

CITY OF HERCULES

COMMUNITY DEVELOPMENT AND PUBLIC SERVICES DEPARTMENT

TO: Chairman McDonald and Members of the Planning Commission

SUBMITTED BY: Steve Lawton, Community Development Director
Nelson Oliva, Affordable Housing Solutions Group

FOR: Meeting of October 2, 2006

SUBJECT: **DESIGN REVIEW PERMIT NO. 06-14** for the Sycamore Downtown Project which is a mixed-use retail commercial and residential development located within the Bayside Community and includes 30,104 square feet of ground floor retail commercial and 104 single-family homes within four buildings.

TENTATIVE PARCEL MAP NO. 497-06, a request to create a one lot parcel for condominium purposes for a mixed-use project consisting of 104 residential units and 30,104 square feet of commercial floor area within four buildings with 194 parking stalls.

Applicant: City of Hercules Redevelopment Agency

Location: Adjacent and north of Sycamore Avenue between South Front Street and Tsushima Avenue

1. RECOMMENDATION

- a. Request Planning Staff present the staff report.
- b. Open the public hearing and conduct discussion with members of the Planning Commission.
- c. Request testimony from the public.
- d. Close the public hearing.
- e. Move to Adopt a Resolution approving Development Review Permit Plan File No. 06-14; and
- f. Adopt a Resolution recommending approval to the City Council for Tentative Parcel Map No. 497-06; or
- g. Continue to the Planning Commission regular meeting of October 2, 2006, to provide Commission members adequate opportunity to review all site and architectural details, and the proposed tentative parcel map.

2. BACKGROUND HISTORY/DISCUSSION

The Sycamore Downtown Project is located within Bayside, a fully entitled, partially constructed and occupied master-planned community. The residential area that comprises

Bayside and includes the Sycamore Downtown Project is located on approximately 31 acres bordered by John Muir Parkway on the north and Sycamore Avenue on the south. The residential component of Bayside will ultimately produce 409 single and multi-family homes. A 17-acre parcel located adjacent to John Muir Parkway, is included in the master plan and will ultimately provide approximately 167,000 square feet of mixed retail commercial uses. Home-based business opportunities and mixed-use commercial and residential are anticipated within the Bayside community, along Sycamore Avenue.

An Initial Planned Development, Tentative Map and Development Agreement were approved for Bayside in 2003. The Bayside project site is identified as Parcel 3 of the Dynamite Redevelopment Project Area, as amended. Projects within a Redevelopment Area are required, by law to provide 15 percent of the units as affordable to lower income households. Consistent with Redevelopment law, Bayside was conditioned to provide affordable units.

Within the entitlement process, and as a part of the Development Agreement, the Bayside developer was required to dedicate a 1.87 acre parcel to the City. In exchange for the dedication the City accepted the responsibility of constructing and managing the affordable units. The 1.87 acre site is commonly referred to as the Sycamore Downtown Project and is the subject of this entitlement and staff report. The City of Hercules Redevelopment Agency is the applicant.

It is the goal of the Central Hercules Plan to provide a ‘fine-grained mix of uses’ in all neighborhoods. The Plan envisions a Main Street theme that incorporates both commercial and residential uses in a single structure. Retail Commercial uses within walking distance of the surrounding neighborhoods will enhance the living environment as well as reduce a reliance on the automobile. The Sycamore Downtown Project represents one half of the Main Street theme. Similar uses and complimentary architecture will be strongly encouraged on the vacant property that is adjacent and south of Sycamore Avenue at the location of the Sycamore Downtown Project.

3. PROJECT DESCRIPTION

The Sycamore Downtown Project is located adjacent and north of Sycamore Avenue, bordered by South Front on the east and Tsushima Avenue on the west. The site is generally rectangular. The Project proposes 104 multi-family units and 30,104 square feet of retail commercial within four buildings. Retail Commercial will be located on the ground floor of each building. The residential component will consist of both for-sale and for-rent units made up of studio, and 1 - 3 bedroom floor plans. Parking will be located within an underground podium structure, adjacent to the buildings along the existing alley, and on adjacent public streets.

4. GENERAL PLAN, ZONING REGULATIONS, REGULATING CODE

The General Plan and Zoning Designation is Planned Commercial-Residential.

Section 15.100 of the Planned Commercial-Residential zoning district lists the following specific purposes for this district:

- a. Provide the opportunity to accommodate both residential and commercial uses in a well planned, mixed use development.
- b. Provide the opportunity for an integrated mixture of residential and commercial employment generating uses within the same structure or site.
- c. Allow lower cost live-work opportunities for start-up commercial enterprises and other smaller scale point of sale enterprises that are compatible with the residential and commercial uses within the building or site.
- d. Provide the opportunity for upper floor residential over ground floor commercial uses.
- e. Encourage mixed-use development that could minimize vehicle use.

