



SUBJECT

Preliminary Review of an Application to Construct 298 Residential Units, a Public Park, a Portion of the Hayward Foothill Trail, and Various Site and Frontage Improvements for Parcel Group 6 (Former 238 Parcel), on an Approximately 29.8-acre Site Located at Overlook Avenue and Carlos Bee Boulevard (Assessor Parcel No. 445-0180-001-00) Requiring Site Plan Review and Tentative Tract Map 8604. Application No. 202101471; Steven Jones for Integral Communities (Applicant) on behalf of The City of Hayward (Owner).

RECOMMENDATION

That the Planning Commission review and provide general feedback to the applicant and staff on the proposed Tentative Tract Map and Site Plan Review application for the Parcel Group 6 properties, along with specific direction on the policy issues identified in the report, subject to the information provided herein, the attached plans, and other related attachments.

SUMMARY

This work session intends to provide the Planning Commission and members of the public an opportunity to review the proposed plans for Parcel Group 6 (former Carlos Bee Quarry). The proposed project would construct a multifamily residential development with a total of 298 townhomes, flats, and micro-units, ranging in size from one to four bedrooms. Additionally, the development features a two-acre public park and an approximately mile-long loop of the publicly accessible Hayward Foothill Trail. The project will require the approval of a Tentative Tract Map 8604 and Site Plan Review and will be subject to a Disposition and Development Agreement (DDA) between the City of Hayward and the applicant for the sale and disposition of the former Caltrans City-owned property. No formal action is being requested at this time and the Commission will have another opportunity to consider the project at a future date once the application has been deemed complete.

BACKGROUND

After abandoning the Route 238 Bypass Project in the 1970s, Caltrans began selling parcels that had previously been acquired for the planned freeway. In order to ensure that future development of the 238 parcels located in Hayward align with the City's land use policies and overall vision, the City negotiated a Purchase and Sale Agreement (PSA) with Caltrans to assume responsibility for the sale of some of these properties to private developers.

The City-controlled 238 properties are divided into ten "parcel groups." Parcel Group 6 is located between Highland and Carlos Bee Boulevards, just east of Mission Boulevard, and west of California State University (CSU) East Bay. Parcel Group 6 has been subject to a Master

Development Planning process and Request for Proposals and Request for Qualifications to select a developer for the site.

Master Development Planning Process. In 2017, the City contracted with urban design firm, Design Workshop, to develop Master Development Plans and associated environmental review documentation for several parcel groups, including Parcel Group 6.

On July 25, 2019, the Planning Commission held a work session to review initial development concepts for Parcel Group 6.¹ The Commission was generally supportive of the concepts presented and provided the following feedback:

- Clearly articulate the riparian and creek setbacks.
- Require the Homeowners Association (HOA) to provide neighborhood security and on-street parking enforcement.

On October 7, 2019, the Council Economic Development Committee (CEDC) reviewed the draft Master Development Plan (MDP) and related Request for Proposals (RFP).² The CEDC was supportive of the plan and made the following recommended changes:

- Emphasize encouraging creative and innovative proposals.
- Consider more commercial use, if desired by development teams.
- Require future development to exclude natural gas utilities.
- Encourage additional outreach and solicit more neighborhood feedback throughout the planning process.
- Require additional engineering analysis regarding the new intersection to ensure safety on Carlos Bee Boulevard.
- Prohibit a gated community.

On October 24, the Planning Commission reviewed the draft MDP and associated Addendum to the General Plan EIR. The Planning Commission was supportive of the MDP and unanimously recommended approval, with the recommended change of adding a wildfire prevention requirement for the site plan into the RFP.³

¹ Planning Commission Meeting Minutes, July 25, 2019:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4127416&GUID=A4011CA3-E0C5-4C1A-97D8-9A12AC76B4D5&Options=&Search=>

² CEDC Meeting Minutes, October 7, 2019:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4211973&GUID=D8DCF261-2460-4D20-90E6-0C288A4D1141&Options=&Search=>

³ Planning Commission Meeting Minutes, October 24, 2019:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4226092&GUID=8BB3846B-0FBC-4F0D-9575-7ECCAB5266ED&Options=&Search=>

The MDP for Parcel Group 6 and associated CEQA Addendum was adopted by the Council on November 19, 2019 (Attachments III and IV).⁴ The final MDP envisions a development with up to 500 townhomes and multifamily units and 125 quad-style student housing units with up to 500 beds. It further contemplates preserving over 12 acres of dedicated open space around the riparian corridor at the northern end of the site, inclusion of a neighborhood park and public trails, and providing multimodal accessibility.

