



**DATE:** September 14, 2010

**TO:** Mayor and City Council  
Redevelopment Agency Board of Directors

**FROM:** Development Services Director  
Public Works Director

**SUBJECT:** South Hayward BART Transit-Oriented Development Mixed-Use Project –  
*Access Study*

**RECOMMENDATION**

That Council accepts this updated report and comments as desired.

**BACKGROUND**

On March 17, 2009, the City Council approved a Preliminary Development Plan for the South Hayward BART Area. Thereafter, in the spring of 2009, the City, the Redevelopment Agency, Eden Housing, BART, and a private development group (Wittek Development, LLC and Montana Properties, Inc. aka Wittek & Montana) joined forces to apply for State Housing & Community Development (HCD) Department Proposition 1-C Bond monies to develop a transit village at the South Hayward BART Station. The Project will utilize the South Hayward BART Station parking lots, the privately-owned former Perry & Key site along Mission Boulevard, and some surplus property owned by the State Department of Transportation associated with the previously proposed Route 238 Bypass Freeway project.

The application was successful and the City and other applicants were awarded \$47 million in HCD Proposition 1-C monies from Round II for the South Hayward BART Transit-Oriented Development Project (the "Project," aka "South Hayward Mixed-Use" ["SHMU"] Project). Of the award, \$30 million was awarded to the City as a grant in the Infill Infrastructure Grant (IIG) Program and \$17 million was awarded as a permanent loan for the affordable housing. Project plans are to construct a mixed-use retail and housing development that includes 788 units of market-rate housing, a full-sized grocery store, ancillary retail stores, 125 affordable family apartments, 81 affordable senior apartments, and two public parking garages, one of which is a replacement parking garage for BART patrons; the other would provide parking under the grocery store. (It should be noted that the 206 affordable units in this Project may also serve as Route 238 Settlement Agreement replacement housing). Additional public funding has been conditionally committed by the Redevelopment Agency in the form of up to \$7.1 million from

Housing Set-aside funds, and up to \$12.7 million for infrastructure and site improvements. Project costs are currently projected to be approximately \$280 million, exclusive of land costs.

The Project will be constructed on two parcels currently owned by BART: (a) the BART Station main surface parking lot and (b) the BART East Lot (or satellite overflow lot) across Dixon Street. The main lot will be the site of the grocery and parking garage, family affordable housing (above the grocery) and the senior affordable housing, the 241 market-rate apartments, and the BART replacement parking garage. The East Lot together with the Perry & Key parcel, owned by the Montana Group, will be the site of the market-rate condominium project.

## DISCUSSION

In order to proceed with the Project, and before any land transaction/agreement between the developer and BART is executed, it is necessary that the BART Board receive an analysis of the impact of the Project vis-à-vis its adopted Transit Oriented Development Guidelines. Toward this end, Nelson\Nygaard was retained and has issued its draft report *South Hayward BART Access Study* (the draft "Access Study").

The purpose of the Access Study is to complement the planning efforts of the City and of BART and to supplement them with specific guidance and recommendations for the South Hayward BART site. The primary goals for this study include the following:

- Integrate the approved South Hayward Mixed Use project into the adjacent neighborhoods by improving access for all modes;
- Support planned land use and population growth and transportation improvements in the coming years;
- Increase transit ridership;
- Increase multiple-occupancy vehicle access to BART;
- Upgrade pedestrian and bicycle access facilities at and near the station;
- Provide adequate taxi and passenger drop-off facilities;
- Identify appropriate transportation demand management (TDM) strategies targeting BART patrons and the SHMU; and
- Promote sustainability and reduce carbon footprint.

The analysis and findings of the report have been the subject of a community meeting, held at Moreau High School on August 4, 2010, and have been shared with the Hayward Area Planning Association (HAPA). BART and the City have communicated with HAPA during the last several weeks and received input from HAPA with respect to reducing parking in the new project and addressing parking needs by means of a shuttle bus / satellite parking lots system. Such system is one of the concepts analyzed in the report.

