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Staff Report for an Ordinance to Amend the City of San Leandro Zoning Code, and the City Zoning Map, and to Amend the Downtown Transit-Oriented Development Special Policy Areas ("S" overlays) to Conform with the City of San Leandro 2035 General Plan and 2007 Downtown Transit Oriented Development Strategy

SUMMARY AND RECOMMENDATIONS

While the General Plan serves as the primary guiding policy document for the City, the Zoning Code serves as the primary tool for the implementation of the General Plan. Both the General Plan and the Zoning Code are required by law to be consistent with one another. In an effort to bring the Zoning Code into conformance with the changes proposed in the 2035 General Plan, staff developed a set of proposed revisions to various sections of the San Leandro Zoning Code text and Zoning Map. These changes are part of the City's ongoing efforts to modernize the Zoning Code, create more flexibility to meet market demand while ensuring compatibility with existing neighboring uses, and to bring zoning in certain areas of the City into conformance with both the 2007 Downtown Transit Oriented Development Strategy and the 2035 General Plan Update.

Public outreach efforts for the proposed Zoning Code and Zoning Map amendments included a number of informational sessions held before various City stakeholders, including the San Leandro Chamber of Commerce, industrial property owners, downtown area stakeholders, the Downtown Association and the San Leandro Improvement Association (SLIA). Staff forwarded letters to notify affected and adjacent property owners on May 23 and issued a press release on June 8, which appeared in the San Leandro Times on June 9. Staff also maintained a project website and posted informational boards and handouts in the Library and outside the Permit Center at City Hall. Work

sessions were held with the Planning Commission on June 16 and with the City Council on July 5 and July 25, 2016. The Planning Commission recommended City Council adoption of the proposed Zoning Updates on August 25, 2016.

BACKGROUND AND ANALYSIS

Proposed Zoning Code Amendments

The sections below outline the proposed amendments to San Leandro Zoning Code Article 3 “Definitions,” Article 6 “Commercial and Professional Districts,” and Article 7 “Industrial Districts.”

The proposed Code text changes are outlined below by each affected Article of the Zoning Code. Please note that the changes proposed are shown in summary format in the attached development regulations tables and follow the protocol for formal ordinance changes, i.e., **underlined and bolded** text represents new text proposed to the Zoning Code; ~~strike through~~ text represents text that is proposed to be eliminated.

The proposed Zoning Map changes are shown in the attached series of maps. The protocol used to show the changes are shown as in the following example: IP > IT, which signifies that the subject site currently zoned as IP Industrial Park is proposed for rezone to IT Industrial Transition.

Proposed Amendments to Article 3, Definitions

The Planning Commission and Staff recommend amending two definitions in Article 3, as follows:

Health and Fitness Centers. Establishments with equipment for exercise and physical conditioning. This classification includes spas, gyms, tennis clubs, racquet ball clubs, pools, sports courts and fields, climbing walls, skating rinks, batting cages, diet centers, reducing salons, fitness studios, health studios, and massage therapy as an accessory use to another health and fitness center use. ~~Any such facilities that offer alcoholic beverage service shall be defined as commercial recreation.~~

Staff has received numerous proposals to create innovative sports training or gyms that would include an accessory café or restaurant activity. Because Commercial Recreation is not an allowed use in the majority of the industrial areas, the restriction in the Health and Fitness definition in 2012 seriously limited the choice of properties for these innovative uses. In order to allow these uses, a change in the definition is recommended.

Industry, General. Manufacturing of products, primarily from extracted or raw materials, or bulk storage and handling of such products and materials. Uses in this classification typically involve a high incidence of truck or rail traffic, and/or outdoor storage of products, materials, equipment, or bulk fuel. This classification includes chemical manufacture or processing, laundry and dry cleaning plants, **and** auto dismantling within an enclosed building, ~~and stonework and concrete products manufacture.~~ This classification excludes the processing of recycled materials as a facility regulated by Section 4-1646: Recycling Facilities.

The Planning Commission and Staff recommend this revision in order to limit the ability for a heavy concrete or stonework facility (aka “batch plant”) to be located in San Leandro, as this is a source of pollutants and other major impacts on surrounding uses and properties.

Proposed Amendments to Article 6, Commercial and Professional Districts

The Planning Commission and Staff recommend amending various sections of Article 6, as follows:

C-RM Commercial Regional Mall District - Use Regulations

Add Public Safety Facilities as a permitted use in Section 2-616, C-RM District - Use Regulations to enable a police substation at Bayfair Shopping Center.

P Professional District - Use Regulations

Following community input at the June and July public meetings, it is recommended that the Professional Office (P) zoning district for the Downtown East area (the approximately 20 parcels on Estudillo Avenue and Bancroft Avenue) not be changed to DA-2 Downtown Area 2. As discussed at prior work sessions and recommended by the Planning Commission, the current proposal would enable Multi-Family and Mixed Use Residential as conditionally permitted uses (requiring a CUP) in the Professional Office (P) zoning district (Section 2-618.B), requiring their consideration at a public hearing before the Board of Zoning Adjustments prior to approval. Future Multi-Family and Mixed Use Residential projects in the Professional Office (P) zoning district would be subject to all existing development review and landscaping standards and limited to a maximum density of 24 units per acre. The existing 30 foot height limit and setback regulations would continue to remain.

