



PLANNING COMMISSION MEETING MINUTES

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

APPROVED

Wednesday, June 13, 2018

(Staff has reviewed the proposed changes against the recorded proceedings and confirms that these Minutes are accurate.)

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

The Planning Commission Meeting of June 13, 2018, was called to order at 7:05 p.m. by Chair Nagler.

The Pledge of Allegiance was led by Commissioner Brown.

Staff Members Present: Brian Dolan, Assistant City Manager; Gerry Beaudin, Director of Community Development; Ellen Clark, Planning Manager; Julie Harryman, City Attorney; Eric Luchini, Associate Planner; Mike Tassano, Traffic Engineer; Tina Olson, Director of Finance; Amy Statham, Recording Secretary

Commissioners Present: Commissioners Nancy Allen, Jack Balch, Justin Brown, Herb Ritter, and Chair David Nagler

Commissioners Absent: Commissioner Greg O'Connor

2. APPROVAL OF MINUTES

a. May 9, 2018

Commissioner Ritter moved to approve the Minutes of the May 9, 2018 meeting, as submitted.

Commissioner Balch seconded the motion.

ROLL CALL VOTE:

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

The Minutes of the May 9, 2018 meeting were approved, as submitted.

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

There were no amendments to the agenda.

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. P18-0032, Bill Douglas/Pleasanton Masonic Lodge

Application for a Conditional Use Permit to operate a meeting hall for Pleasanton Masonic Lodge at 1181 Quarry Lane. Zoning for the property is PUD-I (Planned Unit Development – Industrial) District.

Chair Nagler stated he received a request from the public to speak, and removed the item from the Consent Calendar.

Commissioner Balch recused himself from participating, stating he has a due process conflict of interest, and left the chambers.

Associate Planner Eric Luchini presented the agenda report.

THE PUBLIC HEARING WAS OPENED.

Bill Douglas, architect with ID Architecture, described the lounge and the lodge hall as well as a small kitchen and lobby. He referred to the plan showing these items and said the improvements seem like a good fit for the building.

Chet Thomas stated he owns two properties behind the building and presented a letter from Dan Costa, President of Balch Business Partners. He questioned who would enforce regulations of the CUP if complaints are received, citing past poor behaviors of the lodge's operations.

Gerry Beaudin, Director of Community Development, replied that the City is responsible for enforcing conditions of approval and the code enforcement officer works to address issues on a complaint-driven basis. If an immediate public health, safety and welfare issue the complainant would typically contact the police to respond. He also stated Condition No. 10 which requires the CUP to be returned to the Planning Commission for a revocation hearing if conditions are not complied with.

Mr. Thomas added that a boat and motor home have been parked along the street for two years and the owners have called the City, with no resolution to date. He also voiced concerns with parking, noting they have 30 employees and the lodge may require as many as 38 spaces.

Chair Nagler indicated that the Commission was very familiar with past issues at the applicant's prior location, are sensitive to conditions of approval and violations and asked staff to comment about parking.

Mr. Luchini stated the entire site has approximately 100 spaces and the proposed use would require up to 38 spaces, although typically needing many fewer, and leaving 62 other shared spaces available at any given time; in staff's analysis the proposed parking demand would not present a problem.

Commissioner Ritter questioned how the City handles abandoned vehicles throughout the City.

Mr. Beaudin replied that if vehicles are parked in the public right-of-way it is a police issue, and if parking occurs on private property the City would contact the association or owner. If it was causing a nuisance it would be a code enforcement issue and he agreed to follow up on the parked boat and motor home.

Kevin Keen, Masonic Lodge, said they have been in the City for 124 years and explained that while there were a handful of issues a few years ago, such problems will not occur again because they will not have outside tenants. The Mason's are typically at the building in the evenings, and not on weekends. They hold two pancake breakfasts, one installation events and two youth installation events, and all functions are held inside the building.

