



Legislation Text

File #: 23-164, **Version:** 1

First Reading and Consideration of an Ordinance to Amend Zoning Code Section 1.12.108, Definitions, and Section 2.10.200, Use Regulations (Bay Fair TOD District), to Update the Definition of Research and Development Services and Reclassify it from a Conditional Use to a Permitted Use in the Bay Fair TOD District

COUNCIL PRIORITY

- Community & Business Development

SUMMARY AND RECOMMENDATIONS

The 2018 Bay Fair TOD Specific Plan establishes a vision to transform the 154-acre area surrounding Bay Fair BART station into a vibrant, mixed-use Transit Oriented Development (TOD). Staff is proposing minor Zoning Code amendments to allow Research and Development Services as a permitted use in the Bay Fair TOD (B-TOD) Zoning District, removing barriers to investment in the B-TOD District and incentivizing job creation.

Staff recommends that the City Council introduce an Ordinance to amend Zoning Code Section 1.12.108, Definitions, to update the Definition of "Research and Development Services" and Section 2.10.200, Use Regulations (Bay Fair TOD District), to reclassify Research & Development Services from a Conditional Use to a Permitted Use.

The Planning Commission reviewed this item at a public hearing on April 6, 2023 and recommended approval on a 5-1-1 vote with one recusal and one absence.

BACKGROUND

The Bay Fair TOD Specific Plan (Specific Plan) and implementing Bay Fair TOD (B-TOD) Zoning promote the long-term sustainability and vibrancy of the Bay Fair area by:

- Addressing long-term changes in market trends affecting retail and regional malls;
- Addressing barriers and streamlining the development review process to attract private investment;
- Providing greater access to public funding targeted to TOD areas, including One Bay Area Grant (OBAG) funds; and
- Addressing displacement pressures and providing protections for existing naturally occurring affordable housing at mobile home parks in the plan area.

Since the Specific Plan and B-TOD Zoning were adopted, market conditions have changed resulting in less demand for Class A office space and greater demand for flexible spaces that can be used for research and development purposes. To stay competitive and remove barriers to investment in the B-TOD District, staff is proposing minor amendments to the Zoning Code to allow Research and

Development Services as a permitted use.

Analysis

The proposed Zoning Code Amendments to Section 2.10.200 would update and reclassify *Research and Development Services*, from a conditional use to a permitted use within the B-TOD District. Additionally, the Amendments would update the definition of *Research and Development Services* in Section 1.12.108 to grant the Zoning Enforcement Official (ZEO) the authority to exclude uses with offensive odor, dust, noise, vibration, or risks associated with hazardous materials.

The proposed amendments will remove barriers to Research and Development businesses looking to locate and invest in the B-TOD District. The amendments respond to recent changes in market trends and are consistent with the goals of the General Plan and purposes of the Zoning Code. Establishing an employment center in the Bay Fair area would accelerate the City's vision of transforming an aging, auto-oriented retail district into a contemporary mixed-use TOD.

Applicable General Plan Policies

- **Policy ED-1.1 - Leveraging San Leandro's Assets.** Build on San Leandro's strengths, including its central location, transportation infrastructure, affordability, industrial land supply, and business-friendly reputation to leverage economic growth and private investment in the city.
- **Policy ED-2.1 Business-Friendly City.** Maintain a collaborative and supportive relationship between the City and the private sector that emphasizes the ease of doing business in San Leandro.
- **Policy ED-4.8: Bayfair Center.** Support continued reinvestment in Bayfair Center, restoring the center's role as a regional destination while reinventing it to reflect modern retail trends and incorporate a more pedestrian-oriented, mixed use format.
- **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.

Environmental Review

The proposed project 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 project 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.

Planning Commission Review and Action

The Planning Commission considered this item at a public hearing on April 6, 2023 and recommended approval to the City Council on a 5-1-1 vote, with one recusal and one absence. The commissioners asked clarifying questions about the conditional use permit process and expressed support for the proposed amendments to streamline investment in the Bay Fair area.

Financial Impacts

There is no direct fiscal impact from adopting the proposed Zoning Code amendments; however, future development of the Bay Fair TOD area is anticipated to generate substantial development impact fees and property tax revenue.

ATTACHMENTS

Attachment A: Draft Ordinance Amending Zoning Code Sections 1.12.108 and 2.10.200 to Update the Definition of Research and Development Services and Reclassify it from a Conditional Use to a Permitted Use in the Bay Fair TOD District

- *Ex A: Proposed Zoning Code Amendments*

Attachment B: Proposed Zoning Code Amendments (track changes)

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