



## Legislation Text

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**File #:** 21-241, **Version:** 1

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**PLN18-0036;** Conditional Use Permit, Parking Exception, and Site Plan Review to construct a 196-unit five-story mixed-use residential development with a  $\pm 23,000$  SF supermarket and  $\pm 5,600$  SF ground floor retail space with 286-space parking garage located on a 1.6 acre site at 1188 E. 14th Street. Zoning District DA-1(S) Downtown Area 1 District (Special Policy Area 3); Assessor's Parcel Number 77-447-14-6, 77-447-7-1, 77-447-14-7, 77-447-15-6; 14th & Callan Street Developer LLC (Applicant and Property Owner).

### **SUMMARY AND RECOMMENDATION**

The Project proposes to demolish existing retail and office structures and redevelop a 1.6-acre block with a new mixed-use development in Downtown San Leandro, bounded by Chumalia St. to the north, Hyde St. to the east, Callan Ave. to the south, and E. 14th St. to the west. The proposed 286,204 square foot five-story mixed-use building contains 28,849 square feet of ground floor grocery and retail space, a two-level parking structure and 196 apartment units located on three floors above. The Project is located in the DA-1(S), Downtown Area 1 (Special Policy Area 3) zoning district, requiring approval of a Conditional Use Permit and Site Plan Review from the Board of Zoning Adjustments. A Parking Exception is also requested, requiring approval from the Board of Zoning Adjustments. The subject property is located approximately  $\pm 1,800$  feet from the San Leandro BART Station and 300 feet from the nearest AC Transit Tempo Bus Rapid Transit (BRT) platform, situated in the City's Downtown San Leandro Transit-Oriented Development (TOD) Strategy area.

The proposed mixed-use Project provides infill housing and neighborhood-serving grocery and retail uses within close proximity to existing high quality transit services. The Project is consistent and in alignment with the General Plan, the Downtown TOD Strategy Plan, the Downtown Design Guidelines, and complies with the DA-1 commercial design and development standards found in the Zoning Code. A parking study was prepared for the Project that supports and identifies the findings necessary for a Parking Exception. The Project was also assessed in accord with the California Environmental Quality Act (CEQA) Guidelines Section 15183.3(b) and Appendix M and found to qualify as infill project for streamlining.

Staff recommends the Board of Zoning Adjustments adopt Resolution 2021-002, approving a Conditional Use Permit, Site Plan Review, and Parking Exception for 1188 E. 14th Street, PLN18-0036, based on the Findings of Fact and subject to the Conditions of Approval.

### **RELATIONSHIP TO SURROUNDING AREA**

The Project site is located in the Downtown core of San Leandro, a 1.6-acre city block bounded by E. 14th St. on the west, Chumalia St. to the north, Hyde St. to the east and Callan Ave. to the south. The San Leandro Creek runs generally east-west nearest to the northwest corner of the site on the opposite side of Chumalia St. and Dan Niemi Way, with Root Park and City Hall located farther to the north. The site is bounded by 2- and 3-story apartments and condominium townhomes across

Chumalia St. to the north, and 2- and 3-story apartments across Hyde Street to the east on properties zoned DA-1, DA-2(PD) and RM-1800. Across Callan Ave. to the south (from east to west) is the City's parking structure, a four story office building containing the Korean Community Center of the East Bay and various business offices, and a single story building containing a florist at the corner of E. 14<sup>th</sup> St., zoned DA-1. To the west across E. 14<sup>th</sup> St. is a vacant building, a bank, a gas station, a Tempo Bus Rapid Transit (BRT) station, and a public parking lot also zoned DA-1(S). The San Leandro Plaza shopping center is located to the immediate southwest of the site across E. 14<sup>th</sup> St. The San Leandro library is located one block farther to the east.

## **BACKGROUND**

### TOD Strategy

On September 4, 2007 the San Leandro City Council approved the San Leandro Transit Oriented Development Strategy, a long-term plan that provides the land use and development framework for new development in downtown San Leandro. The purpose of the TOD Strategy is to focus growth and density in the transit-accessible downtown area and to enhance downtown San Leandro. Downtown is an ideal location for high-density transit-oriented development because the area is well served by multiple public transportation operators, including AC Transit, BART and San Leandro's LINKS shuttle, and because it is an established employment and retail center. As new housing units are built in the downtown area, it is assumed there will be both an increase in transit ridership and in the local population, serving as a catalyst for downtown revitalization and further enhancing the market for shops and services. The associated DA Downtown Area zoning development standards, which implement the TOD Strategy plan and General Plan, include greater building height limits, higher residential densities and reduced parking standards than in surrounding areas, to guide future development.

