

## MEMORANDUM

**DATE:** October 4, 2016

**To:**

Catherine Payne  
Planner IV  
Bureau of Planning  
City of Oakland (City)

**FROM:**

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**RE: CEQA Compliance for Requested Revision to Approved MacArthur Station<sup>1</sup> Parcel A and Parcel C-1 FDPs**

### Prior Approved FDPs and Current Proposal

In accordance with the Standard Conditions of Approval for the MacArthur Station<sup>2</sup> (MS) Project PUD/PDP and the terms of the Development Agreement, the City received an application for two Final Development Plans (FDPs) for Parcel A and Parcel C-1 that were approved by the Oakland City Council on May 19, 2015. The City is currently in receipt of an application for a revision to the Parcel A/Phase 3 and Parcel C-1/Phase 4 FDPs in regard to the amount of retail space provided and the use of retail space identified in the approved FDPs.

#### 1. Parcel A

The Parcel A/Phase 3 portion of the FDP is located within the block bounded by 40<sup>th</sup> Street, Telegraph Avenue, 39<sup>th</sup> Street and Frontage Road, adjacent to the MacArthur BART Station. The approved Parcel A FDP included 287 apartment residential units and 22,287 square feet of ground floor retail.<sup>3</sup> As shown in Attachment A, the current proposed plans for Parcel A (comprised of Building A1 and Building A2) include minor revisions to the FDP-approved retail space allotment. The interior flex space along the mews in the FDP has been removed from

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<sup>1</sup> The Project was previously called the MacArthur Transit Village Project.

<sup>2</sup> See note 1 above.

<sup>3</sup> An alternative development program for Parcel A, which would accommodate a grocery store was also approved but is not currently considered. The alternative plan includes 292 residential units, 33,983 square feet of ground-floor commercial space including approximately 22,287 square feet for a grocery store.

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Buildings A1 and A2 and the residential lobby in Building A1 has been downsized to incorporate additional retail. Additionally, along the northern portion of Building A2, the bicycle storage area has been converted to retail space. Bicycle parking has been relocated to the southern portion of Building A2, where the residential lobby and leasing space has also been adjusted, and community space has been incorporated at the corner of 39<sup>th</sup> Street and Telegraph Avenue.

The revision application proposes that, should the developer not be able to lease the space to retail tenants within a certain timeframe, the retail space along 40<sup>th</sup> Street be converted to live/work units. The developer would market the approximately 4,631 square feet of convertible retail space in Building A1 and the approximately 7,563 square feet of convertible retail space along 40<sup>th</sup> Street in Building A2—totaling 12,194 square feet—as retail space during the period starting on the commencement of construction and ending nine (9) months after the completion of construction for the applicable building. This is currently anticipated to be thirty-three (33) months of active leasing. In the event developer is unable to lease all or any portion of such convertible retail space to suitable retail tenants on commercially reasonable terms during the described leasing period, the unleased space could be converted to live/work units.

In addition, the applicant proposes to market the approximately 2,200 square feet of convertible retail space located in the interior of Building A2 along the mews as retail space for a period of eighteen (18) months, starting with the commencement of construction of Building A2. In the event that the developer is unable to lease all or any portion of such space to suitable retail tenants on commercially reasonable terms during the initial 18 months of construction, the unleased space would be converted to live/work units or resident-serving amenity space. If all of the above-described retail space—a total of 14,394 square feet—were not leased and were converted, this would represent an approximately 65 percent reduction in the amount of retail approved in the Parcel A/Stage 3 FDP. The converted space could result in approximately seven live/work units.

In addition to adjustments to retail space provision and use for Parcel A/Phase 3, driveway locations have been modified. Vehicular entry to the ground level parking garage on Parcel A would be from 39<sup>th</sup> Street and from Telegraph Avenue. This driveway would be located toward the center of the south side of the Building A2, on the north side of 39<sup>th</sup> Street, and has moved slightly eastward from its location in the Parcel A/Stage 3 FDP. The second driveway, located adjacent to the first driveway on 39<sup>th</sup> Street in the Parcel A/Stage 3 FDP, would now be located on Telegraph Avenue. This driveway would lead to the underground parking garage.<sup>4</sup>

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<sup>4</sup> An analysis by Nelson\Nygaard, dated July 26, 2016, (included as Attachment B) found that this scenario provides sufficient residential and retail parking, and the proposed parking supply falls within the minimum and maximum parking requirements for both residential and retail use per the prior FDP and TDM Plan requirements. Consistent with the requirements of the Final TDM, a minimum of 30 percent of the parking spaces will be unbundled and any unbundled parking not leased by residents will be made available to commercial tenants or BART patrons.

