



City of Alameda

Staff Report

File Number:2016-2766

City Council

Agenda Date: 4/19/2016

File Type: Regular Agenda Item

Agenda Number: 6-C

Provide Direction to Staff Regarding General Plan Policies, Municipal Code Requirements and Potential Amendments to the General Plan and Municipal Code to address Development Sites with Mixed Use (MX) Zoning. (Community Development 481005)

To: Honorable Mayor and Members of the City Council

From: Jill Keimach, City Manager

Re: Provide Direction to Staff Regarding General Plan Policies, Municipal Code Requirements and Potential Amendments to the General Plan and Municipal Code to address Development Sites with Mixed Use (MX) Zoning

BACKGROUND

This report is in response to Vice Mayor Matarrese's March 1, 2016 referral requesting an evaluation of the City of Alameda's Mixed Use (MX) Zoning District regulations. This report supplements the March 11, 2016 Northern Waterfront tour (Exhibit 1) and provides an overview of the MX Zoning District regulations, other mixed use districts in the City, and a recommendation to review existing and proposed policy direction for upcoming planning efforts on two MX zoned properties: Alameda Marina and Encinal Terminals.

DISCUSSION

The MX Zoning District Regulations

Alameda Municipal Code (AMC) Section 30-4.20 states that the purpose of the MX Zoning District (Mixed-Use Planned Development District) is to:

"...encourage the development of a compatible mixture of land uses which may include residential, retail, offices, recreational, entertainment, research oriented light industrial, water oriented or other related uses. The compatibility and interaction between mixed uses is to be insured through adoption of Master Plan (defined in subsection 30-4.20f) and development plan site plan (defined in subsection 30-4.20h), which indicate proper orientation, desirable design character and compatible land uses to provide for:

- a. *A more pedestrian-oriented non-automotive environment and flexibility in the design of land uses and structures than are provided by single purpose zoning districts, including but not limited to shared parking;*
- b. *The enhancement and preservation of property and structures with historical or architectural merit, unique topographic, landscape or water areas, or other features requiring special treatment or protection;*
- c. *Recreation areas that are most accessible to both the MX district's inhabitants and other City residents;*
- d. *Environments that are more conducive to mutual interdependence in terms of living, working, shopping, entertainment and recreation; and*
- e. *Flexibility in the design, lay-out and timing of build-out of large-scale mixed use projects in order to respond to market demands while ensuring that development is in conformance with adopted standards, procedures and guidelines.*

In order to accomplish this purpose, the City may establish Development Standards, Procedures and Guidelines (which govern, among other items, processing procedures, project-wide design guidelines addressing architecture, site planning, parking, circulation, streetscape, open space, landscaping, lighting, project identification and signage, and specific use design guidelines) as part of the Master Plan to which the Development Plans must then conform.

As described above, to ensure that each property zoned MX achieves the stated purposes of the Section, the MX zoning district requires that prior to development of the site, the property owners/developers must prepare a "Master Plan" for the property for review by the Planning Board and approval (by ordinance) by the City Council. To approve a Master Plan, the City Council must find that the Master Plan is consistent with the City of Alameda General Plan, and the purposes and standards of the MX Zoning District. To ensure that a Master Plan provides a mix of uses, the MX District requires that the Master Plan includes at least three different uses, one of which must be open space.

"The City Council may approve, by ordinance, a Master Plan of mixed uses where each phase thereof provides for Open Space District uses (subsection 30-4.19b. and c.) together with at least two (2) other uses which are permitted in either: (i) R-1 or R-2 districts, (ii) R-6 districts, (iii) A-P districts, (iv) C-1 or C-2 districts, or (v) C-M districts (of this article) and which otherwise meets the requirements set out herein.

Regarding the type and mix of uses permitted in the Master Plan, the City Council has full discretion to determine the right mix of uses on each site, including the number of housing units and the amount of commercial development.

“The City Council shall determine the number of dwelling units that are appropriate for the MX and the appropriate area of commercial development therein.”

When considering the number of residential units to be permitted on each MX site, the Planning Board and the City Council need to consider the City’s approved Housing Element, which identifies the number of units that the City allocated for each site to accommodate a portion of the City’s 2015-2023 Regional Housing Needs Allocation (RHNA). If the Planning Board or City Council wish to approve less than the number of units allocated to a site, the Board and Council will need to make written findings that other sites in Alameda will be able to make up the difference so that there will be “no net loss” in capacity needed to meet the City of Alameda’s regional housing obligations.

In 2012, the City applied a MF Multifamily Combining District designation to the Alameda Marina, Encinal Terminals and other sites to bring the City’s General Plan and AMC into conformance with State Law. The MF district allows the City Council to approve a master plan for MX sites that places the residential units in a multi-family configuration, which provides more land for office, retail, maritime and/or other uses.