The existing two surface lots have 1,252 spaces. One of the core questions that the study analyzes is the appropriate level of replacement parking for BART patrons. The Project is based upon the concept that BART would agree to reduce the parking on its property for its patrons if an alternative scenario increases patron ridership, among other considerations. The Project proposes a 7-story, 910-space replacement parking garage for the BART patrons, which is approximately 73 percent of the existing number of surface parking lot spaces.

The Access Study analyzes the impact of replacing the existing parking with a:

- 910-space (73%) replacement garage (as is being proposed by the SHMU Project) (Scenario A),
- 90%- parking solution consisting of (a) the 910-space garage plus (b) the 173-space East Lot (Scenario B), (which would reduce the number of market rate condominium units on the Perry site) and
- System of shuttle buses and remote satellite parking lots in the South Hayward area (i.e. 0% replacement parking adjacent to the Station) (Scenario C) (this is based on the concepts proposed by HAPA).

The Study indicates that a 73% replacement garage is the appropriate level of parking for this new project together with anticipated development in the South Hayward 238 corridor, that, "... *the proposed Scenario A provides the best balance of BART ridership, positive fiscal impacts for BART, access modes and TOD in keeping with BART policies and the development potential for the station area. .... It may also include the introduction of on-street parking regulation for the surrounding neighborhood streets that would provide some additional parking for BART riders while ensuring parking availability for neighborhood residents. While Scenarios B and C generate slightly higher BART ridership, both of these scenarios have significant drawbacks.*" (6-16, 17 of the Study)

The Study also identifies programs that need to be considered in the future, even after the project is completed, to increase BART ridership and shift access to the BART station from primarily auto to other modes of access.

## **ECONOMIC IMPACT**

The Access Study, as initially submitted to the BART Board for their consideration on August 26, 2010, supports the HCD Proposition 1-C IIG application and award grant. (The Project can go forward as planned only if the BART Board accepts Scenario A in the Study.) The successful development of the Project will have an immense economic impact on South Hayward, and will move Hayward one step closer to meeting the goals in the City's Climate Action Plan as a result of this transit-oriented project.

## **FISCAL IMPACT**

Receipt of this report by the Council and the Agency has no additional fiscal impact. The Project is on track as previously approved by the Council/Agency. Total project costs are expected to be in the range of \$250-\$300 million. This is a public-private partnership project involving a private developer (Witteck-Montana), BART, Eden Housing, the City, the Redevelopment Agency, and the State. Funding of project assets are provided in various proportions by all entities. The State funding of \$47 million from two Proposition 1-C funds provides the nucleus.

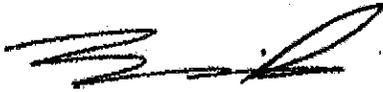
## NEXT STEPS

Staff will continue to work with BART staff to further define the creation of a Joint Powers Authority (JPA). It is envisioned that the JPA will own the replacement parking garage and manage the common areas of the Project, especially with respect to both public parking garages, and will become extensively involved in resolving complex access matters in/around the Project. Examples of such matters include providing pedestrian and bike access and managing BART patron overflow parking in the neighborhood, which might lead to such solutions as the establishment of a residential parking benefit district and/or a limited system of shuttle and remote parking lots. When negotiations are completed and agreement is reached between the City/Agency and BART, funding amounts and sources will be finalized, and the JPA proposal will be presented to the Developers for their consideration.

The Developers will then proceed to complete their design of the Project, complete their application for Precise Plan approval by the City, and thereafter, move toward construction of the Project. Concurrently, the City will proceed to design and move toward the construction of the BART parking replacement garage.