CENTRAL HERCULES PLAN. The Sycamore Downtown Project is located in the Central Hercules Plan area. The Central Hercules Plan consists of illustrative build-out concepts, a variety of street cross-sections, parking standards and approved or conditionally approved uses. Approved uses consist of single and multi-family residential including live-work; a variety of commercial office uses; a variety of retail commercial uses including but not limited to restaurants, book stores, toy stores, florists, travel agencies, or dance studios. Conditionally permitted uses such as markets or drug stores are required to secure a Conditional Use Permit.

5. DESCRIPTION OF BUILDINGS AND PARKING

Building 1 - Sycamore Downtown Conceptual Design, August 9, 2006, pages SK04-SK11:

- Located at the corner of East Front and Sycamore Avenue
- 9,010 square feet Retail Commercial
- Lobby including mail boxes and storage area are located on the ground floor
- Retail commercial uses are provided on the ground floor with store fronts and entry onto Sycamore Avenue. Signage will be provided above each storefront.
- Arches located at the corner of Sycamore Avenue and East Front present an opportunity for outdoor dining
- Access is available from Sycamore Avenue and the adjacent alley
- 10 residential units are located on the second floor in the following mix:
 - 1 - Studio
 - 7 - One Bedroom
 - 1 - Two Bedroom
 - 1 - Three Bedroom
- 20 residential units are located on the third and fourth floors in the following mix:
 - 2 - Studio
 - 14 - One Bedroom
 - 2 - Two Bedroom
 - 2 - Three Bedroom
- Laundry facilities are located on each floor
- Each floor is accessed via stairs or elevator

Buildings Two and Three - Sycamore Downtown Conceptual Design, August 9, 2006, pages SK12 - SK28

- A pedestrian path separates Buildings 1 and 2
- Located in the center of the project area adjacent to Sycamore Avenue, the buildings are adjacent to one another and share a common courtyard and play area.
- 9,010 square feet Retail Commercial
- Retail commercial uses are located on the ground floor
- Storefronts are located on Sycamore Avenue, signage is provided above each storefront
- Residential units can be accessed through gated entries from Sycamore Avenue, from the eastern edge adjacent to Building 4 as well as the adjacent alley
- A formal separation between Buildings 2 and 3 on the ground floor along Sycamore Avenue affords an opportunity for outdoor dining.
- 13 residential units are located on the ground floor in the following mix:
 - 1 - Studio
 - 8 - One Bedroom
 - 4 - Two Bedroom
- Laundry facilities for each building are located on the ground floor
- A Management Office is located on the ground floor of Building 2
- 26 residential units are located on the second floor in the following mix:
 - 6 - Studio
 - 12 - One Bedroom
 - 8 - Two Bedroom
- 26 residential units are located on the third floor in the following mix:
 - 6 - Studio
 - 12 - One Bedroom
 - 8 - Two Bedroom

Building Four - Sycamore Downtown Conceptual Design, August 9, 2006, pages SK29 - SK36

- Located at the corner of Tsushima Street and Sycamore Avenue
- 8,800 square feet Retail Commercial
- Retail commercial uses are provided on the ground floor with store fronts and entry onto Sycamore Avenue. Signage will be provided above the storefront
- Entrance including mail boxes is located on Sycamore Avenue, access is also provided from the underground parking area and the adjacent alley
- 9 residential units, designed as lofts, are located on the second floor and are proposed to be one bedroom.
- Access to the residential units is via Sycamore Avenue and the underground parking area
- Common laundry facilities are not provided
- Each floor is accessed via stairs or elevator

Parking

The Central Hercules Plan requires 1.25 parking stalls/400 square feet of retail commercial and 1.25 stalls/residential unit. Parking requirements are entitled to be met on public streets.

The total parking demand, per the Central Hercules Plan is 206 and is made up of 76 stalls/Retail Commercial and 130 stalls/Residential.

A total of 194 stalls will be provided on site; 148 within an underground parking facility, and 46 at-grade at the rear of the buildings. See Exhibit 1, Sycamore Downtown Conceptual Design, August 9, 2006, page SK37.

Additional parking including 31 stalls, are available on Sycamore Avenue immediately adjacent to the project; 8 stalls on Tsushima Avenue and South Front; 21 stalls on Tsushima Avenue between San Pablo and Sycamore and 102 stalls on Sycamore West between Tsushima Avenue and the former sanitation facility. The section of Sycamore between Tsushima Avenue and the former sanitation facility is presently striped for parallel parking.

