



PLANNING COMMISSION MEETING MINUTES

City Council Chamber
200 Old Bernal Avenue, Pleasanton, CA 94566

APPROVED

Wednesday, July 11, 2018

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND ROLL CALL

The Planning Commission Meeting of July 11, 2018, was called to order at 7:01 p.m. by Commissioner Allen.

The Pledge of Allegiance was led by Commissioner Allen.

Staff Members Present: Gerry Beaudin, Director of Community Development; Ellen Clark, Planning Manager; Larissa Seto, Assistant City Attorney; Jenny Soo, Associate Planner; Jennifer Hagen, Associate Planner; Natalie Amos, Associate Planner; Amy Statham, Recording Secretary

Commissioners Present: Commissioners Nancy Allen, Jack Balch, Justin Brown, Greg O'Connor, Herb Ritter, and Chair David Nagler (arrived late)

Commissioners Absent: None

2. APPROVAL OF MINUTES

a. June 13, 2018

Commissioner Balch moved to approve the Minutes of the June 13, 2018 meeting, as submitted.

Commissioner Ritter seconded the motion.

ROLL CALL VOTE:

AYES:	Commissioners Allen, Nagler, Balch, Brown, O'Connor and Ritter
NOES:	None
ABSENT:	Nagler
RECUSED:	None

3. MEETING OPEN FOR ANY MEMBER OF THE AUDIENCE TO ADDRESS THE PLANNING COMMISSION ON ANY ITEM WHICH IS NOT ALREADY ON THE AGENDA

There were no members of the audience wishing to address the Commission.

4. AGENDA AMENDMENTS

Director of Community Development Beaudin recommended removing Item 5.a. to be heard at a later date.

5. CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted, approved, or adopted by one motion unless a request for removal for discussion or explanation is received from the Planning Commission or a member of the public by submitting a speaker card for that item.

a. P18-0051 Hong Chen/Shengmeng Education Center

Application for Conditional Use Permit approval to establish an afterschool tutoring facility for up to 60 students at a time within an existing 8,429-square-foot tenant space located at 6691 Owens Drive. Zoning for the property is PUD-I/C-O (Planned Unit Development-Industrial/Commercial-Offices) District.

This item was removed from the agenda.

6. PUBLIC HEARING AND OTHER MATTERS

a. P18-0075, Alaina Stewart for Bringhurst LLC

Workshop to review and receive comments on a Preliminary Review application for an amendment to the North Sycamore Specific Plan (NSSP) to allow the subdivision of an existing approximately 3.28-acre parcel located at 990 Sycamore Road into five single-family residential lots where three lots are allowed by the NSSP. Zoning for the property is PUD-A (Planned Unit Development -Agricultural) District.

Commissioners Balch and O'Connor were recused from participating in the item due to conflicts of interest and left the meeting.

Associate Planner Jenny Soo gave the agenda report.

Commissioner Brown questioned the size of the lots on either side of Lot 3.

Planning Manager Ellen Clark stated the lot to the west is larger than the lot to the east.

Commissioner Brown referred to the trail on the aerial view and asked where the trail connects from the other side.

Ms. Clark stated the existing trail runs along the creek alignment and it terminates at Dale Way, with no trail connection on the other side. Ms. Soo further explained that the hope is to eventually connect the trail with development of future projects.

Commissioner Brown said in terms of the proposal around the trail, he asked if part of the proposal was for Dale Way to be modified so that it is more like the trail on the left, with a decomposed granite surface.

Ms. Clark said the Specific Plan calls for the trail to be an “all-weather surface of 12 feet in width” which may provide flexibility as to the material used for it.

Ms. Soo then described the square footages of the lots either side of the property along Sycamore Creek way, with Lot 491 being 12,975 square feet and Lot 1011 is 15,088 square feet.

To a question from Commissioner Allen regarding the nature of the easements on Dale Way, Ms. Clark confirmed it includes a 25-foot wide access easement for maintenance of the utilities, but did not know if it was also designated as an emergency access route; however, the width was sufficient for that purpose.

Commissioner Allen questioned whether that access should be shared, or constructed of concrete or decomposed granite, to which Ms. Clark said there might be other constraints as to what the surfacing could be, such as required vehicle weight capacity.

In response to Commissioner Allen, Ms. Soo confirmed that Dale Way is part of the subject property and therefore the responsibility of the owner to maintain.

Commissioner Brown questioned who owns the northern portion of the property to the bridge; and Ms. Clark deferred to the applicant who confirmed that they are the owner. A gate exists where the home was built.

Commissioner Allen asked who would be responsible for maintenance and be liable if this property is turned into an official trail.

Ms. Clark stated this information would be determined through easement language, which Assistant City Attorney Larissa Seto added, could be part of the PUD process.

Commissioner Allen asked and confirmed with Ms. Clark that there is a maintenance association that maintains the trail next to this on Sycamore Creek Way.

Commissioner Allen confirmed Dale Way was included in the 3.2 acres for the entire project site and if it were to be excluded, Ms. Soo indicated the area occupied by Dale Way is approximately 5,048 square feet.

Noted Present:

Chair Nagler arrived and was noted present.

Commissioner Allen asked if the Dale Way trail was considered an amenity or not.

Ms. Clark explained the trail is an amenity but it is something that would be required as a basic condition of any subdivision. The question being asked is what additional amenities go beyond those that are basic requirements that should be requested of this project, and anything above and beyond the trail dedication would be an amenity.

Commissioner Allen referred to the General Plan designation for this site versus the Specific Plan designation which is Agriculture (Ag) (one unit per parcel) and how to think about those two and which one guides them. She noted the General Plan says this broader area can be low density residential.

