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Staff Report for a City of San Leandro City Council Ordinance to Amend the Professional Office (P) Zoning District and Commercial and Professional Development Regulations of the City of San Leandro Zoning Code

SUMMARY AND RECOMMENDATIONS

Following direction from the City Council in February 2018, staff began work on clarifying and consolidating development regulations for the City’s Commercial and Professional Zoning districts, found in Article 6, Division 2 of the San Leandro Zoning Code. The recommended changes include establishing a consistent 30 foot height limit for all projects in the Professional Office (P) zoning district, revising floor area ratios and residential density to be consistent with the General Plan, and updating the Site Plan Review amenities criteria for mixed-use and multi-family residential development. The remaining proposed changes are primarily organizational and for clarification/consistency and generally do not modify existing development standards.

BACKGROUND

The Zoning Code is the primary implementation tool of the General Plan, which serves as the comprehensive policy guide for the City, as well as for specific plans such as the Downtown Transit Oriented Development (TOD) Strategy and the Bay Fair TOD Specific Plan. The City regularly updates individual sections of the Zoning Code in response to specific local issues, legislative mandates, or to bring the Zoning Code into conformance with General Plan or specific plan updates.

The last major update to the Zoning Code was approved in September 2016 in conjunction with the 2035 General Plan update. The changes were necessary to bring the Zoning Code into conformance with both the Downtown Transit Oriented Development (TOD) Strategy and the 2035 General Plan Update. During the 2016 Zoning Code amendment process, staff initially recommended eliminating the Professional Office (P) zoning district because of the removal of the General Plan's "Office" land use designation and the prevailing movement amongst Bay Area municipalities from solely office zoning districts to mixed use districts. However, public feedback in favor of retaining the P-zone caused it to remain.

The 2016 Zoning Code updates enabled the development of multi-family and mixed-use residential land uses in the P zoning district with an approved conditional use permit. At the time, the Zoning Code's Commercial and Professional development standards were not updated to accommodate multi-family and mixed-use residential development criteria. Instead, a provision in Section 2-696.A, "Additional Property Development Regulations for Residential Development," was inserted to direct residential projects in commercial and professional districts to apply the multi-family development standards of residential zoning districts. This cross-referencing established a conflict for the P zoning district because residential development under RM-1800 has a 50 foot height limit, while commercial development in the P-zoning has a 30 foot height limit.

Following concerns from residents regarding the conflicting 30 and 50 foot height limits between commercial and residential projects in the Professional Office (P) zoning district, the City Council requested staff provide Zoning Code amendment options for consideration (see attached February 5, 2018 staff report). During the February 5, 2018 City Council meeting, staff recommended that the City Council may consider (1) a more comprehensive Zoning Code update, including implementation of the recently adopted Bay Fair TOD Plan or (2) targeted code amendments. The City Council directed staff to proceed with a targeted update of the Zoning Code and established a budget for an outside consultant to assist with the effort. Staff noted that the more comprehensive Zoning Code update including the Bay Fair TOD zoning implementation would return at a later date after completion of the targeted update.

DETAILS OF THE PROPOSAL

Development regulations that pertain to Commercial and Professional zones in the City of San Leandro are in Article 6, Division 2 of the Zoning Code. Following direction from the City Council, staff and the consultant team began work on clarifying and consolidating this code section. The proposed changes are primarily organizational and generally do not modify existing development standards. The proposed changes fall into the following categories:

1. Corrections of Obvious Errors or Redundancies
2. Updates for Language, Style, and Formatting Consistency
3. Streamlined and Clarified Standards
4. Minor Changes to Existing Standards

Corrections of Obvious Errors or Redundancies

Changes included converting all footnotes into standard style, adding "n.a.", "varies", or a numerical range in tables where appropriate, and consolidating redundant rows in several tables (2-684 Lot Coverage, 2-688 Minimum Site Landscaping, 2-694 Open Space for Multi-Family Residential and Mixed-Use Residential Development). The term "varies" is necessary for limited situations where the

underlying standards are based on specific plan criteria or different General Plan land use categories. This provision is necessary because some zoning districts exist within different General Plan land use designations and because the Downtown TOD Specific Plan establishes height limits on a parcel-by-parcel basis rather than by zoning.

Updates for Language, Style, and Formatting Consistency

Edits included ensuring that all headers and sub-headers used a consistent style; using consistent conventions with regards to capitalization, section header format, numbering format, and abbreviations; and clarifying references to other sections in the zoning code.

