



## Legislation Details (With Text)

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**Enactment date:**      **Enactment #:**

**Title:** Hold a Public Hearing and Adopt Resolutions and Ordinance 1) Resolution Adopting an Addendum to the San Leandro Shoreline Development Project EIR (SCH # 2013072011) and Approving a Planned Development Project and Site Plan Review for the Private Elements of the Monarch Bay Shoreline Development - a Public-Private Partnership between the City of San Leandro (City) and Cal-Coast Companies LLC, Inc. (Developer) that Includes a 285-unit Apartment project, 144 Single-Family Homes, 62 Townhomes, a Hotel with Attached Restaurant, a Two-Story Restaurant/Banquet Facility, a Market/Café, and Related Site Improvements; and 2) an Ordinance Approving and Authorizing the City Manager to Execute a Development Agreement for the Project; and 3) a Resolution Approving and Authorizing the City Manager to Execute a Second Amendment to the Purchase and Sale Agreement and Disposition and Development Agreement with Cal Coast Companies LLC, Inc. The Monarch Bay Shoreline area is bounded by Marina Blvd to the north, the San Francisco Bay to the west, and Fairway Drive to the south. 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)

**Indexes:**

**Code sections:**

**Attachments:** 1. Att A - Reso Approving Third Addendum and Planning Entitlements, 2. Att A Exhibit A - Recommended Findings of Fact, 3. Att A Exhibit B - Third Shoreline CEQA Addendum, 4. Att A Exhibit C - Hotel, Restaurant, and Market Plans, 5. Att A Exhibit D - Multi-Family Plans, 6. Att A Exhibit E - Single-Family and Townhome Plans, 7. Att A Exhibit F - Recommended Conditions of Approval, 8. Attachment B - Ordinance Approving Development Agreement, 9. Att B Exhibit A - Recommended Findings of Fact, 10. Att B Exhibit B - Development Agreement, 11. Attachment C - Resolution Approving 2nd Amendment to DDA, 12. Att C Exhibit A - Amendment to PSA and DDA w Exhibits, 13. Att D - Shoreline Project Summaries, 14. Att E - Public Private Partnership Summary, 15. Att F - Inclusionary Housing Plan, 16. Att G - Preliminary Bike and Ped Exhibit, 17. Att H - Preliminary Maintenance Exhibit, 18. Att I - Preliminary Sea Level Rise Exhibit, 19. Att J - Shoreline Environmental Review Overview, 20. Presentation

Date	Ver.	Action By	Action	Result
6/21/2022	1	City Council	Approved	Pass

Hold a Public Hearing and Adopt Resolutions and Ordinance 1) Resolution Adopting an Addendum to the San Leandro Shoreline Development Project EIR (SCH # 2013072011) and Approving a Planned Development Project and Site Plan Review for the Private Elements of the Monarch Bay Shoreline Development - a Public-Private Partnership between the City of San Leandro (City) and Cal-Coast Companies LLC, Inc. (Developer) that Includes a 285-unit Apartment project, 144 Single-Family Homes, 62 Townhomes, a Hotel with Attached Restaurant, a Two-Story Restaurant/Banquet Facility, a Market/Café, and Related Site Improvements; and 2) an Ordinance Approving and Authorizing the City Manager to Execute a Development Agreement for the Project; and 3) a Resolution Approving and Authorizing the City Manager to Execute a Second Amendment to the Purchase and Sale Agreement and Disposition and Development Agreement with Cal Coast Companies LLC, Inc. The Monarch Bay Shoreline area is bounded by Marina Blvd to the north, the San Francisco Bay to the

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## SUMMARY AND RECOMMENDATION

Staff recommends that the City Council:

- Adopt a Resolution Adopting an Addendum to the San Leandro Shoreline Development Project EIR (SCH # 2013072011) and Approving a Planned Development Project and Site Plan Review for the Private Elements of the Monarch Bay Shoreline Development;
- Introduce an Ordinance Authorizing the City Manager to Execute a Development Agreement for the Project; and
- Adopt a Resolution Approving and Authorizing the City Manager to Execute a Second Amendment to the Purchase and Sale Agreement and Disposition and Development Agreement with Cal Coast Companies LLC, Inc.

