



## Housing Commission Minutes – EXCERPT

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City Council Chambers – 200 Old Bernal Avenue, Pleasanton, CA

June 20, 2013  
7:00 p.m.

### PUBLIC HEARINGS AND OTHER MATTERS

**7. Approval of Proposed Affordable Housing Agreement for E.S. Ring / Auf der Maur Site Apartment Development**

Mr. Bocian reviewed with Commissioners a PowerPoint presentation regarding the proposed Affordable Housing Agreement with E.S. Ring for the Auf der Maur site. He advised that the Planned Unit Development (PUD) application submitted by E.S. Ring is for the development of a 16-acre site at the southeast corner of Bernal Avenue and Stanley Boulevard. It was noted that because this is a development that exceeds 15 units, it is subject to the City's Inclusionary Zoning Ordinance (IZO) and requires an Affordable Housing Agreement.

Mr. Bocian advised that the proposed project is for 345 residential units on 11.5 acres. The project also includes 38,781 square feet of commercial development on the remaining 4.5 acres. The residential apartments will consist of three clusters of 94, 166, and 85 apartments, respectively. The density for the residential portion of the project will be 30 units per acre and will include a variety of unit types ranging from one to three bedrooms.

There will be four commercial buildings with retail/office space. Additional facilities to be included in the project include a swimming pool, tot lots, play/BBQ areas, and similar amenities. Sidewalks and bus stops are proposed along Stanley Boulevard and Bernal Avenue.

Mr. Bocian noted that as part of the May 1<sup>st</sup> joint Housing Commission and City Council workshop, the City Council endorsed staff's pursuit of a flexible model to attempt to achieve affordable rent-restricted units in new apartment developments. As such, the Council encouraged the Commission and staff to strive to meet the intent of the IZO in a flexible, negotiated way recognizing that the City has multiple interests it is looking to address. With this direction from Council, staff has attempted to focus efforts on pursuing creative options that would allow for meeting long-term affordable housing needs.

The Commission was advised by Mr. Bocian that, in view of City Council's direction, staff has negotiated various alternatives with the developer for meeting the IZO and, as an outcome, a draft Affordable Housing Agreement (AHA) has been prepared. He noted that the draft AHA proposes 52 rent-restricted affordable units with the following notes:

- The household sizes used to determine affordable rents will be consistent with standards typically used in other City AHA's.
- The agreement will be recorded with the land and the rent-restricted units will remain affordable in perpetuity.
- The development will be required to accept Section 8 housing vouchers from eligible qualified applicants.
- The affordable units will be marketed by the owner/developer and rented based on the City's adopted preference system.
- A total of three (3) of the rent-restricted units (one 1-bedroom, one 2-bedroom, and one 3-bedroom unit) shall be fully accessible for the physically disabled and designed with amenities such as grab bars, modified cabinetry, bathroom facilities, and other amenities deemed significant for disabled access.

Mr. Bocian further noted that the AHA includes a provision that would allow the developer to pay an in-lieu fee of \$4,500,000 in lieu of providing the 52 rent-restricted units. The option to have the developer pay the in-lieu fee or provide the units resides with the City and must be determined within 45 days of the developer notifying the City that it intends to apply for a building permit.

The Commission was advised by Mr. Bocian that, as outlined in the IZO, its role is to make a recommendation to City Council to accept, reject, or amend the terms of the AHA for E.S. Ring. The Commission may also wish to make recommendations to the Planning Commission concerning conformance with the IZO.

The Commission received a presentation from representatives of the developer who provided information about:

- The sustainable mixed use village
- Site location / plan
- Cluster buildings with apartments / townhomes
- Planned retail areas
- Community pool, fitness facility, community centers, open areas, outdoor kitchens, tot lots, game areas, and other resident amenities
- Community outreach / benefits
- Planned planting of 800+ trees
- Sustainability features including electric car charging stations

Commissioner Butler questioned the developer on whether any thought had been given to the East Pleasanton Specific Plan when designing this development. He was advised that architecture was being planned to blend with the downtown area of Pleasanton.

