the project site.

## **DISCUSSION AND STAFF ANALYSIS**

This project application involves two discretionary actions within the approval authority of the Planning Commission: Site Plan Review and Vesting Tentative Map.

### Site Plan Review

The .93-acre site has both a commercial and residential component. The development regulations for reviewing the project are included under the Central City zoning district, specifically in the Subdistrict of Central City-Commercial (CC-C). Section 10-1.1550 requires a Site Plan Review for properties zoned CC-C.

As proposed, the site would be developed with a single 5-story, 55-foot eco-friendly structure. The ground floor would include 2,298 square feet of commercial space along 2nd Street divided into two commercial condominium units and ground level parking. Floors two through five would be built out with 57 residential units ranging in size from 830 square feet (smallest 2 bedroom unit) to 1,110 square feet (largest 3 bedroom unit) with 12 units to 16 units per floor. Total enclosed building area, excluding ground level parking, is approximately 59,376 square feet.

The project site has a frontage of approximately 189 feet along 2nd Street and a side dimensions of 212 feet along "C" Street. In keeping with the Central City area, the building is situated with 5-foot front setback and 5-foot right-of-way along the 2nd Street frontage. The setback along "C" Street is greater than 9 feet. The two interior lot lines are along the northerly and easterly boundaries. Areas of the CC-C zone within the Downtown Hayward Design Plan area are shown to require "4 to 8 feet setbacks per text" unless specifically shown otherwise. The setback along the northerly boundary is 7 feet from the upper levels and 10 feet at the ground level from the closest points. The setback along the easterly boundary adjacent to the covered parking area nearest "C" Street is approximately 32 feet at ground

level with the upper levels of the building tapering back from the boundary and ground level parking buffered by landscaping along the rear of that boundary.

Circulation - Vehicular access to the site would be taken from “C” Street. A total of 86 parking spaces would be located on the ground level with 53 covered spaces beneath the upper levels of the building and 33 surface parking spaces covered by unique shade structures. Pedestrian access to the lobby of the building is located along 2nd Street with secondary access from the ground level parking area. Two stairwells also provide direct exits from the building at street level along the northerly elevation near the primary building entry and along “C” Street (southerly elevation). 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. Trash would be collected from the covered trash enclosure near the end of the access driveway.

Easement – The Applicant/Owner of the proposed project will grant an access easement to the adjacent property to the east (1238 “C” Street) from the project driveway. That property currently is improved with a very old single family home and detached garage. The development potential of that property is limited due to its narrow width and would be further limited by the development of the project site. An existing curb cut provides access to that structure. However, granting the easement would prevent the need for another curb cut on “C” Street when the redevelopment of that property occurs.

Development Regulations - The controlling Zoning Code sections applicable to the project site relates to the Central City-Commercial Subdistrict (CC-C) established in Chapter 10, Article 10-1.1520 through 10-1.1526. The purpose of the CC-C Subdistrict zone is to establish a mix of business and other activities which will enhance the economic vitality of the Downtown area. Permitted activities include, but are not limited to, retail, office, service, lodging, entertainment, education, and multi-family residential uses. Development regulations for the CC-C zone include no minimum lot size and no minimum frontage, lot width, or depth. Also, there is no maximum coverage. However, the General Plan land use of Central City-Retail and Office Commercial establishes the maximum FAR at 1.5.

Density and Floor Area Ratio (FAR) - The maximum residential density according to the CC-C zoning and the Downtown Hayward Design plan is 65 units per acre. At 57 units the project is approximately 61.29 units per acre and would comply with the density limits. The mixed use land use designation of Central City – Retail and Office Commercial allows for a maximum FAR of 1.5. At a site area of 40,508 square feet, the maximum building area would be 60,762 square feet. With an enclosed building area of 59,376 square feet, the proposed project would comply with the maximum FAR.