The Shoreline Development is a public-private partnership between the City of San Leandro (City) and Cal Coast Companies LLC, Inc. (Developer) to fulfill the community's vision for a self-sustaining, high-quality, mixed-use development complemented by recreational amenities at the San Leandro Monarch Bay Shoreline Area bounded by Marina Blvd to the north, the San Francisco Bay to the west, and Fairway Drive to the south. Cal-Coast Companies LLC, Inc. is the Developer and partner with the City in the agreements and Monarch Bay LLC, their subsidiary company, is the applicant for the planning entitlements.

The private elements under consideration include a new 210-room hotel, restaurant/banquet facility, market/café/retail space, 285-apartments, 144 detached single-family homes, 62 townhomes, and related site improvements.

A Development Agreement (DA) was prepared to address further details of the project, including Developer and City responsibilities, phasing considerations, and fees. The DA builds on the Disposition and Development Agreement (DDA) with Cal Coast Companies LLC, Inc. that was approved by the City Council in February 2020. The DA is proposed to be amended to facilitate the timely transfer of property, provide further detail on the project phasing and schedule, and ensure that site preparation, public improvements, and the development overall are performed in a continuous and coordinated manner.

On June 2, the Planning Commission held a public hearing (continued from May 19) and recommended approval to the City Council on a 5-1-1 vote.

## BACKGROUND

### Analysis

#### Public-Private Partnership

After more than a decade of community outreach and planning for the future of the Shoreline area, the City Council approved General Plan and Zoning Map Amendments and entered into a DDA with Cal Coast Companies LLC, Inc. for the Shoreline Development on February 24, 2020. Attachment E provides additional background on the long-standing public-private partnership between the City and

Cal Coast. The DDA approved the scope of development, including the following public elements:

- Demolition within the Harbor Basin to address deferred maintenance and ensure the area is functional, safe, clean and environmentally sound;
- Construction of a 9-acre community park on Mulford Point;
- Reconstruction of the Mulford-Marina Branch library;
- Redesigned nine-hole golf course (at developer's expense);
- Reconstruction of Monarch Bay Drive with Class I bike lane; and
- Related site improvements, including raising the site to mitigate against sea level rise.

Through the DDA, the City and Developer agreed to work diligently and in good faith toward appropriate planning entitlements for the private development components of the project and required that such entitlements be completed prior to sale or leasing of City properties. The private entitlements are the subject of this public hearing item. Public outreach on the new City park will resume in June/July.

### Proposal

Cal Coast Companies LLC, Inc., as applicant, is requesting planning entitlements for the private elements of the Shoreline Development Project. The planning entitlements consist of Site Plan Review and Planned Development Project approval. As noted, a Development Agreement is also proposed to address further details of the project, including Developer and City responsibilities, phasing considerations, and fees.

The non-residential private elements include:

- A 156,934 sf five-story hotel with 210 rooms, an attached restaurant, and amenities including a pool & spa, bar, dining buffet, meeting rooms, fitness center, business center, outdoor seating, and a roof deck;
- A 16,024 sf, two-story restaurant/banquet facility with third-floor roof deck;
- A 2,500 sf one-story commercial structure is proposed to accommodate a market, café, or other retail use with outdoor seating;
- Related site improvements including 455 shared parking spaces in two surface parking lots and approximately 80,000 sf of landscaping.

The residential private elements include:

- A five-story apartment complex with 285-units, 435 parking spaces (1.5 spaces/unit), and amenities including a pool, fitness room, club room, and roof decks; and
- A "for-sale" development of 144 two- to three-story detached single-family homes and 62 two- to three-story townhomes with optional roof decks and attached two-car garages for each unit; and
- Related site improvements.

Summaries of each of the private elements and development standards are included as Attachment D. Project plans for each of the private elements are included as Exhibits to the draft Resolution in Attachment A.

In 2020, the City Council approved General Plan and Zoning Map Amendments for the Project site that extended a Planned Development (PD) Overlay Zone to the portions of the site identified for

private development. The PD Overlay Zone was established to set forth a procedure for the development of larger parcels to reduce or eliminate the rigidity, delays, and inequities that could result from applying zoning standards and procedures designed primarily for smaller parcels. The PD overlay provides a valuable tool appropriate for the scale and unique setting of the Shoreline site and the City Council's vision for a self-sustaining, mixed-use development.

