



Legislation Details (With Text)

File #: 21-758 **Version:** 1 **Name:** Objective Standards CC Hearing
Type: Staff Report **Status:** Filed
In control: City Council
On agenda: 1/4/2022 **Final action:** 1/4/2022
Enactment date: **Enactment #:**
Title: Public Hearing to Add Section 4.04.336, Multi-family and Mixed-Use Residential Development, to the San Leandro Zoning Code and Adopt Miscellaneous Zoning Code Amendments Related to Objective Development Standards for Multi-Family and Mixed-Use Residential Development Citywide
Sponsors: Tom Liao
Indexes:
Code sections:
Attachments: 1. Attachment 1 - Public Hearing Draft Amendments (Redlined), 2. Attachment 2 - Site Plan Review Process - Proposed, 3. Attachment 3 - AC Transit Letter, 4. Attachment 4 - San Leandro 2050 Letter Dated October 18, 2021

Date	Ver.	Action By	Action	Result
1/4/2022	1	City Council	Received and Filed	

Public Hearing to Add Section 4.04.336, Multi-family and Mixed-Use Residential Development, to the San Leandro Zoning Code and Adopt Miscellaneous Zoning Code Amendments Related to Objective Development Standards for Multi-Family and Mixed-Use Residential Development Citywide

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council hold a public hearing and adopt an Ordinance adding Section 4.04.336, Multi-family and Mixed-Use Residential Development, to the San Leandro Zoning Code and adopt miscellaneous Zoning Code Amendments related to Objective Development Standards for multi-family and mixed-use residential development citywide.

On November 4, 2021, the Planning Commission recommended approval of the amendments, with modifications, to the City Council on a 6-0 vote (one Commissioner absent).

Most notably, the Commission’s recommendation included eliminating automobile parking minimums and establishing a parking maximum of 0.5 space/unit for all new multi-family development in the Downtown (DA) and South Area (SA) Zoning Districts.

The Council may wish to consider decoupling the automobile parking amendments from the Objective Development Standards amendments and direct staff to return at a later date with proposed parking amendments after additional outreach and analysis is performed and appropriate transportation demand management policies are prepared.

BACKGROUND

As California's housing supply and homelessness crisis continues, the State has taken a number of actions aimed at reducing barriers to the creation of housing. In 2017, Senate Bill 35 (SB 35) was signed by the Governor establishing a mandated, ministerial (streamlined) review process for multi-

family residential projects under specific conditions and near transit locations. To qualify for this process, an applicant would be required to pay prevailing wage for construction labor and meet the affordable housing production threshold. This law exempts such projects from environmental (CEQA) review and limits the local government agency's project review to locally adopted "objective design and development standards." San Leandro has since had two multi-family development projects approved through the streamlined SB35 application process and a third SB35 application is anticipated to be received by the end of 2021.

Also in 2017, Governor Brown signed Senate Bill 2 (SB 2), titled the "Building Homes and Jobs Act," which specifically established a permanent, on-going source of funding dedicated to promoting and facilitating affordable housing development. On March 28, 2019, HCD released a Notice of Funding Availability (NOFA) related to SB 2 for approximately \$123 million in revenue earmarked for local government planning grants. The purpose of the Planning Grants Program is to provide financial and technical assistance to local governments to update planning documents to:

- Accelerate housing production;
- Streamline the approval of housing development;
- Facilitate housing affordability;
- Promote the development of housing; and
- Ensure geographic equity in the distribution and expenditure of allocated funds.

Through the SB2 Planning Grants Program, the State provided grant funding to the City to develop objective design and development standards for multi-family residential and mixed-use development in order to provide greater predictability to developers and community members and help streamline the development review process in accordance with recent changes in state law. The City hired a consultant team led by Miller Planning Associates with support by Urban Field Studio and Lexington Planning to assist with this effort.

Input from the community is a key element in crafting updated standards that reflect San Leandro's values and design preferences. To date, the project has involved three distinct phases: Analysis and Assessment, Options Exploration, and Preparation of Draft Standards.

