



## Legislation Text

---

**File #:** 23-116, **Version:** 1

---

Adopt a Resolution to Authorize the City Manager to Submit Grant Applications for 1) the Bay Fair TOD Sub-Area 1 Precise Plan in the amount of \$1,200,000 and 2) the Bay Fair TOD Specific Plan Amendments in the amount of \$600,000 in Response to the Metropolitan Transportation Commission's (MTC'S) Priority Development Area (PDA) Grant Call for Projects and, if Funding is Awarded, Execute Documents to Accept Funds and Commit In-Kind Contributions of Staff Time

### **COUNCIL PRIORITY**

- Housing and Homelessness
- Infrastructure
- Sustainability & Resiliency
- Community & Business Development

### **SUMMARY**

The Resolution authorizes submission of two applications to the Metropolitan Transportation Commission (MTC) Priority Development Area (PDA) grant program for 1) the Bay Fair TOD Sub-Area 1 Precise Plan in the amount of \$1,200,000 and 2) the Bay Fair TOD Specific Plan Amendments in the amount of \$600,000. If funding is awarded, the Resolution authorizes execution of documents required to receive funds and commitment of staff time as an in-kind contribution.

### **RECOMMENDATIONS**

Staff recommends that the City Council adopt a resolution to authorize the listed actions.

### **BACKGROUND**

The Priority Development Area (PDA) Program is a voluntary partnership between local governments, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). Through the PDA program, local governments nominate areas served by transit that can accommodate future housing, jobs, and community amenities. Since the PDA program was established in 2007, Bay Area cities have nominated 218 PDAs. The City of San Leandro has established three PDAs - East 14<sup>th</sup> Street PDA, Downtown Transit Oriented Development PDA, and Bay Fair TOD PDA.

PDAs facilitate coordinated regional planning for future growth and transportation investment. In addition to shaping the location of anticipated growth and major transit investments, PDAs receive a dedicated share of funding for local planning and for transportation improvements such as complete streets, bikeways, and parking programs. This is reflected in Plan Bay Area 2050, the region's current long-range land use and transportation plan.

In 2014, the City received a highly competitive \$440,000 PDA planning grant from MTC to prepare

the Bay Fair TOD 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 (prior owner of the Bayfair Center) and Alameda County. The Bay Fair TOD Specific Plan area covers 154 acres surrounding Bay Fair BART station.

The Bay Fair TOD Specific Plan was adopted in 2018 and amended in 2020. Together, the Specific Plan and implementing B-TOD Zoning (2021) promote the long-term sustainability and vibrancy of the Bay Fair area by:

- Addressing long-term changes in market trends affecting retail generally and regional malls specifically;
- Addressing barriers to development 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, the State, regional, and local policy framework has evolved significantly, including:

- Plan Bay Area 2050 regional long-range plan and related implementation;
- State housing legislation related to 6th Cycle Housing Elements, objective development standards, streamlined review of housing projects, and parking reforms;
- AB2923 and BART's 10-Year Transit-Oriented Development Work Plan;
- San Leandro's 2021 Climate Action Plan and 2023 General Plan Environmental Justice Element; and
- San Leandro's Certified 2023-2031 Housing Element, and related EIR that evaluated up to 5,000 housing units and 375,000 sq. ft. of office in the Bay Fair TOD Area.

In October 2022, MTC adopted a Transit-Oriented Communities (TOC) Policy that incentivizes local governments to plan for areas within a half-mile of existing and planned transit stops and stations in alignment with Plan Bay Area 2050. The TOC Policy establishes:

- Minimum residential and commercial office densities for new development that can be averaged to respond to local context and community input;
- Affordable housing production, preservation and protection, and stabilizing businesses to prevent displacement;
- Parking management; and
- Transit station access.

## ANALYSIS

In December 2022, MTC released a Call for Projects for PDA Planning Grants open to local governments with one or more PDA. Staff submitted two applications for the Bay Fair TOD PDA by the February 23, 2023 deadline. A Council Resolution authorizing the grant proposals is due to MTC by April 15, 2023.

As demonstrated by the Preliminary Scopes of Work included as Attachments B and C, the proposed

PDA Grant applications include:

- 1) \$1,200,000 for preparation of a Precise Plan for Sub-Area 1 (~72 acres) of the Bay Fair TOD District that would:
  - a. Establish an updated multi-modal circulation network of complete streets developable blocks, and green infrastructure and utility plans;
  - b. Analyze parking needs at the district scale, including BART parking replacement, and provide strategies to implement Travel Demand Management & Parking programs;
  - c. Prepare a detailed development design plan and parcelization plan that will define future blocks for development and prepare the BART TOD site for a competitive proposal process; and
  - d. Develop conceptual designs and cost estimates for key district-scale infrastructure needed to remove major physical barriers in the plan area and catalyze the full development potential of the Bay Fair TOD, including a new complete street crossing over the Estudillo Canal and ADA access across the BART station.
- 2) \$600,000 for a Specific Plan Amendment to update the Bay Fair TOD Specific Plan, General Plan, and Zoning Code to incorporate the detailed studies, strategies, and development plans prepared through the Bay Fair TOD Sub-Area 1 Precise Plan process to ensure consistency across all policy documents and provide for development streamlining. The Specific Plan Amendment scope includes environmental review that will build off of the Bafair TOD Specific Plan EIR and 2023-2031 Housing Element EIR to evaluate additional capacity that would result from the proposed amendments, allowing for streamlined development project review.

The above grant activities would advance General Plan Policy LU-8.10, which calls for transforming the area around the Bay Fair BART station into a dynamic new transit-oriented development area. They would also implement numerous policies and programs from the City's certified 2023-2031 Housing Element, including Action 8.1, which calls for continuing to implement the Bay Fair TOD Specific Plan and commits the City to working closely with BART to find funds and resources to facilitate pre-development work.

By accepting grant funding, recipients commit to ensuring that grant-funded Plans are consistent with MTC's Transit-Oriented Communities Policy, which will likely require the City to increase allowable development standards for Bay Fair. MTC/ABAG staff will support City staff in ensuring minimum requirements are met and will offer technical resources and best practices. Complying with the TOC Policy will also enable the City to remain competitive for regional infrastructure investment in the Bay Fair area.

Support letters from BART, Kingman Pacific Associates (owner of entitled multi-family housing site), and San Leandro JV LLC / B3 Investors (new owners of Bayfair Center) were included in the grant submissions and are included as Attachment D.

### **Financial Impacts**

There is no impact on the General Fund as there is no required local match for the PDA grant. However, the Resolution commits an in-kind contribution of staff time if grant funds are awarded.

### **ATTACHMENTS:**

**Attachment A:** PDA Grant Resolution

**Attachment B:** Bay Fair TOD Sub-Area 1 Precise Plan Preliminary Scope of Work

**Attachment C:** Bay Fair TOD Specific Plan Amendments Preliminary Scope of Work

**Attachment D:** Support Letters from BART, Kingman Pacific Associates, and San Leandro JV LLC / B3 Investors

**PREPARED BY:** Avalon Schultz, AICP, Assistant Director, Community Development Department