The flexibility of the PD Zoning and proposed PD Project allows for the City Council to approve variations in development standards to support superior urban design in comparison with development under the base district zoning regulations. In particular, the proposed PD project would provide flexibility in the following areas:

- Density of up to 50 du/acre for apartments;
- Parking of 1.5 spaces/unit for apartments;
- On-site private and common open space and private storage for multi-family uses;
- Height of hotel and apartment buildings;
- Loading spaces for non-residential components;
- Lot configuration and setbacks for single-family and townhomes.

#### *Development Agreement*

The proposed Development Agreement (DA) between the City and Cal Coast Companies LLC, Inc. (the "Developer") works to further implement the terms agreed to in the Disposition and Development Agreement (DDA), and provides additional details related to the Developer and City obligations, particularly to construction and implementation of the Project.

Development Agreements are authorized by State law and provide the City and Developer more certainty for the development moving forward. Such agreements are often utilized for larger projects that are to be developed over time in phases. The Development Agreement provides the Developer vested rights to develop the project during the 10-year term of the Agreement, with the potential for a 5-year extension if the project is progressing and the Developer is in compliance with the Agreement and conditions of approval.

The Development Agreement details the scope, phasing, and procedures for the Developer's installation of public improvements, with the requirement that overall site preparation be performed during the first phase of the project. Such public improvements include the reconstruction of the Marina Golf Course, construction of park promenades located along the San Francisco Bay shoreline adjacent to the Developer's hotel and apartment projects, relocation and restoration of the Wes McClure boat launch, reconstruction of a portion of Monarch Bay Drive, Mulford Point Drive and Pescador Point Drive, construction of a parking lot within Monarch Bay Park, and soil importation and site preparation for these projects.

The Development Agreement also outlines the base requirements and next steps for design and implementation of key measures to ensure that the project is sustainable for the long-term. These include sea level rise mitigation, Transportation Demand Management planning, and development of a Community Facilities District to support the development of public infrastructure, ongoing maintenance and long-term capital and sea level rise investment.

Finally, the Development Agreement provides the framework for the cooperation between the City and Developer on their respective elements moving forward. As detailed in the DDA and Municipal Code, the Developer may receive impact fee credits for the public improvements. Additionally, the

City commits to coordinate construction of the park and other public elements with the Developer, and to support timely processing of future permits to support implementation of vested project approvals.

### *Disposition and Development Agreement Amendments*

The Disposition and Development Agreement (DDA), and its associated agreements, including a Purchase and Sale Agreement (PSA) and Leases, were approved by the San Leandro City Council on February 24, 2020. The DDA outlines key business terms, including the scope of development, schedule of performance, and developer/City responsibilities.

The proposed amendments to the Disposition and Development Agreement, and associated Purchase and Sale Agreement and Leases, provide further detail on the project phasing and schedule to ensure that site preparation, public improvements, and the development overall are performed in a continuous and coordinated manner. Changes are proposed related to the timing of certain requirements, the schedule of performance, and interim arrangements for existing leases and agreements on site.

In order to comply with the California Surplus Lands Act, the City-owned properties must be sold or leased prior to the end of 2022. In accordance with the DDA, the close of escrow for the sale of the Single Family element and commencement of each of the Ground Leases are to occur prior to December 15, 2022. As a public-private partnership, the agreement includes a provision for the City and Developer to cooperate and defend the City's rights to convey the properties under the terms of the agreements.

Adjustments are proposed to certain requirements or 'conditions precedent' to entering into the land sale and leases in order to facilitate the timely transfer of property. The timing of such requirements is adjusted to reflect the appropriate phase in which they would normally be met. Requirements related to construction of the new buildings, such as selection of contractor, are to be met prior to issuance of building permits, rather than prior to the sale and leasing of the properties. Other requirements, including the approval of project entitlements and project labor agreements, are not proposed to be deferred.

Several of the updates and additional details are also proposed for addition to the Schedule of Performance, which provides specific time frames during which different phases of construction must begin and be completed. These time frames assist in the coordination of public and private improvements and ensure that the infrastructure needs of the site are met. Site preparation for both the Single Family element, located east of Monarch Bay Drive, and the Multifamily and commercial elements, located west of Monarch Bay Drive, is to occur in the initial phase of the project. Specific rent commencement dates are also added in order to assist in the City's fiscal planning and the continued development of the project.

