



SUBJECT

Route 238 Corridor Lands Development—Parcel Group 6 Carlos Bee Quarry: Review and Discussion on Master Development Plan Vision and Concept

RECOMMENDATION

That the Planning Commission receive this report and provide feedback on the planning and development of Parcel Group 6—Carlos Bee Quarry.

SUMMARY

The City of Hayward entered into a Purchase and Sale Agreement with the California Department of Transportation (Caltrans) in January 2016 to manage the disposition and development of former right of way for the now defunct Route 238 Bypass. This land is divided into 10 parcel groups and must be disposed of by 2022. This report covers the development of Parcel Group 6: Carlos Bee Quarry.

BACKGROUND

Route 238 Corridor Lands Development: In the mid-1960s, Caltrans purchased more than 400 parcels of property for the construction of a 14-mile Route 238 Corridor Bypass Freeway to run through the City of Hayward and parts of unincorporated Alameda County. Over the ensuing decades, the Route 238 Bypass would face numerous legal challenges, ultimately resulting in the project being abandoned in 2005.

In 2016, the City entered into a Purchase and Sale Agreement (Agreement) with Caltrans to manage the disposition and development of the remaining Caltrans-owned property. This would ensure thoughtful planning and assemblage for the development of the parcel groups rather than the auctioning off of individual parcels. The Agreement divides the properties into 10 parcel groups, which must be disposed of by 2022. To date, two parcel groups have sold (1 & 10), four are in exclusive negotiations (2-4, 7), three are undergoing site planning activities, and one (Parcel Group 5) is currently soliciting development proposals.

On February 28, 2019, the Planning Commission received a status update on the Route 238 Corridor Lands Development Project. On June 27, the Planning Commission reviewed and recommended approval of the Master Development Plan and associated environmental documents for Parcel Group 5.

Program Goals: The 238 Corridor Lands Development Project provides a one-time opportunity to reintegrate these lands into the City, providing for new housing at all income levels, commercial development, open space, and trails. The four overarching goals of this community driven project are to:

- GOAL 1: Facilitate the cohesive, productive development of land driven by community vision;
- GOAL 2: Eliminate neighborhood blight;
- GOAL 3: Negotiate real estate transactions at no net cost to the City;
- GOAL 4: Generate funding for the key public benefits like open space, city-wide trails, affordable housing, public transportation, and other city priorities through on-site development requirements and sales.

Over the last year, the City has been working with the Community to develop a vision and plan for the development of Parcel Group 6. The culmination of these planning efforts will be the certification of an Addendum to the 2014 General Plan Environmental Impact Report (GP EIR), approval of a Master Development Plan (MDP), and the issuance of a Request for Qualifications/Proposals to solicit the best proposals from the development community.

Public Outreach: For this parcel, staff held one neighborhood meeting in addition to a community-wide meeting on the Route 238 Corridor Lands Development project. In addition to these meetings, staff has met with several neighborhood members to garner additional feedback. The feedback from these meetings included:

- Support for development consistent with 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.
- Provide dedicated bike lanes for students to access campus.
- Overall concern over cumulative impacts of population growth on traffic and public services.
- Desire for walkable commercial/retail opportunities for residents.
- Restore the riparian and creek corridors.
- Include affordable, student, and faculty housing.
- Provide trails, open space and parks.

DISCUSSION

Existing Conditions: Parcel Group 6 is located north of Carlos Bee Boulevard, south of Highland Boulevard, approximately 1,500 feet northeast of Mission Boulevard and approximately 2,000 feet northwest of CSUEB. 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 29.6-acre site. The parcel is vacant and has no direct access nor utility infrastructure.

Master Development Planning Process. In 2017, the City contracted with the urban design firm, Design Workshop, to develop Master Development Plans and associated environmental review documentation for several parcel groups including Parcel Group 6. As a part of that contract, Design Workshop and their subcontractors are conducting site specific analyses and assisting the City in developing a community driven vision for the future development. The product of this work will be a Master Development Plan (MDP) for Parcel Group 6 which will capture the proposed vision for Parcel Group 6 and articulates certain development standards and public benefits that the future development shall provide.

Master Development Plan: The draft MDP outlines a proposed vision for the development of Parcel Group 6 and provides certain aspects of this vision as discussed below as well as in Attachment II:

1. Trails and Open Space

The draft MDP contemplates preserving over 12 acres of dedicated open space located around the northern boundary of the project site and in the steeply sloped areas. The current conceptual plan includes an approximately 1.5-acre neighborhood park to be located in an easily accessible area for the neighborhood and surrounding community. A loop of the Hayward Foothill trail may be included to circumnavigate the site.

2. Streets, Circulation, and Transportation Demand Management

Parcel Group 6 has no current roadway access infrastructure. The draft MDP includes the creation of a new access road and signalized intersection off of Carlos Bee Boulevard within the PG&E utility easement. Secondary site access may be accomplished through connections with Overlook Drive and/or Palisade Street.