**2. Parcel C-1**

The Parcel C-1/Phase 4 component of the FDP is located on the portion of the MacArthur Station site south of 39<sup>th</sup> Street and east of Turquoise Way just north of Parcel D/Phase 2, an affordable residential project (the Mural Apartments). The proposed Parcel C-1 portion of the FDP includes 96 apartment residential units and 1,202 square feet of ground-floor retail. The applicant does not propose any significant changes to the Parcel C-1 FDP.

**CEQA Discussion**

As described above and summarized in Table 1 below, changes to the design of the approved development for Parcels A and C-1 would be minimal, and would relate mainly to retail space. Overall, total retail space would be reduced from the approved Parcel A and C-1 FDPs by approximately 2,000 square feet. Additionally, the revision would allow for up to approximately 65 percent of the retail approved in the Parcel A/Stage 3 FDP (approximately 70 percent of the retail space provided in current proposed design of the Parcel A buildings) to be converted to live/work units if not leased within a certain time period.

**TABLE 1 RETAIL APPROVED UNDER PARCEL A AND C-1 FDPs COMPARED TO CURRENT DESIGN**

<b>Retail Space Approved in FDPs</b>	
Parcel A	22,287
Parcel C-1	1,202
<i>Total Retail Space Approved in FDPs</i>	<i>23,489</i>
<b>Retail Space Provided Per Current Design</b>	
Retail Building A1 (South)	5,920
Retail Building A1 (North)	4,631
Retail Building A2 (40th St)	7,563
Retail Building A2 (Mews)	2,220
Retail Parcel C-1	1,100
<i>Total Retail Space Per Current Design</i>	<i>21,434</i>
Community Space	3,886
<i>Total Retail Space Approved at FDP</i>	<i>23,489</i>
<i>Less Retail Space Provided Per Current Design</i>	<i>(21,434)</i>
<b>Total Reduction From Approved FDP</b>	<b>2,055</b>

Source: BRIDGE Housing and Urban Planning Partners, 2016.

Given that retail space is reduced in the current proposed design, there would be no new vehicle trips generated. If retail space were converted to live/work space, that space would

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retain much of its retail quality and would not result in a significant shift in land use. The current design, therefore, would not result in more severe impacts in regard to transportation—the main topic area of concern under CEQA when considering changes in land use at this site—than contemplated in the 2008 EIR. None of the requested changes, therefore, are substantial or significant under CEQA. Further, project circumstances have not changed since Parcel A and C-1 FDP approvals in 2015, and there is no new information of substantial importance that was not known at the time of the 2015 FDP approvals and their accompanying CEQA analysis.

### **Conclusion**

Urban Planning Partners reviewed the requested revision and other modifications to the FDP and found that there: (1) are no substantial project changes, (2) are no substantial changes in the project circumstances, and (3) is no new information of substantial importance, which could not have been known with the exercise of reasonable diligence when the 2008 EIR was certified, that would require major revisions of the certified 2008 EIR because of a new significant effect or an increase in the severity of a previously identified significant effect. Under CEQA section 21166 and CEQA Guidelines sections 15162 and 15163, no further environmental review is required.

### **Attachments**

Attachment A – Approved FDP vs Proposed Changes  
Attachment B – Nelson\Nygaard Parking Memorandum

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**1** LEVEL 1 OVERVIEW  
A 1.00 | 1" = 30'-0"