*Recommended by:* David Rizk, AICP, Development Services Director  
Robert A. Bauman, Director of Public Works  
John H. DeClercq, City's Project Manager

Approved by:



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Fran David, City Manager/Agency Executive Director

### Attachments:

Attachment I      Executive Summary of the South Hayward BART Access Study, August 2010

**Executive Summary of the South Hayward BART Access Study, August 2010**

# Executive Summary

## Study Overview

The South Hayward BART Station Area has great potential to accommodate new transit-oriented development, particularly if this new development is combined with general access improvements at and around the station. Several planning studies have recently been conducted to assist in guiding the potential growth around the station and present recommendations for other improvements. The purpose of the South Hayward BART Access Study is to complement these planning efforts and to supplement them with specific guidance and recommendations for the South Hayward BART Site. The primary goals for this study include the following:

- Integrate the approved South Hayward Mixed Use project (SHMU) into the adjacent neighborhoods by improving access for all modes
- Support planned land use and population growth and transportation improvements in the coming years
- Increase transit ridership
- Increase multiple-occupancy vehicle access to BART
- Upgrade pedestrian and bicycle access facilities at and near the station
- Provide adequate taxi and passenger drop-off facilities
- Identify appropriate transportation demand management (TDM) strategies targeting BART patrons and the SHMU

## Considerations

### Community Feedback and Local Stakeholders

Local involvement and feedback from stakeholders has been a critical component of the planning process for the South Hayward BART Station Area. Beginning in 2004 and continuing to the present day, public outreach efforts have included Planning Commission and City Council meetings, work sessions, and community workshops.

Numerous project partners and stakeholders have also been directly involved throughout development of this Access Study and have provided valuable insights and expertise to the project team. These partners include:

- BART
- AC Transit
- City of Hayward
- Wittek Development and the Montana Property Group
- Eden Housing

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- Dr. Sherman Lewis, President of the Hayward Area Planning Association (HAPA)

### Existing Policy Framework

The South Hayward BART Access Study project team has drawn on a range of planning efforts that encompass recently completed local plans and larger regional planning efforts. This step is critical in ensuring that a future vision for the South Hayward BART Station is both consistent with and complementary to the established land use goals for the Station Area, the City of Hayward, and the Bay Area as a whole. The breadth of plans that have been reviewed for the purposes of this report can be found in Chapter 3, Policy Framework. These plans have been authored by numerous agencies, including the City of Hayward, BART, AC Transit, and VTA, among others.

### Land Use and Future Development

With regard to existing land use, the area in the direct vicinity of the South Hayward BART Station is largely residential while the Mission Boulevard corridor, located slightly to the east of the BART Station, is predominately commercial and includes a variety of businesses ranging from restaurants, hotels, and auto body shops to local services. The area surrounding the BART station has a number of major points of origin and destinations, including large residential complexes, schools, and recreational facilities. A detailed map showing existing land uses can be found in Figure 4-2 in Chapter 4.

The first major project planned and approved for the South Hayward BART/Mission Boulevard area is the SHMU development on the South Hayward BART Station property and parking lots, and the former Perry & Key site. The project will center on Dixon Street, bordered by the BART station and tracks to the west, Tennyson Road to the north, Mission Boulevard to the east and residential parcels to the south. The project will replace the current parking lots and former Perry & Key site with a mixed-use development featuring a mix of market rate and below-market rate family and senior housing, retail uses, and structured parking to support all planned uses.

The SHMU development will be governed by the Planned Development District approved in March of 2009 and will follow basic guidelines that were outlined in the South Hayward BART/Mission Boulevard Concept Plan, which was adopted by the City of Hayward in June 2006, as well as concepts contained in the draft South Hayward BART/Mission Boulevard Form-Based Code, anticipated for adoption by the Hayward City Council in early 2011.

The SHMU project will provide dense, urban and walkable, transit-oriented development at the station, and new retail that aims to meet community needs in a currently underserved area of Hayward. It is anticipated that the project would stimulate future development along similar smart growth lines in the surrounding area. More information regarding the SHMU can be found in Chapter 4.

### Transportation Conditions and Key Issues

As a regional rail station and intermodal transfer facility, transportation access and transportation conditions at the South Hayward BART Station are critical components of this study. Transportation access encompasses a variety of modes, including walking, bicycling, transit, ridesharing and driving. Further detail on these modes and their unique interactions with the South Hayward BART Station can be found in Chapter 5.