Ms. Clark stated the General Plan land use map designates the entire North Sycamore Specific Plan area as Low Density Residential (LDR). The General Plan does not distinguish between the Ag and the LDR parcels in the same way the Specific Plan does, and instead points to the Specific Plan to provide more specific guidance.

In response to Chair Nagler, Ms. Clark confirmed that the project as proposed falls within the guidelines of the General Plan.

Chair Nagler commented that this property has a bit of history to it and asked for an explanation of the differences between what was last approved by the City, versus this current application.

Ms. Clark stated the only entitlement for this property was a 3 lot subdivision that has since lapsed. The City was later approached with a similar proposal to what is being requested today. She noted, at that time the prior proposal came before the Planning Commission, the majority of the Commission was supportive of the 5 lot proposal, with some modifications. The major difference is how the split between Lot 1 and Lot 2 is now reflected in the plan, but overall the plan is quite similar.

Chair Nagler called upon the applicant to speak.

Alaina Bringhurst, on behalf of the applicant, stated her family has owned the property since 1998 and had adjusted their property's lot lines to accommodate adjacent projects and trails. She discussed the homes, lots, adherence to the North Sycamore Specific Plan and said they would be willing to add a small amount of additional square footage to allow each lot to be 15,000 square feet as requested by staff.

She discussed adjustments of the lots, asked that they be able to use the flexibility of a PUD to achieve the best functional design, and asked that a portion of the existing home be grandfathered in which will also conform to the guidelines and the NSSP. They are requesting approval of new lots and said all necessary roads and utilities are in place. The zoning change they are seeking was ratified with the General Plan Amendment in 2009 designating their entire parcel as low density residential.

Ms. Bringurst remarked that they have reached out to neighbors and received unanimous support. They are allowed the density of two dwelling units per acre or 6 lots, but are proposing only 5 lots because they believe it is the best design to conform to both neighborhoods on the south and on the north. She asked that the Planning Commission address the questions they submitted on Monday and for the Commission's support.

Peter McDonald, attorney on behalf of applicant, spoke about key amenities provided several years ago which should be used in favor of the development. He discussed the history of the area, previously- approved PUD projects and said he takes issue with the City being compensated for allowing any increase in density. He shared a copy of Government Code section 65985.J.1 which was adopted to flatly prohibit the compensation approach to planning. He asked that the City use generally applicable City requirements be reasonably applied to achieve City goals and not to negotiate compensation from people who want to provide needed housing.

Most important, the proposed Specific Plan Amendment is consistent with the land use pattern used in the Specific Plan. The applicant is only before the Commission now because in 1992 the City did not know what route Sycamore Creek Way would follow through that southeast quadrant of the Specific Plan area, and now that they know where it is, the City should follow the same density pattern established everywhere else in the Specific Plan. He asked the Commission to expeditiously move this simple infill project towards approval.

John Spotorno reiterated what the applicant has stated, said this proposal seems perfectly logical and he voiced support for it, stating his family still has a designation for five units at the end of where their sheep field is and even if the bypass road never gets built and ends right at the sheep field, there is the potential someday for five units in what they call their trust parcel and where his house is now.

Lecia Roundtree introduced her husband, Harold Roundtree and said they both support the proposal. She described access for the homes on lots 3, 4 and 5 as being on the Sycamore Creek Way side and said the entrance to their home is across the street from that between lots 3 and 4. She asked that the Commission request the applicant match the architecture aesthetics with their project to the Sycamore Heights neighborhood.

Harold Roundtree said he serves on the Sycamore Heights HOA Board and while he is not representing the Board, the owners met with them to present their plan. He thinks consistency is important, suggested inclusion into their HOA is an area of opportunity and looks forward to more dialogue.

Mr. McDonald voiced his support of being included in the HOA at Sycamore Heights.

Commissioner Ritter asked if the City's guidelines have ever overridden the HOA design guidelines.

Mr. Beaudin stated the City typically approves HOA guidelines and then the HOA can modify them over time. If it is a significant departure and it was attached to a PUD it would return to the City for review and approval.

Commissioner Brown asked if HOA guidelines can be tied to a different PUD, and asked what the process is.

Ms. Seto stated if the Commission is asking about design guidelines, this would be one element. The architectural board can review the project but there are items such as maintenance fees and other issues so there are several elements to consider such as annexing them into the HOA. Also, because the Sycamore Heights HOA is not an actual applicant before the City at this time, the City could not compel the HOA to accept the additional properties.

Commissioner Brown asked and confirmed with Ms. Seto that the scope of the Planning Commission is such that the PUD can be tied to the 'as is' design guidelines or those for Sycamore Heights, but they could not require the existing HOA annex in the other homes.

Mr. McDonald clarified that their proposal is to use the Sycamore Heights design guidelines.

Commissioner Allen asked if the Commission could ask that that negotiations regarding inclusion into the HOA be dealt with prior to returning with a formal application. She voiced concerns about the trail and its maintenance and voiced interest in having a closer tie-in to the HOA.

Ms. Seto said the Commission could ask that the applicant hold this discussion with the association; however, it would be subject to their membership's vote.

Chair Nagler stated as a condition of approval, the Commission could require maintenance of the trail, however that is ultimately done. If Lots 3, 4 and 5 have the look and feel of the neighborhood he asked why the applicant was seeking a n FAR which is substantially higher than the homes in the area.

Mr. McDonald noted that they were in agreement with staff's recommendations on FAR.

