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Title: Staff Report for Consideration of an Ordinance Adopting Chapter 2.10, Bay Fair Transit Oriented Development (B-TOD), to the San Leandro Zoning Code and Related Amendments to the Zoning Code, Zoning Map, Municipal Code; and Consideration of a Resolution Adopting Amendments to the Bay Fair Transit-Oriented Development (TOD) Specific Plan, and General Plan, and Adopting an Addendum to the Certified Final Environmental Impact Report Prepared for the 2018 Bay Fair TOD Specific Plan (Implementation of 2018 Bay Fair TOD Specific Plan).

Sponsors: Tom Liao

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Attachments: 1. Attachment 1 - Redlined Zoning Code Amendments, 2. Attachment 2 - Zoning Map Amendments, 3. Attachment 3 - Redlined Muni Code Amendments, 4. Attachment 4 - Redlined Draft Bay Fair TOD Specific Plan Amendments, 5. Attachment 5 - Redlined General Plan Text Amendments, 6. Attachment 6 - General Plan Land Use Map Amendments, 7. 5A Bay Fair Zoning Presentation-12.7.20 CC Hearing

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Staff Report for Consideration of an Ordinance Adopting Chapter 2.10, Bay Fair Transit Oriented Development (B-TOD), to the San Leandro Zoning Code and Related Amendments to the Zoning Code, Zoning Map, Municipal Code; and Consideration of a Resolution Adopting Amendments to the Bay Fair Transit-Oriented Development (TOD) Specific Plan, and General Plan, and Adopting an Addendum to the Certified Final Environmental Impact Report Prepared for the 2018 Bay Fair TOD Specific Plan (Implementation of 2018 Bay Fair TOD Specific Plan).

SUMMARY AND RECOMMENDATION

Staff recommends that the City Council introduce an Ordinance 1) adopting Chapter 2.10, Bay Fair Transit-Oriented Development (B-TOD), to the San Leandro Zoning Code and related amendments to the Zoning Code, Zoning Map, and Municipal Code; 2) Adopt a Resolution approving amendments to the Bay Fair Transit-Oriented Development (TOD) Specific Plan, and General Plan; and 3) determine that the proposed project was adequately analyzed pursuant to the California Environmental Quality Act (CEQA) by the Addendum to the Certified Bay Fair TOD Specific Plan EIR (SCH#2017032016).

The Planning Commission reviewed the proposed amendments and unanimously recommended approval to the City Council on November 5, 2020, with minor amendments to the implementation plan to reflect that bike lanes along Hesperian Blvd. and Fairmont Drive are intended to be “protected” rather than “buffered.”

BACKGROUND

In 2014, the City of San Leandro received a highly competitive \$440,000 Priority Development Area (PDA) planning grant from the Metropolitan Transportation Commission (MTC) to prepare the Bay Fair TOD Specific Plan (Specific Plan) and related Environmental Impact Report (EIR). The City also contributed local funds and in-kind contributions along with contributions from BART, Madison Marquette (the owner of the Bayfair Center), and Alameda County.

The Specific Plan Area covers 154 acres primarily comprised of commercial uses with a mix of office, light industrial, and residential uses. The area includes the Bay Fair BART Station, Bayfair Center, Fashion Faire Place, and Fairmont Square Shopping Center, which are divided by East 14th Street and Hesperian Boulevard.

The Specific Plan was created to promote the long-term sustainability and vibrancy of the Bay Fair BART Station area and to establish it as a regional Priority Development Area (PDA) in order to:

- Provide greater access to public funding targeted to TOD areas;
- Incentivize/streamline the regulatory process for future TOD developments;
- Continue City and private investments in South San Leandro; and
- Add the final planning piece to the City's East 14th Street corridor, following the East 14th South Area Strategy (2004) and the Downtown TOD Strategy (2007), all in compliance with MTC's regional Plan Bay Area 2040.

