

**CITY OF ALAMEDA
PLANNING AND BUILDING DEPARTMENT
STAFF REPORT**

ITEM NO.: **9-D**

APPLICATION: **Grand Marina Village Residential Development Master Plan Amendments – PLN08-0181. Warmington Homes California (Developer) – 2051-2099 Grand Street.** Proposed Master Plan Amendment to reduce the number of affordable housing units required on the site from ten to five and allow for five slightly larger lots. Applicant is also seeking a finding that the Island High School site located at 2437 Eagle Avenue is suitable for affordable housing and the purposes of the Affordable Housing Requirements would be better served by construction of at least nine affordable units at the Island High Site rather than five affordable units at the Grand Marina site.

GENERAL PLAN: Grand Marina: Mixed Use
Island High Site: Medium Density Residential

ZONING: Grand Marina Site: MX Mixed Use
Island High Site: M-1 (Intermediate Industrial Manufacturing District).

ENVIRONMENTAL DETERMINATION: Pursuant to Section 15162 of the CEQA Guidelines, no additional environmental review is required for the application to amend the Master Plan because there have been no significant changes in circumstances that require revisions to the previously approved environmental documentation for the Grand Marina project.

The proposed finding regarding Island High Site is exempt pursuant to Public Resources Code 21159.23 (Exemption for Affordable Low-Income Housing).

STAFF PLANNER: Andrew Thomas, Planning Services Manager

RECOMMENDATION: Recommend that the Planning Board adopt a Resolution recommending that the City Council amend the Grand Marina Master Plan to allow for the option of off site construction at Island High in lieu of providing five of the required affordable units off site at Grand Marina.

ACRONYMS: AMC - Alameda Municipal Code

ATTACHMENTS:

1. Draft Resolution
2. Community Improvement Commission (CIC) Resolution #04-127
3. Draft CIC Affordable Housing Agreement for Grand Marina.
4. 2006 Approved Master Plan
5. Proposed Revised Parcel Plan

I. PROPOSAL SUMMARY:

On October 23, 2006, the Planning Board recommended approval a proposed Master Plan to construct forty (40) residential units at the foot of Grand Street adjacent to the Grand Marina and the Oakland/Alameda Estuary. In accordance with the City of Alameda requirement for 25% affordable housing in the redevelopment area projects, the project Master Plan included requirements for ten (10) of the forty single family homes to be restricted for sale to very low, low, and moderate income households. On November 14, 2006, the City Council modified certain conditions and approved the Master Plan and associated General Plan Amendment, Rezoning, Tentative Parcel Map, and Development Plan and Design Review applications. One of the conditions proposed by staff, recommended by the Planning Board and approved by the City Council is the condition that prior to issuance of Building Permits, the applicant must execute an agreement with the Community Improvement Commission (CIC) for the provision of the affordable homes consistent with CIC Resolution #04-127 (**attachment 2**).

The applicant and the CIC staff have developed the required agreement. Under the terms of the proposed agreement (**attachment 3**), the ten units would be provided on site as originally envisioned and approved, but at the applicant's request, the agreement includes a provision that would allow Warmington Homes to replace the five (5) low and very low income units in the project with market rate homes, if Warmington Homes constructs an affordable housing project with at least nine (9) low and very low income units at a property known as the "Island High Site" located at the corner of Eagle and Everett one block off of Park Street. If Warmington were unable to secure control of the land from the Alameda Unified School District or unable to secure the necessary land use entitlements for the project, then all ten (10) units would need to be provided at the Grand Marina site.

Although the proposed CIC agreement is not technically within the purview of the Planning Board, to move the units off-site does require two Planning Board actions:

1. The Grand Marina Master Plan must be amended. The 2006 Master Plan does not include the flexibility to move the units off-site and must be amended. Master Plans cannot be amended without Planning Board recommendation to City Council.
2. CIC Resolution #04-127 section 4.b and Alameda Municipal Code Section 30-16.6.b allows

a project to construct some or all of the affordable units off-site if, if the Planning Board is able to find a specific finding. The following is an excerpt from the CIC Resolution and AMC Section 16.6.b that describes the necessary finding:

b. *Off-site construction.* Inclusionary Units may be constructed off-site if the Planning Board can make a finding that the purposes of this Policy would be better served by the construction of off-site units. In determining whether the purposes of this Policy would be better served by this alternative, consideration should be given as to whether the off-site units would be located in an area where, based on availability of affordable housing, the need for such units is greater than the need in the area of the proposed development.

