

City of San Leandro
Community Development Department
Planning Services Division
Staff Report

DATE: December 15, 2011

TO: Planning Commission

BY: Kathleen Livermore, Senior Planner

SUBJECT: Consideration of Amendments to the City's Zoning Code Related to Miscellaneous Changes to the NA-2, SA-2, DA-3, DA-5, IL, IG and IP Zoning Districts related to Assembly Uses, Commercial Recreation, Cultural Institutions and Entertainment Activities

SUMMARY AND RECOMMENDATION

The City of San Leandro performs periodic reviews of the Zoning Code and has determined that some revisions and updates are recommended as to Assembly Uses, Commercial Recreation, Cultural Institutions and Entertainment Activities in several commercial zones (NA-2, SA-2, DA-3 and DA-5) and the industrial zones (IL, IG and IP). These revisions will improve the overall land use compatibility within the above identified zones.

Staff recommends that the Planning Commission review the proposed Zoning Code amendments, consider comments from the Board of Zoning Adjustments and provide comment to the City Council. Comments made will be forwarded to the City Council for its January 17, 2012 meeting.

BOARD OF ZONING ADJUSTMENTS REVIEW

Because the Board of Zoning Adjustments decides matters related to Zoning Code regulations, these updates were presented to the Board of Zoning Adjustments on November 3, 2011. The Board of Zoning Adjustments comments are found in the attached Minutes excerpt. In summary, the Board members were in agreement with the proposed changes to the Commercial Districts. Some Board members were concerned about the proposed changes to the Industrial Districts. They felt that flexibility of land use in industrial districts was warranted in these economic times, citing examples of City Beach and the Saddle Rack in the City of Fremont. (City Beach is a multi-use commercial recreation facility and Saddle Rack is a country western bar.) Concepts raised in San Leandro by Design were also discussed. Please see the attached Draft Minutes Excerpt for more details.

DESCRIPTION OF AMENDMENTS

Commercial Districts

In the NA-2, SA-2 and DA-5, *Assembly Uses* will be added as a Conditionally Permitted Use. These are commercial districts which have a residential component and currently do not contain Assembly Uses as a Conditionally Permitted Use. Other commercial districts with a residential component currently have *Assembly Uses* as a Conditionally Permitted Use. So this addition increases the number of properties where Assembly Uses can be considered and improves the overall land use compatibility within these residential and commercial districts.

In the DA-3, *Cultural Institutions* is proposed to be added as a Conditionally Permitted Use. *Cultural Institutions* are conditionally permitted in each of the other DA Districts, but not in the DA-3 District. Again, this addition provides for added opportunities; an issue the Board of Zoning Adjustments was concerned about.

Industrial Districts

Commercial Recreation and Entertainment Activities will be removed from the IG, IL and IP Industrial Districts, as Conditionally Permitted Uses as it will make the industrial zone more globally consistent.

DISCUSSION

As part of its periodic review and analysis of the Zoning Code, staff determined that not all of the commercial districts which contained a residential component included Assembly Uses. This is desired to improve the overall land use compatibility with respect to Assembly Uses in residential and commercial zoning districts. It also increases the number of properties that could be considered for assembly uses.

In the recent past, San Leandro has had extensive community input at reevaluating various commercial districts along East 14th Street. The first effort was in the early 1990's with the North Area Plan. This plan established the North Area 1 and North Area 2 Districts, north of the commercial downtown area. From 2002-2004, another extensive community outreach process resulted in the creation of the East 14th Street South Area Development Strategy and rezoning of the southern portion of East 14th Street into South Areas 1, 2 and 3. From 2005-2007, the Downtown Transit-Oriented Development Strategy was the most recent community engagement process. This process led to additional review of commercial areas in and around downtown and established Downtown Areas 1-6 (DA-1 through DA-6) in and around the core downtown.

Each of these efforts looked at core commercial areas to protect and retain these commercial areas for vibrant retail activity. Other commercial areas were considered as important and viable locations for multi-family and mixed-use development, as well as retail and office uses. The areas proposed for residential areas included the North Area 2, South Area 2 and Downtown Areas 2-5. The rezoning performed during the adoption of the Downtown Transit-Oriented Development Strategy included Assembly Uses as conditionally permitted uses in the DA-2,

DA-3 and DA-4 Districts. The DA-5 District did not include Assembly Uses as a conditionally permitted use. Staff now recommends the NA-2, SA-2 and DA-5 districts, which specifically contemplate residential uses, have Assembly Uses added as a conditionally permitted use. This change would improve the overall land use compatibility within the residential and commercial districts identified.

The North Area 2 District is located on East 14th Street from Georgia Way to the northern City border. The South Area 2 District is located on East 14th Street from Sybil Avenue to 136th Avenue. The Downtown Area 5 District is located on Alvarado and Martinez Streets between West Estudillo and West Juana Avenues. Please see the attached map to see these various zoning districts.

The 1999-2002 General Plan Update represented another extensive community engagement process with a 52 member General Plan Advisory Committee advising the Planning Commission and City Council on the General Plan Update. As part of this process, the core values of the industrial districts as a major industrial, technology and office employment center were established. One example in the General Plan is Goal 7: Industrial and Office Districts. Goal 7 states: *Continue to develop a strong and healthy industrial and office employment base in the community.* Policy 7.03 of the General Plan states the following: *TECH-SECTOR RECRUITMENT: Attract and retain technology (“high tech”) companies by improving technology infrastructure, targeting such companies through marketing, supporting incubator and start up firms, and maintaining development regulations which facilitate the adaptive reuse of older industrial buildings.* Also, Policy 10.04 states the following: *INDUSTRIAL SANCTUARY: Protect the City’s major industrial areas from encroachment by uses that are potentially incompatible with existing viable industrial activities, or which may inhibit the ability of industry to operate effectively.* These General Plan goals and policies speak to the importance of the industrial area as a sanctuary for high quality employment.