PHD Professional/High Density District - Use Regulations

This recommendation would eliminate Section 2-620 in its entirety, Professional High Density (PHD) District - Use Regulations and Zoning designation, since it exists on only one parcel in the City. Corresponding removal of any references to the PHD zoning district will be made throughout the Code. Staff will bring a proposal to rezone the sole remaining PHD parcel to a future Planning Commission meeting.

Change of Minimum Lot Size Requirement in Downtown Area (DA) Districts

A revision is recommended to decrease the minimum lot size requirement in all DA Districts from 20,000 square feet to 10,000 square feet. This revision will allow lots of 10,000 square feet or greater to be developed at a density more appropriate for that zoning district. Currently, lots under 20,000 square feet are limited to maximum densities of 24 dwelling units per acre. While many lots between 10,000 and 20,000 square feet will be limited by parking, setbacks and other requirements, this allowance may improve flexibility for development of some parcels.

Change to DA-1 District Maximum Density

In the DA-1 District, increases are proposed for the allowable maximum density to be changed from 75 to 100 dwelling units per acre for multi-family residential units consistent with the 2035 General Plan. This change is recommended because it reflects the objectives of the 2007 Downtown Transit Oriented Development (TOD) Strategy. The proposed maximum density of 100 dwelling units per acre is consistent with TOD standards of other East Bay cities such as Hayward, Union City, Walnut Creek, Concord, and Fremont.

Density Bonus in DA Districts

A twenty percent density bonus is proposed for average unit sizes less than 750 square feet in the DA-1, DA-3, DA-4, and DA-6 zoning districts (note that the DA-5 district is proposed for elimination, as discussed below). This flexible density bonus recognizes the trend towards smaller living spaces and that smaller units decrease the size of the building shell and impact of the project. For example, a building could either contain 24 standard size units of approximately 1,100 square feet or 35 smaller size units of 750 square feet or less.

Floor Area Ratio (FAR) in DA Districts

Floor area ratio (FAR) changes are proposed to the Maximum FAR's that were established as part of the 2007 Downtown TOD Strategy for clarification and consistency purposes. Proposed changes to FAR regulations in the DA districts include removal of the "Maximum Office 2.0" and "Maximum Retail 2.0" FARs in the DA-1 District and replacing them with a "Non-Residential 3.5 FAR." The increase in FAR for non-residential uses will allow for office buildings to be built with greater size in the core of the downtown, subject to other existing development regulations.

In the DA-2 District, the "Commercial 1.0 FAR" is proposed to be replaced with a "Non-Residential 1.0 FAR", as the term "Non-Residential" is a more appropriate term that better encompasses the range of retail, office and other non-residential uses.

In the DA-6 District, the Maximum Base FAR is proposed to be changed from "No Maximum FAR" to "Maximum FAR 4.0, with FAR 5.0 allowed adjacent to the BART Station." Other associated sections of the Zoning Code that reference a "Maximum FAR Bonus" and density bonus, such as the development regulations in Section 2-686, are also proposed to be changed in order to reflect these changes.

DA-1 Use Regulations

Changes to DA-1 Use Regulations include adding more geographic specificity to the location where Mixed-Use Residential is allowed in the DA-1 District to "north of Parrott Street." Also proposed is to remove the wording "With residential on upper floors only" in the mixed-use residential regulations in Section 2-636. This reflects changes proposed to the Special Study areas in the Downtown TOD areas, as discussed later in this report.

DA-2 Use Regulations

Fast Food Establishments, Small-Scale is proposed to be allowed with a Conditional Use Permit (CUP) rather than its current status of Administrative Review (AR) and Furniture Sales as an AR where it is currently allowed outright. This change will allow for greater discretion over these uses in the periphery of the downtown. In addition, Public Safety Facilities are proposed to be allowed with a CUP, as such uses are allowed in other DA districts.

DA-4 Use Regulations

Offices, Business and Professional are proposed to be added as permitted uses in the DA-4 District rather than going through an Administrative Review (AR) process. This increases the areas in which offices can be developed near the San Leandro BART station to respond to market demands.

DA-5 Use Regulations

The Planning Commission and staff recommend eliminating Section 2-644 DA-5 Use Regulations and renaming the deleted section as Reserved. This section of the Zoning Code is proposed to be removed in its entirety, as the two parcels currently zoned DA-5 are proposed to be rezoned to DA-6. Corresponding removal of any references to the DA-5 zoning district will be made throughout the Code. This change helps simplify the zoning areas in the immediate vicinity of the San Leandro BART station and does not significantly change the development potential as both DA-5 and DA-6 have the same specification of no maximum density required.