The initial Analysis and Assessment Phase included:

- Stakeholder Interviews
- Evaluation of development constraints
- Survey #1 - Community design preference survey - an on-line survey available from October 21, 2020 through November 16, 2020 consisting of multiple choice, ranked preference, and open-ended questions aimed at understanding design preferences and key influences that form impressions of quality design. 109 responses were received.
- Workshop #1 - a live, on-line interactive workshop held on October 21, 2020 via Zoom to understand the community's design preferences and key influences that form their impression of quality design. 21 people participated in the workshop, which began with a presentation providing an introduction to the project. Following the presentation, participants were placed into one of four 'breakout rooms' where they were asked to conduct 'design review' on examples of townhome, apartment, and mixed-use development. For each type of development, participants were asked what they liked and didn't like about the examples and if the project would be appropriate in San Leandro. Participant feedback was recorded on

'boards' showing example projects.

- Testing of current design and development regulations.
- *Project documents:* Development Constraints Memo, summaries of visual preference workshop and survey results, and Site Test Analysis to evaluate current development standards.

The second Options Exploration Phase included evaluating options for updated standards to achieve high quality development while addressing key findings of the analysis and assessment project phase, including:

- Workshop #2 - a live, on-line interactive workshop was held on July 29, 2021 via Zoom to get community feedback on a variety of options for updated Zoning standards grouped into four topical areas-Design, Parking Requirements, Achieving Intended Development Types, and Transitions. Approximately 20 community members participated in the workshop, along with facilitators from the City and consultant team.
- Survey #2 - an online survey tool replicated the workshop materials for broader feedback from the community. A total of 291 participants visited the survey site and there were 70 active contributors. The survey included a comment section where participants could add comments, as well as read and reply to one another.
- *Project documents:* Community Survey (Options to Consider) Summary and Community Workshop #2 Materials and Summary

The Preparation of Draft Amendments Phase included:

- Evaluation of feedback from Workshop #2 and Survey #2 to distill topics to address in Draft Amendments.
- Preparation of Draft Amendments and Summary Documents for public review ahead of formal adoption hearings. Appendix B provides a correspondence table of the 'Options to Consider' and the related draft code amendments.
- A public review draft of Section 4.04.336 Multi-family and Mixed-Use Residential Development and related amendments to the Zoning Code was released for public review October 6-20, 2021.
- Online 'office hours' where people could sign up for time slots to review the amendments and ask questions individually or in small groups were offered on October 18th and 19th, 2021.
- *Project documents:* Public Review Draft Amendments with Appendices.

The fourth and final phase will consist of creating Final Standards and Users Guides after the City Council makes a final determination on the Draft Amendments.

ANALYSIS

Proposed Amendments

The proposed Zoning Code amendments would establish objective development and design standards to achieve high-quality multi-family and residential mixed-use development projects.

The amendments include proposed changes to the following Zoning Code regulations:

- *Citywide Standards* that apply generally to multi-family and mixed-use development citywide;
- *District Regulations*, which specify the land use and development standards for each base zoning district in the City, including Residential, Commercial and Professional, Bay Fair Transit Oriented Development (B-TOD), Industrial, and Public Service districts;
- *Administrative Provisions*, which include procedures applicable to review procedures and approvals, including Site Plan Review and Administrative Exceptions; and
- *Related Cleanups* that eliminate redundancies, delete obsolete standards and references, and update cross-references.

Citywide Standards

Multi-family and Mixed-Use Residential Development: Draft Zoning Code Section 4.04.336, Multi-family and Mixed-Use Residential Development, establishes design standards applicable to all new multi-family and mixed-use development citywide with the exception of the B-TOD District, which has its own Specific Plan and design standards. A summary of the proposed standards is also included as Attachment 1 along with the redlined draft Amendments. The proposed standards address the following topic areas:

Engaging Ground Level

Buildings are required to be oriented to the street and pedestrian walkways, with regular, emphasized entrances. A menu of acceptable methods of emphasizing entrances, including projections and recesses, is provided to allow flexibility in meeting the standard. For residential units, standards are included for shared entrances, where there is a common entrance with a lobby, as well as ground level entrances to individual units where the transition between the public and private realm is a consideration.

