

**CITY OF ALBANY  
CITY COUNCIL AGENDA  
STAFF REPORT**

Agenda Date: October 17, 2011  
Reviewed by: BP

**SUBJECT:** 1030-1130 San Pablo Avenue (University Village Mixed Use Project). Planning Application #07-100. Environmental Impact Report (EIR), Zoning Amendments, & Planned Unit Development. The applicant seeks approval to construct a new 55,000 sq. ft. grocery store at the north side of Monroe and a mixed-use retail space and senior living project on the south side of Monroe.

**REPORT BY:** Jeff Bond, Community Development Director

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**PLANNING AND ZONING COMMISSION RECOMMENDATION**

The Planning and Zoning Commission recommends that the City Council:

- Adopt Resolution # 2011-51 Certifying the Environmental Impact Report;
- Approve on First reading Ordinance #2011-06 adopting Overlay District;
- Approve on First Reading Ordinance #2011-07 Rezoning the Property; and
- Provide policy direction to the Planning and Zoning Commission on the Resolution # 2011-52 Planned Unit Development

**STAFF RECOMMENDATION**

Staff further recommends that all action on the project be approved in a unified action, with amendments to the Planned Unit Development incorporating conditions of approval on bicycle access to the grocery store and implementation of City Council policy on Little League fields. Action on the project should be continued to the City Council meeting of November 21, 2011 if conditions of approval are not resolved.

**BACKGROUND**

The approximately 6.3-acre project site consists of two lots located to the northwest and southwest of the Monroe Street/San Pablo Avenue intersection. The applicant is seeking approvals that would allow construction of a grocery store of a size up to 55,000 square feet on the north side of Monroe and a mixed-use development at the south end of the lot, which includes 30,000 square foot of retail space, and 175 independent/assisted living senior housing units. Because the uses are not related to the educational function of the University, city land use policies apply to the proposed project.

The City Council and various City Commissions and Committees have had numerous discussions on the project over the past four years. At these meetings, Commissioners and

members of the public provided a number of comments. In addition, the City Council discussed the project at the July 18, 2011 meeting. In summary, the Council expressed support for the project, stressing the importance of addressing traffic congestion and working with AC Transit. The Council also sought assurances that proposed amenities will be constructed at a future date.

The following is a brief summary of the public and Commission comments received:

- Overall support for the project as a catalyst for long-term upgrades and improvements to the area
- Proposed amenities not impressive and need for more details and assurances about the Planned Unit Development (PUD) amenities
- Concerns about height of the senior housing
- Consider keeping a corridor open for 10<sup>th</sup> street to extend to the north
- Incorporate recommendations of the Active Transportation Plan
- Make sure all traffic monitoring is conducted while schools are in session
- Incorporate showers and lockers for staff in the grocery store and senior housing.
- Make sure that phasing of transportation improvements are linked to the grocery store.
- Increased height could be a positive for the project, encouraging increased density as identified as a Climate Action Plan (CAP) goal
- Specific interest in improving access coming from the East (Dartmouth) to facilitate safe biking/pedestrian crossing
- Concern about the amount of surface parking
- Reduce the size of the grocery store to be more sustainable and move towards CAP goals
- No need to re-zone to accommodate senior housing
- Impacts on traffic and quality of life for Dartmouth Street neighborhood need to be evaluated
- Risk that entire site could be used for commercial land use
- Need commitments from the University that project will be completed as proposed
- Need for a “cycle-track” bike land connection along San Pablo directly to grocery store entry

## **DISCUSSION**

The proposed project represents a gateway to the City and a catalyst for improvements to San Pablo Avenue. In addition, the project can be expected to help connect University Village into the fabric of the City, both in terms of urban design and in terms of pedestrian, auto and bike access. Finally, there are expected to be significant fiscal benefits to the City from the project that can help support the provision of services throughout the City. It is important to acknowledge, however, that this project represents a partial implementation of the University’s master plan for University Village. Future University projects potentially affecting the Gill Tract and University Village recreation facilities will be of critical importance to the community.