Commissioner Allen referred to Sycamore Road and the two parcels proposed there. She noticed when riding her bike that there is development west of the parcel that appear to be smaller lot sizes. The feel of that area is not rural and has no agriculture around them. In contrast, when moving to the other side towards Spotorno and Callippe Golf Course, there is a very agricultural feel to all parcels along Sycamore, and this project is right at the hub. She asked for background on these parcels as to when they were built.

Mr. McDonald said he had helped the school district sell their 40-acre high school site to Greenbriar Homes and this is what drove implementation of the North Sycamore Specific Plan. There was going to be a bypass road that would intersect that 40-acre parcel but they wanted one acre lots along Sycamore Road. A 50-foot clearance area from the creek was also required, which impacted the site design of these properties, with all of the homes placed close to the front of their lots along Sycamore Road.

Commissioner Allen referred to parcels on Sycamore Road and asked that whatever is built for this project match the looks more like the homes along Sycamore Road towards Spotorno and the golf course, and not the Greenbriar home parcels.

Mr. McDonald noted that the creek setback is an issue for Lot 1, which may move the house towards the corner.

Commissioner Allen said she was looking for homes for sale on Sycamore Road and Happy Valley and there is a 6-acre parcel which was subdivided into 3 parcels of 2 acres each and another one which is about 1.5 acres per piece. Therefore, she wondered if some of the parcels towards Happy Valley are zoned for one, two or more acres each.

Ms. Soo replied that the circumstances are unique. The City boundary stops on the south side of Sycamore Road. The properties on the south side of Sycamore which are more rural are in unincorporated Alameda County. There are parcels on Sycamore Road greater than one acre, and the Greenbriar homes are in a PUD.

Commissioner Brown said changing the Lot 1 and Lot 2 boundaries to make them above one acre will not materially change the area, but will change responsibility for part of the creek which is very linear and dry throughout the year.

Chair Nagler asked if there was precedence for changing the setback from the creek.

Ms. Clark said there may be other considerations like riparian habitat to maintain that may not be as negotiable, but she did not believe the City had a general creek setback standard, other than that included in the Specific Plan.

Mr. McDonald said the precedent is the lot at the corner of Dale Way and Sycamore Creek Road and the Specific Plan encourages using the PUD process to make these kinds of adjustments.

Commissioner Brown asked what the 100-year flood overflow looks like in terms of filling up the creek, questioned how far out it goes and whether or not it necessitates a 50-foot setback.

Kamal Obaid, Project Engineer, said they did the hydrology study in 2003, worked with the City's Public Works Department and reviewed their plans and criteria. They did a flood routing study for the 100-year flood to determine what the water surface elevation along the creek is. The results at that time were that the flow would stay within the banks of the creek for the 100-year flood and he was not sure that would have changed.

Mr. Beaudin commented that if there is interest in reducing the setback the study can be updated and staff can obtain that information. The creek has been modified over time given increased development in the area. It is straight which tends to increase speed and thinks the information should be provided if there were to be interest in encroaching into the creek setback.

Chair Nagler reviewed the following discussion points as proposed by staff with the Commission and asked for feedback:

- The request to amend the land use designation for one acre portion of the site from PUD A to PUD LDR to allow the site to be developed with five lots instead of three, whether the Commission cares about the 15,000 square foot minimum and also amendment of the Specific Plan to allow one of the PUD A lots to be less than one acre in size where the creek is on the parcel.

Commissioner Ritter agreed with the original 5-lot submittal that was supported by the Planning Commission. He likes the PUD LDR designation for the five lots and said they look similar to what is nearby. He noted the house next to Lot 3 was 12,975 and Lot 5 was 15,088 so he was supportive of lots less than 15,000 feet.

Regarding adjusting the back lots for the multi-use trail, in 2006 just before he joined the Trails Committee a motion was made on September 12, 2006 recommending "the development be conditioned to extend the trail easement from the end of the existing trail at Dale Way south of Sycamore Road on the west edge of the property adjacent to Sycamore Road with the intent that it be a multi-use trail." Regarding whether the lot should be realigned to have the creek contained in a single lot, he deferred to the geotechnical engineers' opinions.

Commissioner Brown stated in terms of the north portion of the property he agrees with it being LDR given it is filling in a missing section of the Sycamore Heights community. Regarding the left and right lots, he thinks they are relevant. The smallest lot proposed is 14,718 square feet which is 98.12% of the 15,000-foot requirement and it would help feather

the integration and he was supportive. He would rather see the fence lines line up as a straight shot than varying retaining wall configurations to try to bow out to meet the 15,000 requirement.

In terms of the FAR, he agrees with staff's recommendation which the applicant has agreed to. He also agrees with staff's recommendation regarding grading. Regarding the size of the back lots, the creek is linear and straightforward to maintain, so he did not feel strongly that one lot should own that whole piece of the creek. That said changing the boundary to make both one acre does not change the buildable pad for that lot. Therefore, he suggested lots 1 and 2 be one lot as an option and the other option would be to reduce setbacks to make lot 2 more usable, and at that time they could consider moving the boundaries between lots 1 and 2 contingent upon what the updated study says.

Regarding the trail, he would like the portion along the Sycamore Road side be a bit more protected and insulated from the traffic.

Commissioner Allen disclosed that she met with the applicant and viewed the property yesterday. She supported 3 homes on Sycamore Creek Way, with this portion of the site being LDR, consistent with the rest of the lots along Sycamore Creek Way. She was originally going to support 15,000 square feet but was also flexible and asked that the design look nice and consistent, and for the Commission to receive visual graphics of what it will look like with the fence lines. She supported lots in the 14,000 to 15,000-foot range.