The Masonic Lodge is also planning their 105th anniversary in August and want the City and the lodge to continue their long-term relationship. Parking is also not an issue and at most they have 10 spaces used. He encouraged approval of the application, stating they have looked for a location over the last two years.

THE PUBLIC HEARING WAS CLOSED.

**Commissioner Allen moved to approve case P18-0032 with conditions of approval.
Commissioner Ritter seconded the motion.**

ROLL CALL VOTE:

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

Resolution PC-2018-10 recommending approval of Case P18-0032 was entered and adopted, as motioned.

Commissioner Balch returned to the dais.

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 within the North Sycamore Specific Plan Area.

This item was continued to a future date and was not discussed.

7. MATTERS INITIATED BY COMMISSION MEMBERS

No items were discussed or actions taken.

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

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

Commissioner Brown reported on his attendance at the Downtown Task Force Committee meeting. Planning Manager Clark clarified that the next milestone of the process will include publication of the public review Draft Specific Plan and EIR in November.

b. Future Planning Calendar

Ms. Clark provided an overview of upcoming items. Community Development Director Beaudin clarified scheduling and review of the inclusionary zoning ordinance. Mr. Beaudin indicated that the housing white paper will be discussed in August around the same time as compact units.

Commissioner Balch indicated he will not be able to attend the August 8 meeting and was also trying to resolve a scheduling conflict for the July 11 Commission meeting.

c. Actions of the City Council

Ms. Clark reported that the Carpenters Training Facility project ordinance was adopted by the City Council.

d. Actions of the Zoning Administrator

Ms. Clark stated case P18-0101 was subject to an appeal, received on June 13, and will be heard by the Commission in July. She also provided an updated Zoning Administrator report for Commissioners.

Chair Nagler requested the Commission conduct a design review hearing for the hotels proposed for the Economic Development Zone.

e. Presentation on an update to the City's Capital Facility, Transportation and Affordable Housing Development Impact Fees (Development Impact Fees)

Director of Finance Tina Olson gave a PowerPoint presentation regarding the capital facility impact fees.

Commissioners voiced the following comments/questions:

- Regarding maintenance of a public park, Commissioner Allen asked if the City includes added costs for long-term maintenance in the development fee. *Ms. Olson said no; this maintenance is generally funded by the General Fund, paid for by tax revenues.*
- Regarding percentages of fees allocated to new development, Ms. Olson clarified for Chair Nagler that 17 percent of the \$200 million is allocated into the development impact fee methodology based on the additional residents, employees, and hotel visitors generated by new development.
- Commissioner Brown if 100 percent of revenues collected would go into the General Fund or if it would be some other City account. *Ms. Olson said once collected, it must be accounted for in separate funds established in the development impact fee program, and which are allocated to CIP projects annually.*
- Commissioner Balch asked how often update of development impact fees was done. *Ms. Olson said it was last updated 20 years ago but it ideally should be done every 5 years.*
- Commissioner Balch stated the east side is zoned industrial, and if the City rezoned this area to single-family he asked if that would impact fees significantly. *Ms. Olson said in the next 5-year update, any changes to the planned land uses in East Pleasanton would be reflected in the study along with the fee allocation.*
- Commissioner Brown asked what accounted for the changes in fees from existing levels, particularly given that some are shifting considerably and others are not. *Ms. Olson stated the buildout assumptions from the 1996 General Plan are reflected in the existing fees, whereas the potential maximum fees are based on buildout assumptions in the 2005 General Plan. Additionally, the list of projects is different than what was identified in 1996. The shift between residential and commercial is entirely about the land use assumptions in the current General Plan versus the 1996 General Plan.*
- Commissioner Balch noted the City is restricted to five General Plan Amendments each year and one amendment was evaluated on Dublin Canyon Road. He asked and confirmed the fees will not change, once adopted, unless they return to the Commission and Council. *Ms. Olson added that the fees are not dynamic; they will be based on the current study undergo a study which accounts for an annual CPI increase, and other factors. Mr. Dolan also confirmed the last comprehensive update of the General Plan was done in 2010, but more changes were made during the Housing Element update which followed.*
- Commissioner Balch said in thinking about large projects, he asked how these are factored into the General Plan. *Mr. Dolan said in considering the east side, this may merit discussion re-review of the fees but not a project like Lund Ranch.*

Traffic Engineer Mike Tassano then provided an overview of the transportation impact fee.

