



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

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DATE: March 1, 2016

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT

Amendment to the La Vista Project Development Agreement requiring adoption of a Resolution and Introduction of an Ordinance to Extend its Term for Five Years and Update the Project Schedule - The Project is Located at 28816 Mission Boulevard in eastern Hayward.

RECOMMENDATION

Staff recommends that the City Council relies on the previously approved environmental documents, adopts the attached resolution (Attachment I), and introduces the attached ordinance (Attachment II) to amend the La Vista Project Development Agreement by extending its term for five years to May 26, 2021, and adjusting the project schedule, subject to making the finding, as recommended by the Planning Commission, that such amendment is consistent with the General Plan.

SUMMARY

The requested Development Agreement extension and related project schedule adjustment are related primarily to the need to off-haul material transported from the adjacent Garin Vista site several months ago related to stabilizing a hillside where a landslide occurred, and due to the stagnant housing market (see request, Attachment III). Staff is supportive of the requested amendment to the La Vista Development Agreement, because there are valid reasons for such amendment, the required finding can be made; and because there are significant public benefits associated with the Development Agreement that should be realized.

BACKGROUND

Overview of History - In July of 2003, the City Council approved the Mission-Garin Annexation Study, which identified development potential of that area, including the La Vista Quarry property. In anticipation of annexation into the City of Hayward, the properties in the study area were rezoned and an annexation application was filed with the Local Agency Formation Commission of Alameda County (LAFCO) in the fall of 2003, which was ultimately approved by LAFCO. The City Council subsequently approved in July of 2005 the 179-unit La Vista Development project, which included a Development Agreement. The City of Hayward and La Vista L.P., represented by The DeSilva Group, entered into a Development Agreement (Attachment IV), which was effective on May 26, 2006, when the development site and other properties were annexed into the City of Hayward as part of the Mission-Garin Annexation. The term of the Development Agreement is for ten years, with five-year extensions allowed with mutual consent of the parties.

In 2007, a major landslide occurred in the foothills at the Garin Vista development site just south of the La Vista project site. DeSilva Gates, the grading company involved with the La Vista project, took approximately 800,000 cubic yards of slide material from the Garin Vista landslide (which stabilized that hillside) and transported the material to the La Vista site. Some of the landslide material was used to raise the future La Vista Park site. In the spring of 2008, additional material was off hauled from the Garin Vista site to the La Vista site in order to repair the Garin Vista landslide. A total of one million cubic yards came from the Garin Vista site in order to facilitate repair of the Garin Vista landslide. This excess soil material could not be absorbed and spread throughout the La Vista project site and attain finished grading of the development site, so off haul from the La Vista site became necessary.

In June of 2014, a grading permit was approved for off haul of 870,000 cubic yards of material to an approved project site in Fremont that needed fill material. This activity caused significant delay in moving forward with development of the 179-unit project. Also factoring into the late La Vista project start was the poor housing market. The project Development Agreement is set to expire May 26, 2016, thus the need to extend it another five years to complete the project.

2005 Project Description - In July of 2005, the 162-acre site, previously used as a surface mining operation and asphalt batch plant, was approved for a subdivision accommodating development of 179 single family residential lots and related public streets, along with a new thirty-acre community park with detention basins, a possible new community center, and associated open space and trails. The homes will be built east of the Hayward earthquake fault trace and west of a reclaimed quarry slope that extends several hundred feet up to the boundary of Garin Regional Park. One of the project conditions of approval requires formation of a geologic hazard abatement district (GHAD), which would provide funding for regular maintenance, inspections, repairs if necessary, and capital reserve funds related to the large reclaimed quarry slope and related drainage facilities. Steps are currently being taken to form a GHAD, prior to construction of any new homes.

In addition to dedication of thirty acres for a new community park, which is nearly ten times that which would be minimally required per the City's park dedication standards, the applicant will also contribute \$2.1 million toward construction of such park. Also, the proponent is required to contribute an additional \$1.5 million to help pay for development of a new community center, envisioned for an undetermined future site in the general vicinity along/near Mission Boulevard. The original 2005 tentative park design that was approved as part of the Vesting Tentative Tract Map and Planned Development zoning included only soccer and ball playfields and a series of detention basins. An enhanced park design is currently underway.

In addition to public streets proposed within the subdivision, two new public roads are proposed to serve the development: Tennyson Road, proposed to be extended eastward this spring/summer from Mission Boulevard, and a new connector road extending to Alquire Parkway.

The development would also be served by the City's public sewer and water systems. An additional 0.75 million gallon water tank adjacent to the existing 1.2 million gallon tank is required to be constructed at the Garin Reservoir site and related water system upgrades are required, including improvements to the pump station and a new backbone piping distribution network. The City has entered into an agreement to design and construct the second water tank and the developer has paid \$300,000 as required by the terms of the agreement entered into on June 15, 2015.

In 2007, to meet the obligations for affordable housing, the applicant donated land and funded affordable housing units off-site, at the former pickle factory site at the northeast corner of Saklan Road and North Lane. Providing these off-site affordable housing units exceeds the minimum obligations (more than the required amount) for the project. Eden Housing assumed responsibility for developing the units (now is Walker Landing), consisting of 72 apartments for very low and low income households.