Floor Plans - The proposed 5-story structure has been designed for mixed use to reflect downtown, high density residential with integrated commercial uses anticipated for the Central City while having access to public mass transit facilities. The ground floor includes two commercial condominium units along 2nd Street and ground level parking, both covered by the upper floor of the building and open on other areas of the site or situated under “shade

structures.” The pedestrian entrance from 2nd Street opens into the building lobby with mailbox banks and one of two elevators serving the building. The lobby also is accessed from the ground level parking.

The units within the building are either 2 bedroom/2 bathroom units or 3 bedroom/2 bathroom units. They are divided as 15 (or 26%) 2-bedroom units and 42 (74%) 3 bedroom units. Fifty-seven residential condominiums occupy Floors 2 through 5. Floor 2 includes a gym and “Business Lounge” as part of the common area amenities. Units are accessed from internal corridors. The second elevator is located in the southerly part of the building, and there are two stairwells primarily for exiting the building. Each unit will have an assigned parking space and a minimum of 96 cubic feet of securable personal storage area in proximity to that assigned space. Each unit has its own heating and cooling system, tankless water heater, and stackable laundry appliances. Each unit also would be separately metered for water and power. The top level of units have corridor skylights.

Building Architecture. Exterior materials of the building are primarily stucco finish, metal, and glass. A rounded building edge/corner faces the intersection of 2nd Street and “C” Street. The ground floor commercial space along 2nd Street is an aluminum and glass storefront which wraps the corner. It is shaded with a metal canopy. Ground level stucco surfaces are scored in a block pattern and colored differently than the stucco surfaces on the upper levels. The exterior material of the ground floor parking area adjacent to “C” Street would be a metal screen, and the ground level surface near the entry with the building identification would be cement hardiplank siding.

The upper levels of the building are stucco and glass finished. The exterior elevations are articulated with windows and balconies. In certain banks, windows are accented with metal louvres. A solid white trim caps the flat roofed building. Balconies railings are varied between glass and metal panels and vertical metal guardrails. Vertical metal guardrails or glass and metal panels enclose the common open area space on the second, fourth, fifth and rooftop levels. The exterior surface of the trash enclosure at the end of the driveway is cement plaster with metal screeds and a metal cover supported by metal posts.

Parking – Vehicular access to the parking area would be taken from a driveway off “C” Street. Development regulations for the Central City area establish a parking ratio of 1.5 spaces per residential unit regardless of bedroom count. Parking for commercial space is required at one space per 315 square feet. 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.

The project requires 93 parking spaces based on the proposed uses and the standards established for the Central City-Commercial (CC-C) zone). However, several provisions allow for a reduction from that total. A total of 86 spaces are proposed on-site at the ground level. Approximately 53 spaces are located beneath the upper floors of the building and 33 spaces would be open on site, situated beneath shade structures. Approximately 28 spaces (or 30%) of the required 93 spaces are shown as compact. The 86 spaces provided on site are determined to satisfy the parking requirement for this project with 81 spaces allocated for the

residential use and 5 spaces serving the commercial uses. The project is also designed to accommodate 5 bicycle lockers near the elevator on each of the four floors above the ground level resulting in a total of 20 dedicated bicycle spaces. This figure does not include a bike rack shown within the setback along "C" Street. At a parking requirement of 93 spaces, the bicycle parking provided may create a credit of 5 vehicle parking spaces which reduces the residential parking requirement from 86 to 81 spaces. The parking provided on site proposes one assigned 1 parking space for each of the 57 units and 24 spaces for residential guests and overflow to satisfy the 81-space requirement. Assigned spaces would include 5 compact spaces with the remaining 23 compact spaces on the ground level serving residential guests or commercial users. Two of the 24 residential guest spaces would be van accessible.

The Applicant is proposing to make up for a deficit of two spaces by utilizing "Central Parking District Parking Space In-lieu Payment" in accordance with Section 10-2.413. The Public Works Department has determined that the in-lieu payment for each parking space shall be \$25,000 per space and the project has been conditioned accordingly (See Condition #1).

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.

Landscape – A preliminary landscape plan has been submitted for both the open space areas of the project site and deck level bioretention levels 2, 3 and 4 and common recreation areas on level 4 and the rooftop above the ground level. The project site includes ground level landscaped and pedestrian areas which include planters, walkways, and bioretention areas but excludes areas meant for vehicles. Perimeter landscaping also includes tree wells within the public right of way surrounding the project site.