### Special Policy Area 3 (SP3) Town Hall Square and Vicinity

The TOD Strategy identifies Special Policy Areas where flexibility is necessary to allow varying development scenarios on specific parcels. Development in the SP3 area must be consistent with the Retail Mixed Use provisions, with ground floor retail and residential uses on the upper floors. Development in this area should create a sense of place and serve as a gateway to help integrate the Civic Center area with downtown.

### Purchase and Sale Agreement

The adoption of the Downtown San Leandro Transit-Oriented Development ("TOD") Strategy in 2007 included the identification of several opportunity sites that were determined to be well-suited to the high-density, walkable development characteristics envisioned in the plan. The Project site, which currently includes a City-owned parking lot, was seen as a catalyst for future development because of its central location at the most significant intersection in downtown San Leandro and the existing development is relatively low density. The approval and development of The Village retail center at 1550 E. 14th Street in 2009 later enabled CVS to relocate and a pathway for the redevelopment of the property was established.

In early 2015, the City partnered with CVS and agreed to work with a listing agent and broker who could assist in jointly marketing the properties to potential developers. Following receipt and

consideration of eight offers, on February 16, 2016, the City Council approved Resolution 2016-027 authorizing a Purchase and Sale Agreement with Sansome Pacific, enabling the proposed application to move forward. Sansome Pacific was later able to acquire the adjacent PFSA properties and partnered with the Martin Group to develop the property as the joint entity 14th & Callan Street Developer LLC.

### Land Use Regulations

The Project site is designated Downtown Mixed Use (MUD) in the General Plan. The property is zoned DA-1(S), Downtown Area 1 (Special Policy Area 3). In the Zoning Code, Mixed-Use Residential in the DA-1 zoning district is a permitted use. Retail uses, Neighborhood Specialty Grocers, and Drugstores less than 10,000 square feet are permitted in the DA-1 zoning district, and a Conditional Use Permit is required when these uses are larger than 10,000 square feet. Residential densities must be a minimum of 35 units per acre with a maximum of 120 units per acre permitted with eligible density bonuses. As per Zoning Code Section 3.16.112, new development projects within a Special Policy Overlay district also require Conditional Use Permit approval. In this instance, Special Policy Area 3 from the Downtown TOD Strategy applies to the Project site.

### **DETAILS OF THE PROPOSAL**

The Callan and E. 14<sup>th</sup> St. Project, marketed as “Centro Callan,” proposes to demolish all existing structures and surface parking on the site in order to develop a 286,204 square foot five-story mixed-use building consisting of a 23,189 square foot ground floor retail grocery space with three adjacent minor retail/commercial tenants totaling 5,660 square feet, a two-story parking structure, and three upper stories with 196 multi-family residential apartment units and associated amenities, open space and common areas.

The five-story building height is within the 75’ maximum height limit permitted in the DA-1 zoning district. Although the top of roof is 64’8”, overall visible building height from street level will range from 70’2” to 74’8” when measured to the top of parapets. The project plans include a shadow and height exhibit of adjacent properties provided in Exhibit A. The size, height and massing of the building is consistent with development concepts identified in the 2007 Downtown TOD Strategy plan. A detailed table identifying the Project’s conformance with the Zoning Code’s development standards is attached to this staff report.

The building will be comprised of 60 studio units (30.6%), 94 one-bedroom units (48%), 35 two-bedroom units (17.9%) and 7 three-bedroom units (3.6%) with an average unit size of 652 square feet. Each unit will have a full kitchen, including a refrigerator, dishwasher, range/oven, and in-unit washer/dryer. Approximately 20 percent of the units will include private balconies. Common refuse areas with trash and recycling chutes and compost bins will be provided on each residential floor. Both residential and commercial trash pickup and loading areas are located within the ground floor parking structure, with the major commercial tenant having a compactor within the loading dock area. The development will have onsite maintenance, leasing staff, and property management with offices adjacent to the residential lobby on the ground floor facing Callan Ave.