Throughout the multi-year Specific Plan development process, the City implemented a broad public outreach effort. On February 20, 2018, the City Council certified the Specific Plan EIR and adopted the Bay Fair TOD Specific Plan. The Specific Plan establishes a long-term vision for a sustainable, vibrant, walkable, and safe transit-oriented village with a diversity of land uses serving residents, workers, and visitors.

Since the Specific Plan's adoption, the state legislature has further regulated how local governments process development applications in favor of streamlined (non-discretionary) reviews based only on objective development standards (SB35, SB330). As such, development and design standards in the B-TOD District will be objective as opposed to design guidelines that could be interpreted differently by different parties. The B-TOD District has also been drafted for consistency with AB 2923, which requires certain zoning minimums on BART-owned property in order to support transit-oriented development.

PROPOSED AMENDMENTS

The City-sponsored Bay Fair TOD amendments are a critical next step in implementing the Specific Plan. The proposed amendments include:

- **Zoning Code Amendment** - The proposed amendments would add Chapter 2.10, Bay Fair Transit-Oriented Development District, and Chapter 5.14, Development Plan Approval, to the San Leandro Zoning Code. Amend Chapters 1.12, 4.04, 4.08, and 4.12 and remove references to the C-RM District. The proposed development standards serve to implement the Specific Plan by establishing clear development and design criteria for projects in the Bay Fair Transit-Oriented Development District. However, staff has also proposed new standards for minimum residential densities, publicly accessible open space, and parking maximums to further the goals and vision of the Specific Plan for a compact, vibrant, multi-modal transit-

village. The proposed amendments are included as Exhibit A to the attached ordinance. Redlined amendments are shown in Attachment 1.

- **Zoning Map Amendment** - The proposed amendments would apply the B-TOD Zoning District to all parcels within the Specific Plan Area boundaries. The proposed Zoning Map revisions are shown as Attachment B to the attached ordinance. Attachment 2 contains the existing and proposed Zoning Maps.
- **Municipal Code Amendment** - The proposal would amend Municipal Code Sections 7-1-875 and 7-13-120 for consistency with the proposed B-TOD Zoning requirements related to open space and clarify that publicly accessible open space is eligible for Park Development Impact Fee credits. The proposed Municipal Code Amendments are shown as Attachment C to the attached ordinance. Redlined amendments are included as Attachment 3.
- **Bay Fair TOD Specific Plan Amendment** - Minor amendments are proposed to the Specific Plan to provide clarifications and revisions consistent with the proposed changes to the City's Zoning Code, as shown in Attachment 4. A copy of the Specific Plan incorporating the proposed amendments is included as Exhibit A to the attached resolution. Additionally, several references to "should" are proposed to be changed to "shall" to create conformance with the proposed objective zoning standards.
- **General Plan Map Amendment** - The B-TOD land use designation was established in 2016 by the 2035 General Plan and was applied to the majority of the Specific Plan area ahead of its completion in 2018. The proposed amendments include a General Plan Land Use Map amendment to align the B-TOD land use designation with the Specific Plan Area and B-TOD Zoning District, as shown in Exhibit B to the attached resolution. The existing and proposed Land Use Maps are shown in Attachment 5.
- **General Plan Text Amendment** - The proposed amendments would strategically update the Land Use Element text, including Table 3-2 Correspondence Between Land Use Diagram and Zoning Designations, to reflect the new B-TOD Zoning District. The proposed text amendments are shown in Exhibit C to the attached resolution. Redlined versions of the amendments are also included as Attachment 6.

ANALYSIS

Zoning Amendments

Zoning Code Section 5.16.116 includes required findings for Zoning Map and Zoning Code Amendments related to consistency with the General Plan and purposes of the Zoning Code. The proposed Zoning Code and Zoning Map Amendments are consistent with the General Plan and relevant General Plan policies related to the Bay Fair TOD area, including:

Policy LU-8.10 Bay Fair Area. Transform the area around the Bay Fair BART station, including Bayfair Center, other shopping centers, and properties along Hesperian, East 14th, and other major arterials, into a dynamic new transit-oriented development area. Future development in this area should reposition Bayfair Center to reflect current trends in retailing; add a mix of higher-density residential, office, and other commercial uses; maximize the potential for BART use; and minimize dependence on autos for daily trips.

