

## **..Title**

**An Ordinance of the City of San Leandro City Council approving a Development Agreement with Monarch Bay, LLC for the private elements of the Monarch Bay Shoreline Development, including a new 210-room hotel with an attached restaurant, a detached 16,024 square foot two-story restaurant/banquet facility, a 2,500 square foot market/café, a 285-unit multi-family apartment complex, development of 144 detached single-family homes, 62 townhomes, and related parking and site improvements (PLNs 21-0020, 21-0021, 22-0008). Assessor's Parcel Numbers: 080G 0900 001 08, 080G 0900 004 01, 079A 0475 009 04, 079A 0590 001 05, 079A 0590 001 07, 079A 0590 002 00, 079A 0590 003 00, and 079A 0590 004 00; Monarch Bay LLC (applicant) and City of San Leandro (owner)**

## **..Body**

**WHEREAS**, the City owns the Monarch Bay Shoreline area, which is bounded by Marina Blvd to the north, the San Francisco Bay to the west, and Fairway Drive to the south, and identified as Alameda County Assessor's Parcel Numbers: 080G 0900 001 08, 080G 0900 004 01, 079A 0475 009 04, 079A 0590 001 05, 079A 0590 001 07, 079A 0590 002 00, 079A 0590 003 00, and 079A 0590 004 00 (the "Property"); and

**WHEREAS**, on February 24, 2020, the City Council approved a disposition and development agreement ("DDA") with Monarch Bay, LLC's ("Applicant") predecessor in interest Cal Coast Companies LLC, Inc. for the shoreline development project, that includes residential, commercial, and recreational development, and the City Council approved General Plan and Zoning Map amendments necessary for the shoreline development project (the "Project"); and

**WHEREAS**, the Project includes:

1. A 210-room hotel with an attached restaurant, a detached 16,024 square foot two-story restaurant/banquet facility, a 2,500 square foot market/café, and associated parking located north of Mulford Point Drive and west of Monarch Bay Drive;
2. A 285-unit multi-family apartment complex with associated parking located south of Pescador Point Drive and west of Monarch Bay Drive; and
3. A "for-sale" development of 144 detached single-family homes and 62 townhomes located on approximately 16 gross acres east of Monarch Bay Drive, south of Marina Boulevard, and north of Fairway Drive; and
4. Related site improvements; and

**WHEREAS**, the City Council previously approved Vesting Tentative Tract Map 8633 for the west side of Monarch Bay Drive to facilitate the commercial development and multi-family apartment complex; and

**WHEREAS**, the DDA requires the Applicant to obtain planning entitlements for the private development components of the Project prior to sale or leasing of any portion of the Property by the City to Applicant; and

**WHEREAS**, the Project is a large development project consisting of varied residential and commercial components; and

**WHEREAS**, in order to strengthen the public planning process, facilitate comprehensive planning, and reduce the economic costs and risk of development, the City and Applicant desire to enter into a Development Agreement regarding the Project pursuant to Government Code Section 65864 *et seq.*; and

**WHEREAS**, the proposed Development Agreement is consistent with the provisions of Government Code Sections 65864 *et seq.* because it provides some assurances to Applicant to proceed with the multi-year Project in accordance with existing policies, rules and regulations in return for the provision of public benefits; and

**WHEREAS**, the development of the City's Shoreline area and the planned Project are addressed extensively in the San Leandro 2035 General Plan; and

**WHEREAS**, the proposed Development Agreement is consistent with the San Leandro 2035 General Plan, including Goal LU-9, Policy LU-9.1, Policy LU-9.3 and Policy LU-9.4; and

**WHEREAS**, the Project complies with the City's Inclusionary Housing Ordinance through an Alternative Inclusionary Housing Plan, as allowed under San Leandro Zoning Code Section 6.04.132; and