Approved Parcel A and C-1 FDPs

 Ankrom Moisan	
6720 SW MACADAM AVENUE, SUITE 100 PORTLAND, OR 97219 T 503.245.7100  117 SOUTH MAIN STREET, SUITE 400 SEATTLE, WA 98104 T 206.576.1600  © ANKROM MOISAN ARCHITECTS, INC.	
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SANDIS  CIVIL 635 9TH ST OAKLAND, CA 94607 T 510.590.3415	
MILLER COMPANY LANDSCAPE  LANDSCAPE 1585 FOLSOM ST SAN FRANCISCO, CA 94103 T 415.252.7288	
MACARTHUR STATION BLOCKS A & C1 40TH AND TELEGRAPH OAKLAND, CA  BRIDGE HOUSING	
OVERVIEW PARCELS A & C1	
FINAL DEVELOPMENT PACKAGE	
DATE 04.09.2015	REVISION
PROJECT NUMBER 142010	SHEET NUMBER <b>A 1.00</b>
SCALE 1" = 30'-0"	



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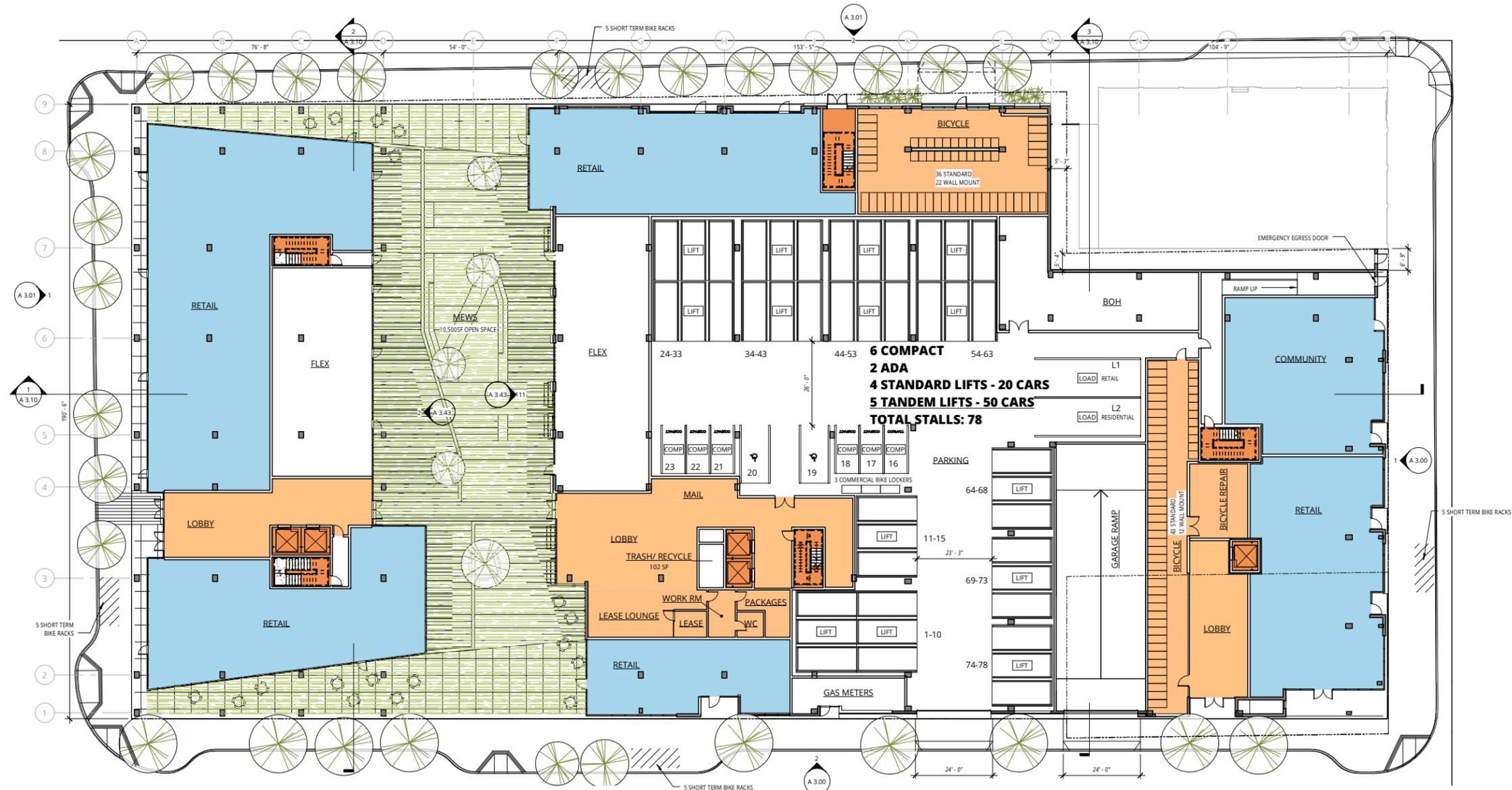
**MACARTHUR STATION BLOCKS A & C1**  
 40TH AND TELEGRAPH OAKLAND, CA