Commissioners voiced the following comments/questions:

- Commissioner Balch noted he often sits in on the Alameda County Transportation Agency meetings and he asked how the City is factoring in new regional development that affects traffic in Pleasanton. *Mr. Tassano stated regional traffic is accounted for in the number of trips, but those impacts are not reflected in local impact fees. The reports show the regional cut through volume which are included in the baseline.*

- Commissioner Balch asked if fees for a new development would be triggered faster because how the county is already causing city intersections to fail, and one new development would cause further failure. *Mr. Tassano said the traffic analysis typically looks at a “no build” or no project with increases per the model, and this accounts for external trips that drive through the City but have no destination within the City; those trips cannot be assigned to a developer.*
- Commissioner Balch stated Sunol Blvd. at the I-680 interchange and Raley’s and the Senior Center is significantly impacted by out of towners and now being impacted by Lund Ranch coming on line. He asked if this was factored into the fee eventually under this model. *Mr. Tassano said they included Lund Ranch in the General Plan buildout, and all future development is included along with the regional trips.*
- Chair Nagler asked about how Johnson Drive factors in and said if the development is self-contained the developer will pay for the improvements. *Mr. Tassano said they identified that project but if its need is solely based on one developer, it is identified as a direct developer fee. For example, the new Auf de Maur development’s traffic signal was only necessary if that project developed. This was identified in the General Plan; however, it was identified in the traffic impact fee as a fee directly attributable to a particular developer: meaning if the project is developed, they must pay for the signal. Johnson Drive is mixed and includes interchange improvements at Stoneridge Drive interchange identified in the previous fee by staff; whereas the traffic signal at Commerce Circle, was not identified in the General Plan and not necessary unless the Johnson Drive Economic development came in - that particular improvement would be on that developer or zone specifically.*
- Commissioner Balch asked how the City determined costs for planned improvements. *Mr. Tassano said staff uses conceptual design for the number of 12-foot lanes, a 6-foot bike lane and 2-foot buffer, 6-foot sidewalk with a 6 foot separate and the entire right-of-way cost is calculated in as well as the construction costs.*
- Chair Nagler said in approving a project, the City gets the developer to provide public amenities. If those amenities are a bike trail and as part of that project the developer agrees to put in a pathway that includes a bike lane under the City’s Bicycle Master Plan but they are funding it because they get to build (for example) 15 homes nearby. He asked if the fees reflect this as a developer-led project or if such improvements are not included in the fees. *Mr. Tassano replied they first look to see if the project is on the list of 111 projects. If it is, the developer would get some amount of fee credit or build the project instead of paying the fee; however, that works out to be financially neutral. If not, it is just an amenity we receive from the developer.*
- Chair Nagler said if the developer is building it out, he asked if that cost is included here. *Mr. Tassano said this is for all future construction.*
- Regarding infrastructure costs for expanding the City’s ITS capabilities as well as routine upgrade of traffic signal system, Commissioner Balch asked if costs for cameras to detect bikes were included. *Mr. Tassano said yes; it is infrastructure cost. \$1.7 million is the total cost and the 19% is the general improvement amount.*
- Regarding trips associated with the Research and Development category, Commissioner Brown asked and it was confirmed that Oracle would be deemed as Office. He said the Commission reviewed an application for a small hotel with a large conference facility and asked how conference facilities and square footage of the rooms account for trip generation. *Mr. Tassano explained there is a separation in traffic counts and trip generation manual that says hotel with conference center and hotel without conference center and this is how staff assigns it.*

- Commissioner Balch asked if a developer ever told staff they were being under-charged. *Mr. Tassano stated only once where Costco told them that the trip generation established in the ITE rate was not high enough and they used the trip generation rates they provided and used this rate when charging them developer fees.*

Assistant City Manager Brian Dolan discussed the affordable housing development impact fee.