The residential component includes approximately ±19,941 square feet of open space areas, including a 13,847 square foot interior courtyard, a 1,197 square foot dog area with pet washing

facilities on the southeast corner of level 2, and a 1,382 square foot outdoor roof deck on the northwest corner of level 5. Resident amenities include a 1,691 square foot clubroom and 1,207 square foot fitness and yoga room adjacent to the courtyard on level 3 and two additional meeting rooms on level 4. The residential lobby, leasing and management offices, package rooms, mail lockers, residential elevators and primary stairwell will be located on the ground level with the residential entry facing Callan Ave.

Public amenities include an outdoor public plaza constructed at the corner of E. 14<sup>th</sup> St. and Callan Avenue with decorative paving, outdoor seating, and bicycle parking. The building will retain existing street trees where feasible and install new street trees along all side of the building, as shown in Exhibit C. Street trees will include London Plane trees, Ginko Biloba Sky Tower trees, Marina Strawberry trees, and a prominently placed Jacaranda tree at the public plaza. The Project's interior courtyard will also be landscaped with planter areas and decorative trees. Landscaped areas have been designed to serve as stormwater retention and treatment areas and will be compliant with the State's water efficient landscaping and irrigation requirements.

The Project provides a total of 286 on-site parking spaces divided between a two-level parking structure. The Project provides two high-capacity bicycle locker rooms and six dedicated motorcycle parking spaces on the second level. 18 angled street parking spaces will be constructed along Hyde St. with additional parallel on-street parking and class 2 bicycle lanes installed along Chumalia St. On-site public retail parking will include 70 parking spaces within the ground-floor garage and 71 shared second-story spaces accessible from a dedicated retail elevator. Residents will have access to approximately 145 dedicated parking spaces within a separate gated area on level two through the use of parking stackers and will be able to access to 71 shared parking spaces on the same level through a managed parking arrangement. On-site parking is adequate to provide each residential unit at least one dedicated parking space while still accommodating full retail parking requirements. If additional parking is needed, the City's 384-space public parking garage located directly across Callan Ave. is available. The applicant has requested approval of a Parking Exception due to the shortage of 54 required on-site parking spaces. A detailed parking study has been prepared in support of the requested Parking Exception, attached to this staff report as CHS Parking Study.

## **STAFF ANALYSIS**

The proposed Project reflects the culmination of over a decade of planning efforts originating from the Downtown San Leandro Transit-Oriented Development Strategy adopted in 2007. The goals, policies and objectives of the TOD Strategy intend to bring more housing, retail and jobs to the City's downtown core through projects designed to create a sense of arrival and place, reduce reliance on automobiles, maximize available transit options, and promote a pedestrian-oriented community. Subsequent plans and adopted policies, such as the current General Plan adopted in 2016 and regional Plan Bay Area 2040, further refine and reflect the 2007 TOD Strategy's development goals. The proposed mixed-use development Project was evaluated and found to be in conformance and alignment with these plans.

The Project's mixed-use pedestrian-oriented design conforms to both the Zoning Code and the TOD Strategy's development criteria. As designed, the Project provides neighborhood-serving ground-floor retail along both E. 14<sup>th</sup> St. and Callan Ave., 196 residential units on upper floors with amenities, and appropriate on-site parking screened within the interior of the building. A mural-lined 17' wide

pedestrian zone along E. 14<sup>th</sup> St. provides a pleasant physical connection between downtown, the San Leandro Creek, Toler Park, and City Hall to the north. This wrap-around building mural will extend around the northwest corner of the building from Chumalia St. towards the primary focal point of the building, a pedestrian plaza facing the corner of E. 14<sup>th</sup> St. and Callan Ave. featuring a decorative planter area with a prominently placed Jacaranda tree, bicycle parking and benches. The pedestrian entry to the parking garage and residential lobby entrance will be located at the center of the block on Callan Ave.