Developer Solicitation and Exclusive Negotiating Rights Agreement. Along with approval of the MDP in November 2019, the Council also approved a resolution authorizing the City Manager to issue a Request for Proposals (RFP) for the disposition and development of Parcel Group 6. There were two responses to the RFP, but neither proposal met the Caltrans base price required for the sale of the property. As a result, these two proposals were rejected, and staff reissued a Request for Qualifications (RFQ) in May 2020 to seek a qualified developer to collaborate with on the Parcel Group 6 development. Five statements of qualifications were received and after review for completeness, three applicants were invited to interview. After thorough interdepartmental review by staff, in September 2020, the Council authorized the City Manager to negotiate and enter into an Exclusive Negotiating Rights Agreement (ENRA) with Integral Partners Funding, LLC for the development of the Parcel Group 6 properties in alignment with the previously approved MDP.

Public Outreach: In addition to the Planning Commission, CEDC, and Council public meetings held on Parcel Group 6 during the MDP process, staff additionally held several neighborhood meetings, has met with representatives of the Hayward Area Planning Association many times over the course of the last several years, and held a community-wide meeting on the Route 238 Corridor Lands Development project. A community meeting was also held virtually by the project applicant in June 2021 to provide interested neighbors with an overview of the formal development application and elicit feedback on the initial plans. In addition to these meetings, staff has sent out 977 postcards notices to property owners within 300 feet of the project site, public stakeholders, and additionally met with several neighborhood members to garner additional feedback. The public feedback to date from these meetings and outreach efforts has included:

- Support for development that is consistent with the site's existing zoning and General Plan designations, including a mix of residential product types
- General support for a property assessment or fee to fund new or improved public transit options
- Desire for dedicated bike lanes for students to access campus
- Concern over cumulative impacts of population growth on traffic and public services
- Interest in traffic calming measures and strategies to reduce the likelihood of cut through traffic through the existing surrounding neighborhoods

⁴ City Council Meeting Minutes, November 19, 2019:

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4263973&GUID=169E17EE-4C33-4FCF-B995-F4B7A0878484&Options=&Search=>

- Desire for walkable commercial/retail opportunities for residents
- Interest in restoring the riparian and creek corridors
- Concern about construction close to fault lines
- Support for the inclusion of affordable, student, and faculty housing
- Desire for trails, open space, and parks
- Concern about construction and residential noise impacts
- Support for TDM measures to reduce the need for automobiles

PROJECT DESCRIPTION

Existing Conditions: Parcel Group 6 is 29.8-acre site located north of Carlos Bee Boulevard and south of Highland Boulevard, approximately 1,500 feet northeast of Mission Boulevard. A dirt access road within a Pacific Gas & Electric (PG&E) utility corridor connects the site to Carlos Bee Boulevard. Overlook Avenue and Palisade Street terminate at the southwestern corner of the site. Parcel Group 6 was previously used as a sand/gravel quarry and is characterized by a large, relatively level area devoid of landscaping in the center surrounded by steep slopes. A densely vegetated drainage forms the northeastern border of the site and the parcel is currently vacant and has no direct access nor utility infrastructure.

Surrounding land uses include single family homes to the north and west and a multi-family development to the southeast. Additional commercial uses as well as high frequency bus routes are located just to the west along Mission Boulevard, and CSU East Bay is about a half mile to the southeast along Carlos Bee Boulevard.

Proposed Project: The project proposes to construct a multifamily residential development with a total of 298 townhomes, flats, and micro-units, ranging in size from one to four bedrooms. Additionally, the development includes a two-acre public park near Carlos Bee Boulevard and an approximately mile-long loop of the publicly accessible Hayward Foothill Trail. The applicant is requesting approval of Tentative Tract Map 8604 and related Site Plan Review application. The project will also be subject to a DDA between the City and the applicant for the sale and disposition of the former Caltrans City-owned property.

Architectural Design. Three different types of residential buildings are proposed as part of the development:

- The “UA Penthouse” design is a four-story building inspired by carriage houses in Europe. Walkability is emphasized as each home’s entry is on the outward side of the building while garages face inward and are accessed through a central court. Large outdoor balconies, rooftop decks, brick treatments, and black steel accents provide architectural interest.
- The “UA Rose” is a three-story townhome design that features large outdoor covered patios for entertaining. This product type, which is clustered closest to the existing single-family neighborhood along Overlook Avenue and Palisade Street, is the least

dense of the proposed structures, providing a softer urban aesthetic with wood siding and metal accents.

- The “UA Solo” is composed of three-story townhomes with ground floor micro-units. The architecture utilizes stucco massing and color breaks to articulate the buildings with urban detailing for accent features.