Streets will incorporate traffic calming, sidewalks, and trail connections to increase bicyclist and pedestrian visibility and safety. Walkways and trails will provide connections to public and commercial spaces. The site's main roadways must include bikeway facilities and the development must provide access to traditional and electric, docked or dock-less bike share options such as Lime Bikes, Lyft, or Jump Bikes to encourage and promote bicycle usage among residents.

The development will need to establish a property-based fee or other financing mechanism to fund the creation of dedicated transit service to Downtown Hayward and Hayward BART. This transit service may partner with CSU East Bay and AC Transit, who have both expressed preliminary interest in partnering with the City on transit connections from Parcel Group 6 to Downtown Hayward and Hayward BART.

All on-street parking must adhere to the parking requirements of the Sustainable Mixed Use (SMU) Zoning District.

3. Land Use and Development

The current land use concept for Parcel Group 6 must be consistent with the intent of the Sustainable Mixed Use District. The site should be developed at relatively high densities and intensities to create a walkable and mixed-use neighborhood.

The draft concept contemplates the following:

- Mix of townhomes and multi-family residential units;
- Dedicated student and faculty housing; and,
- Small-scale, neighborhood serving retail and commercial space

4. Infrastructure Improvements

The site is currently vacant and not serviced by any utilities. The new development will need to include water, stormwater/drainage infrastructure. All gas, electrical, and communication facilities will be installed in a joint-trench. Utilities will connect with existing infrastructure on Carlos Bee Blvd. via the proposed signalized intersection.

5. Low Impact Development

Future development shall include low-impact development elements to manage stormwater runoff. Elements of this may include permeable paving, bio-retention and bio-swale areas, vegetated gutters, channels and runnels, infiltration and soakage trenches, and infiltration boardwalks.

POLICY CONTEXT AND CODE COMPLIANCE

Hayward 2040 General Plan. The current General Plan designates Parcel Group 6 as Sustainable Mixed Use (SMU) and Parks and Recreation (PR) in the *Hayward 2040 General Plan*. Permitted residential densities under the SMU land use designation is 25-55 dwelling units per acre. Any development of Parcel Group 6 will be required to be consistent with the General Plan. The SMU District encourages mixed-use development consisting of either residential with retail, residential with commercial/office, or educational or cultural facilities with public open space, along major transit corridors, near transit stations or in close proximity to public higher educational facilities or large employment centers, in order to provide transit oriented development in a sustainable way. Aside from this, the City anticipates the Parcel Group 6 Master Development Plan will be consistent with several other General Plan goals and policies including:

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.

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-1.10 Infrastructure Capacities: The City shall ensure that adequate infrastructure capacities are available to accommodate planned growth throughout the city.

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.

The site is also designated as a Housing Element site in the most recently adopted Housing Element. At 29.5 acres, the site under SMU would allow for a total range of 738 to 1,628 units. However, the Housing Element assumed a more attainable capacity of 606 units. The draft master development plan includes upwards of 1,000 units to help meet the goals and objectives of the Housing Element including:

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 current zoning for the site is Sustainable Mixed Use (SMU) District and Open Space (OS) District along the northern perimeter and includes the Special District 7 (SD-7) overlay for the Hayward Foothill Trail. This zoning provides for 20,000 square foot minimum lot sizes and a maximum lot coverage of 90%. The required density range is 25-55 units per acre with a maximum building height of 55 feet.

With this in mind, the SMU District has no residential parking minimum and sets a maximum of 1.3 off-street parking spaces for studio/one-bedroom units and 1.5 spaces for units with two or more bedrooms.

Affordable Housing Ordinance (AHO). Under the current AHO, a given development must provide affordable units equal to either 10% of the total units for for-sale units or 7% of the total units for rental units; pay an Affordable Housing In-lieu fee; or provide an alternative approach that exceeds these requirements. Any on-site units must be similar units to the

market rate units provided in the development. The final Master Development Plan will comply with the minimum requirements of the AHO with a strong emphasis on the provision of on-site affordable housing.

ECONOMIC IMPACT

No property taxes are currently being paid on these parcel groups. Resale of the parcel groups may partially return them to the tax rolls, provide an opportunity for new residential development needed to address the goals of the Housing Element and provide new commercial development opportunities.

The sale of the parcel groups will be made pursuant to SB 470, which allows cities to sell public land for private development if the sale creates economic opportunity. Economic opportunity includes the creation and retention of jobs, increasing property tax revenues to all taxing entities, creation of affordable housing, implementation of a sustainable communities strategy, and implementation of a transit related project. The disposition agreement for the project will need to include one or more of these elements as an obligation and/or outcome of the development.

STRATEGIC PRIORITIES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities strategic initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This item supports the following goals:

Goal 1: Improve the quality of life for residents, business owners, and community members in all Hayward Neighborhoods

Goal 2: Provide a mix of housing stock for all Hayward residents and community members, including the expansion of affordable housing opportunities and resources.

In addition, the sale and development of the parcel groups will support the policies in the Economic Development Strategic Plan for the Central Mission Boulevard Corridor.

NEXT STEPS

Following feedback from the Planning Commission on the proposed MDP, staff will make all necessary changes and continue to prepare the final documents. Planning Commission review of the final MDP and GP EIR Addendum documents is scheduled to take place this October.

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