The Project complies with all of the DA-1 development standards, listed in further detail in the Project Conformance Table attached to this staff report. The Project provides an average 17' wide pedestrian zone along E. 14<sup>th</sup> St., wider than required by code, and all sides of the building have adequate sidewalks and landscaping. With the permitted density bonus of 20 percent (Zoning Code Section 2.08.332), the Project's 196 units are within the maximum allowable density in the DA-1 zoning district for a 1.6 acre property. The Project complies with the open space and amenities requirements and provides double the number of features required under Section 2.08.344, including conference rooms, pet washing facilities and relief areas, tenant activity areas, and public art.

The contemporary design of the building is consistent with the Downtown Design Guidelines. Building materials and colors consist of fine grain stucco painted in grey, white and dark blue, highlighted by lap siding with a wood appearance. All four elevations are consistently designed with a comfortable streetscape that encourages pedestrian use on all side streets. Balconies and windows are appropriately designed with durable and attractive materials. The building features multiple public and private outdoor areas that are attractively designed and complement the building. Parking garage openings will be screened with a simple black metal lattice, most prominent along the Hyde St. frontage and second story. Outdoor lighting is appropriately designed and energy-efficient, with dark-sky compliant fixtures. Elevations and specifications for the proposed building materials and colors are found in Plan Exhibit A attached to this report.

## **TRANSPORTATION IMPACT STUDY**

A detailed transportation impact study dated October 2020 was prepared in support of the Project and the environmental determination. The study examined four scenarios including projections of cumulative conditions with the Project in 2040. Five major signalized intersections and the roadway network were examined in detail. The study's analysis included both an examination of Level of Service (LOS) and the newer Vehicle Miles Traveled (VMT) methodology. The transportation impact study concluded that the proposed Project would not result in significant impacts with respect to the addition of the Project's traffic, and no mitigation measures were required.

## **PARKING STUDY**

A detailed parking study dated November 9, 2020 was prepared in support of the requested Parking Exception, attached to this report. The study provides an analysis of site conditions and strategies for managing parking demand. The study compares the proposed Project to substantially similar East Bay transit-oriented mixed-use residential developments, documenting that parking demand at those projects are well below the 1.5 parking spaces per unit required by the City's Zoning Code. The report finds the use of unbundled residential parking on-site could further reduce parking demand by as much as 30 percent. Based on the analysis, the study anticipates the Project's parking demand

will be fully accommodated on-site at all times of day. The study notes that, in addition to multiple high-quality transit options, there are at least 868 available off-street parking spaces located within walking distance of the Project site.

The Parking Study concludes that the proposed Project would meet the requirements for a Parking Exemption as per City Code Sections 4.08.116 and 5.08.124(c), because 1) the proposed Project is expected to generate parking demand less than that required by Section 4.08.108, 2) the Project is a mixed-use development with shared parking serving more than one use, and 3) the Project is located within close proximity to multiple high-quality transit options.

## **INCLUSIONARY HOUSING PLAN**

The applicant has prepared an Inclusionary Housing Plan, attached to this report, in support of conformance with the City's Inclusionary Housing Ordinance. To satisfy the Inclusionary Housing requirements of Zoning Code Chapter 6.04 and advance the City's Housing Element goals, the applicant proposes to provide an alternative to the 15% set-aside through a combination of five (5) dedicated on-site workforce and inclusionary housing units for moderate income renter households that will retain long-term affordability and an in-lieu payment of \$528,952 to the City's Affordable Housing Trust Fund.

The State passed legislation in 2017 restoring previously invalidated inclusionary rental housing ordinances for many cities and counties such as San Leandro effective January 1, 2018 (Assembly Bill or AB 1505). As noted above, the applicant entered into a Purchase and Sale Agreement with the City in 2016 before the State law changed in 2018. AB 1505 was a sudden and unexpected change that negatively impacted the financial feasibility of the proposed Project. Under the City's 15% set-aside requirement that was restored by AB 1505 in 2018, the applicant would have needed to provide 29 inclusionary housing units on-site. Due to these factors, the applicant has proposed an alternative means of compliance allowed under the Inclusionary Housing Ordinance as described above.

The proposed Project will assist the City in meeting its State mandated above moderate income (market rate) regional housing needs allocation (RHNA) goal, as per Senate Bill (SB) 35. SB 35 took effect on January 1, 2018 and enabled the State to identify local jurisdictions that were not complying with mandated regional housing production goals for housing production at various income levels. While San Leandro is in compliance with its very low- and low-income housing production goals per the State, the State has identified about 300 jurisdictions, including San Leandro, that were not complying with their market rate housing production goals.