Open Space. The project includes multiple public and private open space features, including a two-acre public park, a smaller series of private parks, and over a mile of publicly accessible bike and pedestrian trails. The public park, which will be eventually owned and maintained by the Hayward Area Recreation and Park District (HARD), features a community building, play areas, open lawn space, dog park, and play courts, as presently designed. The trails will loop around the perimeter of the development and through the adjacent PG&E land completing a significant section of the Hayward Foothill Trail. Sections of the trails will include seating, lookouts, and fitness areas to appeal to a broad variety of users.

Parking. As proposed, the project includes a total of 498 parking spaces within enclosed private garages and 146 on-street spaces on the development’s network of private streets. Due to parking maximums established by the underlying zoning district, the number of garage spaces will be required to be reduced by approximately 10 percent. More detail on parking requirements is provided in the Policy Context and Code Compliance section below.

Circulation. Primary access to the site will be provided via a new access road from Carlos Bee Boulevard. Additional site access for emergency vehicles only will be available from Outlook Avenue. Bikes and pedestrians will have access to the site from both of these roads, as well as from a short segment of multi-use trail connecting to Palisade Street. Throughout the development, a network of private streets will provide access to each of the residential building clusters.

Sustainability Features. The project plans reference several sustainability features, including solar panels, high efficiency appliances, electric vehicle charging, on-site storm water treatment areas, drought tolerant planting, and the use of sustainable or recycled materials where possible in construction. The project is also required to meet CALGreen and 2019 California Energy Code standards for energy efficiency and will meet the City’s requirements with respect to water efficient landscaping. Additionally, the project will be required to develop, implement and finance a robust transportation demand management plan (TDM Plan) to reduce single occupancy vehicle trips and encourage walking, biking and taking transit, as discussed in further detail below.

Affordable Housing. The proposed project is subject to the requirements set forth in HMC Chapter 10, Article 17, Affordable Housing Ordinance. An applicant may satisfy the requirements of the ordinance by paying an affordable housing in lieu fee or including affordable units within the proposed development. Pursuant to HMC Section 10-17.210⁵, ownership projects shall make no less than 10 percent of units on site affordable to Moderate-

⁵ Affordable Housing Ordinance:
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART17AFHOOR_S10-17.200REDEPR

Income Households in perpetuity. Further, the affordable units shall be integrated within the proposed residential development, shall be of similar or the same quality and provide access to the same amenities as the market rates units pursuant to HMC Section 10-17.220. As proposed, the project is electing to satisfy the requirements of the AHO by providing 30 affordable units (10 percent) on site.

POLICY CONTEXT AND CODE COMPLIANCE

Hayward 2040 General Plan: The project site is primarily designated as *Sustainable Mixed Use*⁶ in the *Hayward 2040 General Plan*, though a narrow strip of land adjacent to the riparian corridor is designated as PR, Parks and Recreation. The proposed project meets the general intent of the SMU, Sustainable Mixed-Use designation, which envisions an urban, walkable mixed-use neighborhood developed at relatively high densities and intensities. As currently proposed, the project is providing 34 dwelling units per acre, within the 25-55 dwelling units per acre allowed in the General Plan. Further, it is consistent with the following General Plan goals and policies:

- Goal LU-1: Promote local growth patterns and sustainable development practices that improve quality of life, protect open space and natural resources, and reduce resource consumption, traffic congestion and related greenhouse gas emissions.
- Policy LU-1.4 Revitalization and Redevelopment: The City shall encourage property owners to revitalize or redevelop abandoned, obsolete, or underutilized properties to accommodate growth.
- LU-3.7 Infill Development in Neighborhoods: The City shall protect the pattern and character of existing neighborhoods by requiring new infill developments to have complimentary building forms and site features.
- LU-7.6 Open Space Access: The City shall require new hillside developments to provide public trail access (as appropriate) to adjacent greenways, open space corridors, and regional parks.
- H-2.1 Homeownership Housing: The City shall encourage the development of ownership housing and assist tenants to become homeowners to reach a 60 percent owner-occupancy rate, within parameters of federal and state housing laws.
- H-2.4 Integration of Affordable Housing: The City shall encourage a mix of affordability levels in residential projects and encourage dispersal of such units to achieve greater integration of affordable housing throughout the community.
- H-3.5 Compatible Development of Underutilized Sites: The City shall encourage compatible residential development in areas with underutilized land.