Commissioners voiced the following comments/questions:

- In the costs to build units, or the affordability gap, Commissioner Balch asked if the stated cost to build includes land costs. *Mr. Dolan was unsure, but thought that it did not.*
- Commissioner Balch asked if the fee includes the cost to make units ADA accessible. *Mr. Dolan said it reflects an average cost for a project so, assuming a proportion of units must be ADA compliant, he would assume it is included.*
- Commissioner Brown asked if the cost to build a housing unit is based on the assumed density figure. *Mr. Dolan said it is assumed on a 30 unit per acre amount.*
- Commissioner Ritter referred to affordable multi-family units and asked if this is considered a condo, apartment or both. *Mr. Dolan said it assumes this is an apartment, but the fee is the same. It is based on the square footage and he noted the City has very few multi-family attached condo units.*
- Commissioner Allen referred to the affordable housing impact fee payment of \$44,930 for a 1,500 square foot unit and the amount for non-residential uses like retail, and asked why this amount is so much higher than neighboring cities. *Mr. Dolan said because those cities' Councils may have made a policy decision not to charge as much as they could, or they'd decided they wouldn't do a nexus study on retail. For Pleasanton, the maximum noted is supported by the fee study.*
- Commissioner Brown asked if, when the nexus study comes out, if a city does not want any more single-family homes could the fee be set at \$100,000, yet they want retail and the fee could be zero. *Mr. Dolan stated the city cannot charge a fee above the maximum justifiable amount to address the impact.*
- Commissioner Brown asked how the City got to the prior fee. *Mr. Dolan said he was not with the City in 1998 but he assumed that it was a policy decision at the time. If a nexus study was done to address those categories, it did not come out exactly the same for each unit type, so a policy decision was made, which came out to whatever \$307 was in 1998 dollars. So, the numbers are something that can be justified using the methodology based on employment, very similar to the one described for single-family homes.*
- Commissioner Brown asked if the methodology changed for this versus what was done back in 1998. *Mr. Dolan said he could not answer this question accurately.*

Ms. Olson concluded with a comparison of other cities' fees and next steps.

Commissioners voiced the following comments/questions:

- Commissioner Balch noted that the differences between Pleasanton versus Dublin versus Fremont could be based on many factors such as how close they are to buildout, how many projects they identify, the cost of the projects, new development and other factors. All of these things are going into a 'pot' so he asked if comparability was more marketing and not necessarily their nexus study number. *Mr. Olson said the City looks*

at how Pleasanton compares when remaining competitive in attracting development, and they would look at other cities. She confirmed those cities have different factors going into it and their policymakers are making policy decisions based on those factors and what they prefer.