The proposed inclusionary units to be dedicated are larger than the average unit and interspersed evenly throughout the building. Staff finds the proposed Inclusionary Housing Plan is acceptable.

## **GENERAL PLAN CONFORMANCE**

The Project is consistent with the General Plan's goals, policies and objectives, as well as those identified within the City's Downtown Transit-Oriented Development Strategy. The Project conforms to the General Plan's vision for the central business district of San Leandro by providing a range of uses which together create a pedestrian-oriented street environment. The Project carries out the General Plan and Downtown TOD Strategy by proposing new development that is attractive, high

density, and creates a positive image of revitalization. The Project furthers the City's Housing goals by providing infill housing within close proximity to high quality transit and neighborhood grocery and retail services. The Project is also in alignment with the designated Priority Development Area policies of Plan Bay Area 2040. The pertinent General Plan goals, policies, and actions that apply to the Project are further detailed in the General Plan Conformance statement attached to this staff report and the findings of fact attached to the resolution.

## **ENVIRONMENTAL REVIEW**

An Infill Checklist has been prepared in accordance with Public Resources Code Section 21094.5., and the CEQA Guidelines, California Code of Regulations Section 15183.3 and Appendices M and N. The Infill Checklist tiers off the 2035 General Plan Update Environmental Impact Report (2016). This prior EIR was prepared as part of enacting the City's General Plan Update and Zoning Code, which implemented the Downtown Transit-Oriented Development (TOD) Strategy (CEQA Guidelines 15183.3). This Infill Checklist demonstrates that any significant effects of the 1188 E. 14<sup>th</sup> St./Callan & E. 14<sup>th</sup> Street Project (PLN18-0036, collectively, "Project") were analyzed in the prior EIR or would be substantially mitigated by the City's uniformly applicable development policies. The Infill Checklist also incorporates information from the Downtown TOD EIR (2007), which also qualifies as a prior EIR. Pursuant to Public Resources Code Section 21094.5, CEQA does not apply to such effects. Therefore, pursuant to Public Resources Code Section 21094.5, no additional environmental review is required under CEQA for the Project as an infill project.

## **PUBLIC OUTREACH**

The applicant hosted three advertised neighborhood meetings using Zoom in November and December 2020 to introduce and discuss the proposed Project with interested businesses and residents and gave presentations to the Estudillo Estates and Broadmoor neighborhood association boards. The Alameda County Department of Environmental Health (ACDEH) also hosted a noticed public meeting in Zoom to discuss environmental cleanup activities for the property on March 2, 2021.

The Project was noticed for the May 6, 2021 Board of Zoning Adjustments hearing, including a legal advertisement in the East Bay Times/Daily Review newspaper, the posting of notices at City Hall and on the subject property, and a mailed notification to business and property owners within 500 feet of the subject property. A copy of the agenda packet, CEQA Infill Checklist and supporting documentation was posted on the City's website for public review one week in advance of the public hearing. No public comments were received at the time of the filing of this staff report. Public comments received prior to noon on the day of the hearing will be provided to the Board and made available to anyone requesting a copy from the Planning Division.

## **RECOMMENDATION**

Staff recommends the Board of Zoning Adjustments adopt Resolution 2021-002, approving a Conditional Use Permit, Site Plan Review, and Parking Exception for 1188 E. 14th Street, PLN18-0036, based on the Findings of Fact and subject to the Conditions of Approval.

## **ATTACHMENTS**

Vicinity Map  
Plan Exhibits A through D  
Project Conformance Table  
CHS Parking Study  
Inclusionary Housing Plan  
General Plan Conformance Statement  
CEQA Infill Checklist  
Appendix A - Air Quality GHG  
Appendix B - Community Health Risk Assessment  
Appendix C - Geotechnical  
Appendix D - Environmental Hazards  
Appendix E - Noise  
Appendix F - Transportation Impact Study  
Appendix G - AB 52

Resolution 2021-002 (#21-242)  
Exhibit A - Recommended Findings of Fact  
Exhibit B - Recommended Conditions of Approval

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