## **PROJECT REVIEW PROCESS AND REQUESTED ACTION**

The applicant is requesting the City Council approve the attached draft resolutions related to certification of the Environmental Impact Report (EIR), rezoning, and PUD. Once these policy level decisions are made, the applicant could then enter into agreements with developers, who will apply for the remaining approvals, including subdivision, design review, parking exceptions, use permits, etc.

Examples of issues that have not been addressed in future actions include the final details on the location of property lines and the design of bikeways and pedestrian paths, roadways, and storm water drainage. To date, no substantive discussions have been held with the developer of the senior housing regarding the provision of affordable housing. The City has an inclusionary housing requirement, but recent court rulings have invalidated the inclusionary requirements for rental housing projects such as proposed. The Public Art Master Plan identifies the site as the Southern Gateway to the City and a location where the City should pay particular attention to the public art opportunities.

### ***I. CALIFORNIA ENVIRONMENTAL QUALITY ACT***

The project is required to be reviewed for environmental effects under the California Environmental Quality Act (CEQA). The basic purpose of CEQA is to inform decision makers and the public about the potential environmental effects of proposed projects. The CEQA analysis alone is not intended to reach conclusions about whether or not a project should be approved. In addition, the CEQA analysis is not intended to be inclusive of all land use planning and policy issues that might be associated with a project. For issues that are beyond the scope of a CEQA review, conditions of approval on projects approvals such as PUD, or future approvals such as design review, subdivision, etc. are more appropriate and effective mechanisms.

Due to the complexity of CEQA Guidelines and the need for various technical studies, the City relies on outside consultants to prepare the CEQA analysis. For this project, the consulting firm of LSA Associates was retained to prepare the analysis.

An environmental impact report has been prepared and published in two steps. The first step was preparation of the Draft EIR, which was made available on July 2, 2009 and the Commission held a public hearing on July 27, 2009 to receive comments on the draft EIR.

After receiving comments on the draft EIR, the consultant prepared responses to the comments. These responses are bound in a separate document, and together with the Draft EIR, the set of two documents (plus appendices) constitute the Final EIR. The Final EIR was posted on the City web page on May 19, 2011. Both the draft and final EIR are available on-line at <http://www.albanyca.org/index.aspx?page=521>.

Attached is a draft resolution (Attachment 1), which if approved, would certify the FEIR. The form of the resolution reflects standard CEQA practice and the findings in the resolution are based on the content of the FEIR.

## **II. REZONING**

The site currently has two zonings, San Pablo Commercial (SPC) for the first 100' along the eastern side of San Pablo Avenue and Medium Density Residential (R-2) for the rest of the property west towards University Village. To construct the project as shown on the plans, a rezoning to SPC for the entire area would be required. The main consequences of the proposed rezoning from R-2 to SPC are:

- Allows a range of residential and commercial uses as described by the RC land use designation.
- Allows residential uses at a maximum density of 63 units per acre compared to the density of 35 units per acre allowed in the R-2 zoning district.
- Eliminates setback standards and daylight plane requirements that otherwise would apply between SPC and residential districts.
- Allow a maximum building height of 38 feet compared to a maximum building height of 35 feet allowed in the R-2 zoning district.
- Allow a maximum floor area ratio of 2.25 compared to 0.55 allowed in the R-2 zoning district.

The decision to rezone is a legislative policy action, requiring City Council approval of an ordinance. In a legislative decision, the City has broad discretion to make a decision as long as proper procedures are followed and supportive findings are made. While the City has latitude in making its decision, there are limits to the conditions of approval that can be included on a rezone request. The ordinance required for rezoning is attached (Attachment 2).

### ***Proposed Overlay District***

At this time, every indication is that the project will be implemented as generally described. Staff acknowledges, however, that there are risks associated with rezoning the property to SPC. If the current proposal is not developed, a future 100% commercial project could be developed. This outcome could raise significant policy issues, particularly with regard to satisfying the City's housing production mandates. To ensure that this concern is addressed, staff suggests that a new overlay district be established and incorporated into the rezoning. This overlay district ensures that future development on the site complies with the requirements of the City's Housing Element. (See Attachment 3)

### ***Alternatives to Rezoning the Senior Housing Area***

It has been suggested that the City Council not rezone the portion of the property at the location of the senior housing. If kept at an R-2 (Medium Density Residential) zoning, the number of senior housing units and the maximum allowed size of the building would be substantially reduced. If rezoned to R-3 (High Density Residential), the allowed density would remain the same, but the maximum allowed square footage of the senior housing structure would be roughly 30% smaller.