DA-6 Use Regulations

The Planning Commission and staff recommend adding Catering Services as a permitted use rather than as a conditionally-permitted use. Entertainment Events are proposed to be added as a Conditional Use in the DA-6 District where they were previously not allowed. Fast Food Establishments, Small Scale will also be added as a conditionally-permitted use rather than as an Administrative Review. These changes respond to expressed interest from the community to provide more amenities such as a shared commercial kitchen or other smaller restaurant and entertainment uses near the San Leandro BART station. In addition, Public Safety Facilities are proposed to be allowed with a CUP, as such uses are allowed in other DA districts.

Development Regulations in DA Districts for Setbacks and Height Transitions

Recommended amendments to the Development Regulations include a correction to corner side yard setbacks to be consistent with the 2007 Downtown TOD Strategy, which reduced front setbacks to zero (0) in order to provide an attractive street environment that encourages pedestrian use. Specifically, changes to the corner side yard setbacks in Section 2-680 would be revised from their current corner side yard setback of 10-15 feet (DA-1, DA-2, DA-3, DA-6) or 10 feet (DA-4) to a zero (0) corner side yard setback. In Section 2-680.B.3, wording that references a fifteen (15) foot side or rear yard setback adjoining any R District is proposed to be removed and identified in updated daylight plane graphic examples at the same location.

In Section 2-680.F.3, the wording describing a 150-foot setback from the top of San Leandro Creek is proposed for removal and reference to a “creek trail and open space” is proposed in its place. This is recommended as the 150 foot setback is excessive. The proposed change increases flexibility and is consistent with changes proposed to the Special Study areas in the Downtown TOD Strategy, as discussed later in this report.

To clarify the daylight plane requirements that protect adjacent residential properties from the massing and shadowing of adjacent new development, the graphics and associated wording that currently describe the daylight plane requirements are proposed for removal and replacement because they are confusing for applicants and the public. Additionally, a daylight plane requirement is recommended to be established in the Downtown area for Downtown Area Districts (DA-1, DA-2, DA-3, DA-4 & DA-6) that are proposed adjacent to low-density residential (RS or RD) zoning districts.

Additional wording is proposed to allow the Zoning Enforcement Official (ZEO) to approve an Administrative Exception if an applicant cannot meet the provisions of the daylight plane requirements on a case by case basis. Section 2-699 under Division 3, Discretionary Permits is proposed to be added to Article 6, to cover the circumstances under which the Zoning Enforcement Official may approve an administrative exception, particularly regarding interpretation of the daylight

plane requirements.

Proposed Amendments to Article 7, Industrial District

Industrial Transition (IT) District

To implement the proposed new General Plan Land Use designation of Industrial Transition, a new industrial zoning district named Industrial Transition (IT) is being proposed. Staff has added the new Industrial Transition district to Article 7, Section 2-710 that discusses the purpose of each of the industrial zoning districts. The purpose of the new Industrial Transition district is as follows:

IT Industrial Transition District. To provide and protect industrial lands for the development of emerging technologies, artisanal production, and light manufacturing methods, while preserving existing businesses and allowing additional commercial uses under specified limitations and residential development within one-half mile of a BART station

The IT zoning district would allow for a broader mix of industrial uses with some commercial and residential uses allowed, where appropriate. This would include residential uses within one-half mile of a BART Station. Mixed use and multi-family residential uses would be allowed with a maximum density of up to 40 dwelling units per acre.

In the proposed IT district, most of the permitted uses allowed in other Industrial zoning designations would continue to remain. Heavier industrial uses such as any uses involving hazardous materials would not be permitted. Pre-existing residential uses would also be allowed to remain, but would not be allowed to expand or to establish new uses.

The addition of the Industrial Transition zoning district also serves to implement Strategy 3.1.1 of the City's *2013 Next Generation Workplace Districts Study* by boosting the attraction of value-added companies on vacant industrial parcels and developing industrial properties to their fullest potential with land uses that enhance the economic base of the City. This amendment encourages smaller, advanced manufacturing uses that would increase the quality as well as the quantity of employment opportunities in the industrial districts. Existing or proposed uses that continue a similar type of business with no expansion of an existing building would not be impacted. The recommendations will help facilitate the move towards higher value-added uses in the industrial areas.

The recommended changes will add a new Section 2-710, IT District Use Regulations, to govern the land uses allowed in the IT District as permitted, conditionally permitted (CUP), permitted through an administrative review process (AR), or as a temporary use requiring administrative review. Changes are also proposed throughout Article 7 development regulations to ensure that these regulations consistently apply to the new IT District.

