



DATE: November 2, 2020
TO: Council Economic Development Committee
FROM: Deputy City Manager
SUBJECT: Review Mission Village Project Modifications

RECOMMENDATION

That the Council Economic Development Committee reviews the report and provides feedback regarding a proposed modification to the Mission Village Project.

SUMMARY

The Mission Village project, consisting of 72 townhomes and 8,000 sq. ft. of commercial space, was approved by the Planning Commission in January 2017¹. As part of a recently granted two-year extension needed due to environmental issues, staff imposed new conditions of approval to address timely demolition of the existing buildings on the site and to ensure the commercial component of the project is developed simultaneously with the residential component.

Despite the physical and economic impacts of COVID, Valley Oak Partners (the Developer) has been working diligently to find tenants for the commercial component of this project. They have a potential tenant, Starbucks, for a portion of the commercial building, which envisioned three such tenants. This potential tenant has indicated the need for a drive-thru, which was not planned for this building as part of the original approvals. COVID has made the presence of drive-thrus extremely important to a business' success, as there have been, and will continue to be, limitations on in-person dining. The Developer will present their concept for the drive-thru at the November 2nd CEDC meeting and seek feedback to inform their decision-making process.

BACKGROUND

The Mission Village project, consisting of 72 townhomes and 8,000 sq. ft. of commercial space, was approved by the Planning Commission in January 2017². Since approval, the

¹ Planning Commission Meeting:
<https://hayward.legistar.com/LegislationDetail.aspx?ID=2924977&GUID=76A9CE61-FEEE-4905-992F-C02C0ED2575D&Options=&Search=>

² Planning Commission Meeting:

Developer has been working closely with the Regional Water Quality Control Board (RWQCB) related to clean up efforts on the site previously caused by a dry-cleaning establishment. While the Developer continued to move forward to obtain approval of the Improvement Plans and Final Map, the coordination with the RWQCB took longer than anticipated and the Developer approached the City to request an extension of their approved entitlements to allow them time to finalize those plans and construct the project. As part of the extension, staff imposed some new conditions of approval to address timely demolition of the existing buildings on the site and to ensure the commercial component of the project is developed simultaneously with the residential component.

Shortly following approval of the entitlement extension, that decision was appealed. The Planning Commission considered the appeal at a noticed public hearing on September 10, 2020³ and voted 7-0 to deny the appeal and uphold the Planning Director's decision to grant the two-year extension with the two modifications to conditions of approval recommended by staff.

Since then, the Developer has requested a project modification to add a drive-thru to the commercial component of the project in an effort to deliver the commercial component in step with the residential component and in response to new and evolving constraints related to the COVID crisis. The Developer will present their concept for the drive-thru at the November 2nd CEDC meeting and seek feedback to inform their decision-making process.

DISCUSSION

As everyone is aware, the economic impacts of COVID have yet to fully be realized, but the Developer has been working diligently to find tenants for the commercial component of this project so that they can deliver this element of the project. They have a potential tenant, Starbucks, for a portion of the commercial building, which envisioned three such tenants. This potential tenant has indicated the need for a drive-thru, which was not planned for this building as part of the original approvals. COVID has made the presence of drive-thrus extremely important to a business' success, as there have been, and will continue to be, limitations on in-person dining.

Drive-thru establishments are permitted in this zoning district, subject to issuance of a Conditional Use Permit (CUP). Ultimately, the Developer will need to apply for a CUP for review by staff and eventual approval by the Planning Commission for such a use. The attached site plan is a preliminary layout plan for the drive-thru, which would still require formal review (Attachment II). In order to secure the tenant and ultimately be successful at delivering the commercial component, the Developer is seeking input from the CEDC as to the support for adding such an element to the project.

<https://hayward.legistar.com/LegislationDetail.aspx?ID=2924977&GUID=76A9CE61-FEEE-4905-992F-C02C0ED2575D&Options=&Search=>

³ Planning Commission Meeting:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4633574&GUID=3F36AB89-81B9-4827-A74B-786FE37FFBAC&Options=&Search=>

NEXT STEPS

If the CEDC is supportive of the concept, the Developer will work on a formal CUP submittal, which will be reviewed by staff with an ultimate recommendation to the Planning Commission for their consideration.

Prepared by: Sara Buizer, AICP, Planning Manager

Recommended by: Jennifer Ott, Deputy City Manager

Approved by:

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

Kelly McAdoo, City Manager