The Housing Element allocates 265 units to Encinal Terminals and 395 units to Alameda Marina, for a total of 660 units. Residential units built at these two sites will count towards the City’s 2015-2023 RHNA obligation to provide at least 692 units on land that is zoned to accommodate higher density, multifamily housing. To provide the City Council and the community with maximum flexibility to shape the development on each site to meet local and regional objectives, including economic development and open space objectives, the Housing Element includes a surplus of available land zoned to meet the City’s RHNA obligations. The surplus allows the Council to approve fewer units on a particular site if necessary to achieve local objectives, while still being able to make the “no net loss” finding. As of April 2016, the City Housing Element provides a surplus of approximately 700 units on MF-zoned sites.

Ultimately, the number of housing units to be built on a MX site will be determined by three key factors:

- The City’s minimum regional housing obligations as prescribed by the RHNA;
- The City’s local housing needs, which may exceed its minimum RHNA obligations. Despite the City’s RHNA land surplus, recent City Council hearings regarding rising housing costs and rent stabilization in Alameda reveal that the City of Alameda is experiencing a housing supply crisis. The causes of this supply crisis that is impacting Alameda residents and others throughout the region are numerous and well documented. Exhibit 2 includes a report titled, “*California’s High Housing Costs: Causes and Consequences*” prepared by the Legislative Analyst’s Office, a nonpartisan office that provides fiscal and policy information and advice to

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the Legislature; and

- The site-specific infrastructure, employment, open space, and public benefit objectives. Providing for market rate housing in the Master Plan helps fund the necessary infrastructure improvements to support re-use and redevelopment of the site for non-residential and employment uses, public open space, and other on-site non-revenue generating public benefits, such as affordable housing.

MX District Areas

The MX Zoning District designation has been applied to six specific sites along the Oakland/Alameda Estuary. Although the sites are all located along the northern waterfront, each site has unique planning issues and physical characteristics.

Alameda Landing/Bayport: The Alameda Landing/Bayport Master Plan was originally approved in 1999, and substantially amended by the City Council in 2007. The only major site that has not been developed is the 40-acre waterfront portion of Alameda Landing Master Plan. Any changes made to the MX zoning in 2016, would not apply to Alameda Landing, because of provisions in the existing Development Agreement.

Marina Village: The Marina Village Master Plan was approved by the City Council in 1979. The only major site within the Master Plan area that has not been developed is the Shipways site on Marina Village Drive.

Del Monte: The Del Monte Master Plan was adopted in 2014. Any changes made to the MX zoning in 2016 would not apply to Del Monte, because of provisions in the existing Development Agreement.

Grand Marina: The Grand Marina Master Plan was approved by the City Council in 2009. The planning area, which includes the Grand Marina and its 400 boat slips, the Alaska Packers maritime business building, and the 40-unit Grand Marina Village is fully constructed and occupied.

Encinal Terminals: A Master Plan has not yet been adopted, nor has a Planning application been filed with the City, but work on a draft Plan is underway. A Master Plan for this site will require an Environmental Impact Report (EIR).

Alameda Marina: A Master Plan has not yet been adopted, nor has a Planning application been filed with the City, but work on a draft plan is underway. A Master Plan for this site will require an EIR.

Other Mixed Use Areas in Alameda:

Other mixed use areas of Alameda are governed by different mixed use zoning designations.

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Park Street and Webster Street Commercial Corridors: The City's two "main street" areas are governed by the CC Community Commercial District. The CC District requires ground floor retail and commercial uses. Residential uses are permitted on upper floors. The CC District does not require preparation of a Master Plan, but all new development is subject to design review and compliance with the CC Zoning District regulations.

The North Park Street area (former Auto row and adjacent neighborhoods between Oak Street and Tilden way and the Oakland Estuary): This area is governed by the North Park Street Code. The North Park Street form-based zoning code establishes a series of sub-districts, each with its own form-based development standards and mix of allowable retail and commercial uses. Similar to the CC District, the NP District requires ground floor commercial uses on Park Street.

Alameda Point: The former Naval Air Station (NAS) is governed by the AP Alameda Point Zoning District. The AP District establishes a series of mixed use sub-districts within Alameda Point. Each sub-district allows for a specified mix of uses. Some sub-districts, such as the Adaptive Reuse District, allow for a wide variety of uses to support adaptive reuse, reinvestment, and preservation of buildings in the NAS Historic District. Other sub-areas are more restrictive, such as the Enterprise sub-districts which are specifically designed to support employment uses and maritime uses and prohibit residential uses. The AP Districts require preparation of a Master Plan for the Waterfront Town Center District (completed in 2014) and a Master Plan for the Main Street Neighborhood (under way). All other areas require a Development Plan and Design Review to ensure compliance with the AP Zoning District regulations.