Current Project Status - The City Council approved the final subdivision map (Tract 7620) on June 23, 2015. The final map is ready for recordation. Staff is reviewing final architectural details associated with the proposed home designs. A residential developer will build the homes. Once this review is complete, approval of the project Precise Plan will occur allowing for submission of building permits for the project. Since the 2005 approval, reflective of the City's desire to have a destination park in this part of Hayward, the City and the developer have moved forward with an expanded park plan area that includes some adjacent CalTrans property (an old Route 238 Bypass parcel) creating a larger "destination" park serving the greater south Hayward area. La Vista LP is paying for the conceptual planning of the expanded La Vista Park and staff believes a non-General Fund source to fund the development of park improvement plans has been identified, and the park will likely be built in phases.

As for the detention basins within the park, they will serve to capture excess amounts of stormwater, especially when heavy rainfall cannot be accommodated by the drainage system, and then gradually release it into the drainage system that flows towards Mission Boulevard. At all other times, the detention basins would serve as an amphitheater. Such dual use facilities have been used in other cities in the central valley and to the east in Contra Costa County.

February 11, 2016 Planning Commission Review - The Planning Commission heard the matter at its regular meeting on February 11, 2016 and recommended unanimously that the City Council approves the requested amendment to the Development Agreement. The Commission also made the required finding that such amendment is consistent with the current General Plan and any decision to amend the agreement relies on the previously approved environmental documents for the project.

DISCUSSION

The extension would extend the term of the Development Agreement an additional five years from the date it otherwise would expire, or until May 26, 2021. The developer is in compliance with the current Development Agreement and extension of the term will facilitate completion of the project. The extension of the project Development Agreement term is consistent with the City of Hayward General Plan (further discussion of this below). The Amendment does not propose new or amended provisions which modify the development authorized under the Agreement and other City approvals, though modifications to the project schedule are proposed to be modified to reflect current status (see below and Attachment I).

The current request to amend the La Vista Development Agreement is consistent with multiple General Plan principles, goals, and policies. The development request is consistent with Guiding Principle #2, which states that "Hayward should have safe and clean neighborhoods with an expanded network of parks . . ." The approved subdivision layout incorporates "Crime Prevention Through Urban Design" creating a new safe neighborhood in the City and creation of a new park located on the western border of

the subdivision. The request is also consistent with Goal 3 (Complete Neighborhoods - Land Use and Community Character Element) in that the development request creates a complete neighborhood with convenient access to La Vista Park and other community amenities such as the new community center that will be constructed nearby. Specifically pursuant to Policy LU-3.1, "the City shall promote efforts to make neighborhoods more complete by encouraging the development of a mix of complementary uses and amenities that meet the daily needs of residents."

Construction of this development will meet this General Plan Policy through the construction of a new community park adjacent to the new neighborhood. As stipulated in the Development Agreement, the applicant will be contributing significant sums of money to construct portions of the new park and also contribute to construction of a future new community center. Policy LU-3.6 (Residential Design Strategies) encourages new residential developments to "create a highly connected block and street network," "design new streets with wide sidewalks, planting strips, street trees, and pedestrian-scaled lighting," and "orienting homes . . . towards streets and public spaces." The La Vista development incorporates all of these desirable design elements outlined in this General Plan policy.

In order to approve the extension to the Development Agreement, the City Council, upon a recommendation by the Planning Commission, must make a finding that the provisions of the Development Agreement are consistent with the City of Hayward General Plan and any applicable specific plan. The proposal to extend the provision of the Development Agreement for an additional five years is consistent with the City's General Plan, Mission-Garin Area Special Design (SD-5) District and the Hillside Design and Urban Wildland/Interface Guidelines in that Section 3 of the Development Agreement stipulates the development must be consistent with such provisions, and such section is not proposed to be amended.

The project continues pursuant to the following project schedule:

- *Mass grading completed in October 2015. Main infrastructure to start early 2016*
- *Alquire Parkway extension and Bodega improvements will start Spring 2016 and finish in 2016*
- *Complete the infrastructure for units south of Tennyson by September 2016*
- *Complete all remaining infrastructure by the end of 2016*
- *Model Construction to start in September 2016*
- *Models open by the end of 2016*
- *Production units start in October 2016*
- *First occupancies by the first quarter of 2017*
- *Construction of all residences, completion of at least La Vista Park Phase 1 and all subdivision improvements including the Tennyson Road and Alquire Parkway extensions by May of 2021.*

Concerning environmental impacts, and specifically related to this request to extend the Development Agreement for an additional five years in an effort to complete all phases of the Project, there is no substantial change proposed in the Project or in the circumstances under which the Project is being undertaken, nor is there any new information, which would require additional environmental review.

ECONOMIC IMPACT

There is no **new** economic impact for this recommendation.

FISCAL IMPACT

There is no **new** fiscal impact for this recommendation.

PUBLIC CONTACT

On February 20, 2016, a notice of public hearing was published in *The Daily Review* and on Monday February 22, 2016, mailed to property owners and residents within 300 feet of the La Vista development site and to the Hayward Area Recreation and Park District (HARD) staff. No responses to such notices were received when this report was finalized.

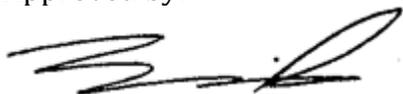
NEXT STEPS

If the Development Agreement Amendment is approved by Council, the new Agreement with a modified term and project schedule will be recorded and the construction of approved improvements will continue in accordance with the modified Development Agreement.

Prepared by: Damon Golubics, Senior Planner

Recommended by: David Rizk, AICP, Development Services Director

Approved by:



Fran David, City Manager

Attachments:

Attachment I	Draft Resolution
Attachment II	Draft Ordinance
Attachment III	Letter from Jim Summers (La Vista LP) dated February 3, 2016