Requirements for ground level transparency (i.e., doors and windows) are included for nonresidential uses and common areas of residential uses that face streets and pedestrian walkways.

Building Design

Requirements for building offsets, window trim, façade detailing, colors, and materials to create visual variety and avoid a large-scale and bulky appearance.

- *Roof lines:* Roof lines are required to be varied, complement the building architecture, and designed to screen roof-mounted equipment.
- *Facades:* Blank walls over 30 feet are prohibited and massing breaks are required for long facades. Buildings of three or more stories are required to implement design features to distinguish upper and lower floors. Townhomes are required to provide distinction between individual units.
- *Windows and openings:* Minimum depth of window trim and recesses are required for residential uses.
- *Façade details:* All facades are required to incorporate design details, including window trim, cornices, and changes in materials. A minimum of three colors and materials are required for each façade.

A menu of options for meeting the standards are provided to accommodate a variety of architectural styles, while maintaining quality design.

Open Space

Private, common, and publicly accessible open space are required to be provided. Current requirements for the amount of required common and private open space per unit are carried forward (60 square feet per unit in the SA and DA Districts, 200 square feet per unit in CC, CN, NA, P, and RM Districts). A new requirement for publicly accessible open space for developments over 25,000 square feet in the DA and SA Districts is included in response to community and Council feedback on the importance of placemaking. Additionally, providing publicly accessible open space beyond the base requirements is one of the amenity menu options that qualify toward meeting amenity requirements.

Each type of open space has specific design standards, addressing items such as minimum dimensions, accessibility, surfacing, features, and landscaping.

Parking and Service Areas

Parking area location and design standards encourage active street frontages. Generally, structured parking areas are to be located behind active uses (a minimum of 40 feet back from the primary street frontage). In Residential Districts, surface parking, carports, and garages are limited to 40% of the street frontage. Additionally, design treatments are required for street-facing residential garages in order to avoid a massive appearance. Where feasible, parking areas must be accessed from an alley or secondary street.

Landscaping

All areas of the site not used for access, parking, buildings, open space, mechanical equipment, or other function are required to be landscaped.

Complete Streets

New development and additions over 10,000 square feet in size are required to implement frontage improvements consistent with the Master Plan of City Streets, Bicycle and Pedestrian Master Plan, applicable Specific Plan and/or development strategy, and any other applicable standard or requirement. This standard encompasses pedestrian zone standards as well as installation of required bike lanes along the project frontage(s).

Parking

Proposed amendments to Chapter 4.08, Off-Street Parking and Loading Regulations, include the following:

- *Bicycle Parking.* A requirement of one long-term bicycle parking space for every two units of multi-family residential development is proposed. All uses will be required to provide short-term bicycle parking at a minimum of 5% of the required number of required automobile parking spaces, with a minimum of one space per establishment. Design standards address location, coverage, accessibility, dimensions, and anchoring.
- *Tandem Parking.* Allowances for tandem parking are incorporated, provided that both spaces be assigned to a single dwelling unit or non-residential establishment. Tandem parking for non-residential uses is limited to employee parking.

- *AB 2923 Compliance.* Parking requirements on certain BART-owned properties is addressed in accordance with State law (California Public Utilities Code Sections 29010.1 through 29010.12 (AB2923)).
- *Vehicle Parking.* See District Regulations below for a discussion of DA and SA District parking amendments.

Other Amendments to Standards that Apply Citywide: Other amendments to citywide standards are proposed for clarity, consistency with other changes, and corrections of cross-references. Refinements are also proposed to existing standards for outdoor storage, screening of mechanical equipment, and refuse storage areas to ensure objectivity. These standards apply to all development, not just multi-family and mixed-use. (Sections 4.04.224, Walls Adjoining Residential Use; 4.04.324, Outdoor Facilities and Storage/Loading Facilities; 4.04.328, Screening of Mechanical Equipment; and 4.04.332 Refuse Storage Areas).