Proposed amendments also include arrangements for the existing users onsite during the interim period between when the property transfers and construction are expected to begin. This includes a License Agreement for continued operation of the 9-hole golf course by the City, as well as continued operation of the El Torito Restaurant. Requirements are also specified to ensure that sites are maintained in a clean and secure manner during the interim period.

## Off-Site Improvements

The Shoreline Development includes a number of off-site improvements and mitigation measures, including:

- Reconstructing Monarch Bay Drive with Class I bike facilities - (see Attachment G for planned bicycle and pedestrian circulation);
- Installing a traffic signal at Aurora Drive and Marina Boulevard;
- Optimizing signals along Marina Boulevard;
- Constructing portions of the Bay Trail adjacent to the Multi-Family and Hotel developments;
- Construction of a new nine-hole golf course east of the Single-Family and Townhome development;
- Upgrading/upsizing utilities in the vicinity, including the Neptune Lift Station (sewer); and
- Significant investments in public art in the project area.

## Sustainability Features

The project will support San Leandro's goals of creating a greener, healthier, and more sustainable City by incorporating environmentally friendly materials and methods in both the design and construction. This will be accomplished by adhering to green building standards, incorporating sustainable building materials, providing roofs that reduce the heat-island effect, an innovative and on-site approach to treating stormwater runoff, using solar energy where possible, and including increased electrical load capacity to accommodate the expanding use of electric vehicles (EVs). Sustainability highlights include the following:

- Hotel and Apartments LEED Certified;
- Solar photovoltaic (PV) panels on Single Family and Townhouse roofs;
- Multi-family building will be all electric to the extent feasible, including an electric HVAC system and Energy Star all-electric appliances (stoves, dishwashers, refrigerators, clothes washers, and dryers). The Developer is also researching microgrid and battery storage and will incorporate into the design if economically feasible;
- All buildings must perform 15% better than 2019 Energy Codes, which require window efficacy; low energy lighting; lighting occupancy sensors; wall, floor and attic insulation; efficient heating and cooling systems; water heater requirements; VOC Emissions reduced for use of construction material; water conservation for landscaping and building use;
- Construction Waste Diversion Recycling - 65% recycled; and
- Use of reclaimed water for single-family/townhouse element landscaping, if feasible.

## *EV Infrastructure & Green Infrastructure*

A minimum of 100% of the multi-family parking stalls are proposed to accommodate electric vehicle (EV) charging spaces. Forty percent (40%) of total parking spaces will be EV Ready and 60% would be EV Capable. For the shared parking area at the hotel, market, and restaurant/banquet facility, a

minimum of 10 percent of the spaces will have EV Chargers and an additional 10% will be EV Capable. The EV spaces will be located adjacent to accessible parking spaces meeting the requirements of the California Building Code, Chapter 11A, to allow use of the EV charger from the accessible parking space and that the EV space will be located on an accessible route.

The project further supports the goal of a greener, healthier city via the enhancement of the public right of way, which will be accomplished by adding street trees and green spaces, and by providing much needed funding to enhance open spaces. Additionally, the landscaping in the Single Family/Townhome area is planned to utilize recycled water (purple pipe).

### *Sea Level Rise*

The private development projects and adjacent City park components are being designed to address projected sea level rise to the year 2070, which would entail raising the site several feet and planning for future adaption options. The proposed new buildings are all located outside of the 100'-wide San Francisco Bay Conservation and Development Commission (BCDC) jurisdictional boundary; however, the park and exterior portions of the private hotel, restaurants, and multi-family apartments will be subject to BCDC review. A Preliminary Sea Level Rise Exhibit is included as Attachment I that shows the planned minimum design elevations for the project, which were determined by using the current FEMA base flood elevations and adding the 3.5 feet of 2070 projected sea level rise for high emissions based on the State of California Sea-Level Rise Guidance. Sea Level Rise is also addressed in the Development Agreement and Conditions of Approval. Additionally, the Community Facilities District for the Shoreline area is proposed to include bonding capacity for future sea level rise adaptation efforts.