A plant palette, planting plan, and irrigation plan have been provided. Landscaping also would be located in Live Roof (green roof) areas which serve as common area open space decks and a recreation area on level 4 above ground level, including the rooftop. Plant materials are grouped as trees, shrubs, grasses, and ground cover including replacements for any trees identified as "protected," but anticipated for removal. Plant materials suggested for the Live Roof areas include succulents, grasses, and meadow accent plants. The emphasis for plant materials would be on those that are native and/or drought tolerant.

The west and south sides of the project site would be open to 2nd Street and "C" Street, respectively. However, the northerly and easterly boundaries abutting other private properties would be defined with a 6-foot high split face concrete masonry block wall. All perimeter improvements include paving, landscaping, curb, gutter, and sidewalks.

Tree Removals - An arborist's report and tree survey was conducted for the project site for compliance with the City's Protected Tree Ordinance. A total of 34 tree were identified including 11 trees on neighboring properties affecting the site; 23 of the 34 trees were identified as "protected," including 7 of the 11 neighboring trees. The trees were assessed based on health and form. All of the trees identified in the report have been determined to be in fair to poor condition.

The project proposes to remove all vegetation on site. Removal of the protected trees would require removal permits and satisfactory replacement. The proposed landscape plan satisfies that requirement and applicable tree removal permits are included as Conditions of Approval (COAs #58. i. and #65). 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 are native to California.

Water Quality - The on-site stormwater collection and treatment areas have been incorporated at three different locations within the project. Bio-retention areas collect water during rainstorm events where water is filtered back into the ground water ecosystem. This objective generally is accomplished through a combination of landscaped planters and the use of permeable paving. Treatment Area 1 is a planter area located along the easterly wall of the ground level parking between the garage entrance and the trash enclosure. Treatment Area 2 is located on the second level of the building above the parking area and is described as a rooftop flow through planter. Treatment Area 3 is a planter area located along the northerly boundary. It is buffered from the building by a strip of permeable paving. There is another full Treatment Area the third level and a partial Treatment Area combined with a deck area on Level 4.

Open Space/Recreation Areas – Open space for the project over all, excluding setbacks, totals 10,874 square feet comprised of 4,208 square feet of private balcony area and the 6,666 square feet of common deck areas. The CC-C zoning requires each unit to have 100 square feet of open space and 30 square feet per unit of group open space. There also is a requirement of a minimum of 60 square feet of private balcony or deck space. For each of the units, private balcony or deck space ranges from 60 square feet to 108 square feet and each private deck meets the minimum standard of having at least one dimension no less than 6 feet. Private balcony space for the 57 units averages nearly 74 square feet per unit which meets the minimum requirement.

The standards also require a minimum of 30 square feet of common area for multi-family projects making the minimum requirement 1,710 square feet. The project is proposing a total of 6,666 square feet of common area open space, which exceeds the development standard requirement.

*Vesting Tentative Tract Map 8278.*

An application for Vesting Tentative Tract Map 8278 has been submitted that would allocate airspace condominiums for 57 residential units and 2 ground floor condominium units along with designated parking areas for the residential and commercial units.

The HOA would be responsible for maintaining the exterior of the structure, parking areas, common area landscaping, common or communal areas or deck space within the structure, on-site environmental areas, and any building systems. Property ownership within the residential portion of the project will require participation in an incorporated Homeowner's 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 and perform the necessary work to maintain these areas and lien the properties for their proportionate share of the costs.

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.

#### Parkland Dedication

The Applicant has opted to pay Park Dedication In-lieu fees (versus dedication of parkland) that are based on \$11,395 per attached unit. Therefore, a total of \$649,515 would be paid prior to certificate of occupancy of the respective units (see condition of approval #5 and #60).

#### 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 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 55,698 square feet, the Housing Impact Fee paid to the City would be \$215,552. 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.