The result is a parking demand of 206 and a parking supply of 356 stalls.

Dwelling Unit Distribution

Of the 104 residential units 75 will be available for below market rate households and 29 will be available to market rate households. Below market rate units will include both 52 rentals and 23 for-sale units. Market rate units will consist of 29 for-sale units. The product mix is as follows:

Below Market Rate Rental - 52 Units

Rents for the housing units will be limited by the CalHFA rents at 50% of the median income for Contra Costa County by unit size and project type, and are as follows:

- 12 - Studios
- 24 - One Bedroom
- 16 - Two Bedroom

Affordable Ownership - 23 units

For sale affordable units will be delivered as affordable units to first time homebuyers within the moderate income scale:

- 2 - Studios
- 15 - One Bedroom
- 5 - Two Bedroom
- 1 - Three Bedroom

Market Rate Ownership - 29 units

- 2 - Studios
- 14 - One Bedrooms
- 2 - Two Bedrooms
- 2 - Three Bedrooms
- 9 - One Bedroom two story lofts

6. **REQUIRED APPLICATION REVIEWS**

Chapter 42, section 200 on page 139 of the Zoning Ordinance requires the Planning Commission to review and approve the construction and exterior design of any public or private building, fence, structure or sign. The Planning Commission is the decision-making authority for Design Review Permit No. 06-14, the Sycamore Downtown Project. (The City Council has the authority to review the decision of the Planning Commission in the Sycamore Downtown Project in a public hearing setting.) In addition, the Subdivision Ordinance, adopted March, 2002 requires all development associated with a subdivision project is subject to Design Review by the Planning Commission under Chapter 42 of the Zoning Ordinance. Design Review may occur concurrently with subdivision review.

The Planning Commission reviews and recommends to the City Council tentative subdivision proposals, lot splits and parcel maps.

7. **CONSISTENCY AND CONFORMITY WITH CONTROLLING PLANS**

The current zoning for the project area site conforms to the existing land use designations. The current zoning for the project's 1.87 acre site is Planned Commercial-Residential Mixed Use District.

The uses and land use objectives under Planned Commercial-Residential zoning and land use designation are described, as follows:

a. Zoning District: (PC-R) Planned Commercial-Residential - The specific purposes under this zoning designation provide the opportunity to accommodate both residential and commercial uses in a planned, mixed use development. Standards in this zoning district generally are established by the Planned Development Plan (PDP). However, the following list includes certain standards that are specific to this zone and would not be established by PDP:

- Residential density of 15 - 30 units per acre.
- Residential structures are limited to three stories.
- Residential and commercial uses in a mixed-use development, to provide opportunities for upper floor residential units over commercial uses and lower floor opportunities for start-up commercial enterprises.
- Commercial structures to have a floor area ratio (FAR) between .2:1 to .4:1.
- The project is consistent with the Planned Commercial-Residential Zone.

b. General Plan Consistency: The project is consistent with the General Plan Land Use designation of Planned Commercial-Residential Mixed Use. In addition, the Sycamore Downtown Project is consistent with the following General Plan objectives, policies, and program:

1. Objective 2 on page II-12 of the Land Use Element: Develop a community that balances housing, jobs, and commercial opportunities.
2. Policy 2B on page II-12 of the Land Use Element: Develop non-residential Land Use Categories which reduce the need for residents to leave the community by providing a variety of shopping and service opportunities.