Staff is in support of the Master Plan Amendment and the proposed CIC agreement.

II. BACKGROUND:

In October 2006 the Planning Board recommended approval of the Grand Marina Master Plan (**attachment 4**) and associated General Plan Amendment, Rezoning, Tentative Parcel Map, and Development Plan and Design Review applications to the City Council. On November 14, 2006, the City Council considered the item, modified certain conditions, and approved the Master Plan and associated General Plan Amendment, Rezoning, Tentative Parcel Map, and Development Plan and Design Review applications.

The 2006 Grand Marina Village Master Plan includes site planning and design standards to ensure that future development of the site is consistent with General Plan goals and objectives. These guidelines and standards guide the future approval of subdivision maps and design plans. To address City of Alameda affordable housing objectives and requirements, the Master Plan requires that 10 units of below market rate housing be dispersed throughout the residential development and be available to households with very low, low, and moderate incomes, per City and County standards. The affordable units are dispersed throughout the development, and the style and quality of architecture and construction would be consistent with the project's market rate units. Interior features and finishes would be contemporary and of a quality consistent with new market rate housing.

As shown in the Master Plan, the residential units are two and three-stories with a maximum height of 31'6". The Master Plan requires a mix of three floor plans and three elevation styles. The three elevation styles - Craftsman, Shingle and Coastal - utilize a variety of textures & materials such as stucco, shingle, board and batten siding, wood eave corbels and wood box bays, and are reminiscent of homes built in the 1930's and 40's. The project architect has incorporated design features that are reflective of the character of historic Alameda neighborhoods, including porch elements and landscape strips.

In 2007, Warmington Homes began site preparation activities and began work on an Affordable Housing Agreement, as required by the 2006 approvals and conditions. As Warmington further developed the project plans and necessary agreements, Warmington began to investigate opportunities to develop additional housing in Alameda and opportunities

to build a larger affordable housing project at an alternative site in Alameda.

After discussions with the Community Improvement Commission staff, Warmington began to work in earnest with the CIC staff to explore the possibility of pursuing a larger affordable housing project with the CIC and the Alameda Unified School District. The City of Alameda and AUSD are interested in developing AUSD employee housing. The 2003 City of Alameda Housing Element Implementation Program includes an action program f. on page II-8 which reads: School Employee Housing: Develop affordable housing for employees of the Alameda Unified School District using a 20 percent set aside of BWIP Low and Moderate income Housing Funds. The City will work with the Alameda Unified School District in development of its Master Facilities Plan to identify appropriate acreage to develop affordable housing for employees.”

The CIC staff and Warmington then developed a draft Affordable Housing Agreement for the Grand Marina Project that would allow Warmington Home to pursue development of a larger affordable housing project on the Island High Site. As envisioned, AUSD would enter into a long-term lease or land sale agreement with the CIC for the land. Warmington would then pursue entitlements for affordable housing on the site. AUSD employees who qualify as very low, low, or moderate-income households would be given a preference for the units. Under the proposed agreement, the project would be entirely funded by Warmington Homes with no financial contributions from the City of Alameda or the CIC. The Agreement also does not obligate the City of Alameda to approve the necessary entitlements for the Island High site. The agreement merely provides Warmington with the opportunity to pursue a project at the Island High site.

The “Island High Site” is located at the intersection of Everett and Eagle Avenues, one block east of the Park Street. The site is within one block of the major Park Street Transit routes and the Market Place grocery store, pharmacy, meat market, and bakery.



Island High School consists of six buildings on a .83-acre site. The buildings include five classroom buildings and one office building. They are pre-fabricated structures and typically house two classrooms each. The northern-most building houses five classrooms, a janitorial storage area, and a kitchen. Island High School was closed in October 2006 and is currently vacant.