The proposed Zoning Code and Zoning Map Amendments are also consistent with the purposes of

the Zoning Code contained in Section 1.04.108, including but not limited to:

- Providing a precise guide for the physical development of the City in accord with the policies of the General Plan and any adopted Specific Plan in order to:
 - Preserve the character and quality of residential neighborhoods and commercial and industrial areas consistent with the character of the development districts of the City;
 - Foster convenient, harmonious, and workable relationships among land uses; and
 - Achieve progressively the land development described in the General Plan.
- Promote the economic stability of existing land uses that are consistent with the development policies of the General Plan and protect them from intrusions by inharmonious or harmful land uses.
- Prevent excessive population densities and overcrowding of land or buildings.
- Ensure the provision of adequate open space for light, air, and fire safety.
- Improve the design and aesthetic quality of new and existing development.

Specific Plan Amendment

Government Code Section 65453 states that a specific plan shall be amended in the same manner as a general plan, except that a specific plan may be adopted by resolution or by ordinance and may be amended as often as deemed necessary by the legislative body. The proposed Specific Plan Amendments are necessary and are in the public interest because they achieve consistency with the General Plan and Zoning Code and establish objective standards in alignment with the requirements of state law.

General Plan Amendments

Pursuant to Government Code Sections 65353 and 65354, the Planning Commission is responsible for holding a public hearing and making recommendations on General Plan Amendments to the City Council. Pursuant to Government Code Section 65358, the City Council may amend the General Plan if such amendments are deemed to be in the public interest.

The proposed General Plan Text Amendment clarifies language related to the Bay Fair Specific Plan and conforms to the proposed Zoning Code and Specific Plan amendments. The amendments are necessary and in the public interest because they ensure internal consistency between the General Plan Land Use Element and Land Use map as well as facilitating development of the Bay Fair TOD Area as called for in the General Plan.

The proposed General Plan Map Amendments are in the public interest as they would align the General Plan Land Use designation for the Bay Fair TOD area with the Bay Fair Specific Plan boundaries and B-TOD Zoning District boundaries.

Planning Commission Review and Actions

On July 2, 2020, the Planning Commission held a work session on the Bay Fair Zoning project, at which time the Commissioners asked clarifying questions of staff and provided initial feedback on the proposed Zoning standards ahead of the public review draft.

The Planning Commission then considered the proposed amendments at a regular public hearing on

November 5, 2020, at which time they asked additional clarifying questions of staff and received public comment on the proposed amendments. A representative from Target reiterated concerns expressed during the Specific Plan's adoption about how the amendments would impact Target's property, operations and guest experience and wanted its existing land use and property rights protected. Written comments submitted on behalf of Century Theaters related to parking concerns and property rights were also forwarded to the Commission. The Planning Commission unanimously voted to recommend approval of the proposed amendments to the City Council with minor amendments to the implementation plan to reflect that bike lanes along Hesperian Blvd. and Fairmont Drive are intended to be "protected" rather than "buffered."

Conclusion

As discussed above, the proposed amendments are the culmination of a multi-year, public planning effort to lay the groundwork to transform the area surrounding the Bay Fair BART Station into a vibrant transit village. The Zoning Code, Zoning Map, Municipal Code, Specific Plan, and General Plan amendments implement the community's vision as articulated in the Bay Fair TOD Specific Plan and establish appropriate development and design standards for this major growth area in the City. The amendments respond to recent trends in state law by establishing objective criteria; however, they also include opportunities for flexibility and a wide range of land uses to better align with future economic and development trends while keeping with the spirit of the Specific Plan.

ENVIRONMENTAL REVIEW

On February 20, 2018, the City Council adopted Resolution No. 2018-008 certifying an EIR entitled, "Bay Fair Transit Oriented Development (TOD) Specific Plan Environmental Impact Report" (SCH # 2017032016)." In conjunction with the certification of the Certified EIR, a Mitigation Monitoring and Report Program (MMRP) was adopted for the Project.