3. Program 2C.3 on page II-13 of the Land Use Element: Give favorable consideration to the following types of development: new retail development that would generate substantial new sales, businesses that would provide substantial living wage employment, high growth technical businesses (particularly bio-tech, flex office and incubator uses), health care services, restaurants and innovative mixed use development proposals).
 4. Policy 3D on page II-14 of the Land Use Element: Create a strong and successful focus or center for business and activities that would provide services, shopping opportunities which would attract employees, clients and patrons from a regional area, while not disturbing existing residential and community oriented areas.
 5. Objective 4 on page II-15 of the Land Use Element: Develop sufficient employment and commercial tax generating uses to maintain a positive City government fiscal condition.
 6. Policy 4A on page II-15 of the Land Use Element: Encourage local and regional commercial uses that can benefit from substantial regional traffic on I-80, Highway 4 freeway, and San Pablo Avenue.
 7. Policy 4B on page II-15 of the Land Use Element: Encourage uses that bring additional revenue (retail sales, property tax) either directly or indirectly to the City.
 8. Objective 5 on page II-15 of the Land Use Element: Develop and maintain a pattern of residential land uses which provide for a variety and balance of densities and opportunities for a mix of dwelling and residential type.
 9. Program 5B.2 on page II-16 of the Land Use Element: Encourage development of innovative types of housing, including co-housing, congregate care facilities, and other types of housing that may provide low cost alternatives to typical market-rate housing.
 10. Policy 5C.1 on page II-16 of the Land Use Element: Provide additional affordable and/or senior citizen housing.
 11. Objective 12 on page II-21 of the Land Use Element: Attain new development with residential and employment mixed uses.
 12. Policy 13A on page II-21 of the Land Use Element: Create a transition between residential neighborhoods and commercial/industrial areas, except where such mixed uses are desirable (e.g. live/work space and other designated areas).
- c. **Central Hercules Plan:** The project site is located within Phase 1 of the Central Hercules Plan in the area identified as the Central Quarter District. The project site (as well as all of the Central Quarter District) is designated as Phase I/Mandatory. This category indicates consistency and conformity between the current General Plan land use designation and uses currently permitted by that zoning district with no needed further amendments or rezoning. The Central Hercules Plan does not prescribe architectural styles; instead, it establishes design elements, permitted and prohibited materials, signage, and landscaping. The proposed project is consistent with the Central Hercules Plan.
- d. **Redevelopment Plan:** The project site located within the Dynamite Redevelopment Project Area, as amended. The Redevelopment Plan was adopted to eliminate blight and spur economic development in the redevelopment area. Residential projects within redevelopment areas are required by state law to provide 15 percent of the units as affordable to lower income households. The commercial aspect of the proposed

development will spur economic development in the redevelopment area. Further the project will provide 75 affordable and 29 market rate residential units. Therefore, as the project would eliminate blight, provide high quality development, and meet the 15-percent affordable housing requirement and is consistent with the Redevelopment Plan.

- e. **Subdivision Map:** Vesting Tentative Subdivision Map No. 8764 (approved March 2004) represented the improvements and standards of the Initial Planned Development Plan No. 03-01. A Final Subdivision Map was submitted to reflect the final lot layout which complied with the final Conditions of Approval which were reviewed and approved to the satisfaction of the Community Development Director and the Public Works Director.
- f. **Development Agreement DA 03-01.** The Project will provide 75 below market rate units, fifteen units in excess of the 60 required through the Development Agreement.
- g. **Environmental Determination.** Environmental impacts resulting from the proposed project were assessed in an Initial Study. An Environmental Checklist, and Addendum which included technical reports regarding traffic and geotechnical conditions was prepared for the Sycamore Downtown Project. An Addendum and Environmental Checklist was prepared for the Bayside Project which included technical reports regarding traffic, noise, air quality, and geotechnical conditions. The Sycamore Downtown Project was included in the analysis that was completed in the Bayside Addendum. On the basis of that the environmental assessment, the proposed project:
 - 1. Will fall within the scope of the Final City of Hercules General Plan Land Use and Circulation Updates and Redevelopment Plan Amendments Environmental Impact Report (1995), as amended by the Revised Addendum to the Final EIR (1996), as certified and approved by the City Council in Resolution 96-13 on February 13, 1996;
 - 2. Is within the scope of the original project and will not result in any new significant impacts or any substantial increase in the severity of the significant impacts previously identified, and will not require any new mitigation measures.

Tentative Parcel Map No. 497-06 is Categorically Exempt per the California Environmental Quality Act, Section 15315, which states that minor land divisions are exempt if the Adivision of property is in urbanized areas zoned for residential, commercial or industrial use, into four or fewer parcels when the division is in conformance with the General Plan and zoning, no variances or exceptions are required, all services and access to the proposed parcels to local standards are available, the parcel was not involved in a division of a larger parcel within the previous 2 years, and the parcel does not have an average slope greater than 20 percent.

8. EXHIBITS

- A-1 [Findings with Facts](#) for DRP 06-14
- A-2 [Findings with Facts](#) for Tentative Parcel Map 497-06
- B-1 [Conditions of Approval](#) for DRP No. 06-14
- B-2 [Conditions of Approval](#) for Tentative Parcel Map 497-06
- C-1 [Resolution](#) Approving DRP No. 06-14

- C-2 [Resolution](#) Approving Tentative Parcel Map 497-06
- D [Resolution](#) Recommending Certification CEQA Addendum

9. ATTACHMENTS

- A. [Addendum](#) To The 1995 Final Environmental Impact Report
- B. [Environmental Checklist](#)
- C. Tentative Parcel Map No. 497-06 (**hard copy**)
- D. Sycamore Downtown Conceptual Design, August 9, 2006 (**hard copy**)