BRIDGE HOUSING

PARCEL A GROUND LEVEL

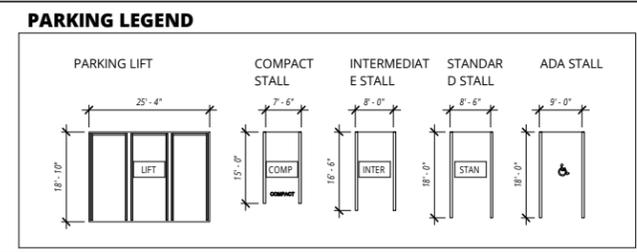
FINAL DEVELOPMENT PACKAGE

DATE 04.09.2015	REVISION
PROJECT NUMBER 142010	SHEET NUMBER
SCALE 1/16" = 1'-0"	<b>A 2.01</b>



**1** PARCEL A LEVEL 1  
 A 2.01 | 1/16" = 1'-0"

**Approved Parcel A FDP**



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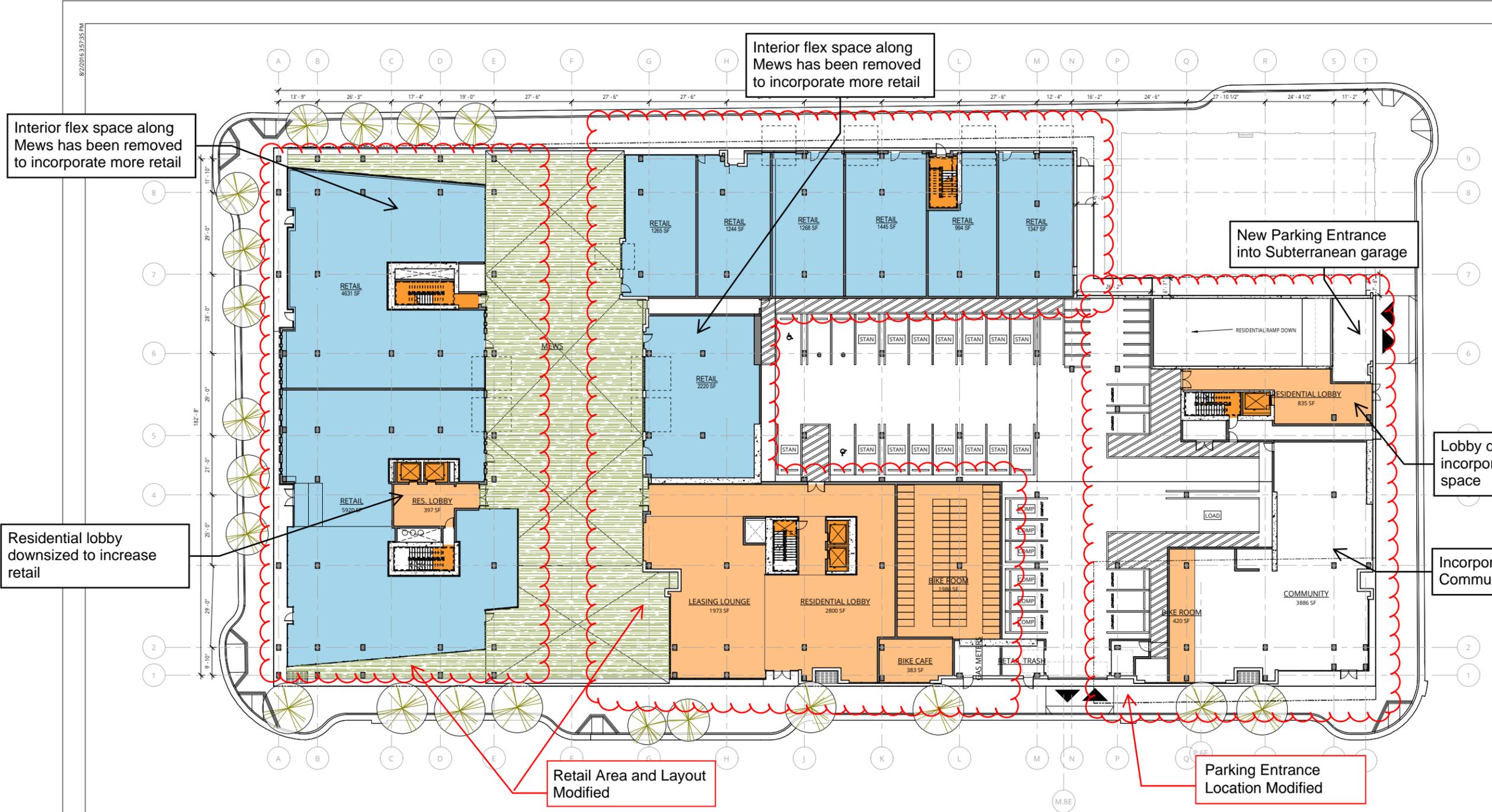
**MACARTHUR STATION PARCEL A**  
 40TH STREET AND TELEGRAPH AVENUE, OAKLAND, CA