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According to the 2008 BART Station Profile Survey, approximately 13% of all home origin patrons entering the South Hayward BART Station arrive on foot. Despite having a relatively complete pedestrian network in the study area, including generally adequate sidewalks and easy crossings, the area does have several significant barriers that make walking to the BART station complicated and, in some cases, dangerous. Examples include the BART and Union Pacific Rail Road (UPRR) tracks, Mission Boulevard and Tennyson Road. Approximately 2% of all home origin patrons entering the South Hayward BART Station arrive by bicycle. The station vicinity has several bicycle facilities including bike lanes and bike routes that provide access to the station. The station itself has bicycle parking that is comparable in supply to other stations of similar character in the BART system. Of the 30 bike lockers available at the BART Station, 18 are currently rented.

AC Transit provides eight routes that directly service the South Hayward BART Station. These routes provide service to adjacent and nearby East Bay cities. However, service has been recently decreased due to budget cuts. The most recent service reductions occurred in May 2010. Further information about current routes and service frequencies can be found in Figure 5-10 in Chapter 5. Based on transfer analysis, it was found that about 60% of transfers at the South Hayward BART Station are to and from BART.

A key transportation component that interrelates to future development potential at the station involves local station parking. The South Hayward BART Station is unique amongst the BART system as it is one of few stations where parking demand is lower than its available supply of 1252 spaces on typical weekdays.

## BART Ridership, Access, and Parking Analysis

This study explores the impacts of the planned SHMU development on BART ridership, costs, and revenue. It considers four alternatives for development of the site, examining impacts for each scenario in the year 2020. The scenarios include and are summarized in Figure ES-1:

- *No-Project*: A 'no-project' scenario in which the proposed SHMU development is not built and BART parking and access is retained largely in its current form.
- *Scenario A*: A project development scenario in which the SHMU development is built in the form approved by the Hayward City Council on March 17, 2009. The development would consist of 788 housing units and 60,000 square feet of commercial space (consisting mostly of a supermarket). The existing surface parking lots would be eliminated, and a planned seven-level, 910-space parking structure would replace 73% of the existing BART-dedicated parking supply. Additional parking would be available for BART patrons through carefully regulated and managed parking on neighborhood streets.
- *Scenario B*: A modified SHMU project development scenario in which the East Lot would be retained as a surface parking lot. In this scenario, a total of 681 housing units could be built. Between the planned 910-space parking structure and the spaces available in the East Lot, 87% of the existing dedicated BART parking supply would be replaced. Additional parking may be available for BART patrons through carefully regulated and managed parking on neighborhood streets.
- *Scenario C*: A modified SHMU project development scenario in which 886 housing units would be built, and no dedicated BART parking would be replaced on-site. In this

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scenario, an equivalent of 910 spaces would be provided in satellite parking facilities along the Tennyson Road, Industrial Parkway and Mission Boulevard corridors, and a free shuttle would provide service between these satellite parking lots and the BART station.

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**Figure ES-Error! No text of specified style in document.-1 Development Scenarios**

	No project	Scenario A	Scenario B	Scenario C
Number of Housing Units	0	788	681	886
Commercial Square Footage	0	60,000	60,000	60,000
On-Site BART Parking	1,252	910	1,083	0
Satellite Parking	0	0	0	910
% Replacement Parking	100%	73%	87%	73%

The ridership and fiscal analysis provided in this report was developed using the recently developed BART Ridership Model (BRM) and the fiscal portion of Professor Rick Willson's and BART's Access Policy Methodology. Based on this analysis, the proposed Scenario A appears to provide the best balance of BART ridership, positive fiscal impacts for BART, access modes and TOD in keeping with BART policies, and development potential for the station area. The scenario includes 788 units of new housing and more than 60,000 square feet of new retail, as well as replacement of 73% of the existing surface parking supply in a fully-funded structure. It may also include the introduction of regulated and managed on-street parking in the existing neighborhoods surrounding the Station in order to provide additional parking for BART riders while ensuring adequate parking availability for neighborhood residents.