Streamlined and Clarified Standards

The primary purpose of these amendments was to make the standards for residential and mixed-use residential development in commercial and professional districts more comprehensible. To achieve this goal, several existing tables were modified and a new residential density standards table was introduced. Specifically:

- §2-680 Minimum Yards. To clarify rear and side setback requirements for properties abutting R Districts, a third column was added to the table for properties that abut residentially-zoned parcels.
- §2-680.J Daylight Plane Regulations for Parcels Adjacent to R Districts. New diagrams for daylight plane standards were created to effectively and correctly portray the three-dimensional impact of the 45-degree daylight plane regulations, and will replace the existing two-dimensional diagrams.
- §2-682 Height of Structures. Height limits for residential multi-family and mixed-use development were incorporated. To clearly state the minimum and maximum height regulations that apply to residential multi-family and mixed use development in commercial districts, a separate set of columns was added to the heights table.
- §2-686 Floor Area Ratios. The Floor Area Ratio (FAR) column was updated to be consistent with the General Plan and other code sections, and to reflect the entire range of possible FARs in each zoning district. The table also now references specific General Plan land use designations and identifies a minimum FAR column for the DA-6 zoning district.

Minor Changes to Existing Standards

- The underground/structured parking bonus is proposed for removal. The Zoning Code contains an unused floor area ratio (FAR) bonus provision whereby applicants could receive up to a 0.5 FAR bonus for providing underground parking. Feedback from applicants noted that the bonus does not provide a tangible benefit because the increase is negligible, the cost of underground parking outweighs the benefits of the FAR bonus, and the minimum parking requirements apply regardless. Furthermore, the bonus does not allow a project to exceed General Plan FAR policy maximums. As this bonus no longer serves a purpose and could rarely be used, staff recommends it be removed.

- The Zoning Code currently omits a maximum density in the South Area (SA) Zones, with only a minimum density of 18 dwelling units per acre (du/ac) identified. Staff proposes identifying 35 du/ac as the maximum density for SA zones, consistent with the established criteria in the South Area Plan and other policy restrictions. The General Plan identifies a 1.5 maximum FAR in the SA zones.
- Open space requirements are recommended to be identified for the SA and DA zones consistent with provisions found elsewhere in the Zoning Code. Current Zoning Code language left the minimum open space up to discretionary approval through Site Plan Review, which staff and applicants felt was too vague. The proposed standard of 60 square feet per dwelling unit corresponds to Section 2-558.B, RM Districts - Multi-Family Dwellings, Requirements for Open Space, which currently applies to proposed multi-family and mixed use residential development projects.
- Staff and the Planning Commission recommend adding more flexibility when determining compliance with wall offset/articulation standards. The language “*Alternative design solutions that achieve an equivalent level of building articulation and visual interest may be approved by the ZEO, or may be approved as part of the site plan review or other approval process by the approval authority*” was added to Section 2-690(A) to allow for more discretionary review of building articulation.
- Staff and the Planning Commission recommend adding more flexibility when determining setback standards for pre-existing residential development. Staff proposes adding a clause to allow the Zoning Enforcement Official (ZEO) the discretion to determine setback standards for pre-existing residential based on the prevailing conditions on each block to Section 2-680(G), Pre-Existing Residential in DA Districts.
- Staff and the Planning Commission recommend modernizing and updating the menu of site amenity options for mixed use and multi-family residential projects. In Section 2-698, Review of Plans, staff updated the list of site amenities to more closely reflect modern-day residential amenities and remove a duplicative provision for open space, which is already required.

Professional Office (P) Zoning District Height Limit

Based on prior direction from City Council, staff recommended to the Planning Commission that the maximum height limit in the Professional Office (P) zoning district be established at a consistent 30 feet for all commercial and residential development. The Planning Commission approved an amendment to staff’s recommendation by proposing that the City Council provide an exception for any P-zoned parcels greater than 10,000 square feet that are surrounded on all sides by another zoning that allows a 50 foot height limit. In those instances, the Planning Commission recommended the P-zoned properties be allowed to develop to 50 feet in height.

Following the Planning Commission meeting, staff conducted a GIS query to identify the total number of P-zoned parcels currently eligible for the Planning Commission’s recommended 50 foot height exception. Only two eligible parcels were identified: 490 Estudillo Avenue, a three story 18-unit apartment building, and 637 Fargo Avenue, which is Fire Station No.13. Additional properties could

hypothetically become eligible for this height exception through a lot merger or a parcel map. Exceptions to a height limit or other development standard may also be considered by the City Council through a Planned Development application.