Regarding what to do with the lots along Sycamore Road, she was not sure but was open to two lots or one lot. To answer this question, she needs to see where the building pads would end up. Her top priority on Sycamore Road is that she did not want it to turn into the look of the Greenbriar Homes which removes the rural feeling, and which for these homes is critical in the NSSP. n. She personally thinks the house for Lot 1 was going to look like the houses she does not like that are on the west side. If this is the case, she was not inclined to have this happen. The solution potentially could be one lot, changing the setbacks, or splitting the land in some other way. The other piece is where the driveway access is for the home on Lot 1, which the applicant was thinking would be from Dale Road.

When meeting with the applicant she indicated that although that was their preferred access, she would not want this because Dale Road is supposed to be access for pedestrians and bikes. To have a driveway off the trail defeats its purpose.

Regarding the trail, she was in support of staff's recommendations regarding width, suggested there is work to do about deciding on what materials to use, and that there needed to be consideration for the trail to be useful for both road bikes as well as pedestrians. Dale Road is one of the main cut-throughs between Sycamore Creek Way and Sycamore Road for road bicyclists and they use this to get out to Foothill Road. She also agrees with Commissioner Brown that there is some vision as to where the trail would end up going as it leaves the property and goes towards Spotorno and the golf course. She would hope that trail is more off the road so it is safer over time.

Chair Nagler voiced support of the amendment to create lots 3, 4 and 5. If they could stay with the precedence of the guidelines of 15,000 square feet it would be preferable but he agrees with fellow Commissioners that it should not end up being illogical either. He would encourage staff to work with the applicant on that question.

Ms. Clark noted that the lot size could be considered as an average across the three lots of 15,000-feet, which could allow for a transition from a smaller lot at one end to a larger lot on the other.

Chair Nagler agreed this would stay with the intent. Regarding the question on what happens on lots 3, 4 and 5 he feels strongly that the primary reason the Commission is supportive of this is that they conform to the neighborhood; that the architecture, FAR, setbacks, etc. would be made clear in the design guidelines so any future builders understand what they are getting into with those lots.

On lots 1 and 2, Chair Nagler thinks it is a legitimate question as to whether there should be one or two lots there. His thoughts have to do a lot with what that area of town looks like and asked to maintain that aesthetic. He also appreciates that the more houses they can build on this 3 acres, the better it is for the land owner financially.

The City will get to the amenities conversation but if the applicant requests a Specific Plan Amendment they are asking to receive the maximum utilization out of this piece of land from a developer perspective. It is legitimate for the Commission to consider the balance between the interest of the creek, maintaining the look and feel and openness of the neighborhood and what the applicant is interested in doing on behalf of the general public in exchange for the maximum utilization for this piece of land. He thinks it is an infill project that raises a legitimate question about alternative dwelling units and further discussion regarding whether one or two lots are to be developed on the back side.

Regarding the trail, he agrees with staff's recommendation on the width and construction of it and having hiked this area a lot, he was sensitive to how dangerous it is in this stretch. He also though is flexible on the exact location of the trail so it makes sense relative to the way in which the lots are built. As long as there is an area not on the road, this is a vast improvement. He thinks the long-term maintenance of the trail is an issue to be addressed in the final application. They should not depend on it being part of the larger interest of the HOA. If there are to be two parcels for lots 1 and 2 he supports having the creek be in a single parcel. This gives the best opportunity for the City and it would avoid confusion about responsibilities between neighbors. He is open to looking at the setback as long as they have an updated hydrologist report and it is dependent on what this tells them.

Commissioner Allen referred to trade-offs and asked if Chair Nagler were to prioritize what is most important to him, she asked how he would prioritize the importance of maintaining a rural country feel on the road versus a great amenity, such as money for trails extension.

Chair Nagler said if the Commission allows 4 lots there is adequate reason to get a public amenity beyond what these current owners bought into. He appreciates Mr. McDonald's comments that they should not ask for additional amenities because they have been put up. When the current owner bought the parcel this was part of the economics of it and now it is a new development, new request, new home prices, and new economics.

On balance, he did not know that there was much of an incremental difference so he suggested talking about amenities no matter what happens on the site and supported retaining the rural look.

- Whether or not amenities are to be asked for and be brought back as part of the final application and other related issues.

Commissioner Ritter said they would not have Sycamore Creek Road if the applicant did not agree to provide the easement which is a huge amenity.

Ms. Seto interjected, noting that we do not have the record at this time about how the right-of-way was received for that road; so there might have been a situation where the developer paid that property owner in consideration for that road and then the developer of the larger Sycamore Heights dedicated it as part of their subdivision. In other situations, for example, in the Vineyard Corridor Specific Plan area, the City has had developers dedicate right-of-way to the City in advance. In that instance, when the developer entered into development agreements with the City, they also preserved their future rights for development.

Commissioner Ritter said in continuing the discussion regarding amenities, the City always wants to achieve a community benefit when applicants are requesting a Specific Plan Amendment. He agreed with Commissioner Allen's discussion of Dale Way which should be paved, and this is part of a public amenity. To have a driveway come off of that road would be awkward.

Mr. Beaudin commented that there are actually two maps back to back in Figures 2 and 4 that show the parcels before and the parcels after. The lot line adjustment essentially reconfigured things such that the road could go through, but the net acreage is fairly similar. Pages 4 and 5 show how things shifted to create the opportunity for both developable parcels today that front Sycamore Creek Way. He wanted to make it clear for the record that the lot line adjustment in making room for Sycamore Creek Road actually does not look like a net loss of acreage to the applicant, but it looks like it gives a more developable parcel overall.