BRIDGE HOUSING

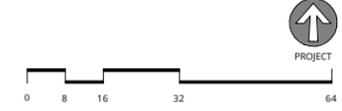
**PARCEL A GROUND LEVEL**

HINES DEVELOPMENT SET

DATE	REVISION
04.20.2016	
PROJECT NUMBER	SHEET NUMBER
142010	A 2.01
SCALE	
1/16" = 1'-0"	



**1** PARCEL A LEVEL 1  
 A.201 | 1/16" = 1'-0"



**Proposed Changes to Site Plan from Parcel A FDP**

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**MACARTHUR STATION - BLOCK C1**  
 39TH STREET AND TELEGRAPH AVENUE, OAKLAND, CA

BRIDGE HOUSING

REVISION	DATE	REASON FOR ISSUE

PARCEL C1  
 GROUND & MEZZ

HINES  
 DEVELOPMENT SET

DATE 04.20.2016	REVISION
PROJECT NUMBER 142010	SHEET NUMBER A 2.20
SCALE 1/16" = 1'-0"	



**1** PARCEL C LEVEL 1  
 A 2.20 | 1/16" = 1'-0"



**No Proposed Changes to Site  
 Plan from Parcel C-1 FDP**

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## MEMORANDUM

To: Kevin Chow

From: Jessica Alba

Date: July 26, 2016

Subject: MacArthur Station Parking Implementation – Initial Study

### INTRODUCTION

Nelson\Nygaard developed the Transportation Demand Management (TDM) Plan for the MacArthur Transit Village in 2010. The TDM Plan was approved and incorporated into the Conditions of Approval for the development.

Hines is currently in the process of purchasing Parcels A & C1 of the MacArthur Station project, an approximate 383-unit market-rate rental development in Oakland. As part of this due diligence, Nelson\Nygaard has reviewed currently available background materials to provide a recommendation for how to address unbundling and public parking at the two fully entitled residential parcels. **Unbundling refers to the practice of separating (unbundling) the cost of parking from the cost of housing or the cost of tenant space.**

### PARKING & TDM REQUIREMENTS

Figure 1 provides details regarding the City's parking and TDM requirements for the two parcels. Two primary documents were used to extract this information.

- City of Oakland Administrator Agenda Report - Final Development Plan (FDP), MacArthur Station Phases 3 and 4. Dated April 20, 2015.
- MacArthur Transit Village – Final Transportation Demand Management Plan. Dated October 26, 2010.

Figure 1 FDP and TDM Plan Requirements

	Parcel A	Parcel C1	Total
Rental Units	287	96	383
Retail (square feet)	22,287	1,202	23,489
Parking – Administrator Report, pdf p. 15, PC report (spaces)	254	69	323
Parking – Administrator Report, pdf p. 27, PC report (spaces) Res. Min: .5 space/unit			Residential Min: 192 Residential Max: 383

	Parcel A	Parcel C1	Total
Res. Max: 1 space/unit Retail Min: 1 sp/1KSF Retail Max: 1 sp/838sf			Res Proposed <sup>1</sup> : 294 Retail Min: 24 Retail Max: 28 or 31 Retail Proposed <sup>1</sup> : 28 Total Min: 216 Total Max: 414 Total Proposed <sup>1</sup> : 322
Unbundling (per TDM Plan)	At a minimum 30% of parking supply	No requirement	
Unleased unbundled residential spaces made available to retail or BART (per TDM Plan)	Yes	No requirement	

Two additional TDM Plan statements should be mentioned for further discussion in the following sections.