The California Environmental Quality Act (CEQA), Public Resources Code Section 21000, et seq., and the State CEQA Guidelines Section 15162 require that when an EIR has been certified for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, that one or more of the following exists:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions to the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with exercise of reasonable diligence at the time of the previous EIR was certified as complete shows any of the following:
 - a. The project will have one or more significant effects not discussed in the previous EIR;
 - b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

- d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measures or alternative.

Staff has reviewed the proposed project and analyzed it based upon Section 15162 of the CEQA Guidelines. Pursuant to CEQA and the CEQA Guidelines, the City of San Leandro completed an Addendum (Exhibit F to the draft Resolution) to the Bay Fair Transit Oriented Development (TOD) Specific Plan Final Environmental Impact Report (EIR). The Addendum includes an analysis of the proposed project, based on Appendix G of the CEQA Guidelines, and whether the environmental effects from the proposed project would be any different from those disclosed in the Certified EIR. The Addendum concluded that the proposed project would not result in any new significant impacts or substantially increase the severity of any significant impacts identified in the Certified EIR. No new information of substantial importance was identified, and no new mitigation measures would be necessary to reduce significant impacts. Applicable mitigation measures from the Certified EIR will be included as conditions of approval when future projects are processed for planning approvals.

PUBLIC OUTREACH

Following up on the broad-based outreach on the Specific Plan, the Zoning Amendment process has included the following public engagement components:

- City Council Update (October 21, 2019);
- Community Meeting 1 (November 20, 2019);
- Outreach to key stakeholders, including property owners and key partners such as BART, AC Transit, Alameda County (ongoing);
- Planning Commission Work Session (July 2, 2020);
- Web Posting and Electronic Distribution of Bay Fair Zoning Public Review Draft (Summer 2020);
- Community Meeting 2 (September 1, 2020);
- Planning Commission Public Hearing (November 5, 2020); and
- City Council Public Hearing (tentatively scheduled for December 7, 2020).

FISCAL IMPACT

There is no direct fiscal impact from taking action on the proposed amendments; however, future development of the Bay Fair TOD area is anticipated to generate substantial development impact fees and property tax revenues.

RECOMMENDATION

Staff and the Planning Commission recommend that the City Council make necessary findings and determinations and:

1. Adopt the attached Resolution adopting:
 - a. Amendments to the Bay Fair TOD Specific Plan, as shown in attached Exhibit A;
 - b. General Plan 2035 Text Amendments as shown in attached Exhibit B;
 - c. General Plan Map Amendments, as shown in attached Exhibit C; and
 - d. Addendum to the Certified Bay Fair TOD Specific Plan EIR (SCH#2017032016)

included as attached Exhibit D.

2. Introduce the attached Ordinance adopting:
 - a. San Leandro Zoning Code Chapter 2.10 and related Zoning Code amendments as shown in attached Exhibit A;
 - b. Zoning Map amendments as shown in attached Exhibit B; and
 - c. Municipal Code amendments as shown in attached Exhibit C.

ATTACHMENTS

Attachments to Staff Report

1. Zoning Code Amendments (redlined)
2. Zoning Map Amendments (redlined)
3. Municipal Code Amendments (redlined)
4. Specific Plan Amendments (redlined)
5. General Plan Text Amendments (redlined)
6. General Plan Land Use Map Amendments (redlined)

Attachments to Resolution

- Exhibit A - Specific Plan Amendments (clean)
- Exhibit B - General Plan Text Amendments (clean)
- Exhibit C - General Plan Land Use Map Amendments (clean)
- Exhibit D - CEQA Addendum

Attachments to City Council Ordinance

- Exhibit A - Zoning Code Amendments (clean)
- Exhibit B - Zoning Map Amendments (clean)
- Exhibit C - Municipal Code Amendments (clean)

PREPARED BY:

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