Commissioner Brown voiced his struggle with the question regarding amenities because in prior discussions the Commission was approving a project that was adding a lot of more traffic or more sewer or water demands. This parcel in its current form would allow three and possibly expanded to 5 lots so the incremental water, sewage and road traffic demands are less, so he struggles with this.

What is more relevant to him is the issue with the trail that dead ends at the property. He would like some separation between pedestrian and bike traffic and if that same access was being used as a driveway, that there be some separation. There would be a cost involved with separating or building something that could be used as a driveway versus a trail, and to him this will net into a sufficient amenity discussion as it relates to this property.

The piece he was struggling with is that the City does not know what the County's plans are at this time on what this trail would connect to, so the discussion around amenities should be tied to the trail that transects the project site rather than discussions around other amenities related in and around this development.

Commissioner Allen said she feels strongly that amenities should be required for any additional density given. More amenities should be required if they end up with 5 homes than should be given with 4 homes because it should be commensurate with the additional value the land owner is getting for this. This is important because it is part of the General Plan, part

of the North Sycamore Specific Plan and also a way to deal with fairness to other people. This is a way for the City to show the value that is provided back to residents as a result.

In terms of what would be amenities, because a design for connection of a trail would be ready in the near term, she recommended funding be provided by the applicant to the City to be used for the highest priority projects in the bike and pedestrian master plan that deal with connectivity, especially in south Pleasanton. One in particular is the circuit bicyclists take from Sycamore to Foothill and then around Foothill. One of the key provisions is for a wider bike lane on Foothill so there is a logical connection to improving bicycling along the corridor here that is realistic in the near term and money can do that. She asked that staff look at other options along those lines, and how much of a contribution was realistic based on splitting the difference of the profit a land owner would receive by having the additional two parcels.

Chair Nagler agreed with Commissioner Allen that public amenities with Specific Plan Amendments are partly to offset the cost to the community of providing for higher density. He also believes that the City Council and Planning Commission have an obligation to not simply provide the right for people to be profitable on land within the City's boundaries, but an opportunity. In exchange for that opportunity, there is a value that the taxpayer ought to realize.

He referred to the trail and asked how it would be maintained.

Mr. Beaudin said if it is part of a newer PUD it is a maintenance agreement with the future HOA typically, but it is negotiated project-by-project.

Chair Nagler said he would encourage staff to work with the applicant to be sure that the trail is properly maintained whether that becomes a mix of a public amenity for providing and maintaining the trail. He also agreed with Commissioner Allen's idea about funding, recognizing a reasonable amount given the size of the application and decide if that is helpful or not in some other project.

He was flexible as to specifically what the amenity looks like and encouraged the applicant and staff to talk about some sort of a requirement or encouragement that the homes built on these parcels contain ADUs. The City is having on-going conversations about housing shortages and affordable housing and it is a challenge. He thinks ADU economics would be advantageous to a builder and it is smart for the City to require or encourage that this project and future projects include some number of those units.

- Grading on the lots.

Commissioners commented that the applicant has already agreed that some of the fill needs to be reduced and/or moved around and will work with staff on this to make it consistent and level with other homes along Sycamore.

- The trail and the width of the trail.

Chair Nagler stated this has been adequately discussed in the staff report.

- Any other pieces of information or representations or graphics the Commission would like when the formal application returns.

Commissioner Brown requested staff talk with the County and find out whether there will be any future plans for trail connection.

Commissioner Ritter noted that the Trails Committee has a master plan that should coincide with this tying into the trail system.

Commissioner Allen said she would like to see a detailed visual where the exact building pads would be along Sycamore Road. In the design she would like to see inclusion of garages and ADUs which will provide her with enough information in determining one or two lots.

Commissioner Brown asked that the building envelope be shown, taking into account creek setbacks from the flood plain.

Commissioner Allen asked that streetscape visuals of this be provided which would assist her in understanding FAR.

Mr. Beaudin agreed that staff can work with the applicant to develop some massing diagrams that generally show two story structures and where the building can sit on the property relative to the street and streetscape, and Commissioner Allen asked that this include driveway configuration and where this occurs.

Commissioner Brown clarified that Commission Allen wanted the trail and the logical driveway shown and options for lots 1 and 2 or just one lot in order to understand where the building envelope needs to be.

Chair Nagler confirmed that staff will discuss with the applicant the issues of whether there are one or two lots, how they are configured and how the hydrology report supports a different setback.

Mr. Beaudin asked if there was interest in straw polling 4 versus 5 lots tonight. He said the Commission will likely get different opinions and if not, they can continue to work with the applicant on what this will look like. It helps narrows the field in terms of the site planning work, streetscape perspective, driveway access as well as the amenity discussion.

Chair Nagler said he would rather not do this and asked staff to work with the applicant to determine where there is flexibility.

Commissioner Brown said he would like to see the proposal include a distinct trail from a distinct driveway that can run in parallel, be separated or a different configuration.

Commissioner Allen suggested two alternative proposals be submitted. She likened this to the Carpenter's Union project and whether or not a landscape solution would work. It turned out it could work and it was a win/win, so they want a design that has an agricultural character on Sycamore and asked if other Commissioners believe this is a priority.

Commissioners agreed they would like the homes to look similar to the other homes; to have a rural feel and not like the homes on the west side.

b. P17-0903, Inclusionary Zoning Ordinance (IZO) Update

Consider an amendment to the Pleasanton Municipal Code Section 17.44 - for Inclusionary Zoning to promote City goals and policies related to affordable housing by requiring the construction of compact units within all single-family development projects of 15 units or more.