Minor Text Change to Use Regulations for Medical Marijuana Dispensaries

At the June 6 City Council meeting, a revised Medical Marijuana Dispensary ordinance was adopted that, amongst other changes that included the addition of a second dispensary, changed the closing hours allowed for a dispensary from 7 pm to 8 pm. To bring the Zoning Code into conformance with the amended ordinance and to any future amendments to that ordinance, the Planning Commission and staff recommend modifying the Zoning Code limitations contained in the Use Regulations for the

CC, IG, IP and IG(AU) Zoning Districts to read as follows:

Medical Marijuana Dispensary. (A medical marijuana dispensary shall not be located within one thousand (1,000) feet of a public or private school, public library, youth center [serving youth ages eighteen (18) and under], parks and recreation facilities, facilities for religious worship and incidental religious education, or another dispensary; and shall not be located within five hundred (500) feet from a residential zone. A dispensary may be open ~~only between the~~ **during** hours of 9:00 a.m. to 7:00 p.m., ~~Monday through Sunday~~ **as specified in the San Leandro Municipal Code** and are further subject to performance standards in the San Leandro Municipal Code.)

Proposed Amendments to the Ordinance Establishing the Special Study Overlays in the DA Districts

Staff recommends removing the Special Review (S) Overlay Zones in the Downtown TOD Areas identified as SP-1, Downtown South Gateway, and SP-8, BART/Westlake Properties Special Policies. Additionally, in the SP-2 Washington Plaza Shopping Center and San Leandro Plaza Special Policies, the recommendations would replace the word “must” with “should” in the following sentence requiring that “any expansion of square footage North of Estudillo Avenue ~~must~~ **should** include a mixed-use component with either office or residential on upper floors.”

In the SP-3, Town Hall Square and Vicinity Special Policies, the recommendations would remove the wording, “Mixed use development is required, with residential uses on the upper floors along Davis Street and Callan Avenue frontages in all new development.” Also proposed is to remove “... the building setbacks along the west side of East 14th Street shall be approximately 12 feet to align with the Civic Center and create a minimum 25 foot wide sidewalk/pedestrian amenity zone.” An additional proposal is to add the sentence “Reconfiguration and/or narrowing of Dan Niemi Way (Hays Street) is encouraged between East 14th Street and Davis Street to create an improved pedestrian experience, outdoor plazas, and increased interaction with the creek”; and add the wording “A building setback shall be provided to encourage development of a creek trail and open space along the San Leandro Creek”.

Further recommendations include making changes to the SP-4, Toler Parking Lot Special Policies to remove the sentence “The building setbacks along East 14th Street shall be 15 feet from the existing property line to align with the Civic Center and create a minimum 25 foot wide sidewalk/pedestrian amenity zone.” And, in the SP-5, North Alvarado Sites Special Policies the proposal is to remove the 150 foot setback requirement from San Leandro Creek and add wording “to encourage development of a creek trail and open space along the San Leandro Creek” and remove wording “for a linear park connection.”

Proposed Zoning Map Amendments

The recommended Zoning Map amendments are necessary to implement the General Plan Update 2035 Land Use Map, establish a new Industrial Transition land use designation and to modify the Downtown Transit Oriented Development and Downtown Mixed Use land use designations. To facilitate the viewing of these changes, staff highlights the following areas, each with its corresponding map area attached to this staff report. A map of the entire City showing where these districts are located is also attached to the staff report.

Industrial Transition

Westgate is the shopping center located on Davis Street, west of the I-880 freeway.

The proposal would modify the zoning for the Westgate Shopping Center from Industrial Park with a Planned Development overlay (IP-PD) to Industrial Transition with a Planned Development Overlay (IT-PD.) The Westgate shopping center was created in the 1980s with approval of a Planned Development to convert an industrial use to mixed use, consisting of industrial uses and commercial uses including offices, big box retail and other retail. The PD overlay sets specific zoning for the site. The proposed change does not alter the PD approval but rather will inform any future PD modifications or new proposals for businesses which uses are not specifically regulated by the uses allowed in the Westgate PD. The IT zoning is more reflective of the existing uses at Westgate.

IP to IT: The change in underlying zoning will no longer allow hazardous materials and will regulate uses such as Parcel Processing. More uses will be allowed such as Assembly Uses and Entertainment with a Conditional Use Permit (CUP); Commercial Recreation, Cultural Institutions, General Industry, Neighborhood Markets and Theaters with an Administrative Review (AR); and will allow outright (P) Food Processing, Restaurants and Retail Sales.

Marina West properties are located north and south of Marina Boulevard between Menlo Street to the west and Merced Street to the east. Existing industrial uses include warehouse, light and heavy manufacturing, including the vacant Georgia Pacific gypsum plant, public storage, and some limited commercial uses such as small restaurants.

The proposal would modify the zoning from either IP Industrial Park or IG Industrial General to IT Industrial Transition. This recommendation acknowledges the potential for changes in use of properties on Marina Boulevard between the Kaiser Permanente Medical Center and the proposed Shoreline development project. Note that the area also includes certain properties at the corner of Merced Street and Marina Boulevard that are proposed for rezone to CC Commercial Community to conform to the 2035 General Plan Land Use Map designation of General Commercial.

IG to IT: The proposed zone change will no longer allow trucking terminals and hazardous materials. It will regulate uses such as Recycling with a CUP and Industry General and Parcel Processing with an AR. Additional uses will be allowed such as Assembly Uses and Entertainment with a CUP; Commercial Recreation, Cultural Institutions, Neighborhood Markets and Theaters with an Administrative Review (AR); and will allow outright (P) Food Processing, Restaurants and Retail Sales.