Zoning Ordinance: The project site is largely within the Sustainable Mixed Use (SMU) zoning district⁷ with a small strip of land designated within the Open Space (OS) zoning district, which is consistent with the underlying General Plan land use designations. This site is the only location in the City of Hayward within the SMU zoning district, which is intended to encourage

⁶ Hayward 2040 General Plan, Sustainable Mixed Use Land Use Designation: <https://www.hayward2040generalplan.com/land-use/mixed>

⁷ Sustainable Mixed Use (SMU) Zoning District:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOR_S10-1.750SUMIUSDISM

mixed-use development along major transit corridors, near transit stations, or in close proximity to public higher educational facilities or large employment centers.

As shown in Table 1, the proposed development is largely consistent with the objective development standards of the SMU General Plan land use designation and SMU zoning district.

Table 1: General Plan and Zoning Compliance with Objective Standards

Standard	HMC/GP Requirement	Proposed	Consistent?
<i>Density</i>	25-55 units/net acre	34 units/net acre	Yes
<i>Lot Coverage</i>	90% maximum	50%	Yes
<i>Setbacks</i> <i>Along Public Street</i> <i>Other Areas</i>	20' minimum 10' minimum	Various, but exceeds minimums in all locations	Yes
<i>Building Height</i>	55' maximum	48' maximum	Yes
<i>Parking</i>	Maximum 1.3 spaces/studio or 1-BR unit Maximum 1.5 spaces/2+ BR units (Maximum of 439 total garage spaces)	498 spaces (garage) 146 spaces (on street)	No ¹

1. *Garage parking must be reduced to a total of 439 spaces to meet the parking maximums specified in the Municipal Code. The project is required to develop a Transportation Demand Management Plan as part of its Development Agreement with the City in order to reduce auto dependency to and from the site.*

The project site is also within the Hayward Foothills Trail Special Design Overlay District (SD-7).⁸ The purpose of this special district is to ensure the development of a continuous bike and pedestrian trail as the 238 properties are developed.

STAFF ANALYSIS

To date, the applicant has completed three rounds of review of the project plans. The plans included as an attachment to this staff report reflect the third formal submission from the applicant. The application has not yet been deemed complete due to lingering “punchlist” items from various City and external reviewers that need to be addressed. At this stage, staff and the applicant would like feedback from the Commission on the following items:

1. General Comments on Design/Alignment with Master Plan. Does the Commission have any overall comments, questions, or reactions to the current iteration of plans for this project?
2. TDM Plan. A TDM Plan will be required as part of the DDA for Parcel Group 6 and is currently in development. TDM strategies aim to reduce the number of automobile trips generated by a new development by providing amenities that encourage and allow residents to get around more easily without a car. Examples of TDM measures might include bicycle parking and amenities, subsidized transit passes, electric bike share programs, shuttles, etc. What types of TDM measures would the Commission like to see included as part of this project?
3. Public Open Spaces. Does the Commission have any comments, questions, or reactions to the open spaces proposed as part of this application? In particular, staff is interested in the Commission’s feedback on the proposed public park and public trail system.

⁸ Hayward Foothills Trail Special Design Overlay District (SD-7):
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOR_S10-1.2600SPDEQVDSID_S10-1.2640HAFOTR

ENVIRONMENTAL REVIEW

In 2014, the City certified the EIR for the *Hayward 2040 General Plan*.⁹ The General Plan represents the community's view of its future and expresses the community's conservation and development goals through the year 2040. An Addendum to the General Plan EIR (Attachment IV) was prepared pursuant to Section 15164 of the CEQA guidelines which states, "The lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary, but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred."

The proposed modifications to the General Plan EIR as a result of the development envisioned in the Parcel Group 6 MDP, as described in the attached Addendum, would not require major revisions to the General Plan EIR due to new or substantially increased significant environmental effects. The analysis confirms that the 500 townhomes and flats and 125 quad-style student housing units and related site improvements envisioned in the Parcel Group 6 Master Plan is within the scope of the General Plan EIR and would have no new or more severe significant effects. Therefore, no subsequent or supplemental EIR or further CEQA review is required.

The proposed application for Parcel Group 6 includes a total of 298 housing units and related site improvements, which is significantly less dense than what was analyzed for the site in the Addendum for the Master Plan. As a result, no additional analysis is required, as the proposed project is within the scope of what was analyzed previously.

NEXT STEPS

Once the project is deemed complete, staff will return to the Planning Commission for consideration and recommendation to the Council for final approval.

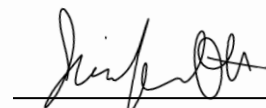
Prepared by: Elizabeth Blanton, AICP, Senior Planner

Recommended by: Jeremy Lochirco, Acting Planning Manager

Approved by:



Sara Buizer, AICP, Deputy Development Services Director



Jennifer Ott, Assistant City Manager and Development Services Director

⁹ Hayward 2040 General Plan EIR: <https://www.hayward-ca.gov/your-government/documents/planning-documents>