THE PUBLIC HEARING WAS OPENED.

Associate Planner Jennifer Hagen gave the agenda report.

Commissioner Balch said he recalls ADUs are limited to 1,200 square feet and he asked and confirmed that staff's revised proposal is now for 750 square foot to 1,800 square foot single family homes excluding ADUs in the policy. Therefore, a developer will be building a set of homes and conceivably the Commission could see a 3,500 square foot designed home next to a 750 square foot home.

Mr. Beaudin said there must be a neighborhood aesthetic and compatibility component when reviewing a detached single family project with 15 or more units and staff would be bringing that through the typical design review process. He would imagine if the applicant chose the 750 square foot model, staff would pair that up to a scale which is representative of the homes around it.

Commissioner Balch asked how much land would go with each house.

Mr. Beaudin said it comes down to the applicant and the overall aesthetic, but the Commission could imagine two, 750 square foot homes detached, one with a street presence and another with a flag lot or something else interspersed throughout the project. He thinks the design aspects are of concern but it is lower on the list that makes these other alternative recommendations more interesting from a staff perspective.

Commissioner Balch said if someone comes in with an ADU application different from this and they want to subdivide, he asked if they are allowed given conditions for ADU approval.

Mr. Beaudin said ADUs are accessory to the main structure and not meant to be stand-alone units or what the City's regulations allow. If there is enough property, the applicant could subdivide. For example, for R-165 zoning, with a 13,000 square foot lot and the applicant wanted to draw a line down the middle, they could theoretically create two main units and two ADUs on this parcel if they met all dimensions for the property. For a standard lot in the City at about 6500 square feet, a single family home and an ADU could be put on it and this would not be subdivided to create additional parcels.

Commissioner Ritter confirmed that staff has conducted outreach via email notifications to a list of people who regularly propose development.

Commissioner Ritter asked if any of the PDA, Chamber of Commerce, realtors, Urban Land Institute, Home Builders Association, apartment owners, builders or residents endorsed the recommended draft.

Mr. Beaudin said everyone understands the intent the Council had when they directed this through the work planning process. They did not agree or endorse but they recognize what staff is trying to achieve through what is being proposed. He noted staff comprehensively reviewed a number of ways to do this and what became clear with the process is that the opportunity for ADUs has gotten smaller and will not necessarily hit the goal. They are trying to achieve something more affordable by design and ownership is another aspect.

Commissioner Brown said staff backed out the ADU in the draft IZO, given people may use it as extra garage space or as a home office. Some people wanted it included back in and he asked what would be the expected occupancy rate for an ADU within the confines of Pleasanton, whether it is rented or used for an elderly parent.

Mr. Beaudin said the concern is there is no way to guarantee how the unit is going to be used and this could change over time and it is more supply and coming with the new projects but it is not a for sale ownership.

Commissioner Brown said a talking point could be that if 10% of the ADUs built in Pleasanton are assumed to be occupied by an in-law, renter or someone else, he recognized this puts the responsibility on the City to track this. The City could consider including this as part of the credit calculation to offset the compact unit requirement. He understands the rationale for taking it out, knowing it is difficult to know whether it is guaranteed to be rented or occupied but the occupancy rate could be assumed and then changed over time.

Ms. Hagen said that staff has also questioned the level of use and rent that ADUs achieve. Because of these questions, separate from the IZO discussion in which the objective is to look ownership units, staff will be conducting a survey of ADUs in the City, on a separate path. Staff anticipates the State is going to be looking to cities to provide data to be able to count ADUs and show how they are used and whether they are in fact being rented.

Commissioner Brown clarified that in other words IZO is tied to affordable home ownership and not affordable rental and therefore is treated on a separate track.

Chair Nagler asked if one were interested in getting around this requirement, how would you do it.

Mr. Beaudin said the exception section written in the draft ordinance will allow a number of opportunities for a developer to propose alternative means and this would probably be the first attack. The way the code is written now it is for single family detached housing projects with 15 units or more. Staff may hear an argument that they need to include some duplexes so they are not a stand-alone single family detached housing project, and spoke about creative ways people come up with arguments in terms of working with staff through the regulatory environment.

Chair Nagler said realistically what the Commission being asked to recommend to the Council potentially applies to two projects.

Ms. Hagen said the two properties that would be potentially impacted the most are the Lester and Sportorno developments which are in various forms of review. If this were to move forward, they anticipate those would probably be opted out. The other two large vacant properties that come to mind are the Merritt property and East Pleasanton, notwithstanding that there might be infill development elsewhere.

THE PUBLIC HEARING WAS OPENED.

Lisa Vorderbruegger, Building Industry Association of the Bay Area, said she applauds the City for looking at affordable by design and everybody is pushing hard for this. One of the biggest issues is the issue of the larger lots and the fact that members are telling her it will not be economically feasible for them to do the smaller compact stand-alone units on lots that are 5,000 square feet and larger. The ADUs were the most economical ways to go for those larger homes. The idea of doing duplexes or building smaller homes in the middle of larger homes does not seem reasonable. Fixed costs are there and there will be no economic return on the smaller units to pay for the subdivision to make them pencil out, and ADUs will not become a default for some of the smaller lot projects.

She read an interesting statistic for a report done for the development impact fee study in Pleasanton which said 90% of the people who work in Pleasanton do not live in Pleasanton. She urged the Commission to think giving developers as many tools and be as flexible as possible so they can build more housing for people who want housing to buy or rent at all levels and not just for the highest end.

Commissioner O'Connor said he read in Ms. Vorderbruegger's letter that much of this is not feasible because they are talking about an 1,800 square foot house that is on the same sized lot as a very large house. This is not what is being proposed. They are talking about smaller lots with a smaller home and a bigger lot for the much larger home.