### *Construction Practices*

As required in the Conditions of Approval, during construction, numerous mitigations will be employed to minimize the impacts of construction to the environment and the community, including reduced emission trucks and machinery, dust control measures, air quality monitoring, noise reduction plans, and many other enhanced construction-related protocols, all managed by on-site project manager who will be available to the public and efficiently deal with any related concerns.

### *Transportation Demand Management*

As required by Mitigation Measure TRAF-2A and TRAF-2B.2, the applicant is working with a qualified traffic consultant to prepare a Transportation Demand Management (TDM) program. The Project is conditioned to provide a final TDM plan prior to building permit issuance, with a trip reduction goal of 10% for daily trips and 20% for peak-hour trips. Measures shall include, at minimum, a private shuttle that will be made available to all of the land uses within the Shoreline development and a mix of TDM measures that may include:

- Carpooling (traditional, dynamic, Uber/Lyft pool)
- Vanpooling (Enterprise/MTC, owner-operated)
- Guaranteed Ride Home - provides commuters who regularly (twice a week) carpool, vanpool, bike, walk or take transit to work a free and reliable ride home when needed
- Car Share program
- Bike Share and/or Scooter Share Program
- Bike Lockers

- Bike Serving Stations
- Expand Bikeway Network
- Subsidized Transit Passes (Clipper Card)
- Transit Improvements (bus stops, real-time info, integration with bikes)
- Travel Information and Education, Rewards Programs and Incentives (trip planner flyers and web/apps, outreach, bike workshops, wayfinding)
- Parking Cash Out
- Preferential Parking for Carpool and Vanpool
- Safe Routes to School Program (Garfield Elementary 0.5 miles away)

Additionally, several existing programs that provide TDM measures are currently offered by MTC, Alameda CTC, and the San Leandro Transportation Management Organization (LINKS shuttle).

### Inclusionary Housing Plan

As shown in Attachment F, the applicant has proposed an alternative means of compliance as allowed under the Inclusionary Housing Ordinance through a hybrid approach that provides needed market and moderate-income housing while replenishing the City's Housing Trust Fund. The DDA between the City and Cal-Coast outlines the inclusionary requirements for the Shoreline Development, which will also be reflected in the Development Agreement. For the owner units (single family and townhomes), Cal-Coast will construct 10%, or 21 total inclusionary units on site, out of a total of 206 units and pay a pro-rata housing in lieu fee of approximately \$1 million for the remaining 5% set aside requirement. The proposed for-sale in lieu fee is \$10 per gross square foot of residential floor area. Of the 21 inclusionary for sale units, 13 workforce income units and eight moderate income units will be provided. The workforce income housing units will be made available for families whose gross income does not exceed 135% of the Area Median Income. The moderate-income units will be made available for families whose gross income does not exceed 120% of the Area Median Income.

Per the DDA, Cal-Coast will also pay a housing in lieu fee based on \$5 per rentable square feet instead of constructing on-site inclusionary units for the 285-unit multifamily rental development. The housing in lieu fee for the multifamily rental development is estimated to be approximately \$1.2 million.

Cal-Coast will pay a total of approximately \$2.2 million in housing in-lieu fees to the City's Affordable Housing Trust Fund. Housing In Lieu Fees can then be leveraged to attract additional County, Regional, State, and Federal funds for future affordable housing projects.

### Public Benefits and Next Steps

The Shoreline Development meets the goals and vision for a comprehensive Shoreline master plan that was envisioned in 2008 as a result of robust community outreach and planning efforts. The planning entitlements and Development Agreement phase is a significant milestone for the project, which will include a number of community benefits including:

- Fulfilling the community's vision to establish the Shoreline as a regional destination for dining, lodging, entertainment, and recreation, while creating a new waterfront neighborhood with mixed-density housing;
- Building 21 on-site moderate-income and workforce housing units and contributing \$2.2 million

toward the City's affordable housing trust fund for investment in future affordable housing projects;