### **III. PLANNED UNIT DEVELOPMENT**

Planned Unit Development (PUD) is intended to promote flexibility of design and increase available usable open space in developments by allowing flexibility to the usable open space, lot area, lot width, lot coverage, yards, height, parking, loading, sign, screening and landscaping requirements. For this project, the following modifications to City standards have been requested:

- On the senior housing parcel (south of Monroe), beginning from a setback line 55 feet from San Pablo Avenue westerly to the boundary of the San Pablo Commercial Zoning District, building height would be allowed to increase to 62 feet above grade. The standard requirement is a building height of 38 feet.
- A series of modifications to reduce the amount of landscaping in surface parking lots, reduce parking required for the non-grocery retail portion of the project, provide flexibility in meeting loading area requirements, and reduce the dimensions of the parking stalls.

The Planning and Zoning Code requires that in approving a PUD, a finding be made that the project incorporates an exceptional level of amenity or other benefits to the community that could not be achieved without the PUD. Recently, the University has asked that the PUD be justified on elements of the project they would primarily characterize as benefits.

Members of Commissions and the public have commented that the proposed benefits/amenities need more detail and need to be strengthened to make sure the amenities are meaningful and are delivered in concert with the construction of the project. Recent modifications to the PUD include:

- Require the design of all of the public amenities to be completed prior to the issuance of the first building permit.
- Require the completion of all of the public amenities to be completed prior to the occupancy of the first phase of the project.
- Provide greater specificity on “complete streets” standards to be applied to this project.
- Ensure that the University meets its commitments to existing policies, plans, and agreements related to University Village, including Little League fields, Codornices Creek, bicycle access, CEQA mitigations, etc.

In addition, the applicant has indicated a willingness to expand the public open space area adjacent to Codornices Creek by approximately 40% to create an improved public amenity.

#### ***Cycle-Track Access to the Grocery Store***

The proposed project incorporates direct bike access from Dartmouth south to Codornices Creek, but does not address bike access from Dartmouth north to the grocery store. Albany Strollers and Rollers believe that improved bike access to the grocery store will remove a critical barrier to the use of bikes, and have recommended that the PUD incorporate direct

two-way bicycle, motorist separated, access from the intersection of Dartmouth and San Pablo north to the intersection of Monroe and San Pablo. Specifically, they have requested:

*Incorporation of “complete streets” and “green streets” design principles for development of Parcel A and Parcel B, including direct two-way bicycle, motorist separated, access from the intersection of Dartmouth and San Pablo to the intersection of Monroe and San Pablo along the San Pablo corridor*

Both Traffic and Safety and the Planning and Zoning Commission have discussed the issue. The discussions included both safety concerns with the cycle-track concept as well as a desire to improve transportation access.

The primary reason the applicant has not included direct bike access to the grocery store are the conflicts with pedestrians and the safety of people embarking or disembarking from AC Transit buses. City staff concurs that this is an important issue. A potential solution to the safety issues would be to set back the retail buildings enough to allow room for separated bike and pedestrian paths. In addition, it may be appropriate to add bike speed calming features to slow bikes to help avoid bike/pedestrian collisions. This solution needs further study to ensure its viability.

The attached draft reflects the recommendation of the Planning and Zoning Commission (Attachment 4). Staff recommends the following additional condition of approval:

*As a requirement for a complete application for subdivision of the property, the applicant shall provide funding for an independent technical analysis, prepared by a qualified professional, to study alternative methods for improving bicycle connections between Dartmouth and Monroe Streets, including cycle-track concept. The selection of the professional and the scope of analysis shall be determined in the consultation with the property owner, lessee, Albany Strollers and Rollers, AC Transit, and other interested parties. The conclusions of the analysis will be applied to the City’s evaluation of an application for a subdivision of the property.*

### ***Little League Fields***

Currently there are two Albany Little League fields and a third practice infield on University property just west of the proposed senior housing. Historically, the University and the Albany Little League have developed and maintained the fields in an informal collaborative manner. Although there is every reason to believe that the University will continue to allow Albany Little League access to the fields, there presently is no formal license or lease arrangement.