- “In Block A, one floor will be shared between various users, while a second floor will be secured only for residents.” (page 7)
- “No more than 1 parking space per residential unit will be offered.” (page 7)

## PROPOSED PARKING ASSUMPTIONS

Figure 2 provides Bridge/Hines’ proposal for the two parcels. Note that the unit count is currently an approximation:

Figure 2 Bridge/Hines Unit, Parking, and TDM Proposal

	Parcel A	Parcel C1	Total
Rental Units	287	96	383
Retail (square feet)	20,334	1,100	21,434
Residential Parking	165 + 2 carshare spaces + 6 ADA spaces	67 + 2 ADA spaces	232 + 2 carshare spaces + 8 ADA spaces
Retail/Leasing Parking	29 + 2 ADA spaces	0	29 + 2 ADA spaces
Proposed Residential Parking Ratio	173 spaces/287 units = 0.6 spaces/unit (incl. 6 ADA spaces)	69 spaces/96 units = 0.7 spaces/unit (incl. 2 ADA spaces)	242 spaces/383 units = 0.6 spaces/unit
Unbundling	30% of residential parking supply	No	
Unleased unbundled residential spaces made available to retail or BART	Yes	No	

<sup>1</sup> Per the 2015 Administrator Agenda Report, not the final Bridge/Hines Plan

## CONCLUSIONS AND RECOMMENDATION

### Sufficient Residential and Retail Parking

The proposed parking supply falls within the minimum and maximum parking requirements for both residential and retail use. The residential parking ratio is 0.6 spaces per unit in Parcel A and 0.7 spaces per unit in Parcel C1.

### Recommendation

The TDM Plan requires that “30 percent of the parking for the first market rate building (Block A) will be unbundled”. It also requires that “Any unbundled parking not leased by residents will be made available to commercial tenants or BART patrons.” To fulfill these two requirements, Nelson\Nygaard recommends the following.

- All 175 subterranean parking spaces in Block A will be accessed behind a gate.
  - During the TDM Plan development, it was assumed that “one floor will be shared between various users, while a second floor will be secured only for residents.” However, there will only be one subterranean level of parking. We therefore recommend that all of these spaces are gated, per the following supporting recommendations.
- 30% (52 spaces) of the Block A subterranean parking supply will be delineated and defined as the “potential public parking” section (BlockA30). The remaining 122 parking spaces (BlockA70) will be defined as residential only. There will be no gate between these two supplies.
- At the time new residents sign a lease agreement, they will be informed that they can choose to be placed on the BlockA70 and/or the BlockA30 waitlist. Since BlockA30 spaces will be unbundled, residents on this waitlist will know that there is a monthly parking fee associated with these spaces.
  - The rental agreement will state that the monthly fee to park in BlockA30 may vary biannually in order to manage parking demand.
  - A minimum and maximum monthly fee, set for two consecutive years, will be included in the rental agreement so that tenants are informed of what the caps are. The agreement will also include a statement that tenants will be informed of potential changes to the cap six (6) months in advance.
  - At this time, minimum and maximum fees for the first two years are not proposed. These will be developed in the next phase of the project.
  - If there is long-term availability – more than 10% of BlockA30 spaces unleased for more than 3 months – it will be made available to commercial tenants or BART patrons on a monthly basis through a waitlist administered by property management. There will be no daily public parking.
    - Example: If six (6) parking spaces in BlockA30 are not leased by residents for three (3) consecutive months, all six spaces will be offered to the commercial tenants or BART patrons on a monthly basis.

In order to comply with the TDM Plan statement (p. 7) that “No more than 1 parking space per residential unit will be offered”, no household will be offered more than 1 space per unit. In the event that not all spaces are leased in the BlockA70 section, Hines will reevaluate this requirement. However, the objective is to allow each unit access to no more than one parking space.