Ms. Vorderbruegger said one of their members had done a financial analysis looking at the property that is zoned for 10,000 square foot lots and that assumed all lots would be the same size. She assumed they would have to go through a fair amount of machinations to get a lot of different lot sizes for the zoning and changes, so she was not sure of the answer.

Guy Houston said the economic value for an ADU is the rental to a child, a parent, etc. and these things should be encouraged, so he asked not to take out the one important part and use it as one of the other tools. He also said it usually takes quite a bit of time to process any type of development and thinks there should be a grandfather period in place so those who are in the process will have a period where they can be phased into this given its economic impact. He asked to keep the ADUs in and thinks it is a great tool.

David Stark, Bay East Association of Realtors and former Housing Commissioner, thanked staff for reaching out to him to discuss the proposal and encouraged similar conversations with home builders. Based upon reviewing correspondence from home builders, the primary concern is the double requirement of smaller units in addition to paying the in-lieu fees. Frankly, his initial reactions were that this is public policy that will prevent those projects from never moving forward.

His second reaction was whether the inclusionary zoning ordinance broken. It is creating millions of dollars being used for various affordable housing projects in town, one of which is the redevelopment of Pleasanton Gardens, and he believes it is working. Therefore, he questioned how to address the homeownership needs of low to moderate income individuals.

While the concept of the ADU is the new thing, the reality is that many low and moderate homebuyers are starting with a higher density, attached product and those types of projects pencil out. He echoed concerns and recommendations of Commissioners and asked for an informed realistic economic analysis that is vetted by the home building community about what things pencil out.

He also supports the City's second alternative and asked to do more homework, as 20% of zero is still zero. He asked the City to consider market constraints, and work with the building community if the City wants to create housing opportunities.

Jeff Shroeder, Ponderosa Homes, said to address the inclusionary issue, providing for sale inclusionary units is probably the most inefficient way to utilize affordable housing resources. Out of a 20-unit project, they would get 4 units, available to a very select group of people who qualify through a skewed process which is the first issue. Secondly, in an ownership situation that person and that unit only must qualify one time. For the rest of its life as a house, it could be occupied by that resident regardless of what their income becomes over time. In a rental project that person must qualify every year.

The City would also be creating a second-class homeowner who did not get the same rights that a market rate homebuyer receives. They are income-restricted and do not get the appreciation they would get, which is why people are often not interested in those unless there are adverse market conditions.

Lastly, they are in an epic housing crisis, and his advice is not to make it worse. When taking 20% of a 100-unit project, the City would be taking 20 units out of the market so the remaining 80 units go up in price which makes the situation worse. If the City is also insistent on doing for-sale inclusionary zoning, he suggested adding them on top and increasing the slide to give them incentives. This is better than taking them out of what is built because it adds supply.

Regarding ADUs, he thinks it is a wonderful idea if done properly. He also thinks these should be added to bring more supply to the market. This will be difficult to do on smaller projects. To illustrate, the best way is to take a 10-acre site. He suggested taking 2 acres and making that the compact site, as there is an incredible market for 1,200 to 1,500 square foot, small lot, and two-story homes at 10 units to the acre. This will add units and there will be an incredible demand for those units. Also, fee increases contemplated are \$150,000 per unit so he is paying a \$45,000 water and sewer fee for a 4,000 square foot house and he will pay that same cost for a 1,200 square foot house which does not make sense.

Chair Nagler closed the public comment period and returned discussion to the Commission. Chair Nagler asked for comments from Commissioners of whether this addresses the issue of affordable housing, whether the Commissioners support it being recommended to the Council or other ideas.

Commissioner O'Connor voiced his support of the proposal and thinks they need to start looking at smaller homes on smaller lots, for sale units, as all affordability is in multi-family rental. The proposal needs to be tweaked and thinks they are running out of land to move towards these types of opportunities.

Commissioner Allen said she absolutely supports the desire to have more affordable by design homes, as they are desperately needed. However, she believes the recommendation as is will have more negative than positive consequences. It creates a number of complexities they have not thought through yet.

At this time, she voiced her support of Alternative 2 to support the concept but not recommend adoption. In the long term, the Commission will be able to make better decisions by looking project-by-project and building in compact units when they have rezoning and PUD opportunities for projects of more than 10 homes. Through this process the City can negotiate the layout of the land and have the opportunity to get smaller, well-designed homes.

In the long term, this would include East Pleasanton but it could be some of the properties on the list such as Merit or Spotorno. However, she would rather see it talked through based upon the layout of the property and what would work, and whether 15 percent is even the right number.

Separately, at the same time the City is now increasing the IZO fees and other fees so the timing of overlaying them together was not good. She fully supported increasing the IZO fees including those for single family homes because they know the decision-making value proposition for home builders for sale properties is they are paying the fee versus building homes.

Commissioner O'Connor agreed with Commissioner Allen in that they need to have a policy in place and should eliminate the fee for for-sale units, have a target number for compact units and forget the inclusionary units because they are not being built.

Commissioner Balch said he felt his fellow Commissioners and speakers have summarized the issues. He was also happy to continue the item given the nature of comments and time to think about the matter given things he had not thought about after he heard from speakers, such as utility connections being the same rate for small and large homes. He also remembers the other reason developers were choosing to pay the fee was that if they did not, they were married to the City in perpetuity on those units to confirm income, etc. At some point, getting away from touch points and future obligation is worth dollars today.