In September 2008, the City Council, the City Council adopted the following policy:

*That the City of Albany resolves that the three Albany Little League baseball fields at UC Village should remain undiminished in their current location and*

*configuration; and that any creek restoration, trail or other project that impacts the Little League fields shall include and be preceded by construction of replacement ball fields to avoid loss of use or capacity by the Albany Little League.*

In furtherance of the City Council policy and in consideration for granting the PUD, City staff has discussed the possibility of incorporating a formal agreement on the use of the youth sports fields at University Village as a public amenity. The basis for this in the PUD is that provision of open space to the west of the senior housing helps balances the massing of the proposed 62-foot building. In addition, the recreational nature of the use is complimentary to senior housing. Staff would recommend the following condition of approval:

*As a requirement for a complete application for subdivision of the property, the University of California shall enter into an agreement with Albany Little League to allow the continued use of the youth sports facilities consistent with the 2008 City Council policy.*

It is important to note that UC staff have not accepted this provision, and are working with City staff to provide alternative language that would provide assurances about the facilities remaining in place.

### **SUSTAINABILITY IMPACT**

Section IV.C. of the environmental impact report provides a green house gas analysis, and estimates that the proposed project will generate 8,500 metric tons (MT) CO<sub>2</sub>-equivalent greenhouse gas emissions. By comparison, the City's Climate Action Plan (CAP) has a goal of reducing GHG, by year 2020, from 72,000 MT to 52,400 MT CO<sub>2</sub>e.

Evaluated on a stand-alone basis, many development applications increase green-house gas (GHG) emissions. The CAP does not require the denial of any project that on an individual basis increases GHG emission. Much of the projected GHG emissions for this project are generated by vehicle trips, and is based on current emissions standards. Over time, with new fuel and vehicle technologies, the GHG emissions of vehicles will decline. In addition, the projection assumes that all of the trips are new, when a significant number of shoppers are current residents that are already making trips to nearby grocery stores.

The Sustainability Committee has discussed the proposed project at several meetings, and have approved the attached resolution (Attachment 5). The CAP Policy TL 3.3 requires that the developer work with the City to reduce emissions generated by the project, The CAP also calls for promotion of high-quality, mixed-use, pedestrian- and transit-oriented development in the San Pablo/Solano Commercial districts.

## **FINANCIAL IMPACT**

The consulting firm Economic Planning Systems (EPS) was retained by the City to prepare an analysis of the fiscal impacts of both the University Village project and the Safeway project. For the University Village project, the following is a summary of the estimated fiscal benefits.

### **General Fund Revenues – Annual Estimate**

Property Tax	\$148,337
Property Tax In Lieu of VLF	\$59,353
Sales and Use Tax	\$175,294
Franchise Fees	\$9,239
Licenses and Permits	\$3,150
Fines and Forfeitures	\$5,095
Utility User Fees	\$30,214
Business Licenses	\$35,474
<b>Total Revenues</b>	<b>\$466,156</b>

Source: Economic Planning Systems

### **General Fund Expenditures – Annual Estimate**

General Government	\$3,526
Police	\$127,487
Fire and EMS (1)	\$72,099
Community Development and Env. Services	\$24,754
Recreation and Community Services	\$32,073
Information Technology	\$1,776
Total Expenditures	\$261,714
<b>NET ANNUAL FISCAL SURPLUS</b>	<b>\$204,442</b>

Source: Economic Planning Systems

## **Attachments**

1. EIR Resolution #2011-51
2. Overlay Resolution #2011-06
3. Rezoning Resolution #2011-07
4. PUD Resolution #2011-52
5. Resolution of the Sustainability Committee

**Reference Documents** (Incorporated by reference and available at the Community Development Department and on line at [www.albanyca.org/index.aspx?page=521](http://www.albanyca.org/index.aspx?page=521))

- A. Project Plans May 2011
- B. Draft Environmental Impact Report
- C. Final Environmental Impact Report