The Board of Zoning Adjustments raised some very valid issues in their discussion on November 3, 2011 as to how best to approach land uses in industrial districts. We note that from a planning perspective various communities have taken different approaches and in this regard the planning experts have varying approaches to job retention and job generation, depending on the size of the city and values in that community. In the Fremont example, presented during the Board of Zoning Adjustments discussion, it is worth noting that Fremont is a city of some 91 square miles. The extensive commercial and industrial zoning districts within the City of Fremont offer opportunities of much greater proportions than those in San Leandro, with an area of 15 square miles. Fremont has 4,136 acres designated for industrial uses while San Leandro has 1,800 acres of land designated for industrial uses. Therefore, different cities do legitimately pursue different approaches. The identification in the San Leandro General Plan of the industrial area as a major employment center of the City and the region is still a valued goal of the City of San Leandro. Maintaining industrial areas for this type of industrial employment can help achieve this important San Leandro goal. San Leandro continues to pursue attraction and retention of new economy businesses, including high tech industrial uses.

Staff is recommending that Commercial Recreation and Entertainment Activities be removed as a Conditionally Permitted Use from the Commercial Districts to retain the industrial and employment base that the industrial districts represent. The short term gains of employment with commercial recreation or entertainment activities conflict with the long term goals of stable

employment and future higher wage jobs industrial areas attract. The 52-member General Plan Advisory Committee wanted to protect the limited resource of the industrial area which is especially restricted when we examine the City's high tech industrial opportunities. As noted at the Board of Zoning Adjustments meeting, rezoning of property to a commercial land use is a tool that could be used if a border or buffer industrial area could be considered for an appropriate commercial use.

There is no record of any existing Commercial Recreation or Entertainment Activities uses in the industrial districts. Also, staff has prepared a map that illustrates the various commercial districts throughout the City where Commercial Recreation and/or Entertainment Activities are contemplated. Commercial Recreation is permitted or conditionally permitted in the following districts: CC, CC (AU), CR, CRM, NA-1, NA-2, SA-1, SA-3, and DA-1. Entertainment Activities are permitted or conditional permitted in the following districts: CN, CN (AU), CC, CC (AU), CR, NA-1, NA-2, SA-1, SA-2, SA-3, DA-1, DA-2, and DA-5. Staff believes these properties provide sufficient opportunities for commercial recreation and entertainment activities. It also provides a balanced, citywide approach to providing traditional industrial employment opportunities while maintaining flexibility in attracting commercial recreation and entertainment uses in a diversity of other zoning districts and properties.

SUMMARY OF PROPOSED CHANGES

The proposed ordinance would amend the following Articles of the Zoning Code:

Article 6 Commercial and Professional Districts, Section 2-624 (NA-2 District Use Regulations), Section 2-630 (SA-2 District Use Regulations), Section 2-640 (DA-3 Use Regulations, and Section 2-644 (DA-5 Use Regulations):

- Assembly Uses, add as Conditionally Permitted Use in the NA-2, SA-2 and DA-5 Districts.
- Cultural Institutions, add as Conditionally Permitted Use in the DA-3 District.

Article 7 Industrial Districts, Section 2-704 (IL District Use Regulations), Section 2-706 (IG District Use Regulations), and Section 2-708 (IP District Use Regulations):

- Delete *Commercial Recreation* and *Entertainment Activities* from IL, IG and IP Zoning Districts.

ENVIRONMENTAL ANALYSIS

A Negative Declaration has been prepared for these Zoning Code Amendments. A "Notice of Public Review and Intent to Adopt a Proposed Negative Declaration" was prepared on October 28, 2011. The 20-day public review period on the Initial Study and Negative Declaration began on October 28 and concluded on November 16, 2011.

No comments on the Initial Study and Negative Declaration were received.

PUBLIC OUTREACH

Legal requirements for notification of this meeting included posting of the meeting agenda at City Hall a minimum of 72 hours in advance of the meeting date and notice in a paper of general circulation 10 days prior to the hearing. Notification of this meeting included publication of a legal notice in the *Daily Review* and posting of the meeting agenda at City Hall.

On November 3, 2011, the Board of Zoning Adjustments received a staff report on these proposed amendments as an informational item. Three speakers spoke on this topic and the Board of Zoning Adjustments had comments. The excerpted minutes are attached.

RECOMMENDATION

Staff recommends that the Planning Commission review the proposed Zoning Code amendments, the Board of Zoning Adjustments comments, and then recommend adoption of the Negative Declaration and recommend adoption of the proposed changes to the City Council. These recommendations will be forwarded to the City Council for its January 17, 2012 meeting.

ATTACHMENTS

Negative Declaration and Initial Study

Zoning Code Excerpts with Proposed Changes

Board of Zoning Adjustments Minutes Excerpt of November 3, 2011

Map 1: Map Highlighting NA-2, SA-2, DA-3 and DA-5 Zoning Districts

Map 2: Map Highlighting IL, IG and IP Zoning Districts

Map 3: Map Highlighting CN, CN (AU), CC, CC (AU), CR, CRM, NA-1, NA-2, SA-1, SA-2, SA-3, DA-1, DA-2, and DA-5 Zoning Districts