## **FINDINGS**

Findings for the Site Plan Review - Staff recommends the following findings to the Planning Commission pursuant to Section 10-1-3025:

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

The area is within the Downtown Hayward Design Plan Area and the Central City area identified in the City's zoning ordinance and General Plan which encourage mixed use and higher density residential. Surrounding structures typically are older, underutilized, and low profile. However, some rehabilitation and redevelopment is occurring in the area. The mixed use nature with ground floor commercial is consistent with the character planned for this area. While the proposed project would represent some of the first higher density housing in the area, the proposed density also complies with the zoning and character anticipated. The

residential uses would serve demands for new housing opportunities and location of higher density residential uses near mass transit facilities.

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

The project site generally is flat. Development would be constrained only by the existing thoroughfare system on the property's 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 result in the reuse of an underutilized property within an existing urban area. The proposed project is consistent with the intent and uses anticipated for the Central City – Commercial (CC-C) subdistrict zone and the Central City-Retail and Office Commercial land use designation.

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

The higher density residential use and ground floor commercial uses would be compatible with the mixed use character anticipated and planned for the Central City area with access to nearby goods and services and mass transit facilities. The residential uses would be compatible with adjacent multi-family residential, and the commercial uses would be neighborhood-serving and compatible with multi-family uses nearby.

*Findings for Vesting Tentative Tract Map 8278* - In order for a Vesting Tentative Tract Map to be approved, the Planning Commission shall make the following findings, as recommended by Staff:

- (1) 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 8278 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.

- (2) 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 Site Plan Review, is consistent with the City's General Plan.



**(3) 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 Wayne Ting & Associates, Inc. dated July 16, 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.

**(4) 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 Wayne Ting & Associates, Inc. dated July 16, 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.

An Initial Study and Traffic report by RKH Civil and Transportation Engineering dated March 14, 2016, 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.

**(5) 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 8278, as conditioned, will have no significant impact on the environment, cumulative or otherwise. The proposed project incorporates Best Management Practices for water quality and stormwater runoff. Substantial adverse environmental damage, including to fish or wildlife and their habitat, would not result from the proposed project.

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

Adequate capacity exists 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.

- (7) 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.

### **ENVIRONMENTAL REVIEW**

The proposed project has been determined to categorically exempt as Infill Development (Class 32) under the City's adopted procedures for the California Environmental Quality Act (CEQA) and that no further environmental analysis is required. However, a number of technical studies were submitted with this application. These studies include: 1) Arborist's Report, 2) Geotechnical Report, 3) Traffic report, and various letter responses regarding engineering, stormwater/runoff, and landscaping. In general, any impacts associated with the development of the project site are within the impacts anticipated by the General Plan EIR, provided the mitigation measures in the General Plan EIR are also applicable to this project. Such 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.

### **SUSTAINABILITY FEATURES**

The Hayward 2040 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 in the vicinity of public transit facilities. This project is within walking distance of the BART station, grocery stores, commercial shopping, theaters, restaurants, drug stores and within a block of a City parking structure. In addition to using materials that will conserve energy for heating and cooling, the building will be equipped with LED lighting and solar panels that will generate power for the building. Each unit will be equipped with energy-efficient appliances and tankless water heaters. Parking shade structures would also be installed over open parking areas dedicated parking spaces for each unit would be wired to allow electric vehicle charging. Each floor would include 5 bicycle storage lockers adjacent to the elevator to serve the needs of people-powered commuters.

## **PUBLIC OUTREACH**

In accordance with a 10-day minimum notification period, 238 notices of this public hearing were sent out on June 30, 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 June 30, 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**

If approved, the applicant will be required to incorporate project conditions of approval and prepare revised plans prior to submittal of Final Map approval by the City Council. If approved by the City Council, the Applicant may submit grading and building permit applications. Permits may be issued upon compliance with any appropriate conditions of approval and payment of applicable fees.

Prepared by: Mike Porto, Consulting Planner

Approved by:



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Sara Buizer, AICP, Planning Manager



Sara Buizer on behalf of,

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Stacey Bristow  
Acting Development Services Director