Commissioner Probert discussed the proposed 30 units/acre density and whether any concerns were anticipated with the planned retail area due to the recent resurgence of the Vintage Hills Shopping Center.

Commissioner Mermelstein questioned whether the developer was working with local transit. The developer advised that the Wheels bus system had been contacted and that discounted bus tickets will be offered to residents of the development.

Commissioner Butler had questions concerning the feasibility of additional lower income units. The developer felt that the in-lieu fee would allow an opportunity for the City to purchase land to do such a project. Commissioner Butler expressed concern about the scarcity of land that is appropriately zoned for high density residential development.

Commissioner Welsh discussed with Mr. Bocian how in-lieu fees would be collected by the City. He advised that these would be collected at the time of occupancy when a Certificate of Occupancy is issued by the City.

Commissioner Welsh questioned whether interest from the collected fees would go back into the Housing Fund. She felt there should be a timeline placed on when the funds should be used. Mr. Bocian advised that there are provisions in State Law that require funds collected from in-lieu fees to be spent within a specific time period.

Chairperson Casey discussed with the developer the planned square footage of the different units and about modifying units for the disabled.

Commissioner Lopez discussed with Mr. Bocian the methodology used for the in-lieu fee.

**Chairperson Casey opened the meeting for public comment at 7:49 p.m.**

Sean Sowell, P.O. Box 12222, Pleasanton – asked if the anticipated nexus study for the Lower Income Housing Fee was available yet for review by the public and questioned whether it was appropriate at this time to set an in-lieu fee. Mr. Bocian advised that the proposed figure was developed through significant analysis and negotiation with the developer, and staff believes it is appropriate for the City's long-term plans and needs. He further noted that the developer is in agreement with the amount, and staff feels that it will also have the support of the City Council.

Mr. Sowell noted the lack of three-bedroom rent-restricted units and wondered how the Pleasanton population fits into this. He thought the development needed more two and three bedroom units and questioned whether it was possible to make changes to the design to include these changes.

**Chairperson Casey closed the meeting for public comment at 7:58 p.m.**

Chairperson Casey discussed the outcome from the recent workshop, City Council's request for flexibility, and how this Commission has wrestled over the affordability mix for recent projects. He appreciates the flexibility offered in this plan by both staff and the developer and thought the project looked good. Chairperson Casey noted that the Planning Commission could have some concerns regarding conditions and uses.

Commissioner Butler indicated he was not in favor of the \$4.5 million fee and thought the focus should be on providing affordable units within the project. He recommended taking a closer look at what has been presented.

Commissioner Probert agreed, but with regard the in-lieu fee, commended staff and the developer for coming together with an amount that could have a beneficial impact. He liked the project design, but would also have liked to see greater affordability.

Commissioner Welsh agreed that this is a nice project and felt a little “gun-shy” about critiquing the project after what was discussed at the Council workshop. She felt the \$4.5 million was a good option, but has concerns that the funds never seem to get spent. However, she felt that it would be good if more affordable units were to result from the infusion of funds. She would like to like to hold the developer to the number of affordable units that have been proposed.

Commissioner Lopez liked the project but not concept of having units at 100% of the AMI. She also liked the in-lieu option, but would like to see those funds spent on an affordable project.

Commissioner Mermelstein agreed that he also liked the \$4.5 million option and using the funds for an affordable project. He would have preferred to see this kind of project closer to BART and public transportation.

A motion was made by Chairperson Casey, seconded by Commissioner Mermelstein, recommending approval of the Affordable Housing Agreement with E.S. Ring (Ring Financial, Inc.) for a 345-unit apartment development at 3150 Bernal Avenue (PUD-87).

**ROLL CALL VOTE:**

AYES: Commissioners Butler Lopez, Mermelstein, Probert, and Chairperson Casey  
NOES: None  
ABSENT: None  
ABSTAIN: None

Mr. Bocian informed the Commission that in-lieu fees have been applied to a number of past affordable housing projects and will be used for the Kottinger Place redevelopment project.