**WHEREAS**, the Project will include dedicated on-site workforce and moderate income inclusionary housing units in the single-family and townhome development that will help the City address the shortfall of above moderate income housing per the City's regional housing needs allocation; and

**WHEREAS**, the Project will also make housing in-lieu fee payments totaling over \$2 million for the multi-family residential portion of the project, which will significantly increase the City's Affordable Housing Trust Fund and the City will be able to leverage such funding for future affordable housing projects; and

**WHEREAS**, approval of the proposed Development Agreement will allow the City to lease and sell portions of the Property as required by the DDA and allow Applicant to commence development of the Project; and

**WHEREAS**, on July 20, 2015, the City Council previously adopted Resolution No. 2015-125 certifying an environmental impact report for the Project entitled, "San Leandro Shoreline Development Project EIR (SCH # 2013072011)," and adopting a Mitigation Monitoring and Reporting Program for the Project; and

**WHEREAS**, the City Council approved an addendum to the San Leandro Shoreline Development Project EIR on February 24, 2020 (the "First Addendum"); and

**WHEREAS**, the City Council approved a second addendum to the San Leandro Shoreline Development Project EIR on May 16, 2022 (the “Second Addendum”); and

**WHEREAS**, the City Council approved a third addendum to the San Leandro Shoreline Development Project EIR on June 21, 2022 (the “Third Addendum”); and

**WHEREAS**, on June 2, 2022 the City of San Leandro Planning Commission held a duly noticed public hearing, at which time all interested parties had the opportunity to be heard, and thereafter adopted a resolution recommending that the City Council approve the Development Agreement; and

**WHEREAS**, a staff report dated June 21, 2022 and incorporated herein by reference, described and analyzed the proposed Development Agreement for the City Council; and

**WHEREAS**, on June 21, 2022 the City Council reviewed the staff report at a public hearing on the proposed Development Agreement, at which time all interested parties had the opportunity to be heard; and

**WHEREAS**, the City Council has determined that the proposed Project does satisfy the requisite findings of fact necessary for approval; and

**WHEREAS**, the City Council desires to approve the proposed Development Agreement; and

**WHEREAS**, the City’s General Plan, Zoning Code, and Municipal Code, are incorporated herein by reference, and are available for review at City Hall during normal business hours.

**NOW, THEREFORE**, the City of San Leandro City Council hereby **ORDAINS** as follows:

**SECTION 1. RECITALS.** The above recitals are true and correct and made a part of this ordinance.

**SECTION 2. FINDINGS.** The City Council does hereby make the necessary findings and determinations required by Section 5.4.135(a) to (e) of the San Leandro Administrative Code to approve the proposed Development Agreement, as further explained in the staff report and findings of fact and determination for approval as set forth in Exhibit A attached hereto and incorporated herein by this reference.

**SECTION 3. APPROVAL OF DEVELOPMENT AGREEMENT.** The City Council hereby approves the proposed Development Agreement between the City and Monarch Bay, LLC for the Project, attached hereto as Exhibit B and incorporated herein by this reference. The City Council further authorizes the City Manager to execute the Development Agreement, on behalf of the City, in substantially the form attached as

Exhibit B, and to make minor revisions to such Agreement, subject to the approval of the City Attorney as to form, which do not materially or substantially increase the City's obligations thereunder.

**SECTION 4. ENVIRONMENTAL REVIEW.** The City Council finds that all environmental impacts of the proposed Project were addressed within the EIR, the First Addendum, the Second Addendum, and Third Addendum. The City Council finds that no new or additional mitigation measures or alternatives are required for approval of the Development Agreement.

**SECTION 5. SEVERABILITY.** If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City of San Leandro City Council hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof is declared invalid or unenforceable.

**SECTION 6. EFFECTIVE DATE AND PUBLICATION.** This ordinance shall take effect thirty (30) days after adoption. The City Clerk is directed to publish the title once and post a complete copy thereof on the City Council Chamber bulletin board for five (5) days prior to adoption.