The property is approximately 36,000 square feet in size and is owned by the Alameda

Unified School District (AUSD). The City of Alameda and AUSD have over the years made several efforts to create an affordable housing project for AUSD employees. Although these efforts have never materialized, the Island High Site has often been discussed as a potential location for such a project. Warmington Homes is now interested in working with the City and AUSD create an affordable housing project at Island High.

The property is currently designated for Medium Density Residential in the General Plan, but the property is zoned M-1 Intermediate Industrial, which is a zone that does not permit residential use.

If Warmington Homes were to be successful, they would need to accomplish the following:

1. Planning Board finding that the Island High Site is a suitable off-site location for a portion of the Grand Marina affordable housing.
2. Secure control of the site through long-term lease or acquisition of the property from AUSD with the assistance of the CIC.
3. Planning Board and City Council approval of a Zoning Amendment to change the zoning designation of the site from industrial to residential. The properties across the street in the same Medium Density Residential General Plan designation are zoned R-4 Neighborhood Residential. With a PD planned Development overlay; the zoning would allow a maximum density of 18 units.
4. Planning Board approval of a Development Plan and/or Design Review application for the site.

If Warmington were not able to successfully achieve any of the four tasks above, then pursuant to the draft CIC agreement, Warmington would be required to provide all ten (10) affordable housing units at the Grand Marina site.

III. ANALYSIS:

The following analysis addresses: 1) the merits of the Island High Site for off-site affordable housing, and 2) merits of the proposed Grand Marina Master Plan Amendments.

A. Merits of the Island High Site

Pursuant to CIC Resolution #04-127 section 4.b the Grand Marina project may locate some of its affordable housing units at the Island High site if the Planning Board determines that: the purposes of CIC Resolution 04-127 would be better served and the specific consideration should be given to the availability of existing affordable housing in that Island High neighborhood as compared to the Grand Marina neighborhood.

b. *Off-site construction.* Inclusionary Units may be constructed off-site if the Planning Board can make a finding that the purposes of this Policy would be better served by the construction of off-site units. In determining whether the purposes of this Policy would be better served by this alternative, consideration should be given as to whether the off-site units would be located in an area where, based on availability of affordable housing, the need for such units is greater than the need in the area of the proposed development.

Resolution 04-127 also states that the “purpose of this Policy is to implement the goals and objectives of the Housing Element of the City of Alameda General Plan with respect to inclusionary housing in the Business and Waterfront and West End Community Improvement areas.¹”

For the purposes of this analysis, staff considered the three factors: 1) Geographic distribution of affordable housing units in Alameda, 2) Number of affordable housing units provided, and 3) Suitability of Island High site for affordable housing.

1. Geographic distribution of Affordable Housing Units in Alameda.

Historically the majority of the affordable housing units in Alameda have been located on the west end of Alameda. This historic distribution is due to many factors including the fact that many of the city’s heavy industrial uses, ferry terminals, and the Naval Air Station were all located on the City’s west end. In recent years, the community has added affordable units in the eastern areas of Alameda – examples include the Housing Authority units at Parrot Village, 1109 Buena Vista, 2201 Santa Clara, and the Marina Cove project at Grand Street and Buena Vista. However despite these more recent projects, the vast majority of the affordable housing in Alameda remains in the west end. Given the fact that the vast majority of the future redevelopment anticipated in Alameda is also in the west end of Alameda, the 2003 Housing Element inventory of available land illustrates that the vast majority of the new housing projects, and therefore the vast majority of the new affordable housing units will be located in the west end of Alameda. The Housing Element identifies land for as much as 3,687 total housing units in Alameda. Of those 3,687, approximate 350 units are located east of Grand Street; Grand Street is commonly considered the boundary between “West Alameda” and “East Alameda”.

Of the Alameda Housing Authority’s total inventory of 559 owned and managed affordable units, only 74 are located east of Grand Street; the 65 units low income Anne B. Diament Plaza senior complex at Park and Otis, the 4-unit Stanford House at 1917 Stanford, and five units of low income senior housing at Lincoln and Willow.