IP to IT: The proposed zone change will no longer allow hazardous materials and will regulate uses such as Parcel Processing. More uses will be allowed such as Assembly Uses and Entertainment with a CUP; Commercial Recreation, Cultural Institutions, General Industry, Neighborhood Markets and Theaters with an AR; and will allow outright (P) Food Processing, Restaurants and Retail Sales.

Staff notes that no uses currently licensed to conduct business in this area will be rendered legal non-conforming by this change.

IG to CC: The properties at the intersection of Marina Boulevard and Merced Street are all commercial properties that will have only minor changes in zoning permissions. Gas stations and

Fast Food require a CUP in both IG and CC districts; Banks and Offices are both permitted outright in IG and CC districts; Restaurants will become a permitted use in the CC district where it was allowed with an AR in the IG district.

Marina East properties are generally located along Alvarado Street between Thornton Street and just north of Marina Boulevard. The area has historically been an eclectic mix of residential with industrial and commercial uses, including many mixed residential/industrial properties. The entire area is located within one-half mile of the San Leandro Downtown BART station. The existing zoning includes IP Industrial Park, IL Industrial Light and RD Residential Duplex. The IT zoning recognizes the established residential uses and existing industrial uses while providing opportunities based on the proximity to San Leandro BART.

IP to IT: The proposed zone change will no longer allow hazardous materials and will regulate uses such as Parcel Processing. More uses will be allowed such as Assembly Uses and Entertainment with a CUP; Commercial Recreation, Cultural Institutions, General Industry, Neighborhood Markets and Theaters with an AR; and will allow outright (P) Food Processing, Restaurants and Retail Sales.

IL to IT: The proposed zone change will no longer allow hazardous materials and will regulate uses such as Parcel Processing, Animal Hospitals and Recycling with an AR. More uses will be allowed such as Assembly Uses and Entertainment with a CUP; Commercial Recreation, Cultural Institutions, General Industry, Neighborhood Markets and Theaters with an AR; and will allow outright (P) Food Processing, Restaurants and Retail Sales. Residential uses on properties that are within one half mile of the BART station will be allowed with a maximum density of 40 units per acre.

Downtown Areas

Downtown Area, North includes two areas, one located at the intersection of Chumalia and Hyde Streets proposed to be rezoned from RM-1800 to DA-1; and another at the corner of Hays and Davis Street proposed to be rezoned from DA-4 to DA-1.

RM-1800 to DA-1: the proposed zoning change will allow for greater residential densities for this site (from 24 units per acre to 100 units per acre) and will allow for the application of the DA parking requirements which are reduced from the RM parking standards. Staff has determined that this property, which is located very close to the downtown, should have been rezoned to a DA designation in 2007.

DA-4 to DA-1: the proposed zoning change will not change the density allowance as the DA-4 currently allows for 100 units per acre which is equal to the proposed density allowed in DA-1. The DA-1 designation which allows for a greater range of commercial uses is more suitable to this location which lies in the core downtown area, which is also zoned DA-1.

Downtown Area, South properties are located along the east side of Hays Street between Parrott and Thornton Streets. The subject sites are developed with single-family and two-family residences and one restaurant. The proposed zoning change is from CC Commercial Community to DA-2 Downtown Area 2.

The change from CC to DA-2 will not create any legal non-conforming uses, because pre-existing residential uses and restaurants are permitted in the DA-2 district. The DA-2 designation is appropriate for this site because it lies on the perimeter of the downtown core. The densities allowed

will increase from 22 units per acre allowed in the CC district to 40 units per acre allowed in the DA-2 district.

Downtown Area, West includes properties immediately adjacent to the San Leandro Downtown BART station to the east and south, which are being rezoned from DA-5 or PS Public/Semi-Public to DA-6; as well as a swath of properties at the northern terminus of Alvarado Street and under the BART tracks between Peralta Avenue and Davis Street. Various zoning districts (PS Public/Semi-Public, IP Industrial Park and IL Industrial Light) are being rezoned to the adjacent DA-4 district.

These rezones will clean up fragments of industrial and public/semi-public properties that should have been rezoned to the DA-4 zoning district when the Downtown TOD zoning was put in place in 2007. As mentioned earlier in this report, this recommendation also eliminates the DA-5 zoning district, which applied to just two properties and allowed for unlimited density, and rezoning them to DA-6 which has a similar density rule and use regulations.

Downtown Area, East (Bancroft and Estudillo Area) includes 20 properties that were at one time proposed to be zoned DA-2. The proposed rezoning of this area has been withdrawn and is no longer recommended. The zoning designation for the Bancroft and Estudillo Area will remain unchanged. Discussion related to the addition of Mixed-use and Multi-Family Residential uses as conditionally permitted uses, requiring approval of a CUP at a public hearing by the Board of Zoning Adjustments, can be found in the previous section discussing the Professional Office (P) zoning district. A map of the Bancroft and Estudillo Area is attached to this report, for reference purposes only.