District Regulations

Residential Districts: A new RM-875 Zoning District is proposed in Chapter 2.04, R Residential Districts, to implement the established General Plan High Density Residential land use category, which currently does not have a corresponding Zoning District. There are no other proposed changes to the Residential District development standards.

Commercial and Professional Districts: Amendments to Chapter 2.08, Commercial and Professional Districts, include modifications to the Downtown Area (DA) and South Area (SA) district standards. No changes are proposed to the NA, CC, CN, CR, CS, or P district development standards.

- *Use Regulations.* Amendments clarify that multi-family and mixed-use development is permitted in the DA and SA Districts, except that Conditional Use Permit approval is required to allow ground floor residential on parcels fronting East 14th Street or Washington Avenue, north of Parrott, consistent with the Downtown TOD Strategy and the East 14th Street South Area Development Strategy.
- *Setbacks.* Front setback requirements in the DA District are proposed to be modified to reference the street sections of the applicable street type in the Downtown TOD Strategy in order to provide objective standards, while ensuring adequate building setbacks to accommodate the planned street, sidewalk, and public amenity improvements. A minimum setback for ground floor residential units is included in the DA and SA Districts, consistent with the corresponding development strategy.
- *Daylight Plane.* The existing Daylight Plane requirements for all districts except the DA and SA Districts are unchanged. In the SA District, the applicability of the Daylight Plane requirement is proposed to be modified to apply when adjacent to a lower-scaled residential district (RS or RD district). The Daylight Plane requirement for the DA and SA Districts are proposed to be modified to increase the height from which the daylight plane starts from eight feet to 15 feet and to provide a termination point of the daylight plane 20 feet from the subject RS or RD District boundary line. This daylight plane requirement, combined with setback and landscape buffer requirements, provide a transition between higher- and lower-scaled residential districts so that new development reflects the scale of, and provide a buffer to, adjacent development along the transition area, without reducing the allowable development across the entire property.

- **Parking.** After hearing from stakeholders and the community through surveys, workshops, and one on one conversations, staff identified a set of recommended parking amendments to reduce and standardize the amount of required parking in the Downtown (DA) and South Area (SA) Zoning Districts. Staff recommended requiring a minimum of 1 parking space per unit within ¼ mile of public transit (as defined by and consistent with the State definition for major transit stops) and 1.25 - 1.5 spaces per unit for projects located more than ¼ mile from public transit. This reflects a .5 to 1.0 space reduction in the amount of minimum parking required in the SA District and a .25 space reduction in the DA District for studio or one-bedroom units for projects further than ¼ mile from BART. The allowance of unbundled flex parking of .25 to .5 spaces/unit at the developer's option in the DA District was proposed to be removed.
 - As noted above, the Planning Commission unanimously recommended establishing a 0.5 space/unit vehicle parking maximum throughout the DA and SA Districts. The Commission referenced the adopted Climate Action Plan, which includes Policy AD-4: Evaluate Parking Standards to evaluate parking standards and continue to support shared parking and other efforts to ensure the availability of necessary parking while reducing vehicle miles traveled. The Commission also recommended requiring 15% of vehicle parking spaces to have electric vehicle chargers and establishing a one bicycle parking space per unit requirement in the DA and SA Districts. See the Planning Commission Public Hearing section below for more information.
 - AC Transit submitted a letter (Attachment 4) after the Planning Commission hearing supporting the City's efforts to reduce parking requirements and support transit usage as a strategy to help the City reach its Climate goals. AC Transit's letter strongly encouraged the incorporation of active transportation demand management (TDM) measures.

B-TOD, Industrial, and Public and Semi-Public Districts: In Chapter 2.10, Bay Fair Transit-Oriented Development District, revisions are proposed to consolidate and standardize processes for Administrative Exceptions and Site Plan Review described under Administrative Provisions, below. In the Public (PS) District, provisions are added to allow development on certain properties near the San Leandro BART Station to develop in accordance with State law (California Public Utilities Code Sections 29010.1 through 29010.12 (AB2923)).