Analysis

While many existing standards were clarified in these proposed changes to the Zoning Code, the underlying existing numerical standards - such as required open space, maximum lot coverage, and maximum FAR/density - are largely maintained. Standards, such as maximum FARs in CC, CN, CR, C-RM, have been revised or added to be consistent with the established General Plan land use designations, and the update provides previously nonexistent density standards for SA zones. Development standards such as height or FAR regulations that were previously only identified in the General Plan, specific plans or other locations, presented a significant inconvenience for applicants and developers to find and cross-reference. Those provisions are now clearly identified alongside other pertinent development standards. This update provides a necessary incremental improvement to the Zoning Code's functionality and helps make the code more comprehensible and user-friendly.

With the exception of recommending that the City Council consider an accommodation to allow a 50 foot height limit for P-zoned parcels greater than 10,000 square feet that are surrounded on all sides by other zones with a 50 foot height limit, the Planning Commission otherwise supported staff's recommended Zoning Code amendments. In their deliberations, some Planning Commissioners had concerns that a shorter P-zoned building could be impacted by adjacent taller buildings. Dissenting commissioners were concerned that such an exception constituted spot zoning and would be limited in scope given how few parcels are zoned Professional Office (P). Based on their recommendation, staff prepared two versions of the proposed Zoning Code amendments for City Council consideration: one containing the City Council's original direction to establish a consistent 30 foot height limit in the P-zone and a second version that incorporates the Planning Commission's recommendation for a limited height limit exception.

Given that only two parcels qualify for the scenario recommended by the Planning Commission and that a height exception can be achieved through other means, staff supports the City Council's direction to establish a consistent 30 foot height limit in the Professional Office zoning district.

Planning Commission Review and Action

As noted in the analysis, the Planning Commission considered this item at its November 15, 2018 public hearing. One member from the public spoke in support of the staff recommendation during public comments. The Planning Commission supported the proposed Zoning Code amendments, but recommended an exception be included to allow a 50 foot height limit for P-zoned parcels greater than 10,000 square feet that are surrounded on all sides by other zones with a 50 foot height limit. Following some deliberation, a motion to recommend City Council approval with the height exception was made by Commissioner Brennan and seconded by Chair Pon. The Planning Commission voted to recommend the proposed Zoning Code amendments with the limited P-zone 50 foot height exception to the City Council by a 4-2 decision.

Summary of Public Outreach Efforts

Planning staff hosted an informational neighborhood meeting to introduce and discuss the proposed Zoning Code Amendments in the Sister Cities Conference Room at City Hall on Thursday, November

1st from 5:30pm to 7:00pm. About 30 people attended the meeting, which included a brief presentation and a question and answer session. The meeting was advertised in the City's weekly newsletter, on social media and was identified on a special public hearing notice mailed to all businesses and property owners residing on or within 500 feet of a P-zoned parcel. Staff fielded a number of questions but did not receive specific suggestions regarding the draft proposal during the neighborhood meeting.

A legal advertisement for the Planning Commission public hearing was placed in the East Bay Times' Daily Review newspaper and, as a courtesy, public hearing notification letters were mailed to all property and business owners located on or within 500 feet of any parcels zoned Professional Office (P). No comments were received from the public regarding the proposed Zoning Code amendments at the time of the filing of this report.

Environmental Review

The proposed Zoning Code Amendments are not subject to the California Environmental Quality Act (CEQA) because 1) the proposed Amendments will not result in a direct or reasonably foreseeable indirect physical change in the environment; 2) the proposed Amendments are covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment; and 3) any project that has the potential to cause a significant effect on the environment will be evaluated through a separate environmental review process in accordance with CEQA.

Legal Analysis

The City Attorney reviewed and approved the staff report and associated ordinance.

Fiscal Impacts

This item to amend the Zoning Code will have no fiscal impact on the City.

ATTACHMENTS

Attachments to Staff Report

1. City Council Staff Report dated February 5, 2018 (18-042)
2. Location map identifying two parcels eligible for the Planning Commission's recommended P-zone 50 foot height limit exception.
3. Exhibit A (edited copy), Staff Recommended Zoning Code Amendments, with strikeout deletions and underlined additions
4. Exhibit A (clean copy), Staff Recommended Zoning Code Amendments
5. Exhibit A (edited copy), Planning Commission Recommended Zoning Code Amendments, with strikeout deletions and underlined additions

6. Exhibit A (clean copy), Planning Commission Recommended Zoning Code Amendments

Attachment(s) to Related Legislative Files

- Ordinance Amending Article 6, Division 2 of the San Leandro Zoning Code, Related to the Development Regulations of Commercial and Professional Zoning Districts (18-627)

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