CURRENT AGENCY POLICIES

- Downtown Transit-Oriented Development Strategy (2007)
- Next Generation Workplace District Study (2013)

APPLICABLE GENERAL PLAN POLICIES

The City of San Leandro is processing adoption of a new General Plan. The Planning Commission recommended code amendments and map updates are intended to align the Zoning Code and Zoning Map more closely with those policies identified in the proposed 2035 General Plan, as well as with the land use designations shown on the 2035 General Plan Land Use Map. 2035 General Plan goals and policies related to Land Use (LU), Economic Development (ED), and Community Design (CD) will all be implemented through the recommended text and map changes.

The proposed new IT Industrial Transition zoning district and accompanying policies implement the creation of the Industrial Transition land use designation, as shown on the map and described in the Land Use Element (Chapter 3). The modifications to density, setbacks, FAR and daylight plane regulations carry out the policies set forth for the Downtown Mixed-Use and Downtown TOD designations and policies identified in the Land Use Element.

Industrial Transition

The 2035 General Plan encourages the development of a diverse and vital industrial, office and

commercial employment base in the City. The 2035 General Plan applies an Industrial Transition designation to these properties, recognizing the existing pattern and accommodating a diverse mix of uses in the future. The 2035 General Plan, page 3-30, states that: “The Industrial Transition designation corresponds to areas that have historically been industrial but have transitioned or may transition in the future to a more diverse mix of uses, including general commercial activities. Industrial uses will continue to be permitted in these areas in the future, but a broader mix of commercial uses such as offices, medical facilities, retail, services, home furnishing stores, construction showrooms, and restaurants is also encouraged.”

The following General Plan policies and actions support the creation of the IT Industrial Transition zoning district and use regulations:

- **GOAL LU-7 Sustain dynamic innovation districts which place San Leandro on the leading edge of the Bay Area's manufacturing and technology economy.**

Policy LU-7.3 Zoning Flexibility Ensure that industrial zoning regulations are flexible enough to achieve the vision of San Leandro's industrial area as an “innovation ecosystem”, where new methods of production, operations, and design are supported.

Action LU-7.3.A Zoning Review Regularly review the Zoning Code to respond to real estate market and development trends, as well as changes in technology.

Policy LU-7.12 Alvarado from Marina to Thornton Pursue the gradual transition of the area roughly bounded by Orchard Avenue, Thornton Street, Marina Boulevard, and San Leandro Boulevard into a neighborhood of live-work space, multi-family housing and townhomes, small professional offices and artist/craft studios, maker industries, and similar compatible uses.

- **GOAL LU-8 Establish excellent community and neighborhood-serving retail and entertainment uses.**

Policy LU-8.12 Marina Boulevard Improve the Marina Boulevard corridor as an east-west connector between Downtown San Leandro and the waterfront...It should also include the gradual transformation of the area between Merced and Doolittle from industrial to higher value retail, service, and other commercial uses.

- **GOAL LU-10 Ensure that commercial and industrial projects are attractively designed and are sensitive to surrounding areas.**

Policy LU-10.1 Zoning Use zoning district boundaries, zoning standards, and other regulatory tools to control the interface between heavier industrial uses and residential areas, and to limit the impacts of industrial activities on nearby neighborhoods.

Policy LU-10.3 Buffering When new development or adaptive reuse takes place in industrial areas, use a variety of buffering measures including land use restrictions, landscaping and screening, sound walls and insulation, and limits on hours of operations and activities to promote land use compatibility. The City's zoning regulations should continue to contain development and design standards that minimize the potential for conflicts between industrial and residential uses, and between commercial and residential uses.

Numerous other 2035 General Plan goals, policies and actions support the changes to create an Industrial Transition zoning district and the related Zoning Code text amendments to establish use and development regulations. Among the most pertinent of these include the following: Policy 3.11 Conversion of Non-Residential Land; Policy ED-1.3 Industrial Land Use Efficiency; Policy ED-2.3 Development Review and Permitting; Policy ED-3.1 Innovation Ecosystem; Policy ED-3.2 Business Infrastructure; Policy ED-3.3 Leading Edge Economic Sectors; Policy ED-3.5 Sustainable Manufactures; Policy ED-4.7 Employee-Serving Retail; Policy LU-7.2 Adaptive Reuse; Policy LU-7.9 Business Amenities; Action LU10.3.C Warehouse Conversions

Downtown and “S” Overlay Amendments

2035 General Plan: Page 3-15 states that “Downtown is San Leandro’s central business district and civic heart. The General Plan envisions a pedestrian-oriented district with office, retail, and housing development, public gathering places, a blending of historic buildings and compatible new buildings, and easy access to public transit.”

The following General Plan policies and actions are implemented through the proposed zoning map and text amendments and the modification of the “S” overlay ordinance:

- **GOAL LU-2 Preserve and enhance the distinct identities of San Leandro neighborhoods**

Policy LU-2.7 Location of Future Multi-Family Development. Concentrate new multi-family development in the areas near the BART Stations and along major transit corridors such as East 14th Street.