### Additional Access and TDM Strategies

The preferred Scenario A will be accompanied by an array of access improvements and parking and transportation demand management strategies, as described below. These improvements and strategies will further the success of the area, as more people will want to access the station and the surroundings by foot, bicycle, transit, and high-occupancy vehicles.

### Priority Projects and TDM Strategies

Multiple projects and TDM strategies will address the existing and future access demands of the Station Area. Through increased connections (multi-use pathways, new streets, and bus/shuttle services), parking facilities (bike parking, shared parking, unbundled parking, metered parking), and programs (ecopasses, parking cash out, TDM marketing coordination, etc.), access to the station and through the neighborhood will improve and meet the growing population's needs.

### Pedestrian and Bicycle Access

An enhanced transit plaza in front of the station will extend along Street B as an enhanced streetscape connecting the station with Dixon Street. The City of Hayward has recently been awarded a Transportation for Livable Communities (TLC) grant by the Metropolitan Transportation Commission (MTC) for the transit plaza improvements and associated access improvements. Street B will have wide sidewalks along the supermarket on the north side and the live/work units on the south side, thus providing a "gateway" to the station. Due to the north-south alignment of the BART tracks and the parallel Union Pacific tracks, access going east and west in the vicinity of the station is challenging. Recommendations include upgrading existing

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overpasses and underpasses to ensure safety and universal access, and improving facilities for bicyclists and pedestrians in the larger station area. In addition, creating additional streets to reduce block sizes, as shown in the draft South Hayward BART/Mission Boulevard Form-Based Code, will enable better mobility for pedestrians and bicyclists in the station area.

### Transit, Kiss-and-Ride and Taxi Access

Regarding bus access, the seven bus bays and one paratransit stop proposed in the plan are adequate and can handle increased demand through increased bus service with shorter headways and by potentially having multiple routes sharing the same stops. Kiss and Ride and taxi facilities will have adequate space to handle current and future demand.

### Vehicular Access and Parking

For traffic entering the site from the west, access will be provided through Tennyson Road with entry on Street A, with traffic from all other directions entering the site through Dixon Street with entry on Street B and Street C. In order to avoid negative impacts on on-street parking in the surrounding neighborhoods due to a reduced on-site BART parking supply, various parking management strategies can be implemented. The parking measures that can be implemented include residential parking permit districts, residential parking benefit districts that would include parking fees, and time limited parking. If either of these programs generates revenue, beyond what is needed to operate and maintain the program, consideration should be given whether a portion of this net revenue could fund public improvements in the surrounding neighborhoods.

### TDM Strategies

TDM policy strategies will help reduce the parking demand through incentives and education of other transportation options. Programs recommended include ecopasses for senior and affordable housing residents in the development, as well as in other new developments in the station area, parking cash-out for employee parking, carsharing with one or two dedicated carsharing spaces for use by residents, BART patrons and employees in the neighborhood, and TDM marketing coordination to better inform new and existing residents of the many transportation options, and how they may benefit them.

## Implementation

### Joint Powers Authority

In order to best manage multimodal access to and from the TOD site, a Joint Powers Authority (JPA) between BART, the City of Hayward and the Hayward Redevelopment Agency may be the best solution.

### Prioritized List of Access Strategies

With the abundant number of access strategies recommended and the varied costs of implementing each strategy, a prioritized list creates a foundation for which strategies should be implemented early on in the process, and which strategies will have the greatest impact on creating a true transit-oriented development. Figure 8-1 shows a list of strategies, organized by mode, to help determine the strategies on which to focus.

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**Funding Strategies**

Given the current economic climate and with many government budgets constrained, finding funding sources for access projects can often be challenging amidst other community priorities. The Bay Area is unique in its funding programs, which can specifically be used for safety projects, particularly those related to non-motorized modes. In addition, there are several other strategies that can be employed that may be able to assist in funding transportation projects, including revenue from metered parking and parking benefit districts. More detailed analysis of potential funding sources, including parking pricing revenue, may need to be conducted by the project partners in later phases of the SHMU development.