The Grand Marina residential development is located at Grand Street. Nearby affordable housing projects include the Parrot Village and Parrot Gardens Housing Authority projects, and the Marina Cove Housing project, which includes 15% affordable housing units.

The Island High site is located on the east side of Park Street in the heart of the East Side. The closest affordable housing projects to the site are the Anne B. Diament Plaza senior housing project at Park and Otis and the five unit low income seniors project at Lincoln and Willow.

Given these facts, staff found that the need for affordable housing is greater in the Island High neighborhood, than in the Grand Marina neighborhood.

¹ The Grand Marina site and the Island High sites are both located in the Business and Waterfront Improvement area.

2. Number of affordable housing units.

As part of the Island High proposal, Warmington Homes is proposing that in exchange for moving five affordable units off of the Grand Marina site, they will build at least nine (9) comparable low income units at the Island High Site. If the Island High site were approved with more than nine units, then Warmington Homes would be able to credit those additional units to any future housing projects that they pursue in Alameda.

Therefore, if Warmington were able to exercise the off-site option at Island High, then the Grand Marina Project would result in 14 affordable housing units (5 at Grand Marina and 9 at Island High) and 35 market rate-housing units. Under the City's Affordable Housing Guidelines and 25% requirement, a project with 35 market rate homes must provide a minimum of 12 affordable units. With five on-site and nine off-site units, Grand Marina is proposing to exceed the minimum requirement to justify an off-site affordable housing program.

Since the City of Alameda would gain 14 affordable housing units instead of 10 under the original Grand Marina plan, staff found that the proposed off-site option would "better serve the purposes" of the City's affordable housing policies and the goals and objectives of the Housing Element.

3. Suitability of Island High site for affordable housing

The Island High is well located for affordable housing. In addition to being in an area that is not well served by affordable housing, the site is well served by transit and commercial services. The site is located within one block of the major Park Street transit routes and the Market Place grocery store, pharmacy, meat market, and bakery. The site is also less than a three-block walk from the Bridgeside Shopping Center and Knob Hill foods.

In contrast, the Grand Marina site, although also a beautiful housing site with access to public parks and the waterfront, is not as well situated for access to transit and services. AC Transit line #19 is located approximately three blocks away and the Marina Village Shopping Center and Park Street retail districts are a long walk from the site. It is hoped that at a future date, retail services and goods will be available at the nearby Del Monte Building, but those goods and services are not available at that location currently.

B. Merits of the proposed Grand Marina Master Plan Amendments

Warmington Homes, the applicant is requesting that the Planning Board recommend to the City Council three (3) amendments to the 2006 approved Master Plan. The amendments are all designed to provide the opportunity to replace five on-site affordable housing units with five market rate housing units within the Grand Marina development. It is important to emphasize that the proposed amendments do not require that the units be moved off-site, the amendments simply provide the option to move the units off-site. Whether Warmington is ultimately able to move the units off-site will depend upon many factors including CIC approval of the proposed Affordable Housing Agreement (Attachment 3) that establishes the option to move units off-site if certain specific conditions are met by Warmington

Homes. As described above, two major conditions are that Warmington and the CIC secure approvals from AUSD to use the property for affordable housing and that Warmington Homes secure all necessary Rezoning and Site Development Review approvals from the Planning Board and City Council once the land is secured. The proposed amendments include the following:

1. Changes to Grand Marina Master Plan Affordable Housing Requirements The 2006 approved Grand Marina Village Master Plan requires that the project provide 10 two story affordable units within the project. Section III. Architectural Design Concepts, subsection "Affordable Housing" states:

"The project provides 10 unit of below market rate housing, which are dispersed thought the residential development (see Landscape Site Plan), of a quality and style consistent with the market rate units...."

The Landscape Plan included in the Master Plan shows the location of the 10 affordable units.

As written, the 2006 Grand Marina Master Plan does not provide the option to move any of the affordable units off-site and replace them with market rate units. Amending Section III, subsection "Affordable Housing" to include the following text would provide the necessary flexibility.