Summary of the MX Zoning District Designation

The MX Zoning District provides a simple set of regulations that effectively allow the community and the City Council to shape a specific mixed use development plan for each of the six sites. The required Master Plan can be customized to respond to the unique characteristics of each site and respond to current community expectations and objectives for each site. By providing few specific development standards, the MX District also avoids a "cookie cutter" approach that would result in every site looking, operating, and serving the community in very similar ways. The flexibility in the MX District allows for different community needs to be met at different sites.

The "downside" of the MX District's flexibility is its lack of certainty and direction regarding current community expectations and objectives for each individual site. This lack of explicit development standards can result in uncertainty for the property owner, existing users of the property, neighbors of the property, or others concerned about the future of a site. A lack of certainty and a clear understanding of community expectations and development standards at the beginning of a master planning process can also lead to an inefficient use of private and public resources and public anxiety and concern about the wide range of potential outcomes.

Conclusions:

Based upon the analysis above, staff concludes that:

- The City of Alameda has a variety of land suitable for mixed use development. These areas are governed by several zoning districts. The MX Zoning District is appropriately applied to only large, non-contiguous, waterfront sites that require customized, site specific mixed use master plans.
- Given the limited number of sites zoned MX in Alameda, any changes to the MX zoning adopted in 2016, would govern the planning efforts for only three properties in the City: Encinal Terminals, Alameda Marina, and Shipways.
- An effective master planning process for any MX site begins with a clear understanding of community objectives and expectations for the site. These objectives can then be articulated and implemented through planning and development standards and requirements in the site-specific Master Plan.

To begin the planning process for Alameda Marina and Encinal Terminals, staff recommends that the City Council review and discuss the community planning goals and objectives for each site. During the review of these goals and objectives, the City Council may also identify specific goals or objectives that should be added to, or amended, in the City of Alameda General Plan or AMC to ensure a clear statement of public expectations for each Master Plan.

To facilitate the Council's discussion, staff has prepared two exhibits for use by the City Council:

- Exhibit 3 is a draft set of guidelines and policy objectives for the preparation of a Master Plan for Alameda Marina. The draft guidelines are based upon existing General Plan policies related to mixed use development, economic development and housing, and staff's understanding of the community's primary objectives for the site. The City Council may wish to augment or revise the guidelines to better reflect community and Council objectives. If there are particular objectives or standards that the City Council would like to consider adding to the General Plan or Municipal Code, the Council may provide that direction as well.

Exhibit 4 is a summary of the General Plan policies adopted by the City Council in 2008 to guide the development of a Master Plan for Encinal Terminals. If these policies need to be amended to better reflect existing community and Council objectives, the Council may propose those amendments. To approve a Master Plan for the site, the Planning Board and City Council must make a finding that the Master Plan is in substantial conformance with the General Plan.

If the Council identifies any policies, standards, or requirements for either Encinal Terminals or Alameda Marina that the Council would like added to the General Plan or Municipal Code, staff will

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then prepare the necessary amendments for review and recommendation by the Planning Board, as required by State and local law, and return at a future City Council meeting for final Council review and adoption of the proposed amendments.

FINANCIAL IMPACT

Providing direction to staff regarding potential amendments to General Plan policies or the AMC has no impact on the General Fund or any other City fund. Based on the direction received, there may be an impact to the General Fund, and if there is, that would be reflected at any future meeting where staff will return with actions to implement the direction received.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

Any amendments to General Plan policies or AMC regulations will be made consistent with the AMC.

ENVIRONMENTAL REVIEW

Master Plans for Encinal Terminals and Alameda Marina are projects subject to the California Environmental Quality Act (CEQA). An Environmental Impact Report (EIR) will be prepared for each site evaluating the potential environmental impacts of each Master Plan.

RECOMMENDATION

Provide direction to staff regarding General Plan policies, Municipal Code requirements and potential amendments to the General Plan and Municipal Code to address development sites with MX Zoning.

Respectfully submitted,
Debbie Potter, Community Development Director

By,
Andrew Thomas, Assistant Community Development Director

Financial Impact section reviewed,
Elena Adair, Finance Director

Exhibits:

1. March 11, 2016 Northern Waterfront Tour Powerpoint
2. LAO Report - California's High Housing Costs: Causes and Consequences
3. Alameda Marina Planning Guidelines

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4. Encinal Terminal General Plan Policies