- Including key public improvements and recreational opportunities;
- Generating approximately \$29 million dollars in property sales to contribute towards publicly accessible open spaces, including a nine-acre park at Mulford Point, waterfront promenades with shoreline and flood protection improvements, and a developer-funded and developer redesigned nine-hole golf course;
- Mitigating traffic impacts by requiring transportation demand management strategies (shuttle, transit passes, etc.) and contributing towards transportation infrastructure, such as new and modernized traffic signals, bicycle lanes, and portions of the Bay Trail;
- Providing a variety of sustainable features, including LEED certification for the Hotel and Multifamily components of the project, building designs 15% more efficient than the Building Code, and substantial infrastructure investment to elevate the site and stabilize it to help it withstand risks and impacts of sea level rise to the year 2070;
- Complying with the City's fiscal neutrality policy for the Shoreline through dedicated special tax revenues (Community Facility District), the Developer's obligation to build and fund key public infrastructure and amenities (including items described above), and profit sharing to the City through performance rents;
- Improving the structure of obligations of the City's Shoreline Fund, providing a minimum of \$1.4 million in additional annual lease revenue and an estimated \$900,000 in Hotel Transit Occupancy Tax per year;
- Providing increased annual property tax revenue with an estimated assessed valuation of over \$300 Million, of which 12% of net new property tax revenue would go to the City and the remainder primarily to the school districts and Alameda County;
- Generating over \$350 million in private investment for development of the project and over \$300,000 in expected building permit fees, as well as development impact fees for the City and other agencies, including the San Leandro Unified School District; and
- Investing a minimum of \$2 million in public art in the project area.

Next steps include further preparation of technical studies and permits prior to the start of on-site construction, as detailed in the Conditions of Approval (Exhibit G to the Resolution in Attachment A). The property sale and leases are anticipated to occur by the end of 2022. Public outreach on the City park will resume in June/July.

### **Applicable General Plan Policies**

The project is consistent with the General Plan's goals, policies, and objectives. The Tentative Map includes parcels with General Plan land use designations of Commercial Community District (Planned Development), Commercial Recreational District, Residential Multi-Family (22 DU/Acre) (Planned Development), and Residential Multi-Family (24 DU/Acre) (Planned Development). The purpose of these established land use designations is to provide for a mix of commercial, residential, and recreational activities in alignment with the proposed Shoreline Development. The pertinent General Plan goals, policies, and actions that apply to the Shoreline Development project include:

**Goal LU-9.** Reinforce the San Leandro Shoreline as a regional destination for dining, lodging, entertainment, and recreation, while creating a new waterfront neighborhood with housing, retail, and office uses.

**Policy LU-9.1 Waterfront Enhancement.** Enhance the San Leandro waterfront as a distinguished recreational shoreline and conservation area, with complementary activities that boost its appeal as a destination for San Leandro residents and visitors. Future development at the Shoreline should be compatible with the area's scenic and recreational qualities.

**Policy LU-9.3. Public Amenities in Shoreline Development.** Ensure that future development at the Shoreline includes complementary amenities that benefit San Leandro residents and current shoreline users, such as improved park space, restaurants, pedestrian and bicycle paths, and access to the Bay Trail.

**Policy LU-9.4. Land Use Mix.** Strive for a mix of land uses in the San Leandro Shoreline area that requires little or no City investment and results in a Shoreline that is financially self-supporting. Development should be phased in a manner that is consistent with this policy, and should maximize the extent to which commercial development funds public amenities and services.

## **Environmental Review**

Attachment J contains a summary of the environmental review process for the Project. Pursuant to the California Environmental Quality Act (CEQA), on July 20, 2015, the City Council adopted Resolution No. 2015-125 certifying an EIR entitled, "San Leandro Shoreline Development Project EIR (SCH # 2013072011)." In conjunction with the Certified EIR, a Mitigation Monitoring and Report Program (MMRP) was adopted for the Project.

The Draft EIR (DEIR) was circulated for an extended public review period from December 9, 2014 to February 6, 2015. An updated Final EIR (FEIR) was presented to Planning Commission and City Council after a thorough review of the comments received on the DEIR. The DEIR examined the full range of potential environmental impacts based on the eighteen resource topic areas in Appendix G of the CEQA Guidelines, including but not limited to, the following environmental topics:

- Aesthetics
- Air Quality
- Biological Resources
- Geology, Soils and Seismicity
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Noise
- Population and Housing
- Public Services and Recreation
- Transportation and Traffic
- Utilities and Service Systems

The DEIR identified a number of impacts as less than significant or significant but mitigatable. However, not all of the Project's significant impacts can be avoided or reduced to less than significant and will remain significant and unavoidable, even after feasible mitigation. When the City Council certified the EIR for the Shoreline project, it also adopted a Statement of Overriding Considerations for these significant and unavoidable impacts. The significant and unavoidable impacts relate to greenhouse gas emissions, noise, and traffic/transportation.