"Up to five (5) affordable units may be replaced with five (5) market rate units, provided that the City of Alameda Community Improvement Commission has approved an Affordable Housing Agreement for the project, which establishes the conditions and requirements for the relocation of the units to an alternate site within Alameda and that the Planning Board has made the finding that the purposes of the City's inclusionary housing policies would be better served by the construction of off-site units. In the event that five (5) units are relocated to an alternate site, parcels number 1, 8, 10, 26, and 28 shown on the Landscape Master Plan shall be reserved for the five remaining affordable units."

Staff is in support of amending the Master Plan to include the proposed language.

Changes to Grand Marina Master Plan Site Plan The 2006 Master Plan included 10 lots that were slightly smaller than the other 30 lots. The 10 slightly smaller lots were designated for the 10 affordable units. Warmington is requesting that the City of Alameda modify the Master Plan to increase the size of five (5) of the 10 small lots. If Warmington were successful in developing the off-site affordable housing project at Island High, then the five enlarged lots would be developed with three story market rate homes. If they were not successful, then the five enlarged lots would be developed with two story affordable homes.

To enlarge the lots requires two changes to the site plan:

1. Eliminate a sidewalk in an alley. The north-south alley located between and parallel to Hibbard and Grand Street includes a sidewalk on one side of the alley adjacent to parcels Number 4, 5, 12, and 16. If this sidewalk is eliminated, parcel number 3, 6, and 12 may be enlarged to accommodate either a market rate home or an affordable home. Staff is comfortable with the removal of the sidewalk in the alley. Alleys generally do not have sidewalks, and people generally feel safe walking down the middle of an alley given the small amount of traffic. None of the other alleys in the project or in other projects in Alameda have sidewalks in the alleys. For these reasons, staff is in support of removing the sidewalk in the alley.
2. Adjust parcel sizes and move open space. Warmington Homes would like to increase the size of parcels #38 and #40 which front on Fortman Way. To do so, requires that the parcel #37 shift 10 feet into the small triangular park adjacent to parcel #37. This change would result in the removal of 600 square feet (10 by 60) from the triangular park. To compensate for the loss of the 600 feet of open space on the small triangular parcel, Warmington is proposing to slightly reduce the width of the widest market rate parcels on the east side of Hibbard. By reducing the width of parcels 17 through 24 to match the width of the parcels in the rest of the project, the project is able to provide an additional 711 feet of public open space along the waterfront park. Staff supports the proposed swap of 600 feet of open space on Fortman Way in exchange for 711 feet of open space along the waterfront park.

Staff is in support of amending the Master Plan to include the revised Site Plan shown in **attachment 5**.

IV. ENVIRONMENTAL REVIEW:

The Grand Marina Master Plan proposal was evaluated previously in a Mitigated Negative Declaration prepared by Lamphire-Gregory and approved by the City Council on November 14, 2006. Under Section 15162 of the CEQA Guidelines, no additional environmental review is required for this application to amend the Master Plan. Pursuant to CEQA Guidelines Section 15162, there have been no significant changes in circumstances that require revisions to the previously approved environmental documentation for the Grand Marina project. The draft resolutions for this project contain findings pursuant to California Environmental Quality Act Guidelines Section 15162.

The proposed finding regarding Island High Site is exempt pursuant to Public Resources Code 21159.23 (Exemption for Affordable Low-Income Housing). Furthermore, the Planning Board's recommendation regarding the Island High site constitutes a finding about the potential benefits of a potential future project for the City's affordable housing program.

The Board's finding does not constitute a preliminary or final approval of that project, nor does it commit any funding or other, nor does it commit the City to pursue or approve the project at a future date. The finding has no legally binding effect on later activities by the City of Alameda that may result in physical changes to the environment. Any future

proposal for the Island High Site will be subject to a full environmental review and the City of Alameda reserves its ability to approve or deny the project for environmental or if the finding cannot be made for project approval.

V. RECOMMENDATION:

Hold a public hearing, and adopt the draft resolution recommending that the City Council:

1. Amend the Grand Marina Master Plan to allow for the option of locating five of the required affordable units at an alternative site, and
2. Amend the Grand Marina Master Plan to include the adjusted Parcel Plan.