Administrative Provisions

Amendments to Title 5, Administration, and the administrative regulations of Base District Regulations in Title 2, consolidate and standardize review processes. The 'administrative procedure' section of each base district in Title 2 identifies the applicability of various administrative provisions specific to that district. The procedures for the various administrative provisions are proposed to be consolidated into one place (Title 5).

Currently, the Site Plan Review procedure for projects in nonresidential and mixed-use districts is standardized. However, in the residential districts, there are two types of Site Plan Review, major and minor, whose procedures vary depending on specific project characteristics. The draft amendments propose to standardize Site Plan Review procedures by establishing three levels of Site Plan Review, as noted in Attachment 2 (Proposed Site Plan Review Process).

The amendments also clarify that the Site Plan Review process will run concurrently with any other discretionary permits according to the permit with the highest level of review authority. The proposed Site Plan Review procedure amendments would shift the review authority for new homes larger than

4,000 square feet and new homes or additions that exceed the single story/18 foot height limit in the RS-VP District to the ZEO rather than the BZA. However, the ZEO's decisions would be appealable to the BZA or the project could be elevated to the BZA for approval where the ZEO determines the public interest would be better served by having the BZA conduct Site Plan Review.

Miscellaneous: Other amendments include removing 'Parking Exception' as a specific approval type and processing requests via Major Site Plan Review at a noticed public hearing by the ZEO rather than the BZA. The amendments also include deleting references to the obsolete Site Development Subcommittee.

Planning Commission Public Hearing

On November 4, 2021, the Planning Commission held a public hearing and took public testimony on the proposed Objective Standards Amendments. The Commission received a letter from a local organization, San Leandro 2050, requesting that the parking reductions proposed by staff be further reduced and extended to the Multi-Family (RM) Districts to reduce the cost of housing and advance environmental goals (See Attachment 4). Four public commenters spoke at the hearing with mixed perspectives on parking reductions.

After deliberation, the Planning Commission adopted a Resolution recommending approval of the proposed amendments to the City Council on a 6-0 vote (Commissioner Mendoza absent) with the following modifications:

- 1) Add shared use car space(s) as an amenity option to Section 4.4.336(B)(4)
- 2) Eliminate parking minimums and establish a 0.5 space/unit parking space for all new Multi-Family and Mixed-Use Developments in the DA and SA Districts
- 3) Require 15% of actual parking provided in the DA and SA Districts to provide Electric Vehicle (EV) chargers; and
- 4) Require a minimum of 1 bicycle parking space/unit to supplement reduced parking for DA and SA Districts

Staff is supportive of all of the above changes with the exception of Item 2 above related to the 0.5 parking space/unit maximum. Local developers have expressed concerns about high parking minimums and low parking maximums, which hinder their ability to respond to market demands for housing. Staff anticipates that the 0.5 parking space/unit maximum could further curtail housing development in San Leandro and lead to negative parking outcomes for surrounding neighborhoods if appropriate transportation demand measures are not incorporated. Some local residents have also expressed similar concerns about the substantial residential parking reduction to 0.5 parking space/unit.

Staff recommends that the City Council adopt the amendments, as modified by the Planning Commission, with the exception of the 0.5 space/unit parking maximum in the DA and SA Districts, which would benefit from additional public engagement and analysis of transportation demand management requirements before finalizing.

Zoning Amendment Findings

General Plan and Zoning Code Purposes

Zoning Code Section 5.16.116 states that the Planning Commission shall make findings regarding consistency with the General Plan and purposes of the Zoning Code when making recommendations to the City Council on proposed Zoning Code and Zoning Map Amendments.