Policy LU-2.9 Density Transitions. Avoid abrupt transitions from high density to low density housing. Where high density development occurs, encourage such projects to step down in height and mass as they approach nearby lower density areas.

- **GOAL LU-3 Provide housing opportunities and improve economic access to housing for all segments of the community.**

Policy LU-3.1 Mix of Unit Types. Encourage a mix of residential development types in the city, including single family homes on a variety of lot sizes, as well as townhomes, row houses, live-work units, planned unit developments, garden apartments and medium to high density multi-family housing.

- **GOAL LU-6 Foster the development of Downtown San Leandro as a vibrant pedestrian-oriented destination that is the civic and social heart of the City.**

Action LU-6.1 C. Downtown Zoning Changes. Update zoning regulations for the DA- zones to ensure consistency with the updated General Plan Land Use Map and Land Use categories.

Action LU 6.1 D. Minimum and Maximum Densities. Maintain zoning regulations for the Downtown area which include minimum densities and intensities on larger parcels, and which limit very high densities on small parcels. With regard to maximum densities, pursue modifications to some of the Downtown zoning districts that make floor area ratio (FAR) the metric for determining a residential (or mixed residential-commercial) building’s size, rather

than using density controls (e.g., limits on the maximum allowable number of units per acre). Using FAR would acknowledge that projects comprised of smaller units (studios and one-bedroom apartments) have different impacts than projects comprised of an equivalent number of larger units.

Policy LU-6.3 Retail-Service Improvements. Develop and implement business development strategies that improve the mix of retail and service businesses Downtown, with an emphasis on higher-end retail shops, sit-down restaurants, and entertainment uses. Downtown San Leandro should be the City's primary destination for dining and entertainment, and efforts to attract higher end restaurants and entertainment venues should focus on the Downtown area.

Action LU 6.3.A. Removal of Zoning Constraints. Modify zoning regulations as needed to remove constraints to the development of retail and entertainment uses in the Downtown Area, and in other non-residential areas where entertainment activities are desired.

Action LU-6.9A Building Height. Generally maintain building heights of six stories or less in the area east of San Leandro Boulevard to respect the historic scale of development, and the integrity of Downtown San Leandro. Taller buildings are encouraged in the area west of the station.

Policy LU-6.15 Conservation of Lower Density Downtown Areas. Recognize certain areas within Downtown--particularly clusters of single family homes, public and institutional uses, and historic buildings---as well-established and stable, and avoid changes that would adversely affect these areas.

Action CD-6.3.A. Daylight Plan Regulations. Maintain daylight plane regulations in the Zoning Code, or equivalent provisions, to ensure that development along transit corridors and in transit oriented development areas is required to "step down" in height as it approaches zoning boundaries associated with lower density development, especially single family homes.

Action LU-6.1.B TOD Strategy Update. Update the Transit Oriented Development Strategy to reflect development approvals since 2007, market trends and fiscal conditions, and updated objectives for the Downtown area. Among the changes to be pursued are: (a) a greater emphasis on office development along the Alvarado Street corridor between Davis Street and Williams Street; (b) allowances for higher residential densities in some of the Downtown zoning districts, consistent with the General Plan Map; (c) an update to the list of 8 Special Policy (SP) areas and 39 opportunity sites, and the assumed capacity on each site based on current conditions

Policy LU-6.14 Downtown Open Space. Develop a network of Downtown open spaces to serve the growing population and workforce. This network should include civic plazas, parks, a linear greenway along the former Union Pacific Railroad right-of-way (part of the East Bay Greenway), and a San Leandro Creek greenway along the northern edge of Downtown. In addition, streetscape improvements should include street trees and sidewalks that connect these spaces and increase greenery in the Downtown area.

Action LU-6.14.A Thrasher Park and San Leandro Creek. Study the feasibility of relocating Thrasher Park from its current location at Davis and Alvarado Streets to a new location of equivalent or greater land area at the north end of Alvarado Street. The former park site would then be utilized for transit-oriented development, including public open space. In addition,

pursue opportunities for linear park development along San Leandro Creek, creating a greenbelt and creekside trail west of San Leandro Boulevard.

Action LU-6.14.B Town Square Park Explore the feasibility of closing (or reducing to one-lane and one-way) Hays Street (Dan Niemi Way) between Davis and East 14th in order to expand Root Park or create a larger creekside open space and public gathering place.