The Statement of Overriding Considerations noted that the City Council carefully considered each significant and unavoidable impact in reaching its decision to approve the Project and identified several benefits of the Project in reaching its decision, including but not limited to:

- It will facilitate development of the underutilized Shoreline site, bringing to fruition nearly a decade of City and community planning for the site and area.
- It improves an underdeveloped site with convenient freeway, street, bicycle, and pedestrian access that would allow the City to implement its recently adopted Complete Streets program, improve access to the Bay Trail, and provide increased opportunities for local non-vehicular travel within and connecting to the site.
- It provides a diversity of types of units to meet different types of housing needs and will contribute towards meeting the City's RHNA need for above moderate housing.
- It promotes economic growth, creates diverse new employment opportunities, expands the City's tax base and will stabilize the Shoreline Enterprise Fund, which is currently burdened with significant debt due to the costs of past dredging operations.
- Development of the Project site will also provide construction employment opportunities.

A First Addendum to the 2015 Certified Final Environmental Impact Report for the updated San Leandro Shoreline Development Project was approved by the City Council on February 24, 2020 (SCH # 2013072011). A Second Addendum analyzing Vesting Tentative Tract Map 8633 was recommended by the Planning Commission on April 21, 2022 for City Council consideration on May 16, 2022.

Staff 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 a Third Addendum (Exhibit B to the draft Resolution in Attachment A) to the San Leandro Shoreline Development Project Final Environmental Impact Report (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. No further environmental review is required for the proposed project.

### **Planning Commission Review and Actions**

On June 2, 2022 the Planning Commission held a public hearing (continued from May 19) and recommended approval to the City Council on a 5-1-1 vote with Commissioner Mendoza voting no and Chair Boldt abstaining due to a recusal. The Commission asked clarifying questions of staff and recommended two minor modifications to the conditions of approval to address design details related

to inseting of windows for the overall project and replacement of a fence material proposed for the hotel. There was one public comment made on May 19 related to floodplain regulations and one written comment letter of support from YIMBY Law. There were no public comments received on June 2.

### **Summary of Public Outreach Efforts**

In December 2008, a Shoreline Citizens Advisory Committee (Shoreline CAC) was formed to advise the City Council and staff on the vision for the Shoreline development area. The Shoreline CAC fulfilled its mission and was disbanded in Spring 2011 when the City Council signed an Exclusive Negotiation Agreement with Cal-Coast Developers. In 2012, the City Council Shoreline-Marina Committee approved a Shoreline Advisory Group to provide continuing community input to the City Council and staff on the comprehensive master plan for the Shoreline development area.

To date, the redevelopment of the Shoreline site has been the subject of over 75 public meetings. Most recently, work sessions on the Shoreline Development were held at the Planning Commission on March 3, 2022 and at the City Council on March 14, 2022. The Planning Commission also held a noticed special public hearing on April 21, 2022 on the Vesting Tentative Tract Map for the west side of Monarch Bay Drive and the Council upheld the Commission's recommendation at a public hearing on May 16, 2022. The Planning Commission held a continued public hearing on June 2, 2022.

This item was publicly noticed, including a legal advertisement in the East Bay Times Daily Review newspaper, the posting of notices, and mailing notification to property owners within 500 feet of the subject property.

### **Fiscal Impacts**

The Shoreline Development will have numerous positive fiscal impacts, as noted above, with approximately \$350 million in private investment, \$29 million for the land sale, \$1.4 million in annual leases, \$2.2 million towards the affordable housing trust fund, \$900,000 in annual Hotel Transit Occupancy Tax per year, over \$300,000 in expected building permit fees, payment of applicable development impact fees, and increased annual property tax revenues.

### **Attachment(s) to Staff Report**

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Exhibit A - Disposition and Development Agreement and Exhibits

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**PREPARED BY:**

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