Applicable General Plan Policies

- *Policy CD-5.4 Architectural Consistency.* In established neighborhoods, protect architectural integrity by requiring infill housing, replacement housing, and major additions or remodels to be sensitive to and compatible with the prevailing scale and appearance of adjacent development.
- *Policy LU-6.1 Downtown Plans.* In accordance with the adopted Downtown Plan and Urban Design Guidelines and the Downtown San Leandro Transit Oriented Development Strategy, ensure that new downtown development is attractive and creates an image conducive to revitalization.
- *Housing Element Policy 59.01 Zoning Regulations.* Ensure that the development standards, use restrictions, parking requirements, and other regulations contained in the San Leandro Zoning Code enable the production of housing for all income groups. Overly restrictive or redundant requirements should be strongly discouraged.

Zoning Code Purposes

The proposed Zoning Code 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.

Conclusion

As discussed above, the proposed amendments are the culmination of a multi-year, grant-funded public planning effort to develop objective design and development standards to achieve high quality multi-family residential and mixed-use development. The Zoning Code amendments implement the community's vision as articulated in the General Plan and establish appropriate development and design standards for new multi-family residential and mixed-use development within San Leandro. Community input was critical to the drafting of the proposed standards. The amendments respond to recent trends in state law by establishing objective criteria; however, they also include opportunities for flexibility to consider alternative design solutions.

ENVIRONMENTAL REVIEW

This item is exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment as the Ordinance has no potential to result in a direct, or reasonably foreseeable indirect impact on the environment. The Zoning Code amendments are necessary to implement and ensure conformance with established State laws.

FISCAL IMPACT

There is no direct fiscal impact associated with adoption of the proposed Zoning Code Amendments.

APPLICABLE GENERAL PLAN POLICIES

- **Policy CD-5.4 Architectural Consistency.** In established neighborhoods, protect architectural integrity by requiring infill housing, replacement housing, and major additions or remodels to be sensitive to and compatible with the prevailing scale and appearance of adjacent development.
- **Policy LU-6.1 Downtown Plans.** In accordance with the adopted Downtown Plan and Urban Design Guidelines and the Downtown San Leandro Transit Oriented Development Strategy, ensure that new downtown development is attractive and creates an image conducive to revitalization.
- **Housing Element Policy 59.01 Zoning Regulations.** Ensure that the development standards, use restrictions, parking requirements, and other regulations contained in the San Leandro Zoning Code enable the production of housing for all income groups. Overly restrictive or redundant requirements should be strongly discouraged.

PUBLIC OUTREACH

Summary of Outreach Efforts

Throughout the multi-year process that began in 2019 with the City Council authorizing the City's application for SB2 Planning Grant funds, the City implemented a broad public outreach effort, which included:

- A project website
- Presentations with the City Council and Planning Commission/Board of Zoning Adjustments
- Two widely publicized virtual community workshops
- Two widely publicized on-line surveys
- Email distribution
- Flyer distribution
- Press releases, City Council updates, online postings on the SL Next blog, and social media posts

The Zoning Amendment process has included the following specific public engagement components:

- Project Website with Project Information and Introductory Videos (June 2020)
- City Council Project Introduction (July 6, 2020);

- Planning Commission Project Introduction (August 6, 2020)
- Community Workshop #1 (October 21, 2020)
- Community Survey (October-November, 2020)
- Planning Commission Project Update (July 1, 2021)
- City Council Project Update (July 6, 2021)
- Community Workshop #2 (July 29, 2021)
- Planning Commission Check in (September 2, 2021)
- Web Posting and Electronic Distribution of Multi-Family and Mixed-Use Development Standards Public Review Draft (October 6, 2021)
- Virtual 'Office Hours' (October 18 and 19, 2021)
- Planning Commission Public Hearing (November 4, 2021); and
- City Council Public Hearing (tentatively scheduled for January 4, 2021)

A display ad for tonight's meeting was also published in the Daily Review on December 24, 2021.

ATTACHMENTS

Attachments to Staff Report

Attachment 1 - Summary and Zoning Code Amendments (redlined)

Attachment 2 - Proposed Site Plan Review Process

Attachment 3 - AC Transit Letter dated November 10, 2021

Attachment 4 - San Leandro 2050 Letter dated October 18, 2021

Attachments to Draft Ordinance

Exhibit A - Zoning Code Amendments (clean)

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