- Commissioner Balch said he considers Fremont a relatively built out city. San Ramon and Dublin have had substantial growth and in taking Dublin on its transportation element, when that city is adding a road that will impact people, this would cause their number to be so much greater than some of these others if they identify those projects, put them in and add room to the General Plan to say that growth was going to cause that. *Ms. Olson said this could be it, except they would have a bigger base to spread it on. It is the total cost and how much future development they are spreading that cost on to get to that per square foot or per unit amount.*
- Commissioner Balch said theoretically, he asked if at total buildout, fees go to zero. *Ms. Olson said yes, theoretically. Mr. Dolan added that the concept of buildout is theoretical.*
- Commissioner Allen asked when these other cities did their studies. *Ms. Olson said this question arose at another meeting. She has not heard back from Dublin. Livermore's fee schedule has been more than 5 years ago and is looking to update in the next year or so. San Ramon just updated it within the past year, and Fremont will update it again; however, theirs was just over 5 years old and not very old like Pleasanton's.*
- Commissioner Allen said this would be helpful to know. Pleasanton is the most current so one would think they would edge a little higher than the norm if the norm is 5 years old. Commissioner Balch said it slightly depends on how often the City updates its General Plan, and it will not matter if the other cities never set to their maximum because Pleasanton will not know what decisions they made to be competitive or not. *Ms. Olson agreed.*
- Chair Nagler stated one thing to bear in mind is that developers do not base their application decisions solely on impact fees. Commissioner Balch said fee levels have factored into many decisions his company has made with respect to location, and the comment regarding R&D versus industrial matters a lot in his world. *Ms. Olson said when this is presented to the City Council staff will include the timing of all of the different cities' studies.*
- Commissioner Brown said it would be useful to know the year each city's study was last updated and what percentage of their General Plan buildout they are at. He noted whatever the Council decides to set their fees at will take into account market, economics and comparatives, and he confirmed that tax revenues do not calculate into the formula and this would go into the Council's methodology in terms of trying to decide, given it is reoccurring revenue. *Ms. Olson said she would imagine this would factor into the Council's ultimate decision but not into the theoretical maximum the Council could justify in fees, which is a separate calculus.*
- Commissioner Brown asked what percentage of a total development cost was typical for a project. *Mr. Dolan said he could not say because every project is different. Mostly what fees will do is affect someone's decision to do or not do a project, combined with the cost of the land; the project needs to pencil out.*
- Chair Nagler noted the affordable housing fee is different from others because this is more of a policy decision versus transportation or infrastructure impacts. *Mr. Dolan said this is a policy question as well. The City can charge less than the maximum justified fee if there is a desire to subsidize some type of use.* Chair Nagler asked if the affordable housing fees were targeted towards the City's expected RHNA allocation. *Mr.*

Dolan said the law is only about the impacts of new development and it is completely independent of RHNA.

- Commissioner Balch noted this does not include the land cost. *Mr. Beaudin pointed to Table 2 in the Affordable Housing appendix where they estimated \$2 million per acre. With 30 units per acre and all other costs, the cost per unit gets watered down quickly.*
- Commissioner Allen said it is her belief that, today, most developers, if given a choice, would choose to pay the Low Income Housing Fee versus building affordable units because they consider the fee today pretty low compared to the cost of actually building the unit. *Mr. Dolan agreed that most developers prefer to pay the fee, but the reasons are more complex. For apartments, if the developer pays the fee, they do not have to deal with ongoing monitoring, etc. If there are affordable units in the project, there is ongoing annual discussion with the City for the rest of the project's life, with regard to income limits, qualifying people, etc.*
- Commissioner Allen commented that for multi-family units, it seems there is room for the Council to increase the fee if one believes most people would choose to pay a fee over developing the unit.
- Chair Nagler stated in taking the three categories and adding them together, he questioned whether the maximum fee proposed for a single family dwelling would be about \$100,000. *Mr. Dolan said they are going to provide that information in a table to the Council as feasible; but it is not necessarily easy to compare the total across cities because not all of them have all of the same fees. He thinks the guess of \$100,000 is a bit low. Ms. Olson agreed and said she has been working on the table, focusing on Dublin, Livermore and Pleasanton because they all have Zone 7 development impact fee which is about \$30,000/home.*
- Commissioner Ritter said when staff is setting the recommended fee and looking for a need, such as more residential, he asked and confirmed that staff takes in market considerations, and the fees cannot exceed the maximum amount established by the fee study.

Ms. Olson concluded the presentation, stating staff has been working on staff recommendations as well as the various questions received to arrive at a written response. They are receiving feedback for adjustments in the study and will be coming forward to the City Council later this summer with recommendations.

9. ADJOURNMENT

Chair Nagler adjourned the meeting at 8:45 p.m.

Respectfully submitted,

Amy Statham
Recording Secretary