He supported the proposed Alternative 2 and recommended any future workshop be very detailed, with informed people, and a lot of good background. The things that the four speakers had mentioned are not typically brought up during conversations at the Housing and Planning Commission.

Mr. Beaudin noted the Commission will see the fee study in a lot of detail over the next couple of months, including comparison of fees to other communities. Some of the fees mentioned tonight are direct pass-through fees, a fact that is not always obvious to people other than the developers. Considering such fees, the City is quite competitive with its neighbors.

Commissioner Balch said it does not necessarily matter what fees their neighbors charge because each is based upon their own General Plan; the fact that cities have been competitive against each other may have caused problems in this regard. He questioned whether the City was trying to find housing in general, or a path to ownership, because they are slightly different. He thinks the ADU approach is an excellent avenue.

Commissioner Ritter said he thinks the higher the fees they go will continue to affect the market in what they want to do. He was in support of Alternative 2 because the modifications to the IZO are more intended for the larger projects coming. He was completely in favor of the concept of getting affordable housing but he did not think they need to do it by making it a broad swipe, but instead focus on the PUDs, rezonings, and individual opportunities similar to what Commissioner Allen discussed.

Commissioner Brown said he also learned a lot from the speakers. It is a bit of a triangle in pushing on building, land and density costs. One speaker said they need attached units to drive the objective, but to him staff is pushing on single family because the City is approving projects that have 100% payment of fees. His original supposition was the process was broken because developers are consistently opting to pay the fees.

He referenced one speaker's comments that for-sale inclusionary units are a one-time affordability equation; he agreed with that statement. Having an overall goal of housing availability is what drives reducing commute times and having more people living and working in the City.

He thinks the way the IZO as constructed today will not solve the problem and does not advance the goal sufficiently. He supported Option 2 and said the biggest opportunity area is East Pleasanton. In terms of ADUs, this is tied to the goal discussion which is that if one can assume an occupancy rate for an ADU and he agreed that in addressing housing goals, traffic and congestion and other things, the ADU factors into that. If they cannot guarantee it, staff could at least estimate it and apply credits that way.

Commissioner O'Connor said this is about ownership and suggested having staff look at not only sectioning out what percent of development should be the add on here. They want to do something compact, but if they take out 20 or 25 units from a 100-unit development, that hits the pocketbook of the developer. He thought possibly doing a hybrid of that and looking at something like reducing the normal market rate by 10% but add 20% or 25% and giving builders something for providing compact units. He thinks there is room for that because typically in town they do not have developments that do not proposed the maximum given the acreage they have. They could also look at the mid-point or lower than the mid-point.

Chair Nagler cited the topic as incredibly important and thinks the Commission has held the right discussion. The Commission is obliged to get back to the Council to hear their recommendation on this item. He asked staff to relay the following comments to the Council:

1. This is a critical issue for the City of Pleasanton;
2. A variety of housing stock needs to be stimulated in town and the City owns this issue as much as any other community in the region;
3. They recognize Pleasanton is not going to solve the entire regional housing problem, and the goal is to do some part to address creating a variety of housing stock;

4. Notwithstanding the Housing Commission and Planning Commission's time spent on this, staff has done terrific work but the item is not yet fully evolved;
5. They recommend to the Council is for the Planning Commission to hold a housing and planning conversation and address the subject in the same manner as they would with an update to a Specific Plan or some other significant challenge and not just do it as another workshop.
6. That the Planning Commission have a structured effort coordinated by planning staff and that it be sustained over time and include a cross-representation from the City and stakeholders;
7. That the conversation, include experts and interested parties and hold a lot more discussion about statistics, education, deliberation and what is realistic;
8. That staff continues to work on the housing white paper which seeks to portray the historic and current housing environment in Pleasanton and what might be possible in the future.
9. That the Planning Commission then report back to the City Council and hold a serious conversation over a period of time through a task force.

Chair Nagler moved to support Alternative #2 in concept but recommend that the City Council not adopt any changes at this time without further exploration of alternatives by the Planning Commission; request staff to schedule a comprehensive discussion by the Planning Commission and include cross-representation from the City, stakeholders and experts to discuss and refine housing alternatives.

Commissioner Ritter seconded the motion.

ROLL CALL VOTE:

AYES:	Commissioners Allen, Nagler, Balch, Brown, O'Connor and Ritter
NOES:	None
ABSENT:	None
RECUSED:	None

7. MATTERS INITIATED BY COMMISSION MEMBERS

Commissioner Balch questioned the status of the no right turn on Foothill onto Castlewood Drive, and Mr. Beaudin stated staff has communicated with County Supervisor Miley who is holding a public forum tomorrow evening where a proposed improvement will be discussed.

Commissioner Ritter announced that Chamber of Commerce CEO Scott Raty is retiring.

8. MATTERS FOR COMMISSION'S REVIEW/ACTION/INFORMATION

a. Reports from Meetings Attended (e.g., Committee, Task Force, etc.)

No reports were discussed or actions taken.

b. Future Planning Calendar

Ms. Clark described upcoming items on the Planning Calendar.

She asked Commissioners to let staff know of their interest to serve as a volunteer on a BART Committee to review and select art projects on the East station to interface with the Iron Horse Trail. Commissioner Allen noted that Napa just did this for their bike path and asked staff to let BART know about this.

c. Actions of the City Council

No items were discussed or actions taken.

d. Actions of the Zoning Administrator

Ms. Clark cited there were 11 approvals listed on the report which include residential additions, sign permit approvals and others.

9. ADJOURNMENT

Chair Nagler adjourned the meeting at 10:12 p.m.

Respectfully submitted,

Amy Statham
Recording Secretary