- **Goal LU-8 Establish Excellent Community and Neighborhood-serving Retail and Entertainment Uses.**

There are a number of other 2035 General Plan goals, policies and actions that also support the recommended amendments to the Zoning Code and Zoning Map update, including those related to the Downtown Area (DA) and the special “S” overlay Ordinance. The most pertinent of these include the following: Policy LU-2.8 Alterations, Additions, and Infill; Policy 3.4 Promotion of Infill; Policy 3.5 Mixed Use on Transit Corridors; Policy LU 6.1 Downtown Plans; Policy LU-6.2 Downtown Sub-Districts; Policy LU-6.4 Office Development; Policy LU-6.6 Downtown Housing Diversity; Policy LU-6.9 Urban Design; Policy LU-6.11 Coordination; Policy LU-6.13 BART Station Area Transit Village; Action LU-6.13.B Alvarado “Business Main Street”; Action LU-6.13.C BART Area Housing; Policy CD-6.3 Multi-Family Design; Policy ED-1.8 Expand the Local Office Market; Goal ED-4; Policy ED-4.1 Retail Diversity; Policy ED-4.5 Downtown San Leandro; GOAL ED-5; Policy ED-5.1 Key Amenities; Policy ED-5.2 Housing Production; Policy ED-5.4 Public Safety; and Policy ED-5.8 Arts, Food, and Entertainment.

ENVIRONMENTAL REVIEW

The environmental review for the recommended Zoning Code Update 2016 changes described in this report were included in the project description for the General Plan Update 2035 Environmental Impact Report (EIR) and are contemplated in the review of potential impacts. The Planning Commission unanimously recommended that the City Council certify the EIR at its August 25, 2016 meeting.

BOARD/COMMISSION REVIEW AND ACTIONS

The City Council most recently discussed the recommended Zoning Code updates at its July 5, 2016 and July 25, 2016 work sessions. The Planning Commission unanimously recommended approval of the Zoning Code Update 2016 text amendments, Special Policy Overlay Amendments, and Zoning Map through Resolutions 16-004PC, 16-005PC and 16-006PC on June 16, 2016.

SUMMARY OF PUBLIC OUTREACH EFFORTS

Staff conducted public outreach on the proposed Zoning Code and Map amendments through information sessions before various City stakeholders, including:

- Downtown Association (May 27, 2016)

- Industrial property owners (June 8, 2016)
- Downtown area stakeholders (June 14, 2016)
- San Leandro Improvement Association (June 15, 2016)
- San Leandro Chamber of Commerce (June 16, 2016)

In addition:

- Letters were mailed out to adjacent property owners and affected property owners on May 23 and again on September 1
- A press release was issued on June 8 and appeared in the June 9 edition of the San Leandro Times
- Informational posters, maps, and handouts were displayed in the Main Library lobby and at the One-Stop Permit Center at City Hall.

Other public outreach efforts include the establishment of a [webpage](http://www.sanleandro.org/depts/cd/pzu2016.asp) <http://www.sanleandro.org/depts/cd/pzu2016.asp> specific to proposed Zoning Code revisions, creation of [Frequently Asked Questions](http://www.sanleandro.org/civicax/filebank/blobdload.aspx?blobid=25288) <http://www.sanleandro.org/civicax/filebank/blobdload.aspx?blobid=25288> handouts for the general public, updates and meeting postings on Next Door, and regular information discussed in the City's Weekly Update.

The public sent emails directly to the City Council regarding the proposed Zoning Code changes in advance of the work sessions held on July 5 and July 25, 2016. A summary of the emails was attached to the July 25 work session staff report, Legistar File No. 16-392.

A [Frequently Asked Questions: Professional Office Zoning District](http://www.sanleandro.org/civicax/filebank/blobdload.aspx?blobid=25699) <http://www.sanleandro.org/civicax/filebank/blobdload.aspx?blobid=25699> was also created and posted to the webpage.

LEGAL ANALYSIS

The proposed Zoning Code amendments were analyzed by the City Attorney's Office and found to be in conformance with the California Government Code as well as the local General Plan and Zoning Code. The Planning Commission's recommendation of approval for Zoning Code Update 2016 was segmented in accord with the disclosure and recusal requirements of the California Fair Political Practices Commission's (FPPC) Conflict of Interest Regulations.

ATTACHMENTS

Attachments to Staff Report

- Proposed Use Classifications and Zoning Districts Matrix
- Proposed Industrial Zoning Development Regulations Table

- Proposed Commercial and Professional Zoning Development Regulations Table
- Proposed Downtown Area Zoning Development Regulations Table
- Bancroft/Estudillo Area Map, for information only
- Daylight Plane Example

Public comments received after the filing of this staff report will be provided at the public hearing.

Attachments to City Council Ordinance XXXX (Legistar File 16-459) Amendments to the San Leandro Zoning Code and Zoning Map

- Exhibit A: Proposed Amended Article 3 Definitions (excerpt only)
- Exhibit B: Proposed Amended Article 6 Commercial and Professional Districts
- Exhibit C: Proposed Amended Article 7 Industrial Districts
- Exhibit D: Proposed Amended Article 16 Development Regulations
- Exhibit E: Proposed Amended Article 18 Signs
- Exhibit F: Proposed Amended Article 25 Site Plan Review
- Exhibit G: Zoning Map

Attachments to City Council Ordinance XXXX (Legistar File 16-460) Amendments to the Downtown Transit-Oriented Development Special Policy Areas

- Exhibit A: Proposed Text Amendments
- Exhibit B: Special Policy Overlay Map

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